

Improving the Integrity of Public Ancillary Funds

Submission by the Mackay Foundation Limited as Trustee of The Mackay Foundation.

December 2010

The board of The Mackay Foundation would like to express their concern with proposed changes put forward in the governments' discussion paper on 'Improving the Integrity of Public Ancillary Funds'.

The Mackay Foundation fully supports a sector that is transparent, accountable and acts within the best interests of its community. The Mackay Foundation has reviewed the responses submitted by Philanthropy Australia and The Geelong Community Foundation and fully support their responses and the concerns they raise.

The Mackay Foundation would like to reiterate the following crucial points that are covered by both these submissions.

1. We do not support the move to enforce Community Foundation to distribute a percentage of their capital value, rather than the current percentage of income earned. Our Community Foundation's goal is to build a sustainable capital fund that will be able to provide an ongoing income for local community groups and charities to access for the years to come. Enforcing a percentage of capital value to be distributed each year will make it extremely difficult to continue to grow our capital fund given we are still in the early stages of development and there is potential in the long term the fund would decrease to an amount that was no longer worthwhile continuing.
2. We do not believe that a limit should be placed on how much directors can donate to their Community Foundation. It is crucial in our promotion that our board members are seen as getting behind the foundation by continuing to give on an annual basis. We believe it is imperative the board members give first if they are going to be asking others to give. Any decisions that are made in regards to grants is transparent and made by the whole board and no opportunity for one board member to influence the process.
3. A investment rule that doesn't allow a community foundation to accept donations that are totalling more than 20% of its asset value would be ludicrous and against the goals of community foundations to raise as much funds as possible. Again this rule seems to go against the promotion of encouraging philanthropic giving. This would have a great impact on a foundation when they were starting up and also would discourage donors bequeathing large amounts of money to a Foundation as part of their will.

The Mackay Foundations believes that many of the suggestions in the discussion paper go against encouraging philanthropy, particularly small donors who should be encouraged to give as even small donations can make a big difference. Community Foundations aim to plays a is crucial role in being able to fill the gaps when the government is unable to meet the social and community welfare needs in a region now and in the future. Community Foundations encourage people to give back to their community by providing a way to give that ensures no matter how small a contribution you make it will make a difference by pooling donations that continue to provide for the community in the years to come. Any changes to the regulation should encourage philanthropy, of any size in Australia and support those organisations that give, not restrict them in their fundraising.

Introduction to The Mackay Foundation

We are the Mackay region's community Foundation. An independent philanthropic organization dedicated to supporting projects, activities and charities that sustain our region's most needy.

The aim of The Mackay Foundation is to apply funds towards:

- The relief of suffering of those persons in Mackay and the districts surrounding Mackay who endure poverty, sickness, distress, misfortune, destitution and helplessness;
- The improvement and assistance of educational, health, welfare, religious, environmental, family and cultural organisations in Mackay and surrounding districts.

A donation to The Mackay Foundation is truly a gift that keeps on giving. All donations are treated as capital in order to provide a permanent and growing source of funding which is then distributed regularly to nominated charities and causes in the Mackay region.

The Foundation aims to provide support for people and organisations in the Mackay region north to Proserpine and Airlie Beach, west to Moranbah, Dysart and Clermont and south to Sarina, a population of approximately 130,000 people.

Since being founded in 2003, The Mackay Foundation has attracted donations to build its capital fund to over \$480,000 and distributed over \$60,000 to worthy causes in the Mackay region. Below is a list of the groups we have supported:

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| - Children's Leukaemia & Cancer Society | - Kalyan Youth Services |
| - Australian Prostate Support Group | - Dragons Abreast Mackay |
| - Prescare | - Anglicare |
| - The Grapevine Group | - Meals on Wheels |
| - Mackay Respite Centre | - YIRS |
| - Anglicare | - River of Life |
| - Adra Australia | - Lowanna House |
| - Pregnancy & Parenting Support Program | - St Pauls Uniting Church |
| - George Street Neighborhood Centre | - Mackay Aboriginal & Islander Justice of Alternatives Group |
| -Mental Illness Fellowship NQ | |

In addition to an annual distribution of funds, the Mackay Foundation has also been a key driver on a local level for the following projects:

Mackay Flood Appeal - 2008

Immediately following this natural disaster in February 2008 there was a ground swell of people wanting to donate money to a Mackay specific appeal that would directly assist people affected by the flood. Mackay City Council approached The Mackay Foundation to request a local appeal be run through our Community Foundation Structure.

By the close of the appeal on 30 June 2008, over \$565,000 in total was raised and 100% of the funds were distributed to local people needing financial assistance.

The Mackay Foundation managed the distribution of appeal funds via emergency relief charities for short term financial relief, and worked with the Red Cross to provide long

term assistance to people who required further support. The Foundation was also responsible for the publicity of the appeal and managing the process for donating to the appeal.

Mackay SES Vehicle

The Foundation was instrumental in the organization and fundraising of a Mazda Ute to be donated to Mackay SES for the post flood clean-up. This was achieved through donations from NAB, Mackay Mazda and Mackay Regional Council and the vehicle remains a valuable asset to the Mackay SES today.

Back to School Program 2008, 2009, 2010

The Mackay Foundation has been a leading participant in the FRRR 'Back to School' program for the past three years. This program assists families in the Mackay region who are struggling to meet the cost of sending their children to school by providing them with a \$50 Target voucher. The voucher can be used by families to provide vital school necessities including stationery and clothing. The Mackay Foundation works closely with schools in the region to identify families that need this extra assistance. This program has been very well received not only by the wider community but also from individual families and schools who have been helped by the program.

Cyclone Ului

Following Cyclone Ului's impact on the region in March 2010, the George Street Neighbourhood Centre received a large number of requests for food hampers from local residents who were left without power.

The Mackay Foundation contributed over \$5000 to the George Street Neighbourhood Centre to fund food hampers and medication for over 240 local residents. The Mackay Foundation makes it a policy to work with local organisations that are able to act fast and contribute to the community at a grass roots level.

The Mackay Foundation is about to announce its first named sub-fund and hopes to establish 15 more over the coming year. This option for local businesses and individuals to establish a named fund with The Mackay Foundation not only encourages the local community to support at a grassroots level but also enables people to give in a simple yet structured way.

The current board members of The Mackay Foundation are:

- Scott Alman, Managing Director – Alman Partners (Chairman)
- Nick Bennet, Director – Minds Aligned
- Andrew Coates, Partner – McKays Solicitors (Deputy Chairman)
- Wayne James, Partner – Strategic Accountants
- Bryan Loft, Managing Director – National Press Group
- Steve Lowry, Executive Director – Alman Partners
- Col Meng, Mayor – Mackay Regional Council
- Nola Sneyd, Manager – George Street Neighbourhood Centre
- Caroline Wallace, Director – Out of the Blue Marketing

Further information about the Mackay Foundation can be obtained from www.mackayfoundation.com.au and the Executive Officer, Adrienne Rourke, – telephone (07) 4911 4349, mobile 0409 494 866, fax (07) 4957 2820, e-mail Adrienne@mackayfoundation.com.au or PO Box 870, Mackay QLD 4740.