

THE FINANCIAL MARKETS FOUNDATION FOR CHILDREN AND KANGANEWS

KangaNews is a proud supporter of the Financial Markets Foundation for Children and will donate a portion of the revenue from its first annual Gala Awards Dinner – which will take place in Sydney on March 14 2011 with **Reserve Bank of Australia (RBA) governor, Glenn Stevens**, as guest of honour – to the foundation. As part of its ongoing support for the foundation, KangaNews will be publishing periodic updates on its work. In the first of those updates, Paul Robertson, executive director of the foundation and former treasurer of Macquarie Bank, talks about its history, set up and purpose.

What is the foundation's background? We are an industry-wide foundation and have been around for over 20 years. The foundation was established to provide a constant funding base for research projects through market cycles. Instead of being generous donors when everything is going well then cutting back in difficult times, we decided to build up a corpus of funds that would enable us to underwrite research projects lasting three to five years each.

Who is involved in supporting and running the foundation at board level?

The early initiative came from a variety of people around the market. John Craig was notable, but the biggest push came from David Clarke, who was Macquarie Bank's chairman at the time. The then governor of the RBA, Bob Johnston, agreed to be involved and since then we have been lucky enough to have each successive RBA governor as chair. A wide variety of people across the financial community is also involved, most notably the CEOs of all four major banks and Bill Gurry, chair of Rabobank Australia.

Can you give some colour on the end product of the foundation's fundraising activities?

It's effectively a venture capital approach to research. We found that while focused research is often well-funded by government and other sources, sometimes there was more unusual research that could fall between the cracks. We set up with the express intention of acting for the health and welfare of children in Australia, which allows us to cover a wide variety of research projects.

Typically we have been funding three-year research projects into a wide range of activities, such as obesity, sight, hearing, diabetes and indigenous health. In the early days we would distribute maybe A\$50,000 a year, and we have now grown to the situation where we regularly distribute approximately A\$1 million a year in grants. All those projects are aimed at children.

Grants are made once a year, and the foundation is now a very well-known part of the research framework in Australia. In fact we now have sufficient credibility that the Commonwealth government often matches our grants with 20-30 cents in the dollar.

What process does the foundation go through when deciding how to allocate grants?

We have established an independent board of paediatric experts drawn from

around the country. We advertise once a year for grants, receive many expressions of interest and then the panel of seven or eight experts spends a couple of days going through the applications and comes up with a preferred list it gives to the board. The board doesn't get involved in making decisions about the value of each project – it decides how much money to distribute. The average is around 10 grants a year.

Can you explain a little more about the direct flow-through of funds at the foundation?

Our famous mantra is 'dollar in, dollar out' and I think that has been the major success of the foundation. All administrative work is performed *pro bono*: for instance PricewaterhouseCoopers for years has done all the accounting and audit work and our legal work is done by Hunt & Hunt. Every dollar that is donated is distributed – I can say without fear of contradiction that this is the most efficient foundation in the world! •

MORE INFORMATION on the Financial Markets Foundation for Children can be found at www.foundationforchildren.com.au

MORE INFORMATION on KangaNews's annual awards dinner can be found at www.kanganews.com

KANGANEWS
AWARDS
2010

GALA *Awards* DINNER

MONDAY 14 MARCH 2010

Sofitel Wentworth Hotel, Sydney



GUEST OF HONOUR

Glenn Stevens

GOVERNOR, RESERVE BANK OF AUSTRALIA

Join the winners of the 2010 **KangaNews** awards for the top houses, deals and personalities in the Australasian fixed income markets during 2010, as voted by their peers.

Cost of one table of 10: **A\$5,000** (excl GST)

****15%** of the table revenue will be donated to the Financial Markets Foundation for Children. A special auction will be held on the night, with all proceeds donated to the Foundation.

To book your table of 10 please visit www.kanganews.com and click on the Gala Awards Dinner banner at the top of the KangaNews home page.

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