



Ramsay foundation looks to 'democratise' philanthropy process

EXCLUSIVE

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The nation's biggest charity, the \$3 billion Paul Ramsay Foundation, wants to transform the methodology underpinning grant-making in Australian philanthropy by bringing to the country for the first time an American model designed to democratise the process.

In collaboration with Philanthropy Australia, the foundation is inviting organisations working on solutions to complex social problems to engage in what is known as a peer review process, where they will collaboratively decide how almost \$1 million of new philanthropic funds should be allocated.

The method, also supported by the Social Impact Hub, is based on an American model of peer selection in philanthropy pioneered by US firm Village Capital, which helps entrepreneurs bring big ideas from vision to scale.

The peer review process allows groups of entrepreneurs to quickly and accurately scrutinise the commercial potential of early-stage social impact ventures, which will be most likely to successfully raise capital and generate revenue.

Since its establishment in 2009, Village Capital has supported more than 1000 early-stage entrepreneurs through its programs and its affiliated fund, VilCap Investments, has provided seed

funding to more than 100 program graduates worldwide.

The Paul Ramsay Foundation program will see 10 organisations chosen to participate in a two-day, peer-focused collaborative workshop in October where they will develop their proposed social impact solutions.

At the end of the workshop the 10 participant groups will then determine which five will receive \$150,000 each to further develop their solution.

A further \$150,000 will also be made available to support the pro-

jects and further funding for implementation of an organisation's proposed solution could also be made available.

Grants from the Paul Ramsay Foundation, which was launched

by the late billionaire businessman Paul Ramsay, are funded from the dividends of its cornerstone shareholding in the listed healthcare business Ramsay founded, Ramsay Health Care. The foundation received a \$3bn bequest from its founder upon his death in 2014.

"The foundation and our partners are pioneering this peer-review evaluation process in Australia," Paul Ramsay Foundation general manager Jo Taylor said.

"The problems facing our society are complex, dynamic and evolving quickly. It isn't just the problems that are messy, it's also often the attempts to find solutions. Innovation can come from anywhere, and that's why the foundation is delighted to support

this initiative. We believe it will help organisations to build the skills required to really make a difference."

Philanthropy Australia CEO Sarah Davies said it was exciting to see Australia's largest philanthropic funder embrace the democratisation of philanthropy in such an innovative way.

"This participatory approach to funding shifts the dynamics and allows new perspectives to be heard, particularly from those with 'lived' experience," she said.

The \$900,000 funding program was announced yesterday at the Sydney launch of an initiative in the not-for-profit sector called "Solve It, Australia!" designed to empower organisations to tackle complex problems.

It featured a masterclass led by Paul Ramsay Foundation board member and former McKinsey & Co managing partner and company director Rob McLean in which he outlined a seven-step framework to solve difficult prob-

lems.

Mr McLean said the so-called Bulletproof Problem Solving framework, outlined in a new book by the former McKinsey executive that is due to go on sale in Australia this month, could be significant in helping tackle the social and environmental problems that often seemed too complex and intractable to crack.

Some of the most significant include obesity, environmental degradation and indigenous disadvantage.



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Philanthropy Australia CEO Sarah Davies