

'The X Factor'
National Community Foundations Forum
12th –14th August 2009. Mount Gambier



**122 years of support to financially
disadvantaged South Australians.**

The Wyatt Benevolent Institution Incorporated
www.wyatt.org.au

For the Wyatt Benevolent Institution the years since 1886 to 2009 have been a journey of learning and development.

We are one of very few philanthropic organisations, which operate solely in South Australia and are limited to helping only South Australians.

The organisation arose from the vision of Dr William Wyatt a doctor who came to Adelaide from Plymouth in 1836 to start a new life. Like many educated immigrants at that time, he contributed significantly to the development of South Australian society – through his role as a founding Board member of the Royal Adelaide Hospital, Botanic Gardens, Museum and positions such as Inspector of Schools and Protector of Aborigines. He had worked hard and been disappointed to reach old age having lost all 5 of his children – the only one to reach adulthood having been murdered. He had ideas about need and disadvantage – possibly from experience with the people he had worked with e.g. schoolteachers, who when no longer able to work, had no income. In 1881 when he was 77, five years before his death, he spent many hours devising a will which set up The Wyatt Benevolent Institution Incorporated. This will, which was written in the lifetime of Queen Victoria in the 19th century, has set specific challenges for Wyatt in the 21st century – namely the restriction to provide grants to named individuals - which has and continues to define our focus and a point of difference from most other philanthropic trusts and foundations.

A good Board is fundamental, and Dr Wyatt chose his first Governors when he wrote out his will.

They were

Sir Henry Ayers - Premier of SA 7 times (short appointments), Manager of Burra Mines and the name behind Ayers Rock, now Uluru.

Eustace Grundy - Lawyer and confidant of Wyatt

William Everard - businessman and Parliamentarian

Alexander Hay - businessman, Parliamentarian

Henry Rymill - financier and developer

Henry Scott - businessman

George Turnbull - bank manager

Rupert Ingleby - lawyer

All were immigrants to South Australia – arriving from England and Scotland between 1836 and 1872 - and all were active in the life of the young colony.

What a network they would have had – and can you imagine the extent of their influence! In such a small colony we can assume that they had first hand experience of people in poverty. These were the times when there was no income security system such as our Centrelink system of Pensions and Benefits

One of the early applicants (no 405), in October 1890, was a 73 year old solicitor who had arrived in Adelaide from Ireland in 1850 and had been retrenched from his job in the Adelaide Registry Office at age 70. On his application it was stated that he had “no income and from failing memory unable to provide any description of situation, also, at times a very great sufferer from nervous attacks brought on by mental anxiety and despondency”.

Between 1886 and 1985 grants were made as monthly income supplements up to £24 per year. In bad years, such as 1894, the amounts paid were halved from £2 to £1 per month and new applications were not approved.

What started as a Trust worth £52,000 (as declared for probate) grew to \$4 million by 1985 following the sale of city properties - the land which Wyatt himself had bought in 1836. The Trust is now worth approximately \$60M.

In 1985 the Wyatt Governors were very aware of their moral responsibility to give more and, as a consequence, hired staff to assist with grant making. They appointed a social worker, a decision that has had a huge impact since on the operation of the organisation and its grant making. \$120,000 was given in grants that year.

The modern era of grant making began for Wyatt 24 years ago, and it has been an interesting and challenging process.

The Wyatt trust deed limits us to making grants to eligible individuals only. Partnerships are special negotiated arrangements to ensure that the requirements and needs of both parties can be met. We have been creative in complying with our trust deed to be able to develop partnerships for a range of purposes. As an example, we have partnered with organisations which are building affordable housing for people with very low incomes. We describe and account for our contribution to construction costs as \$ amount rental subsidy for the first occupants' initial years of residency. We do not support administrations costs.

This is a list of what Wyatt provides in 2009

Education

University Scholarships for rural students
University scholarships for Indigenous students
TAFE Scholarships
Awards to support retention at upper secondary school for Indigenous students
Scholarships for young parents re engaging in formal secondary schooling
Grants to students facing domestic financial crisis

Housing

Funding for packages of required items for people at risk of homelessness (partnerships)
Provision of affordable housing for older people through retirement villages
Expansion of availability of affordable housing for the most financially disadvantaged (partnerships)

Direct Financial Assistance

Financial Counselling services (partnerships)
No interest loans and Micro credit (partnerships)
Grants for domestic financial crises
Grants for respite and compassionate travel

The journey of 122 years.

In 2009 Wyatt aims to provide grants of \$2M a year. \$50M has been given to more than 27,000 South Australians over the lifetime of the organisation. Although a relatively small organisation, this level of grant making indicates significant activity.

Philanthropy Australia has devised the Five Steps of Philanthropy. It is possible to outline Wyatt's development using this model. See attachment

The Philanthropy Australia model shows the developmental steps from giving through donations to activity focussing on social investment.

Step 1.

It starts with having the capacity (through fundraising or personal wealth) to give money, and deciding to do it. Action is responding to requests and giving donations to projects that are favoured. In particular, living individual philanthropists choose to support specific projects.

Wyatt's Trust was the vision of an elderly man to help certain South Australians. His Trustees, the Wyatt Governors gave monthly income supplements to needy applicants for nearly 100 years. The trust deed's direction to distribute the fund to needy individuals set the direction for the organisation from the start. The Governors of Wyatt gave the money to needy people and had

systems in place to manage decision making, review and regular payment. It is possible that in the relatively small community of South Australia, the Governors had direct experience of the outcomes of their grants to the people they supported.

Step 2.

Grant making activity becomes organised- systems and procedures are set up.

With the responsibility of giving grants comes the need to have a system which is fair and manageable. Eligibility criteria are devised for the grants and procedures such as application forms, application rounds are developed. With a range of requests for grants, ideas about focus and purpose develop from experience. However it may still be chance which determines which areas of need or activity are supported by grants.

In 1985 the Wyatt Governors asked the question –could we be achieving more? This led to them broadening the group who could receive financial support. They also responded to organisations in SA which had good ideas about partnerships. By good fortune Wyatt gave its support to the formation of 2 outstanding, award winning respite programs in South Australia.

Wyatt's grants budgets were quite small, and if income was reduced grant applications were held back or amounts per grant were reduced.

With a small budget, there is greater need to specially choose those causes or those people who are in the greatest need. There is a self imposed and sensible pressure to have very consistent guidelines or rules about eligibility. This may appear, in hindsight, to be rigidity and self-protection. In its early days Wyatt was very concerned about “opening the floodgates”, and not being able to cope with demand. Fairness and consistency is important, but it does tend to limit creativity and innovation.

Step 3.

After some experience of using these systems there is often questioning – what is being achieved? We think we are “doing good”, but what actually does that mean?

Mission and strategy to focus grant making are developed and more staff may be employed. That there is a significant cost of administering the trust is accepted. The organisation takes responsibility for finding partners and projects with specific focus. The organisation may now have a more significant public face and more responsibility is delegated to staff.

Wyatt has particular areas in which it wishes to make an impact – education, housing and financial management. It is now clearly stating its priorities and working to further understand the nature of these through networking and reading relevant research. Its mission is to reduce financial disadvantage and improve the quality of life for South Australians. It requires the reporting of outcomes. Governors and staff are continually challenged to understand how we can become more strategic and effective.

Step 2 to Step 3 usually takes 4 –5 years for new philanthropists.

Step 4.

Becoming more sophisticated and professional, the organisation takes on a longer term focus, may make multi years grants and thinks about joining with and/or supporting others in their activity which may be focussed on the same issues. This takes some maturity and confidence in purpose and competence to achieve. Also it takes knowledge and trust of partners with whom the organisation is working.

Strategic philanthropy is moving away from grant making as an end in itself, and beginning to think about developing strategies to solve problems - grants become types of activity that implement strategy.

I would hope that in some areas Wyatt is at this stage.

Wyatt is funding with partners programs of support for homeless people which fill gaps in the welfare system. By doing this we are demonstrating what mainstream welfare or education programs could achieve if more resources are given. But will they ever be given? Can we and our partners demonstrate the need for these services and persuade government to fund them, instead of us? If not, do we continue to fund a needed service over many years - and limit our capacity to support new initiatives?

Step 5.

Social Innovation and Public Policy. Here is philanthropy which is sophisticated and professional with a wider scope, maybe using its voice to work towards systemic change. Research, advocacy and cross – sector partnerships may be supported by the philanthropic organisation’s money and expertise. Change of public policy may be the target of activity. Higher level philanthropic

organisations may also fund and assist other organisations to be more effective philanthropists – for the betterment of society.

We may never achieve this final stage. As we at Wyatt continue in our philanthropic mission, we have huge respect for organisations who can aspire to this. I believe that Wyatt’s trust deed which focuses our activity on individuals and families as recipients of the funds, holds us to strategic grant making while taking opportunities to be advocates for our grant recipients in specific areas of need.

For most of philanthropic organisations, at the beginning, there was a passion to get something done – or to meet a need. People in philanthropy start from different points and different entities – trustees of a will, community members sharing a vision, individual donors wanting to share their wealth, etc, or people, like me, who were fortunate to gain employment in the sector.

We are all experiencing the challenging process of learning and growth.

It has been a long journey, and a steady journey for the first 99 years of Wyatt’s life with an accelerating pace in the last 24 years. In the future, we face new issues and challenges, and the learning process will continue.

The elements of grant making for Wyatt

- Mission and Vision
- target
- expected outcome
- rationale or strategy
- implementation.
- evaluation
- modification/replication/repetition

An example of these elements

We have an understanding of need and a vision that quality of life for financially disadvantaged people is improved by having more choices and opportunities.

We choose our target—more young people participating in formal tertiary education.

We decide that our ultimate outcome is improved quality of life through expansion of life choices afforded by better employment opportunity gained from having a level of skill

Our immediate outcome is involvement in study and graduation from a tertiary course of education.

How do we get young people to consider this education? We develop a strategy which may be one or more of the following

- Secure income for the young people by paying an allowance during the period of study, and/or
- Promote the outcome and persuade the target group by providing an orientation visit to Universities and TAFEs for local school students and other potential students and/or
- Get the student started by paying a subsidy for any up front fees and/or.
- Give a grant early to help with costs which may be barriers to choosing to study – such as relocation, computer and study materials.

Implementation is not always smooth – Wyatt's University scholarship program for rural students has been in operation for 15 years. In the first five years, I think we modified it annually as we discovered problems and have made further changes as the Commonwealth Government has provided more support for country based University students.

Evaluation, either formal or informal, is essential, and contributes to effectiveness.

Wyatt's challenges

Having a place in networks and managing this

With our focus on individuals and offering opportunities to people experiencing financial hardship, Wyatt is part of the social welfare network. It is essential to have knowledge of our community and be active in finding grant making opportunities. We work with a range of interconnected referrers in the community, and we know that our decisions are discussed and compared. This factor may constrain our ability to flexible and creative in specific circumstances.

We value our freedom to work in the area of our highest priority. We want to be strategic, not just reactive. This means that we say No to lots of people with very good ideas about helping others.

Sharing Knowledge and resources

We must believe in what we do and take pride in our achievements, but not become competitive with others. When there is duplication of grant making, we can withdraw or change our provision to meet a different but significant need. This situation may be a trigger for creativity and new direction.

Sustaining our values

Charity has been unfashionable – giving money to people to help in crisis may be seen as encouraging dependence or stigmatising them. Aware of the negative consequences of charity, we are fastidious about privacy and respect in our grant making practice.

In education, we are giving our scholarships to students from financially disadvantaged families. We emphasise merit and potential of the student, but the reality is that low income is the key criterion.

At the same time as we give to support the community we work to strengthen our organisation. We need to nourish ourselves – learn, develop staff and share our experience with others.

Collaboration and partnerships

To make small grants to a multitude of individuals is very costly. High administration costs are not popular with Board members, the public and donors. It is much more effective and cheaper to collaborate or partner and add value to a partner's efforts and specialist skills than to manage every grant ourselves. We need partnerships – without them our effectiveness is reduced, and through them we can build scale and enlarge outcomes.

In partnerships, one must have shared expectations of outcomes and the documentation involved in measuring these. We have high expectations of the performance of our partners but it is important to understand that delivering services 'at the coalface' is very demanding.

Our challenge

Now at this stage of our history – our challenge is to be bold and advocate for what we believe in. We have several issues that we want to have an impact upon

- School retention and re engagement for young people
- Assisting people to learn how to manage their domestic finances
- Homelessness and the shortage of affordable housing

There are issues about which we have a strong view such as

- The logic of charging high up front fees for TAFE study when there is a great need in these times to engage more people in vocational education

We must continue to mature as an organisation. In particular we need to

- Manage our funds through challenging times.
- Continue to recruit, as needed new Board members and staff who have passion, skill and vision to ensure that we continue our journey of learning and adaptation.

Five Steps of Philanthropy in
Submission to the Productivity Commission Review into the Contribution to the Not-for-profit
Sector

http://www.philanthropy.org.au/pdfs/philaus/PA_Productivity-Commission-Submission.pdf

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