



**Euroz
executive
chairman
Andrew
McKenzie
with Kingsley
Aikins.**

Charities' crowded house

Philanthropy guru sees the benefit of mergers

SEAN SMITH

A visiting international expert in philanthropy suggests more charities should be merging but cautions against a “corporatisation” of the sector.

“The sector generally doesn’t do M&A (mergers and acquisitions) very well,” Kingsley Aikins said yesterday, noting that there were 50 charities in his native Ireland funding projects in Belarus.

“We don’t need multiple organisations challenging the same issues,” he said. “If there was a way in which they could

collaborate in a better sense, they would probably have a more effective impact.”

Calls for mergers in the Australian charities sector have grown in recent years as an increasing number of organisations compete for a reducing pool of donations, bequests and government grants.

Some 65 per cent of the 57,500 charities registered with the Australian Charities and Not-for-profits Commission turn over \$250,000 or less a year. Most operate in one State.

While amalgamations can reduce duplication and cut

administration costs, enabling more funds to be directed to addressing the charities’ objectives, Mr Aikins suggested tie-ups can’t always be assessed with a corporate mindset.

Many charities, he said, were founded in emotional circumstances after a loved one’s death. There is also the risk that mergers discourage the volunteers who are so important to running organisations.

“You have to be careful of not interfering too much and allow people to do their stuff,” Mr Aikins said. “So I’m always nervous about being too

judgmental, but as an overall comment, yes, there’s too many (charities) and a bit of M&A would be good.”

Based in Dublin, where he runs a consultancy, the Networking Institute, he has been holding talks and workshops with charities and schools in Perth at the invitation of broker and fund manager Euroz’s charitable foundation.

The foundation has given \$1.6 million in the past 13 years to WA charities, including Youth Focus, Autism West, the Fathering Project, Cystic Fibrosis WA and ICEA.