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**CHARITABLE BEQUESTS
A SPECIFIC CASE OF GIFT GIVING**

**WORKING PAPER NO. PONC58
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BRISBANE

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1. RESEARCH SUMMARY

Over the last 5 years, charities have acknowledged that bequests are a source of income with the potential for enormous growth. As the population ages the number of possible bequest donors will increase. Charities are implementing bequest campaigns to target the older donors, and the need for research is evident.

Very little research has occurred in the area and few theories exist. Literature from the Consumer Behaviour area can contribute to a study of bequests. Over the last 15 years a number of research studies have examined consumer's gift behaviour.

This study was developed with the following broad objectives:

- To estimate the annual flow of funds to charities by bequests; which was found to be about \$28 million for Queensland and \$198 million for Australia.
- To explore the factors that influence bequest giving.
- To determine whether bequest donors are a homogeneous group. Five groups of bequest donors emerged: donors of sacred objects, token contributors, impoverished supporters, benevolent donors, and affluent philanthropists.

2. RELEVANT LITERATURE

During the late 1960s research into Consumer Behaviour grew quite rapidly and a number of classic theories were developed, tested and accepted by the academic community. From about 1979 there has been a growing body of literature about gift giving. Gift giving has been considered in the context of social and economic exchange (Belk 1979; Sherry 1983). But probably one of the most useful studies of gift giving comes from Otnes, Lowrey and Kim (1994) who explored the social roles of christmas gift giving. Many of the roles are common to bequest giving. The roles and their relevance are explained below.

Pleaser - In expressing the pleaser role the donor provides a gift that the recipient would be pleased to receive. This role is common in many bequests especially where the donor has had a long association with the charity. Charitable volunteers may leave bequests to express the role of pleaser by giving gifts with which the organisation will be pleased. Charitable gifts normally involve the donation of a sum of money. Instead of choosing gifts that assist in fulfilling the role, donors choose organisations which they perceive will be pleased with the gift. Where donors seek perpetual recognition, the social ties between donor and recipient are strengthened.

A lady in a western Queensland town had been involved with the organisation and left money with the local branch with the restriction that it be used in the town. The money

was used to expand the premises. A number of other charitable organisations in the town also received funds. The local charities got together to build one building in the town. The people in the town said "That's what she would have wanted."

Provider - The provider role occurs where the donor provides a gift that they consider the recipient needs. Evidence of the role was seen in individuals who leave property, artifacts or objects to charity. War medals left to a military museum, or the purchase of a specific item of medical equipment are two examples. Old clothes and furniture left to the Salvation Army and Lifeline for resale in opportunity shops, though not commonly stated in Wills, did occur on a number of occasions. The provider role occurs infrequently in bequest giving.

Compensator - Typically bequest donors do not express compensation or consolation for some loss. This role was not evident in bequest behaviour, but may occur in other types of charitable giving.

Socialiser - The socialiser role occurs when the giving of a gift expresses the values of a donor. Socialising behaviour was extremely evident in bequest giving. Donors frequently placed restrictions on the way charities could use the resources provided. In this role donors provide a set of values they thought the charity should adopt. Restrictions provided the charities with a guide to the donors wishes and particular areas where the resources were to be used. In a small number of cases the restrictions were difficult to comply with and from the charities point of view were unrealistic.

A widow left a house in a coastal country town. A special condition attached to the use of the property. The lady wanted the house to be used as a holiday accommodation for patients with a particular disease. The charitable organisation, aware of the ethical requirements and practicalities of the situation, was able to contact the donor and persuade her to change her will.

In a number of cases the special conditions were difficult to administer in an environment quite different from when the intention was first mooted.

Acknowledger - The act of giving is an acknowledgment by the donor that a relationship exists with the recipient. A bequest could confirm that a social relationship exists between a donor and a charitable organisation. The donor acknowledges and supports the charitable cause. For example a donor with a particular disease may leave money to an organisation conducting research in disease prevention. The gift could convey the shared experience of the disease and the existence of a relationship with the organisation. Christmas gift giving involves various gift giving obligations that do not exist in the case of bequests.

Avoider - The avoider expresses their feelings by not providing a gift. An individual's Will is a means of communicating the role of avoider. A number of charities expressed the situation where a donor had left the total estate to charity. Family members contested the Will and in the majority of cases the courts awarded the estate proceeds to the family members. The avoider role also occurs where the

donor advises the charity that a charitable bequest clause has been inserted in the Will. Upon the donor's death the charity finds that the Will has since been amended to remove any reference to the charity. The message of avoidance can be communicated to family members.

A lady, whose husband had died some years earlier left her with a sizeable estate. The woman's only son was dependent on drugs. She felt that if she left money to her son it would be squandered on drugs. She left a small sum in trust for her son but left the majority of her estate to charitable causes.

A number of other roles have emerged from the study of charitable bequests.

Loner - An emerging theme identified that some individuals in the later part of life have no family and very few or no friends. Family and friends may have predeceased and left them on their own for a long number of years. These individuals struggle to identify potential heirs for their assets. The options are not to make a Will, where the laws of intestacy will apply with the assets being held in an Unclaimed Monies Fund for future claims by the next of kin. Or the testator can leave the assets to charitable causes. In leaving a bequest the donor expresses that the charity may as well have the estate as there is no one else to leave it to.

A fellow had never married, had very few friends and was described as a "bit of a loner". He had lived a frugal lifestyle and owned a humble home. A caring organisation visited him twice on two different days. He left a very small specific bequest to a friend with a large residual estate passing to the charity.

Conscience Clearer - A common thread in charitable bequests was the frugal lifestyle of some testators. Childhood experiences during the 1930s depression had an indelible effect on their lifestyles. Some individuals had never given anything during their lifetime preferring to have sufficient resources in case of another depression or financial disaster. These individuals may have accumulated significant resources over their lifetime and felt guilty that they had contributed nothing in the past. In order to alleviate guilt, while maintaining their asset base, these donors express to charity that the organisation can have the assets when the donor dies. This role ties in with the speculation that the motive of gift giving is to alleviate guilt. One bequest officer suggested that some donors see a bequest as their "last chance to buy a ticket to heaven".

A retired professional had become a successful investor in his retirement. He had not been a previous donor to charity and had no connection with charitable organisations. However, he was aware of the work of the charity because of his profession. When visited by a bequest officer his two comments were:

- *"Not now, I'm having too much fun with my investment portfolio."*
- *"Where have you been, I've been expecting you to call".*

Caretaker - As the survey of the charities progressed it became obvious that a number of individuals have been results oriented in their lifetimes and they expect those that take over their assets to share the same values. Where the donors were contemplating leaving charitable bequests they searched for charities that achieved results and could be trusted to manage the assets just as they would themselves.

A retired professional person had never married and had been an active supporter of a particular charity. Her original intention was to make a bequest to a mission organisation, but was concerned that the money would be spent on world trips, which she considered to be a waste. Another concern was the "screwball" ideas of some charities. She left a six figure sum to an organisation she felt could be trusted to prudently manage the resources she donated.

The caretaker role often emerges where the donor considers the assets to contain that sacred status.

Bequest Giving and Other Gift Giving

From a review of the available gift giving literature it is possible to gain a feel for the nature of gift giving. By comparing bequest giving to the framework established for other gift giving it would seem that bequests differ in the following ways:

- The central decision in bequest giving is upon choosing a recipient rather than upon choosing a gift.
- The timing of the exchange is dependent upon the death of the donor rather than some predetermined ritual.
- There is less emphasis placed on age differences in bequest giving. For example grandparents give particular styles of gifts to children.
- Bequest giving involves little reciprocation on the part of the recipient and there is little chance for repayment of the gift. If anything repayment may occur before the bequest is given.

3. RESEARCH METHOD

Data was collected from the Public Trustee of Queensland which yielded a number of statistics. The data identified that about 20 Queensland charities dominated the market for bequests. A field survey was used to contact a number of charities to learn of their bequest experience. The results from the two sets of data was compared and found to be closely correlated.

4. RESULTS AND DISCUSSION

4.1 Annual Flow of Funds

A model to estimate the flow of funds by bequest to charity each year is proposed. The vast majority of bequests come from donors over 60 years of age. Bequests from donors less than 60 years of age represents only 1.5 percent of all bequests received. Theoretically the flow of funds should be equal to the product of:

- The population greater than 60 (16% of the popn is older than 60)
- The death rate of people greater than 60 (40 deaths per 1000)
- The percentage of the population over 60 that die with a will indicating a bequest to charity.
- The average bequest (\$35,870)

Greater accuracy is achieved by focussing the model on the population over 60 years. The death rate for the entire population is influenced by the comparatively high infant mortality rate and the low death rates of young people.

The potential flow of funds to charity in Queensland each year is in the vicinity of \$28 Million. The total of \$28 million from the model is considered to be a good indication of the size of the market for bequests in Queensland over the last four years. The total funds advised by the charities who participated in the survey confirmed the result.

The predictive power of the model hinges upon the accuracy of the bequest frequency and the average bequest size. Australian Bureau of Statistics provides the value of other variables and is considered to be a reliable source.

Only 4.8 percent of the population over 60 years are involved in charitable giving by bequest. Any small increase in frequency or amount of average bequest would have a large impact on the flow of funds to charity. An increase in the frequency of bequests from 4.8% to 5.8% would add \$6 Million to the annual flow of funds to charity.

Values used in the calculation of the total will provide a benchmark for comparison in the future. Trends include the decreasing death rate, an indication that people live longer and a growing aged population. The aged population of the over 50s group is expected to more than double in size to 37% by 2031. Using the model in the Australian context would lead to a current estimate of \$198 Million. Using projections of the 2031 population from the Australian Bureau of Statistics, the annual figure could exceed \$430 Million in present value dollars.

4.2 Influencing Factors

4.2.1 *Expected Amounts Given*

An analysis of the individual bequests found that the average bequest was \$35,870 and more than half the bequests were for amounts less than 10,000 dollars. Amounts received were comprised of specific and residual bequests. The average specific bequest (\$6,090) was much lower than the average residual bequest (\$57,664). The largest specific bequest was \$100,000 indicating that all amounts over \$100,000 were derived from residual bequests. The ten largest bequests accounted for 21 percent of the total given. While a ten percent sample of the largest bequests provided 52 percent of the total donated to charity.

The surveys from the charities found that the annual amounts received by charities ranged from \$100,000 to over \$4,000,000 for the larger charities. The average individual bequest advised by the charities surveyed ranged from \$10,000 to \$100,000 with an average of \$36,580. Charities stated that it was not uncommon to receive one particularly large amount that helped to lift the annual total significantly.

Bequest literature suggests that bequests are not influenced by the economic cycle, but some clarification is required. Though a donor's decision to make a bequest is not subject to the economic cycles, the underlying asset values of that decision can be affected by the economic cycle. In the boom times of economic cycle asset values can rise quite appreciably. A donor who has a large proportion of their estate invested in shares or property may find significant capital gains can accrue in these times.

Inflation can erode the value of bequests especially in the case of specific bequests. For example if a testator includes a specific bequest of \$5,000 in their Will and dies about 10 years later, the purchasing power of the bequest when received is less than the original \$5,000.

A distinct pattern emerged that donors provided either a specific or residual bequest. Only 2 percent of donors provided both specific and residual bequests.

4.2.2 Age

With death the major factor in bequest giving, age is a useful variable in identifying potential donors. The average age at death for charitable donors was 80.8 years compared to 74.2 years for non-donors. Although bequest donors are typically over 60 years of age it would seem that age is not sufficient to distinguish donors from non-donors.

The possible reasons for the variation in average age at death for donors and non-donors includes:-

- Clauses for charitable bequests are not inserted in Wills until a later age. The decision to make a charitable bequest may be triggered by external events. For example the death of a spouse may influence an individual's decision to make a charitable bequest. These events are more likely to occur later in life.

- The group of non-donors includes testators who died at an earlier age due to illness, accidents, murder and suicide thus reducing the average age. When unexpected death occurs at an early age there is less likelihood of a charitable bequest.
- Charities are targeting the older age groups. The charities may be missing out on donors who die in the 60 - 70 year age group because of the strategy to target older donors.
- Women live longer than men and are more likely to give to charity. The sample included a larger number of widows than widowers which may increase the average age of donors.

As donors died at an older age they tended to give smaller bequests. Reasons for the reduction in average amount as donors approach 100 years of age include:

- As an individual ages more assets are consumed in maintaining quality of life. Larger amounts are spent on health care.
- Assets that cannot be maintained are divested in later life and are not held to death.
- A number of the elderly are dependent upon interest income from investments. Over the last 4 years falling interest rates have meant that some elderly people receive less income and need to consume capital.
- As an individual gets closer to death they may be more inclined to give assets away prior to death.

4.2.3 Marital Status

Marital status is a critical factor when an individual decides how to divide their assets when making a Will. Widows and Widowers tend to contribute in a manner consistent with their presence in a population. Singles tend to be more likely to provide gifts. Marrieds are unlikely to provide bequests and if they do provide a bequest it is likely to be small in size. Widowers provide the largest average bequests of all marital status groups. The average residual bequest from a Widower approaches \$80,000. Reasons that Widowers contribute the largest amounts may include that widowers:

- Who make bequests are more likely to have no family and as a result leave a larger share of their possessions to charity.
- Are less likely to leave assets to nephews and nieces as widows and singles do.
- From professional occupations may have been successful investors prior to death and have more assets to give away.

4.2.4 Gender

An analysis of gender shows that the factors of marital status and gender are closely related. By comparing the frequency of giving and the amounts given it was found that:

- Women are more likely to provide bequests but provide a lower average amount than males.
- Males provide the largest average bequests but males are less likely to give.
- The total of the bequests provided by each gender approaches the same dollar amount.

The largest bequests come from widowers, while single females have the highest propensity to give.

4.2.5 Family Size

A review of beneficiary records of an estate may provide an indication of the family the deceased person may have had. Family size is a major factor influencing bequest giving. An analysis of the type of relatives who received shares of charitable estates found nephews and nieces were common participants in the estates of childless testators.

4.2.6 Time of Will Making

For a charitable bequest to occur a testator must have made a Will. A statistic with no apparent source but quoted periodically is that about 50% of people do not have a Will. However in reality a much smaller percentage of people actually die without a Will. The percentage of people who die without a Will is inversely and proportionally related to the age of the donor. It would also seem that marital status also has an impact on a persons motivation to make a Will. It may occur that children encourage parents to make a Will. The average time between death and making the Will is 5.9 years for charitable estates and 10.9 years for the general population. The inclusion of a charitable bequest clause in a Will is not considered to be a spontaneous event. The ten largest bequests made in the sample involved Wills that were made well in advance.

An analysis of the time between when the last Will is made and the date when death occurs found about 11 percent of the population make or revise a Will one year prior to death. In the case of charitable bequests, 22 percent of testators make a Will within one year prior to death.

4.2.7 Exposure to the Charitable Cause

Charities suggested that where donors were aware of the work performed by the organisation and aligned with the cause they were likely to leave a bequest. Some donors see first hand the work of charities, while other donors may be exposed to the cause by family, friends or through their

profession. From the survey of charities two distinct responses emerged. First, some bequest officers responded that donors need to be aligned with the cause. Of the charities surveyed, 9 responded that a number of bequests received came from donors with no prior contact with the organisation. The second type of response was that donors need to be aligned with the charitable organisation. It followed that where a donor had given in the past, there was a likelihood that a bequest would be left.

Exposure to the cause and to the charity is considered a major impact on an individual's decision of evaluating the alternatives and then choosing to make a bequest. The story below illustrates a donor's exposure to the cause:

A woman, whose mother had had breast cancer, knew that the disease could be passed from generation to generation. The woman left a charitable bequest for research with the hope that her daughters would not be affected by breast cancer.

The traditional pyramid models of fund raising support the second type of response that where an individual has made a donation in the past, there is a good chance that the donor will make a gift in the future. A number of charities adopt a strategy of targeting existing donors, but this does not allow for the sometimes large proportion of bequests that come out of the blue. Volunteer workers are a distinct group who are exposed to the cause and to the charitable organisation. An occurrence is where a family member or friend of the donor has direct contact with the charity and the donor becomes aware of the work performed by the organisation.

A male donor was good friends with a board member of a medium size charity. He knew of the work of the charity from contact with the Board Member. He had no family and left a large bequest to the charity.

Bequests received from donors with no previous contact, pose a serious challenge to the validity of the donor pyramid model. There appears to be no research that supports or rejects the use of the model. It may transpire that the model is valid in the lower levels, and the nature of bequests are outside the bounds of giving that can be explained by the pyramid model.

Any charity's marketing strategy needs to take into account the two groups. First, a charity needs to align donors with the cause and then second demonstrate the value that the charity adds to the community. Donors who support the cause and the charity are more likely to provide bequests.

4.2.8 Types of Charitable Organisation

The selection of charities to receive bequests is the critical part of the donor's decision process model. Over 100 charities were named in the 419 charitable estates. A number of groups of charities emerged. The majority of the charities named were local charities that provided services to a very restricted community. Larger charities appeared more often receiving a greater number and larger value bequests. Where a donor seeks the perpetual recognition that a bequest can provide, a local

charity may be chosen so the recognition occurs in the local area. The donor may only be known on a locally as opposed to a state or national level.

The data suggests that donors leave bequests to between one and four charities. Small charities were often the sole charity, but where a large charity was named, other large charities were likely to be involved. Twenty charities dominated the bequest giving in Queensland.

The survey of bequest officers revealed that charities of a like nature often share in an estate. For example if the donor had some leaning toward medical research, bequests may be left a number of research charities. Where a bequest was left to one welfare organisation (e.g. the Salvation Army) it was not uncommon to find a share of the estate donated to a like welfare organisation (e.g. Lifeline).

Some charities have close contact with their donors. A number of charities have face to face contact with the people they serve. The people receiving services are the same individuals who can provide bequests. Other charities perform a wealth redistribution function and may not have close contact with the donors, but have personal contact with the recipients. Charities who have closer links and provide support to donors may have a better chance of getting bequests.

A caring organisation regularly visited an elderly lady over a 3 year period prior to her death. She had never married and lived a frugal lifestyle in an inner city unit. Her funeral was attended by three friends and a larger number of representatives from the charities she had supported. Her estate was shared over 4 charities with the major share going to the caring organisation.

A useful strategy for charities is to develop closer links with donor groups. From the "Loner role" it can be seen that some of the elderly have no close associates and will give generously to any one who takes the time to show an interest.

Professional integrity and high ethical standards of bequest officers is essential to ensure:-

- Gifts are made to the charity and not the charity's representative.
- The organisation is not seen to be placing undue influence upon the elderly.

From the donors perspective a large sum of money is being allocated to a charity and the donor often expects social links to develop when the decision to give a bequest has been made. The visitation strategy used by a number of charitable organisations seems to be an appropriate method of establishing and maintaining social links.

4.3 Donors Profiles

Data from the Deceased Estates database was sorted into ascending order of the funds distributed to charity from each estate. The data illustrated marked differences between residual and specific

bequests. Different motivations may underpin the different types of bequest giving. Sample clusters of data enabled the following donor types to be identified.

4.3.1 Donors of Sacred Objects

The small number of donors in this group left specific objects to charity. Objects could have been held in sacred regard by the donor and included medals, paintings, antiques, musical instruments and jewellery. Typically the rest and residue of the estate was left to family or friends.

Charities were predominantly local organisations, (local churches, local hospitals, local councils etc) with which the deceased may have had a past relationship. These bequests involved no payment of cash to the charities. It is not uncommon in deceased estates for clothes and furniture of the deceased to be given to charities who can make use of these items. However, old clothes and furniture are not considered to be sacred objects.

The motivating factor is for the donor to find a recipient who will share the sacred status that the gift holds. The caretaker role aligns closely with donors in this group.

4.3.2 Token Contributor

Amounts left by donors in this category were small specific bequests and no residual bequests to charity were identified for this group. Though the value of estates was low, in most cases less than 1 per cent of the estate assets were distributed to charity. Widows and spinsters were predominant in this group and the estate was divided between two or three beneficiaries; one being a charity. Sons, daughters, nephews and nieces received the major share of these estates. Local charities received funds from these donors and nearly all donors nominated local churches. It is proposed that where a donor seeks perpetual recognition, that recognition will come from the community where the donor was known prior to death. If the donor is known in a small area any bequest will be made to a local charity.

The average time between Will and death was 17 years; the greatest of all groups. It may be construed that these amounts were planned in advance, but it could also occur that the Wills had not been updated for many years and were not truly representative of the testators last desires. It is proposed that because the amounts involved were small in size, there was insufficient motivation for a donor to revise a Will. The average age at time of death was 85 years; 5 years higher than the average for charitable giving.

4.3.3 Impoverished Supporter

Donors who leave a large percentage of a low value estate are considered to be impoverished supporters. The average age of donors at death was 70 years; 10 years less than the average for charitable donors. It may transpire that the donor's death may have been sudden and that the donor

was in a previous life stage than other testators. However the average time between making a Will and death approximated the 5 year average of charitable donors. Large welfare charities and a smaller number of disease research charities were favoured by these donors.

The proceeds of the estate were distributed to a small number of beneficiaries including close family members. Specific bequests were directed to family and friends, while the residual bequests were directed to charity.

Typically the value of the donors assets at time of death was low compared to the population. It could occur that these donors divest themselves of assets prior to death, leaving a small estate for administration.

No specific bequests were made by donors in this group. Evidence existed to suggest that material objects were passed to friends or family and that the residue was left to charity.

4.3.4 Benevolent Donor

Large specific bequests arose from estates with considerable value and often involved numerous beneficiaries. The payments to charity represented less than half the value of the estate assets. Only one estate involved both specific and residual bequests to charity.

Widows, widowers and single people were predominant in this category and the assets not distributed to charities typically were allocated to nephews and nieces. The high presence of nephews and nieces indicates that these donors had no family of their own. Large charities were favoured in these estates.

The number of beneficiaries ranged from 7 to 24, all of which are above the average of 5 beneficiaries. With such a large numbers of beneficiaries it may be expected that the distribution of assets was planned well in advance. However, the average time between Will and death was 2 years, which is low compared to other groups. Most testators passed away within 1 year of making a Will. It could occur that these are the donors targeted by charities and many donors revise their Will close the death. The short period between Will and death may tie in with Conscience Clearer role. The Will is made in anticipation of death and the donor wants to clear the conscience from not giving in the past.

4.3.5 Affluent Philanthropist

Large residual bequests represent the largest proportion of funds flowing to charities by bequest and are provided by this group.

In these instances it was common for the donor to request that the proceeds of the estate be distributed to a number of charities. The proportion of estates distributed to charities approached 100 per cent. A small number of small specific bequests to friends represented the difference. Relatives included in the Will were not common, but involved cousins in a small number of estates. Typical donors have no

close family and leave the major share of the estate to charitable causes. All donors in this group were widows, widowers or single. More males than females were identified in this group. A social issue may explain the higher incidence of males as the man has typically controlled the purse strings in most households of the past.

It would seem that large residual bequests are planned well in advance. The time between making the Will and death ranged from 3.5 years to 23.3 years with the average of 9 years significantly higher than the 5 years of the charitable group of donors. The long period of time between Will and death may align with the Loner role. It may occur that the donor has full knowledge that no suitable heirs are available and so Wills are made well in advance. Bequests by these donors are the bequests that surprise the charities when they arrive. Charities do not seem to be able to effectively target this group as opposed to the benevolent donor group. Considering that the longest period a charity had been running an active bequest campaign was 6 years, most of these donors' Wills were made prior to the establishment of any bequest campaigns by the charities.

Large charities were frequently nominated in these estates and assets were left to either one charity or about five charities. As with the Impoverished Supporter segment, if a donor decides to make a residual bequest, it is likely that 100 percent of the residue will flow to charity. The residue is likely to be shared over a number of charities in the case of Affluent Philanthropists.

Donors' estates involved sizeable property and share portfolios indicating that many had been successful investors. Affluent Philanthropists give 100 percent and can give no more.

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1	Nonprofit Organisations in Australia: What do we know and what should we find out next? The paper reviews the quantitative estimates of the size and types of Australian nonprofit enterprise and finds it sadly lacking in its scope and accuracy. The author then identifies key areas for research for Australian scholars interested in nonprofit research. This paper is an excellent introduction for those contemplating nonprofit research and bibliographic source of Australian materials.	Mark Lyons
2	The Special Premiers' Conference Process and Human Services The paper outlines the process begun by the Special Premiers' Conference held in October 1990 in Brisbane to deal with the fundamental nature of the relationship between the Commonwealth, the States and Local Government. It traces the changing relationship between the state and federal governments from a welfare perspective. It considers the different funding options open to governments to facilitate welfare provision.	Jacki Byrne
3	The Prerequisite of Quantitative Research in Philanthropy: Defining a 'Philanthropic Transaction' The author of this paper also wrote and researched <i>Giving Australia - A Quantitative Exploration of the Philanthropic Sector of Australian Economy for the 1988-1989 Financial Year</i> . He discusses in detail the definition of 'philanthropic transaction' used in the study and its accompanying philosophical and practical problems.	Kevin Hindle
4	Australian Casinos: Who Gets the Golden Egg? The paper examines the problems for nonprofit organisations from the continuing reorganisation of the Australian gambling industry. It predicts the future trends of Australian gambling and the pressures that will be placed on nonprofit organisations that have traditionally received funding from gambling sources.	Jan McMillen
5	Human Resources in Community Services: The Neglected Dimensions This paper argues that an attribute which is common to all community organisations is the high and diverse use of human resources. The classification of human resources in community organisations and its quantification is explored. A typology based on the qualitative dimensions of the human resources in community service is then proposed.	Adam Jamrozik
6	Government Policies and Volunteers: Privatisation and its Discontents This paper deals with government policies of privatisation and their consequences for nonprofit welfare organisations and their volunteers. It outlines growing privatisation of welfare service provision in Australia and its affect on volunteers.	Cora Baldock
7	Recent Developments in the Liability of Directors and Committee Members of Nonprofit Associations This paper outlines the liability of office bearers of nonprofit associations and pays particular attention to the impact of the National Safety Council case. The impact of legislation is also noted which makes management personally liable.	Sally Sievers
8	Winding up Incorporated Associations This paper deals with the neglected legal subject of winding up incorporated associations. It details the law and practice of winding up an incorporated association in Queensland.	Andrew Keay
9	Purists, Wowsers, Do-Gooders and Altruists: The Construction of Female Stereotypes in Australian Volunteer History This paper attempts a feminist analysis of women volunteers in Australia in the nineteenth and twentieth centuries. Its thesis is that many traditional views of volunteer work are based on inaccurate stereotypes. A case study of a female volunteer, Mary Douglas is used to discuss the relevance of	Brigid Limerick Eileen Heywood

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	stereotypes.	
10	Responsibilities of Charities, Community Organisations and Nonprofit Associations for Superannuation and Training Levy This paper outlines two new imposts that nonprofit corporations may be liable to pay. The Superannuation Guarantee charge is explained together with flow chart diagrams. An explanation of the Training Levy, its definition and application is also accompanied by flow chart diagram.	Allan McPherson
11	Facing up to the Liabilities of Nonprofit Enterprise: A Strategy to Minimise and Finance Liabilities This paper proposes some reasons for the general discontent amongst nonprofit committee members and officers about their personal liability flowing from their voluntary positions. A practical strategy of risk management for nonprofit associations is outlined.	Myles McGregor-Lowndes
12	Nonprofit Directors' and Officers' Insurance This type of insurance policy has been used by commercial directors to protect against the risks of holding corporate office. This paper examines such policies in a nonprofit association context. It sets out the limitations of such policies and issues to be considered before its purchase.	Mark Waller
13	Upholding the Integrity of Art Unions and Beyond: The Workings of The Art Unions and Public Amusements Act 1992 The paper examines the workings of the new Art Unions Act in Queensland. Art Unions have been a substantial source of revenue to charities but these funds have been threatened by competition in the gambling market by the recent introduction of casinos and poker machines. The Art Unions Act was altered to assist charities to compete with such new forms of gambling. The paper begins the debate on how successful these alterations to the Act have been.	Michele Robinson
14	Public Fundraising Charities in Queensland This paper is the results of a survey of the financial records of charities registered under the Queensland Collections Act between 1989 and 1992. The survey analyses gross income and assets in both periods as well as the growth of specific organisations between 1989 and 1992. A number of organisations were then selected for detailed financial analysis. An initial analysis of the data is offered in relation to contemporary theories of the state and the nonprofit sector.	Myles McGregor-Lowndes Catherine McDonald David Dwyer
15	The Challenge from Within. Organisational Commitment in Voluntary Human Service Organisations A survey of Queensland employees of 400 nonprofit organisations was conducted to ascertain their organisational commitment. Drawing upon organisational theory, nonprofit theory and social welfare literature, a range of proposed antecedents to organisational commitment were tested. These fall into four distinct categories: organisational structure, participant demographic features, individual and organisational normative frameworks, and job or work related characteristics. Addressing each in turn, the aspects of organizational structure measured were participation in decision making and hierarchy of authority (centralisation), and job codification (formalisation). The paper concludes by discussing whether nonprofit organisations can make a successful transition from relatively unmanaged organisations with fluid social relations to 'managed' organisations with crystallised social relations without placing at jeopardy an element of their uniqueness.	Catherine McDonald
16	Board Members' Involvement in Nonprofit Governance A study of the attributes of board members of organisations registered as charities under the Queensland Collections Act was undertaken. It sought to ascertain the current status of and ability of nonprofit boards to fulfil their governance functions plus the implications for this for welfare services delivery, and, prescriptive indications for maximising the governance capacity of nonprofit boards and organisations.	Catherine McDonald
17	Gifts, the Law and Functional Rationalism This paper examines the legal facilitation (or rather lack of facilitation) of gifts. The emerging western political ideology of welfare is based on the	Myles McGregor-Lowndes

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	premise that nonprofit organisations are to play a far greater role in the delivery of welfare services. This role will be enabled in part by increased gifts. The ideology has not addressed the fundamental hostility of the law to the facilitation of gifts. The nature of the legal obstruction of such gifts is compared to equivalent commercial transactions, the reasons given for this obstruction are analysed and the appropriateness of such nonfacilitation is challenged.	
18	Community Services Development: A New Approach to Government/Non-Government Sector Relations This paper examines the context of Community Service Development achievements and point to major challenges ahead. It is intended that the paper contributes to the development of theory and understanding from a practice vantage point. The focus of this paper is limited to the program context of Community Services Development. As such, it illustrates an approach to the relationship between government and non-government sectors which has contributed to significant new strategies and reform.	Jan Williams
19	An Analysis of the Differences in Audit Processes Used in the Audit of Nonprofit and Profit Organisations There is little formal research addressing the role of audits in nonprofit organisations. Before models can be developed for the production of nonprofit auditing information, it is necessary to examine the present conduct of nonprofit audits. This research investigates the process by which the audit of nonprofit organisations is conducted and whether it differs from the process used in profit organisations. The research involves the collection of accounting information for 22 Queensland charities. The auditors of these organisations were requested to complete questionnaires addressing their overall approach to the audit of nonprofit organisations. For eleven of these nonprofit organisations, a matched (by annual revenue) profit organisation signed by the same auditor was compared using attributes of the audit process. Attributes tested were the use of engagement and management letters, materiality, components of audit risk, extent of compliance testing, staffing levels, and time spent. The results indicate that parts of the audit process used are statistically different for nonprofit and profit organisations.	Renee Radich
20	The Application of Financial Ratios in Analysing Nonprofit Organisations Historically ratios have been used to assess the financial standing of profit organisations. This paper examines ratios of a group of nonprofit organisations and assesses the applicability of the traditional profit-based ratios to nonprofit organisations. Financial statements of a sample of charities registered in Queensland are analysed. The traditional profitability, liquidity and financial stability ratios are analysed and calculated wherever practicable and compared to the typical benchmarks used in profit analysis. The traditional ratios and their benchmarks (used in the profit sector) calculated from the financial statements prepared within the present reporting framework are largely inappropriate to the nonprofit sector. Alternative benchmarks useful for the nonprofit sector are suggested.	Ros Kent
21	Competition Between Nonprofit and For-Profit Organisations in the Marketplace: A Case Study of the Mailing Industry Competition between nonprofit and for-profit organisations has been an issue raised consistently in debates in America about nonprofit taxation. It is claimed the nonprofits when competing with for-profits have an unfair advantage because of taxation exemptions. This paper examines the mailing house industry in Brisbane, Queensland and competition between nonprofit and for-profit mailing houses.	Irene Tutticci David Dwyer Myles McGregor-Lowndes
22	Resources of Space, Age, People As business practice in the 90's focuses on mission rather than goals and embraces process rather than plans, marketing concepts have adjusted toward vision instead of image. Profiling, projection and positioning have become the strategies more prominent than promotional tactics and product endorsement. Places of distribution are newly regional rather than international. Pricing now reflects diversification of resources. This paper merges western marketing experience with eastern bonding practices, and illustrates the emergence of a development model for nonprofit organisations.	Nell Arnold
23	Market Orientation in the Nonprofit Sector	David Dwyer

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	As the nonprofit sector moves into a more competitive environment it is being required by the community to become more efficient and effective. One response is for nonprofit organisations to become market oriented, which is the familiar response in the for-profit sector. Two components of market orientation, that is market segmentation and customer oriented products, fit well within the peculiarities of a nonprofit organisation. This is usually accompanied by the desire to obtain a competitive advantage causes problems for various stakeholders within the organisation. This paper contends that three factors, management, scarcity of resources, and conflict between organisational objectives and market orientation, are major influences on the adoption of a market oriented culture for a nonprofit organisation.	
24	<p>Recruitment and Training of Board Members for the 90's and Beyond</p> <p>This paper presents the findings from a research project which involved analysing the mission and objectives of selected arts organisations in Queensland and thereby developing a performance profile for Board Members; interviewing Board Members, General Managers and Artistic Directors to establish information flow, roles and responsibilities of directors and executives, and recruitment and training practices for Board Members; and through observation at Board Meetings assessing performance in relation to selection and training methods. The conclusion recommends guidelines for selection and orientation or training procedures for Board Members of arts organisations.</p>	Jennifer Radbourne
25	<p>Power Through Influence: The Evolution of Arts Management in Australia</p> <p>The purpose of this paper is to frame effective models of arts management for Australia in the nineties and beyond based on an analysis of historical practices. The evolutionary process of government subvention of the arts through non-profit arts organisations provides a clear statement of the role of power and influence. In particular the ascendancy of arts organisations and their management constitute a background against which to study other non-profit corporations.</p>	Jennifer Radbourne
26	<p>Nonprofit Organisations and Value Added (GST) Taxation</p> <p>The subject of this paper is the changes in the taxation of nonprofit organisations which seem to be more or less inherent in the value added taxes. The Australian federal Coalition's proposed goods and services tax will be part of the discussion.</p>	Ole Gjems-Onstad
27	<p>Nonprofit Organisations Face a Restructuring State: The Case of Local Social Services in the Hunter Region of New South Wales</p> <p>This paper is concerned with certain of the characteristics of local social services, and their role in a restructuring Australian welfare state. I am particularly concerned with the distinctive gender characteristics of these organisations, because in comparison with most other organisations they have a feminised quality. This partly mirrors women's traditional role of undertaking the major part of the caring labour of society. However, simultaneously work in these organisation deviates from more traditional patterns where employed women occupy subordinate positions. In many community organisations, women occupy leadership roles. The analysis here is concerned with the apparently paradoxical nature of these organisations in their capacity to entrench traditional gender roles and to challenge these by allowing women to fill management positions. It is also concerned to examine whether changes that have been occurring in the community services sector over the last two decades are likely to enhance women's general position in the society, or diminish the power exercised by women. The paper draws in a preliminary way on a study of local services in the Hunter Region of NSW undertaken in the latter half of 1992. These preliminary findings are set against the broader picture of developments in the contemporary welfare state.</p>	Lois Bryson
28	<p>"Money Pouring Out of Its Ears" — On the Taxation of Really Profitable Nonprofit Organisations in Australia</p> <p>Under current law Australia appears to be a tax haven for certain non-governmental institutions. Millions of ordinary business income may go untaxed and the deductibility for donations is unlimited - both are very generous tax measures in an international context. The basic problems of most Australian nonprofit organisations are not taxation; they are just that: nonprofit. Anybody interested in the non-governmental sector should be willing to face the question: What is an equitable tax treatment? The short-term tactic of ducking the question may not be the best or most beneficial long term strategy.</p>	Ole Gjems-Onstad

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29	Sport and the Law Implications for the Nonprofit Corporation This paper examines the growth of Sports Law and examines the flexibility of present corporate forms to deal with the growing size and importance of sporting activities.	Hayden Opie
30	Career Paths in the Third Sector: Implications for Human Resource Management This paper discusses the following questions. What is the structure of the third sector labour market? What is the staff structure of third sector organisations? Is it true that career paths are unavailable, either within organisations or within the sector? If none exists, why do workers stay in the field? What motivates them? If there is a high turnover of staff, is this the reason? What are the implications of all this? If some sort of career path does exist, why do workers deny having a career? What do we mean by 'career' anyway?	Jenny Onyx
31	Inquiries, Empirical Research and Regulatory Failure The paper review charity inquiries that have been held in England, United States of America, New Zealand and Australia. The analysis of the primary literature identifies common issues and suggested remedies pertaining to the regulatory failures of charities. The issues may well be appropriate for consideration by the forthcoming Industry Commission and participants.	Myles McGregor-Lowndes
32	The Meaning of Effectiveness This paper reviews the concept of effectiveness in relation to the operations of nonprofit organisations. It reviews the major strands of thought on the issue and poses some questions for consideration and reflection.	Catherine McDonald
33	Case Study of Queensland State Taxation Recent developments concerning the taxation of nonprofit organisations by the Queensland State Government are reviewed. These include stamp duty amendments and land tax.	Berkeley Cox
34	Charities Overview of Federal Taxation This paper is a concise introduction to the state of Commonwealth taxation of nonprofit organisations. It discusses exemption from taxation and income tax deduction of donations.	Richard Friend Mary Stephen
35	A Select and Annotated Bibliography of Nonprofit Taxation This paper was prepared to assist those who might be considering making a submission to the Industry Commission on the taxation of charities. It contains a core bibliography of tax material in Australia, England, Europe and America. Major Australian Taxation Inquiries are also noted and annotated.	Myles McGregor-Lowndes Sandra Carr
36	Effect on Charitable Bodies of Taxation Alterations This paper examines the effect on charitable organisation's finances if exemptions under Section 23 of the Income Tax Act or deductions under Section 78 were abolished. A simple model is provided to assist organisations to calculate their own position. Seven diverse charitable organisations are subjected to the model and results noted.	Sandra Carr
37	Social and Community Services and the Future - Some Issues, Some Questions This paper provides an overview of the current policy environment of social and community service organisations. It examines erosion of the tax revenue base, changes in inter-governmental relations and the possible consequences of the Industry Commission Inquiry.	John May
38	Sport Management from a Legal Perspective This paper examines a wide variety of legal issues in sports management. The paper includes comments on legal liability of players, clubs,	Anthony Podosky

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	spectators, coaches, insurance, drugs in sport and alternative dispute resolution.	
39	Civil and Criminal Liability of Players This paper examines the latest developments of civil and criminal liability of sport participants.	Anthony Podosky
40	A Note on the Industry Commission Terms of Reference on Charitable Organisations A note reviewing the development and structure of the terms of reference of the Industry Commission.	Myles McGregor-Lowndes Catherine McDonald
41	A Comment on the Industry Commission Issues Paper on Charitable Organisations This comment examines the data presented in the February issues paper of the commission on charitable organisation. It also comments about issues that are or are not raised in the Commission's paper.	Myles McGregor-Lowndes Catherine McDonald
42	Halos, Fractures, Rigour Mortis, Cloning, External Instruments & Co Ltd by Guarantee An examination of the National Safety Council Collapse and its consequences.	Myles McGregor-Lowndes
43	Making The Commission Transparent - Volume 1 Comments on Freedom of Information Documents from the Industry Commission.	Myles McGregor-Lowndes Catherine McDonald
44	Making The Commission Transparent - Volume 2 Comments on Freedom of Information Documents from the Industry Commission.	Myles McGregor-Lowndes Catherine McDonald
45	A Taxing Definition — A Comment on The Industry Commission's Draft Proposals for Defining Community Social Welfare Organisations An examination of the proposed Industry Commission draft report definition of CSWO for inclusion in section 78 ITAA. The paper draws attention to the consequences of linking the definition to the common law definition of charity.	Myles McGregor-Lowndes
46	An Italian Legal Case Note: Administrative Court of Lombardy (Italy), District of Brescia, 30 November 1992, N.1285 Parco Castelli S.R.L. Versus Lombardy Local Government A case note on a recent Italian case involving the definition of a nonprofit organisation.	Alceste Santuari
47	Charities and the Industry Commission An overview of the taxation implications of the draft report on charitable organisations by the Industry Commission.	Sandra Rodman
48	The Industry Commission Inquiry into Charitable Organisations: The Draft Report, Implications for the Future of Community Services A considered analysis of the draft report on charitable organisations by the Industry Commission. The paper critically examines the processes of the Commission, the terms of reference and draws attention to matters not considered by the draft report.	John May
49	Retaining Charity Tax Exemptions — A Stitch in Time Saves Nine The draft report on charitable organisations by the Industry Commission recommends strongly that the Australian Tax Office institute a review of the tax exempt status of all charities. The paper describes a number of matters that such organisations should consider concerning their tax affairs in order to place themselves in the best position for a possible audit by the Australian Tax Office.	Sandra Rodman Myles McGregor-Lowndes
50	Index to Industry Commission Draft Report on Charitable Organisations The draft report on charitable organisations by the Industry Commission is a long document without a detailed subject index. This paper includes	Myles McGregor-Lowndes Catherine McDonald

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	index of boxes, figures, tables, organisations and a detailed alphabetical subject index. Those who require detail reference to the draft report will find this paper of assistance.	Ted Flack
51	Charitable Grants and Donations from Machine Gaming Revenue: Does It All Work Out in the Wash Up? This paper traces the revenue derived from Machine Gaming by the Queensland Government, gaming hotels and clubs flowing through to community organisations. It seeks to quantify the level of monies flowing to community organisations from such revenues.	Myles McGregor-Lowndes Catherine McDonald David Dwyer
52	Impact of the Introduction of Machine Gaming in Queensland on Minor and Major Bingo Operators This paper examines the effect of gaming machines on bingo. The initial consensus of the charitable sector was that this would be the most effected form of charitable gambling.	Myles McGregor-Lowndes Catherine McDonald David Dwyer
53	A Matter of Giving This paper examines the taxation consequences of donations from the donor's perspective.	Sandra Rodman
54	Reviewing the Collections Act The Collections Act in Queensland is in need of reform. This paper suggests a number of principles to guide the reform of the Act.	Ted Flack
55	Corporations Law Fundraising Provisions for Nonprofit Organisations - Are They Caught? The Australian Securities Commission in late 1994 issued Policy Statement No.87 applying to charities seeking deposits or loans from their members. The paper outlines the events leading to the final policy statement and discusses the implications for charities seeking to operate deposit and loan schemes.	Berkeley Cox
56	Comments on the Australian Accounting Research Foundation's Legislation Policy Discussion Paper No.4 (A Framework for Financial Reporting by Incorporated Associations) The Australian Accounting Research Foundation has issued a draft proposal on the accounting and auditing requirements of incorporated associations. This paper critically assesses the draft proposal.	Dan Scheiwe
57	Introduction to Fraud, Corruption and Ethics in Nonprofit Organisations This paper is in two parts. The first part examines fraud and corruption prevent. The second part specifically deals with these issues in the context of nonprofit organisations.	J M Boyd S D Edwards