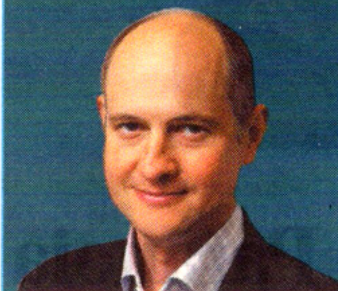


# Helping hand allows charities to give more

DAMON KITNEY  
THE INNER SANCTUM



For 30 years Lisa Kingman has been at the coal face of social change in Australia through her work with charities and the philanthropic sector.

Never before did she dream a single event could blow up the traditional funding model for the sector and highlight its serious lack of digital capabilities in an increasingly hi-tech investment world.

Then came the pandemic. "There was a lot of information in the sector coming out on a daily basis on grants available, changes to government policy and digital tech support. There was so much it was almost overwhelming. I acted as a bridge builder between the information available and those at the coal face," says the chief executive of Tanarra Philanthropic Advisors, a pro bono advisory service for charities that aims to help them become better and more effective organisations.

"Covid to me showed up the complete lack of digital capabilities within the small to medium-sized charities. The whole idea of having a donation platform on websites just wasn't there."

Over the past 18 months, wealthy family charitable foundations have been dipping into their cash reserves like never before to fund philanthropic causes, provid-

ing a challenge to the traditional investment models used by the nation's not-for-profit sector.

Koda Capital – which looks after \$2bn of assets for the not-for-profit sector and last year became the first external manager to be awarded a mandate to manage money for part of the Ramsay Foundation's \$6bn investment portfolio – has previously noted how Covid forced many larger charities and sophisticated non-profit groups to reassess how they manage their cash and reserves.

Investment committees have been re-evaluating asset allocation, looking for better diversification and challenging historic assumptions about the weighting of their portfolios in cash and cash equivalents.

The decision by TPA – part of investment banking legend John Wylie's Tanarra Group – to redirect a significant portion of its core focus during the pandemic from one-on-one charity advice to helping distil and share information across the sector, saw it become an immediate and safe sounding board for more than 30 charitable organisations to prioritise key decisions.

"I have seen greater collaboration that the sector is desperately in need of," Kingman says. "Boards have also questioned if they were working the right way. The pandemic has made them stop and reflect and ask 'Is this the most effective way to serve people?' They are now working smarter."

To further assist that questioning, TPA has recently launched what it claims is a revolutionary Board Health Check online program to help charity boards uncover their top performance areas, areas for improvement, and evaluate the alignment of directors.

Australia has almost 60,000 registered charities, of which two-



ALAN BARBER

Lisa Kingman says that, since the pandemic began, she has seen 'greater collaboration' in the charities sector

thirds are small organisations with an annual revenue of less than \$250,000. The vast majority are governed by voluntary boards of directors who are fully committed to the purpose but often time-stretched.

The Health Check, developed by TPA with support from the Governance Institute of Australia

and technology management consultant Dave Bonnett, is made up of mainly multiple-choice questions with a few commentary brainteasers.

It is designed to be quick, easy and insightful, but to draw out areas of agreement or difference between directors. Individual director responses are anonymous.

"We believe this Health Check will allow all charities to have greater clarity on their strengths and weaknesses, and their overall effectiveness, structure, meetings, individual conduct and financial and legal compliance," Kingman says.

"It incorporates practical ideas to address areas for improvement

and build on their strengths. Healthy boards should translate to healthy charities and that means greater social change regardless of whether the focus is on homelessness, conservation, or cancer."

The 44 questions in the survey include some curly ones, including "What has been your greatest strategic failure of the past three

years?" Kingman says: "Board directors often have never thought about that question but it opens a whole new line of conversation."

Another is: "If you had a 20 per cent increase in your budget, what would you do with the surplus?"

Kingman says this one teases out the focus areas for the organisation. "This is about being more effective for those they serve. It takes a lot for a charity to open up and share their warts and all with you," she says.

"We work with small to medium-sized charities and half of them have questions about board structure, governance, charters, fund raising. This is about bringing

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TANARRA PHILANTHROPIC  
ADVISORS CEO

some of the good practices we see in the for-profit space to the not-for-profit space."

Leon Cox, general manager membership and engagement at the Governance Institute of Australia, says to have a complementary tool available to aid how charities govern their own entities means more time and resources can be directed into their own purpose. By extension, this will deliver better outcomes for society.

TPA has just appointed former lawyer and head of pro bono at law firm Baker McKenzie, Anna McCann, as its new chief operating officer as the John Wylie-chaired group also looks to step up its work to prepare philanthropic start-ups to be investment-ready.

Last year TPA collaborated

with the Social Impact Hub, a group that helps purpose-driven change agents accelerate their impact in the businesses they back.

The hub has introduced an innovative initiative called Scaling Impact, a five-month selective accelerator program of coaching, masterclasses, advisory and networking services to help social enterprises and purpose-driven start-ups grow their business at a crucial point in their development and prepare for future impact investment.

It comes amid an explosion in impact investments – which are designed to deliver social as well as financial returns – by the philanthropic arms of the nation's wealthiest families, often driven by the younger generation.

As part of the TPA-Social Impact Hub collaboration, eight Tanarra investment advisers and analysts paired up to provide an opportunity for six start-ups to trial their pitches to a real investor market.

They included a maintenance service employing disadvantaged youth, an agrifood solution bringing urban farming into kitchens and classrooms, an end-of-day discounted food app, an entrepreneurship program helping young people see problems as opportunities, and online platforms that helped people with disabilities and their families connect with support services.

"We have had some trial partnerships with philanthropic foundations. We want to do more collaborations with foundations and with other strategic partners like businesses, other fund managers or corporate advisers and groups like the Social Impact Hub," Kingman says. "We want to help organisations that are really turning the dial on some of the big social issues in Australia."