



# A BLUEPRINT TO GROW STRUCTURED GIVING

How Australia can double structured giving by 2030

April 2021



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## A word from our funders

At a time of glaring and growing inequality, the multitude of challenges we face today are too great for philanthropy alone. But there is an important role philanthropy can play in catalysing change. While more money isn't necessarily a cure-all, the Blueprint and the bold target to double giving in 10 years is a rallying call for us to work collectively to support people and organisations throughout Australia who are at the forefront of tackling the problems most affecting our communities. Congratulations to Philanthropy Australia and the team for creating a compelling vision.

**Jo Taylor**  
Chief Capability Officer,  
Paul Ramsay Foundation

Philanthropy at its best can catalyse the bold ideas held within our communities. It can lift voices and shift trajectories. It can seed and it can sustain. This Blueprint shows us how we might do more. The Perpetual team are proud to support the ambition and vision of Philanthropy Australia to get more resources to our communities.

**Caitriona Fay**  
Managing Partner,  
Perpetual Private

# Foreword

There has never been a more important time for philanthropy in Australia.

We live in an age of diminished trust across all our institutions. We face pressing challenges on many fronts: the existential crisis of climate change; the need to make good the systemic disadvantage facing First Nations peoples; the need to address power structures that breed gendered and other forms of violence; increasing rates of mental ill-health; the ongoing challenge of the COVID-19 pandemic; the need to provide dignified care for the oldest Australians and a good start to life for the youngest Australians; and the need to nurture the soul-holders of our times – the artists and storytellers who make sense of our world and give shape and form to our national and varied identities all within the container of our common humanity.

Philanthropy is uniquely placed to address these challenges by providing critical support to leaders, individuals, organisations and communities who are working so hard to make this world a better place. While philanthropy constitutes a relatively small proportion of the overall funds needed to address these challenges, it often provides the critical support that makes a real difference – kick-starting new ways of addressing disadvantage, taking risks where governments don't, providing immediate and responsive support in times of great need, and lifting up diverse voices to shape policy development.

And so to this Blueprint. The idea of this Blueprint is to provide a roadmap by which we might double structured giving over the next ten years – from \$2.5 billion to \$5 billion per year. We wanted to set a goal that was ambitious but achievable. We wanted to find ways that would inspire more people to give during a period of time that will see an intergenerational transfer of wealth in Australia of \$1.1 trillion.

We acknowledge that this Blueprint addresses the “more” component of Philanthropy Australia’s wider mission to generate “more and better philanthropy”. We very much see this Blueprint and the road map it sets out sitting alongside and complementing the other activities we undertake which focus on “better philanthropy”. As such, this Blueprint speaks to a number of specific initiatives which seek to grow our giving overall and inspire more people to give. It is based on extensive consultations. Some of the issues covered will be familiar to those long involved in philanthropy. The Blueprint seeks to build on and consolidate the work of the numerous advocates, practitioners, researchers and other contributors who have been working to grow Australia’s culture of giving over many years.

Not surprisingly, we have not found a silver bullet for growing structured giving in Australia, and so the Blueprint’s approach is multi-faceted. Some of the initiatives are well developed and ready to action now. Other initiatives need further development.

This Blueprint represents the first stage in our aspiration to double structured giving by 2030. The next stage is to build a broad coalition of support behind this goal and to flesh out the details of those initiatives that we collectively believe can make a real difference, based on evidence, collaboration and co-design. As we move forward with the Blueprint, we commit to communicating and celebrating the great joy that philanthropy can generate for the individual donors, the recipient organisations and the beneficiaries – a joy which can’t help but inspire others to give.

We acknowledge the very generous support of the Paul Ramsay Foundation and Perpetual in backing this project and enabling us to engage Social Ventures Australia who have gone far above and beyond in the research, consultation and development of this Blueprint. We thank the team at Seer Data & Analytics and John McLeod from JBWere Philanthropic Services along with the many others who have contributed to this project through conversations, focus groups, workshops and survey participation.

We acknowledge and pay respect to the practice of generosity which is a feature of First Nations culture which stretches back on this land for tens of thousands of years. We acknowledge the many outstanding individuals, families, businesses, trusts and foundations who have formed the backbone of Australian philanthropy for many years now. Philanthropy Australia salutes your generosity, courage and dedication.

If philanthropy means “love of humanity” then this Blueprint aspires to give expression to that love. We invite you to ask yourself the question: “How might I double my giving by 2030?” If it’s not something you are able to do, perhaps you might bring others along on the journey so that, together, we can help leave our world a better place.

Thank you.



**Jack Heath**  
CEO  
Philanthropy Australia

**The authors of this report acknowledge and pay respects to the past, present and emerging traditional Custodians and Elders of the country on which we work. We also accept the invitation in the Uluru Statement from the Heart to walk together with Aboriginal and Torres Strait Islander peoples in a movement of the Australian people for a better future.**

# 1. About the Blueprint

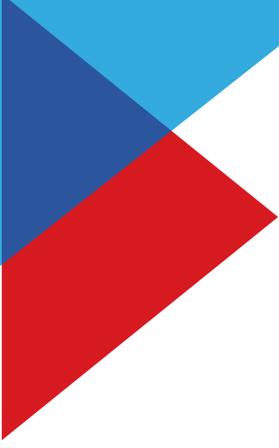
Philanthropy Australia defines philanthropy as the giving of money, time, information, goods and services, influence and voice to improve the wellbeing of humanity and the community.

To strengthen philanthropy's critical role in Australian society, particularly given the significant opportunity presented by an unprecedented intergenerational wealth transfer, Philanthropy Australia has led the development of this Blueprint to grow structured giving in Australia by 2030. The purpose of this Blueprint is to outline the roadmap for how Philanthropy Australia and the philanthropic, not-for-profit, business and government sectors can work together to supercharge structured giving in Australia – with the objective of doubling structured giving by 2030.

The focus of this Blueprint is on identifying strategies to grow structured giving, as distinct from mass-market and other forms of giving such as direct donations to charities, crowd-funding or volunteering.<sup>1</sup> Put simply, structured giving involves using a vehicle designed to enable giving, such as private or public ancillary funds, sub-funds and giving circles, testamentary or other legacy trusts.

Structured giving can also occur without using a dedicated vehicle, through corporate cash donations, or larger scale and planned contributions from individuals and families.

While other forms of giving are important, and make up the bulk of giving in Australia, the Blueprint's focus on growing structured giving is consistent with Philanthropy Australia's focus and mission as a membership driven peak body.



**Structured giving plays a critical role in that it offers a mechanism for the accumulation of philanthropic funds, and can:**

- ▶ Encourage higher levels of net giving by individuals over time,<sup>2</sup>
- ▶ Help build a culture of giving, supporting intergenerational, institutional and community-based giving,
- ▶ Facilitate a 'strategic' approach to giving, by enabling staged or larger scale, longer term and/or higher risk grants that can help incubate innovation, support investment in social infrastructure and consolidate or scale impactful programs and practices.<sup>3</sup>

Growing structured giving helps support and reinforce other pro-social giving behaviours, such as mass market giving, impact investing, volunteering, and other initiatives that benefit the community. There is a large body of work currently in progress or recently completed which seeks to grow these other forms of giving that will complement this Blueprint. This includes the Social Impact Investing Taskforce,<sup>4</sup> the Impact Investing Blueprint,<sup>5</sup> and the Reinvigorating Volunteering campaign.<sup>6</sup>

The Blueprint's development was evidence-based and involved extensive engagement and consultation. The work leverages and builds upon the existing body of research and literature into philanthropic giving in Australia and overseas, as well as examining publicly available data. The methodology involved undertaking new quantitative analyses, a qualitative survey, and a significant level of engagement with over sixty individuals and organisations.<sup>7</sup>

This Blueprint is the culmination of this research and the collective knowledge and insights shared by many experts, practitioners and stakeholders from a range of sectors and backgrounds.

However, there is still more work to do. This Blueprint sets out where we are, and where we want to be. It puts forward specific and tangible initiatives that are at advanced stages of development. For each of these, there is a need for some further refinement and importantly, the building of coalitions to turn these initiatives into reality. There are other potential initiatives and ideas which have been identified as having considerable promise. These require further and more detailed examination and development. The second stage of the Blueprint process, involving further engagement, collaboration and co-design, will therefore be critical in realising these initiatives.

## Some important principles have underpinned the development of the Blueprint, and will continue to guide all future activity as part of the next stage of the Blueprint:



**Complement, not replace pro-social behaviour:** Initiatives to increase structured giving should complement rather than replace other pro-social behaviours, such as impact investing or volunteering.



**Uphold the responsibility of government:** Growing giving must not erode or replace the central role that government plays in guaranteeing the wellbeing of the community, including through the proper funding of essential services and the provision of a social safety net.



**Demonstrate shared responsibility:** Growing giving requires a whole-of-community response and there must be a balance of effort across the philanthropic, not-for-profit and business sectors, as well as government.



**Be cause-neutral:** There are a diverse range of causes, communities and organisations that will benefit from increased giving. As the focus of this Blueprint is growing the overall level of giving in Australia, preference should not be given to one area over another in terms of where this funding flows. However, this does not preclude drawing attention to underserved areas as part of focusing on how the impact of giving can be enhanced.



**Engage a diverse range of perspectives and voices:** Philanthropy must be inclusive and well-informed. It must empower communities, be undertaken in a collaborative manner, and be shaped by the insights of those with lived experience, knowledge and expertise.

## 2. Our aspiration to grow giving

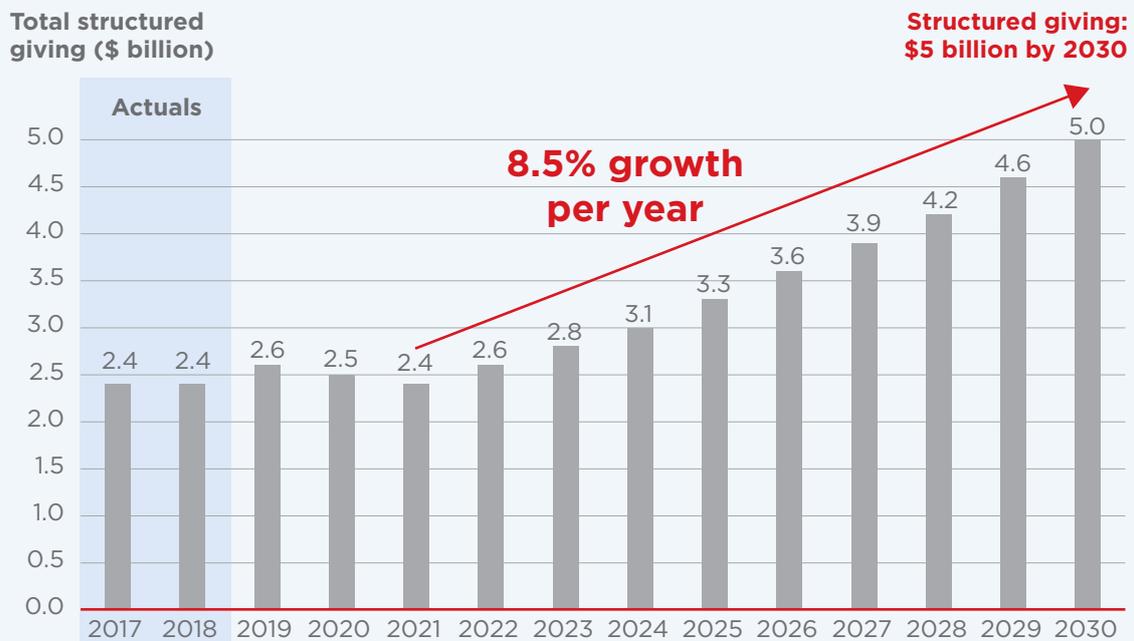
This Blueprint sets a bold aspiration to double structured giving by 2030 through galvanising action across the philanthropic, not-for-profit, business and government sectors.



### Double structured giving by 2030

▶ This aspiration will see Australia’s structured giving reach \$5 billion in 2030, double the quantum of giving estimated for 2020.<sup>8</sup>

Figure 1: Australia’s structured giving (2017 to 2030)



The aspiration to double our giving was developed through extensive analysis including forecasting and consultation. The aspiration is within reach and achievable but will require coordinated efforts to attain. Should the target be exceeded, all the better. The target growth in structured giving will be

achieved by capturing the opportunities to grow giving outlined in section 4 by progressing the strategies and initiatives outlined in sections 5 through 9. There is also likely to be some flow on effect on total giving from efforts to grow structured giving.

# 3. Where are we now?

## The state of structured giving in Australia

### 3.1 AUSTRALIAN GIVING IN A GLOBAL CONTEXT

Australia is a generous nation by many standards. We rank fourth in the World Giving Index, which considers three measures of generosity: financial, time, and acts of service.<sup>9</sup> A key reason Australia does so well on this index is the strong enabling environment, with our incentives for philanthropic giving considered to be amongst the most favourable in the world.<sup>10</sup> In 2017-18, the total amount Australians gave to charitable causes was estimated to be \$13.1 billion, or \$36.6 billion including volunteering.<sup>11</sup>

Considering financial measures of generosity alone, however, Australia lags behind its peers, including the United Kingdom, Canada, New Zealand and the United States of America on many benchmarks for philanthropic giving:

Figure 2: International benchmarks for giving<sup>12</sup>

					
<b>Total giving as a % of GDP</b>	<b>0.81%<sup>i</sup></b> (2016)	<b>0.96%<sup>iii</sup></b> (2018)	<b>1%<sup>iv</sup></b> (2013)	<b>1.84%<sup>v</sup></b> (2018)	<b>2.1%<sup>ii</sup></b> (2019)
<b>Individual giving as a % of GDP</b>	<b>0.38%<sup>i</sup></b> (2016)	<b>0.54%<sup>iv</sup></b> (2013)	<b>0.77%<sup>iv</sup></b> (2013)	<b>0.67%<sup>v</sup></b> (2018)	<b>1.44%<sup>iv</sup></b> (2015)
<b>Philanthropic assets as a % of GDP</b>	<b>0.7%<sup>vi</sup></b> (2014)	<b>3.2%<sup>vi</sup></b>	<b>0.3%<sup>vi</sup></b>	<b>N/A</b> (data unavailable)	<b>4.8%<sup>vi</sup></b> (2015)
<b>Bequest giving as a % of GDP</b>	<b>0.03%<sup>i</sup></b> (2016)	<b>0.12%<sup>vii</sup></b> (2012)	<b>N/A</b> (data unavailable)	<b>0.06%<sup>v</sup></b> (2018)	<b>0.2%<sup>ii</sup></b> (2019)

Note: Data collection dates vary based on availability across jurisdictions.

Total giving as a proportion of GDP sits at around 0.8 percent in Australia, compared to almost 1 percent in the United Kingdom, and 2 percent in the United States. Australia's bequest and individual (mass market) giving rates as a proportion of GDP are also below those of peers.

While comparisons with other nations should be made with caution, given the varying political and social contexts and philanthropic traditions across nations, there is room for Australia to enhance our culture of giving.<sup>13</sup>

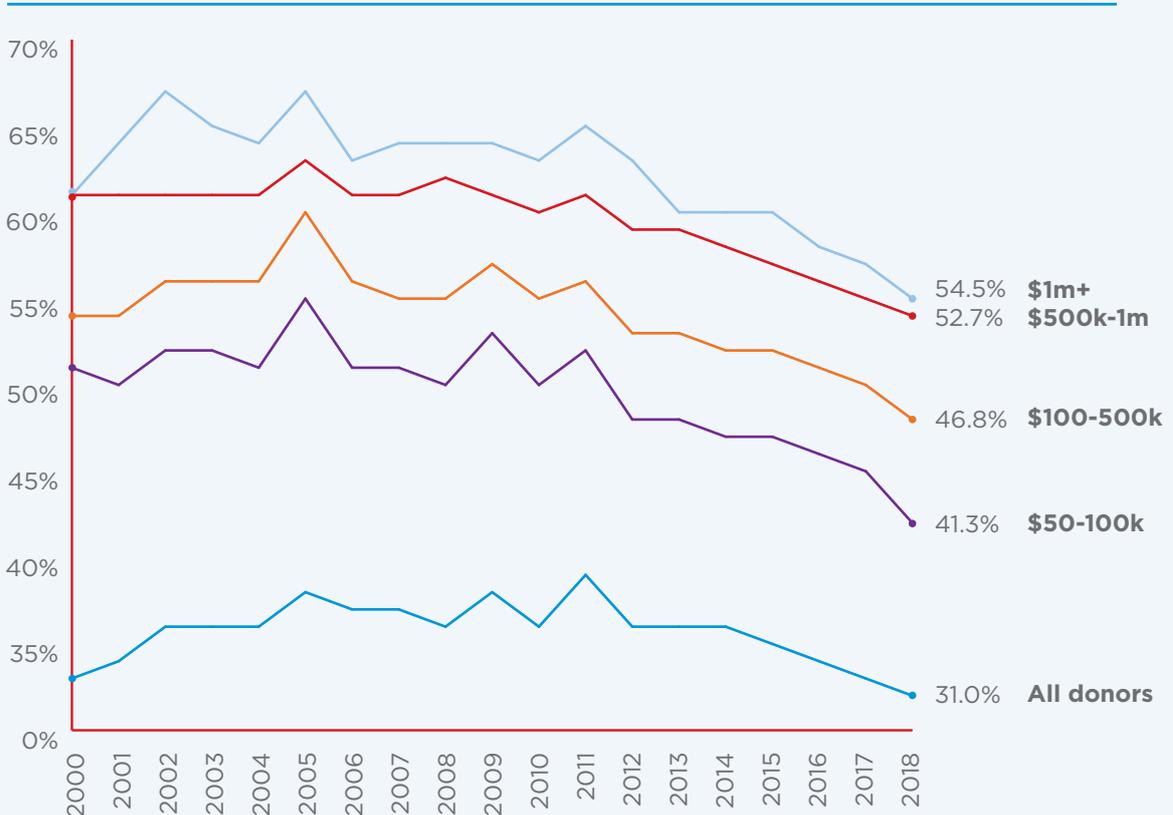
### 3. Where are we now? The state of structured giving in Australia

This is more apparent when analysing giving levels in Australia over time. While the overall quantum of giving has been increasing year on year (with thanks to population growth and increases in the average gift size per person), Australian Taxation Office (ATO) data shows that participation in giving in Australia has been trending down for at least a decade (Figure 3).<sup>14</sup>

However, against this backdrop, it is essential that we acknowledge and celebrate the many wealthy Australians who already give very generously and provide leadership to their peers.

Concerningly, the proportion of those with taxable income of between \$500,000-\$1 million per annum who donate is dropping at a greater rate than any other income bracket, and the percentage of those with taxable income over \$1 million per annum who make tax deductible donations is now 54.5 percent. This compares to 90 percent who give in the same income category in the United States.<sup>15</sup>

**Figure 3: Proportion of taxpayers claiming by income 2000-01 to 2017-18**



## A note on the changing nature of wealth in Australia

In developing this Blueprint, consideration has been given to where there is the greatest opportunity to increase giving. Unsurprisingly, wealth plays an important role. Research shows that those who are wealthy tend to give more than those who are less wealthy.<sup>16</sup>

The profile of wealth in Australia is changing. There is a rising (but still small) number of what are known as Ultra High Net Worth (“UHNW”) individuals, defined as those with investible assets over \$30 million. Although the proportion of Australia’s wealth that sits with this cohort is

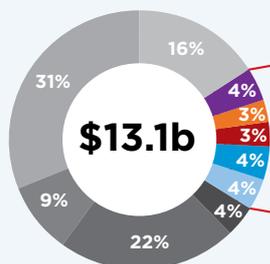
growing,<sup>17</sup> there is a much larger and also growing number of “well-resourced” Australians, who may not consider themselves to be wealthy. This includes those often referred to as High Net Worth (“HNW”) individuals, defined as those with investible assets over \$1 million, as well as Very High Net Worth (“VHNW”) individuals with investible assets over \$5 million.<sup>18</sup> Growing giving from this cohort too presents a significant opportunity, and therefore the Blueprint focuses on a range of initiatives which can grow structured giving across the spectrum of individuals with wealth.

### 3.2 STRUCTURED GIVING

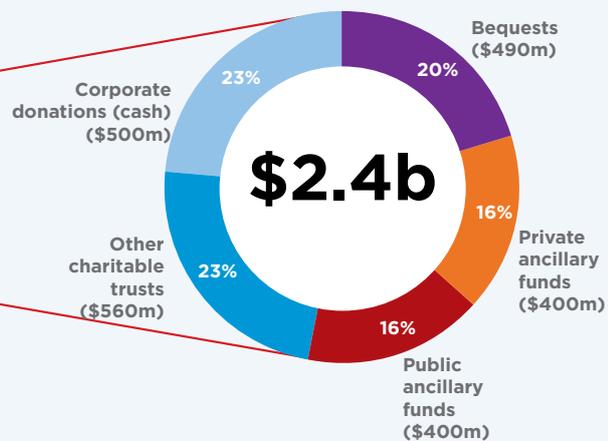
Structured giving comprises about 20 percent of total giving in Australia today, amounting to \$2.4 billion in 2017-18, as outlined in Figure 4 below.<sup>19</sup>

Figure 4: Structured and non-structured giving in Australia, 2017-18

Value of structured and non-structured giving in Australia, 2017-18



Value of structured giving segments in Australia, 2017-18



- Bequests
- Private ancillary funds
- Public ancillary funds
- Other charitable trusts
- Corporate donations (cash)
- Corporate donations (other)
- Corporate partnerships
- Corporate sponsorships
- Individuals (not claimed as tax deductions)
- Individuals (tax deductible, excluding ancillary funds)

### 3. Where are we now?

## The state of structured giving in Australia

The main vehicles for structured giving in Australia are Private Ancillary Funds (PAFs), Public Ancillary Funds (PuAFs), sub-funds within a PuAF, charitable trusts, and bequests. These vehicles are outlined in Figure 5 below.

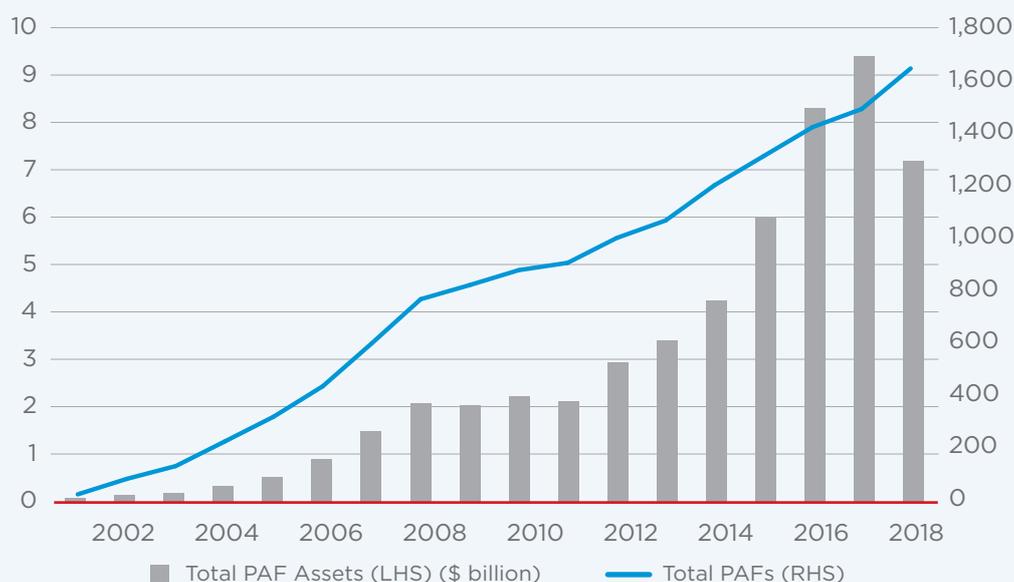
Figure 5: Structured giving vehicles<sup>21</sup>

	<b>Private Ancillary Funds (PAFs)</b>	<b>Public Ancillary Funds (PuAFs)</b>	<b>Sub-funds, within a PuAF</b>	<b>Testamentary or will and private charitable trusts</b>	<b>Bequests</b>
<b>What are they?</b>	PAFs are private charitable trusts to which taxpayers can make tax deductible donations, for giving to 'Item 1' Deductible Gift Recipients (DGR) charities and other eligible entities. <sup>20</sup>	PuAFs are a vehicle for public philanthropy – meaning they are allowed to raise funds from the public (PAFs cannot). A common use of PuAFs is to enable donors to carry out their giving through a sub-fund, a form of 'giving account' that generally sits within a PuAF. PuAFs can donate to DGR 'Item 1' charities and other eligible entities.	Sub-funds do not require the same sort of financial commitment as a PAF, and therefore they can be attractive to those commencing their journey into structured giving. They can also be used for larger scale giving. They are relatively simple to establish and are attractive to donors that desire to be more focused on granting and are happy to have less control over the investment of funds. Giving circles often use a sub-fund structure.	Private charitable trusts are often, though not only, created through a bequest in a will.	Bequests are a way to make a donation directly to a charity through a will and come into effect on the passing of the donor.
<b>Who uses them?</b>	PAFs can be attractive to those who want greater control over granting and investment management, whilst being comfortable with the additional compliance obligations involved with operating such a vehicle. They can be particularly attractive to people who want to use a vehicle for establishing a longer-term legacy which can be stewarded by future generations. Some corporate foundations also use PAFs.	PuAFs are generally used by community foundations or by other intermediary organisations to support their donors' giving objectives.	Sub-funds do not require the same sort of financial commitment as a PAF, and therefore they can be attractive to those commencing their journey into structured giving. They can also be used for larger scale giving. They are relatively simple to establish and are attractive to donors that desire to be more focused on granting and are happy to have less control over the investment of funds. Giving circles often use a sub-fund structure.	Private charitable trusts appeal to those intending to gift to non-DGR charities, those not concerned about receiving a tax deduction for their donations, and/or making plans for the allocation of assets following end of life.	Bequests appeal to people right across the population, of all income brackets.
<b>Profile (figures are for 2017-18 unless otherwise stated)</b>					
<b>Total assets in structures (\$ million)</b>	\$7,183	\$3,483	\$1,060 (Note: This figure is also included in the PuAF totals)	\$7,700 (2015-16 actual)	n/a
<b>Annual donations in (\$ million)</b>	\$1,009	\$684	\$123 (Note: This figure is also included in the PuAF totals)	n/a	n/a
<b>Annual grants out (\$ million)</b>	\$394	\$395	\$57 (Note: This figure is also included in the PuAF totals)	-\$546 (2017-18 estimate)	-\$486 (2017-18 estimate)
<b>Total number of vehicles</b>	1,853	1,355	1,995	2005 (2015-16 actual)	-10,000 p.a. (2017-18 estimate)
<b>Average size of vehicle (\$ million)</b>	\$4.4	\$2.6	\$0.5	\$3.8 (2017-18 estimate)	-\$0.048 (2017-18 estimate)

Since **PAFs** were established in 2001 they have significantly reshaped the philanthropic landscape in Australia, distributing \$3.6 billion to charities in the years from 2001 to 2017-18, supporting a wide variety of impactful causes.<sup>22</sup> There are now over 1,800 PAFs with total assets of over \$7 billion.

PAFs granted almost \$400 million to charities in 2017-18 and as depicted in Figure 6 below, the vehicle's popularity has been sustained, with yearly increases in new PAFs, and 155 new PAFs approved in 2017-18 alone.

**Figure 6: Number of PAFs in Australia and total PAF assets, 2001-02 to 2017-18**



**PuAFs and sub-funds** are attractive vehicles as they enable individuals and families to donate in a structured way, irrespective of how much one has available to give. PuAFs were first established in the 1960s, and are commonly used by charities and community foundations, and can include sub-funds within them.

**Community foundations** are independent philanthropic organisations that enable local donors to contribute cash, trusts, bequests or property to create permanent endowments that benefit a specific geographic area or community group. A significant proportion of sub-funds are managed by community foundations. There are 40 community foundations in Australia, with 80 percent working in regional areas. At the end of 2018-19, community foundations had over \$452 million in funds under management, representing permanent community assets that are able to support changing local needs into the future. During the same period, grants from community foundations to grassroots organisations, groups and projects in their respective local communities amounted to more than \$29 million.<sup>23</sup>

**Charitable trusts** are often established through a bequest in a will, but are also used by those looking to donate towards charities that do not have DGR status. While they have a similar total asset value to PAFs, they have been growing at a slower rate.<sup>24</sup>

As outlined in the table above, **bequests** enable individuals with a will to give to charitable causes upon their death. While they are a convenient way to donate, they are

underutilised in this capacity. It is estimated that only 7 percent of Australians leave a bequest in a will<sup>25</sup> and that the average value of a bequest is \$40-50,000.<sup>26</sup> Given the current mortality rate of around 140,000 deaths per annum, approximately 10,000 bequests are made in Australia each year. While the total amount donated is forecast to increase with our aging population, there is opportunity to increase the proportion of people donating through their wills.<sup>27</sup>

**Giving circles** are a form of planned giving, which may or may not use a structured giving vehicle as a mechanism to hold the funds. They enable groups of individuals to donate their own money or time to a pooled fund. Giving circles are growing in popularity in Australia, with a range of benefits. A recent study has shown that giving circle members give more money, give more strategically, and engage more deeply in their communities than non-giving circle members.<sup>28</sup> Participants are also more likely to tell other people about the organisations their giving circle supports, thereby creating a ripple effect and growing a culture of giving. Giving circles have begun to emerge in new contexts such as workplaces.<sup>29</sup> There is an opportunity to harness this model as a means of introducing people into structured philanthropy and broadening participation amongst people across the spectrum of wealth levels.

There is an opportunity to take steps to leverage each of these existing structures to support an increase in charitable giving in Australia.

## 4. Opportunities to grow giving and factors to help address them

There are six high potential opportunities to grow giving, though not all opportunities specifically target growing structured giving. The Blueprint primarily focuses on four of the six opportunities where structured giving mechanisms can play a key role in realising growth.

1. Unprecedented intergenerational wealth transfer	2. More wealthy Australians, but lower giving levels	3. Giving behaviours are established early in life
<p>Australia is expecting an unprecedented \$2.6 trillion wealth transfer from 2021 to 2040, \$1.1 trillion of which will transfer over the next ten years.<sup>30</sup> An increasing proportion of wealth will be transferred from the 85+ cohort. These potential donors are now in their 70s, so efforts to engage this cohort should start now.</p> <ul style="list-style-type: none"> <li>• A key point to capture this wealth is when it is being transferred following end of life, through charitable bequests. The proportion of people giving through wills has been stagnant at -7% for years. But there is evidence that behavioural insights and investment in more effective fundraising could be applied to shift the trend.<sup>31</sup></li> <li>• The majority (59%) of average Australian household wealth is tied up in owner-occupied housing (39%) and superannuation (21%). Unlocking these assets will be important.</li> </ul>	<p>The number of well-resourced and UHNWs in Australia is increasing, as is their proportion of total wealth. The pandemic has turbocharged wealth at the top end, with the combined wealth of Australia's billionaires over 50% higher than it was in December 2019.<sup>32</sup> Despite this, giving participation levels among this group are trending downwards and are well below levels in the US. There is a significant opportunity to arrest this decline.</p> <ul style="list-style-type: none"> <li>• Efforts to shift giving behaviours of wealthy Australians have had mixed success.</li> <li>• Financial incentives are a key enabler for this cohort, as are peers. There are questions around whether public 'giving campaigns' would be effective for growing giving by this group.</li> <li>• Incentives and barriers vary across cultural groups. For example, more could be done to engage members of the growing Asian diaspora in Australia.</li> </ul>	<p>Research shows that attitudes towards giving are established early in life, career progression or asset accumulation, and can be difficult to change.<sup>33</sup> This includes young professionals who have high earning potential, young people generally, and even children. If the next generation can be engaged early, to foster a culture of giving, this will build a pipeline of future philanthropists.</p> <ul style="list-style-type: none"> <li>• An individual's cultural and peer context and whether there is an expectation to give has bearing on their propensity to give philanthropically.</li> <li>• The workplace is a key point in the lifecycle where giving behaviours can be cemented. Mechanisms like sub-fund structures and giving circles offer a low barrier point of entry for current non-givers.</li> </ul>
4. Growing interest in community and place	5. The proportion of all Australians giving is trending down	6. Australia's corporate giving was at a record high in 2020
<p>Community responses to the 2019-20 bushfires and COVID-19 pandemic reinforced the value Australians have long placed in local leadership and 'grassroots' initiatives. There is also considerable wealth in our regions. Trends abroad also highlight the potential for community foundations. In Canada, there are 5 times as many community foundations and 7 times as many annual disbursements (\$31 million in Australia 2018 vs. \$210 million in Canada 2015).<sup>34</sup></p> <ul style="list-style-type: none"> <li>• Evidence suggests that people are more likely to give to causes they can identify with - indicating they may be more amenable to community campaigns.</li> <li>• Community foundations are well placed to play a key role in this area, but they are currently impeded by red tape which limits their ability to grow giving at a local level.</li> </ul>	<p>The proportion of Australians giving has been trending down for 15 years. If this trajectory continues, levels could drop to 21% by 2030. If action is taken to arrest the trend, Australia could avoid \$4.2 billion in lost donations in 2030, with total value of \$16 billion in saved donations between 2023 and 2030.</p> <ul style="list-style-type: none"> <li>• A turnaround in this decline would require a sustained effort to grow giving in all segments.</li> <li>• A broader strategy to grow such giving may be beneficial, but it is likely that some form of segmentation will be necessary to appeal to different groups, which have diverse mindsets and approaches to giving.</li> </ul>	<p>Total giving for the top 50 Australian companies surged during the COVID-19 pandemic to a record \$1.1 billion in 2019-20, a 17% increase on the previous year. There is now an opportunity to cement this behaviour. However, Australian companies three-year rolling average of pre-tax contribution to charities is 0.89%, which lags the global benchmark of -1%.</p> <ul style="list-style-type: none"> <li>• A recent study concluded policy settings and the 'competitive market' for corporate philanthropy in Australia was favourable.</li> <li>• Levers to influence corporations to give are different from those for structured giving and include consumer and shareholder activism.</li> </ul>

Consistent with the scope of the Blueprint, and in acknowledgement of the focus of other work across the sector, the strategic priorities outlined in the Blueprint address the first four of the six identified opportunities. Some of the Blueprint's priorities may have flow on effects which address

opportunities 5 and 6, through fostering a greater culture of giving across Australia. Initiatives have been identified which may help grow corporate giving, and these will be further explored in the next stage of the Blueprint.

#### 4.1 SPOTLIGHT ON INTERGENERATIONAL WEALTH TRANSFER

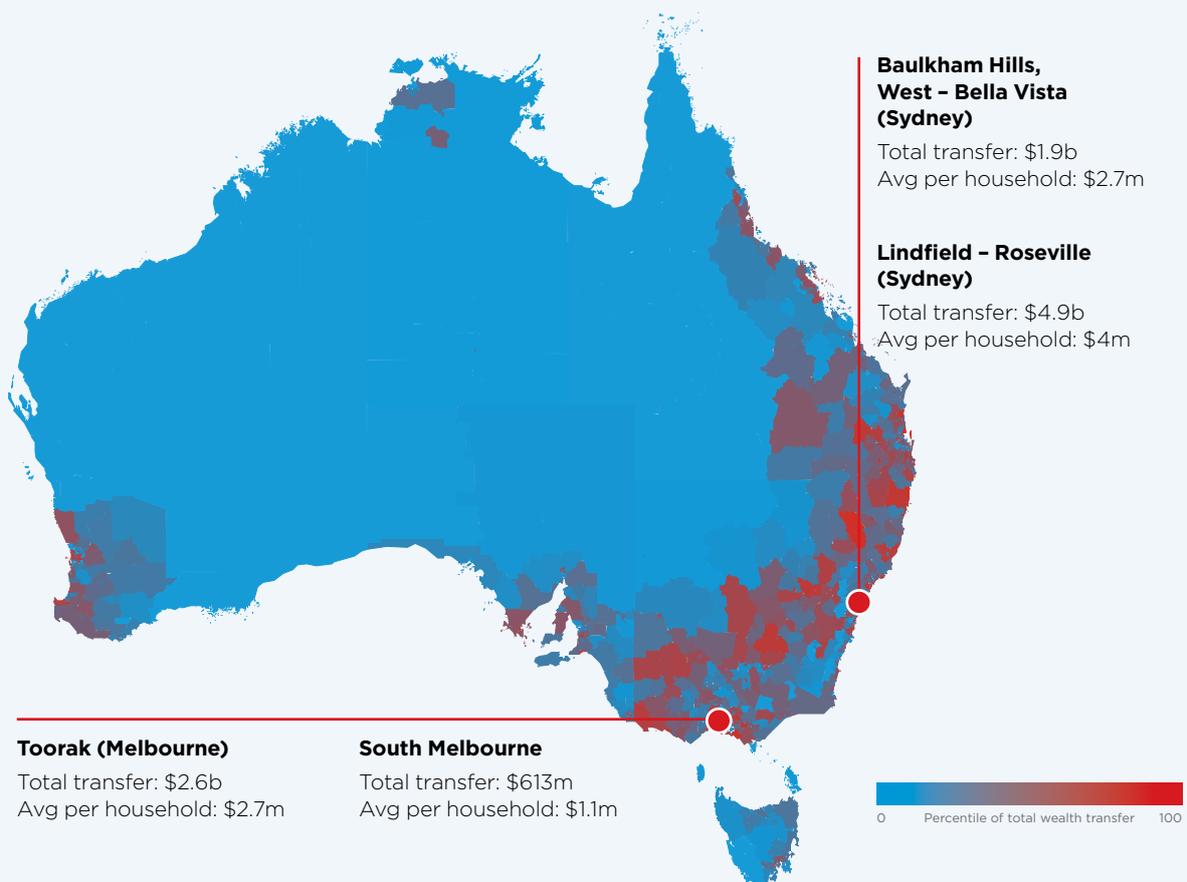
The bulk of the upcoming \$2.6 trillion wealth transfer between 2021 and 2040 will occur in Australia's largest population centres on the East coast, predominantly in New South Wales and Victoria (Figure 7). Analysis by Seer Data & Analytics drills down to the wealth transfer over the next ten years at the community level, illuminating the clustering of wealth in Sydney and Melbourne, for example. Interestingly, in some

areas of relatively lower total expected wealth transfer there are pockets of wealth, illustrated by high average transfers per household in those areas, indicating potential for increased philanthropy in these areas.

A considerable amount of wealth also sits in Australia's regions. Almost a third (29 percent) of wealth will transfer outside of our cities - \$333 billion by 2030, presenting an opportunity for community foundations and other organisations working in these important regional centres.

**Figure 7: Intergenerational wealth transfer**

By Statistical Area Level 2, 2020-2030, including select examples of estimated transfers in locations in Sydney and Melbourne<sup>35</sup>



Unsurprisingly, much of this wealth transfer will be concentrated among the elderly. Within the 2021-2040 period, 38 percent of the \$2.6 trillion wealth transfer is expected to be from the 85 years+ group. Given a longer life expectancy, women are expected to account for 54 percent of the household wealth transferred from households aged 85+ years. The cohort who will be passing their wealth on at

the peak of this wealth transfer are now in their late 60s and 70s and are potentially entering retirement. Efforts to engage them in giving through estate planning should start now. Research shows that the proportion of those who have a will peaks in the 65-74 age cohort at about 88 percent, compared to just 50 percent of the total population.<sup>36</sup>

## 4. Opportunities to grow giving and factors to help address them

### 4.2 SPOTLIGHT ON COMMUNITY AND PLACE-BASED PHILANTHROPY

The community responses to the 2019-20 bushfires and COVID-19 reinforced the value Australians have long placed on grassroots community-focused efforts, including local leadership and philanthropic support. This trend is accelerating. Connections to people and place often run deep, and the impetus for individuals to give where they live or to places with which they have a connection through their family, life or work can be strong.

In recent years, community philanthropy and place-based giving has gained traction as a mechanism to help address local challenges and drive social change both in Australia and overseas, particularly in countries such as Canada and the United Kingdom. In Canada alone, there are over 190 community foundations. Should the number of Australian community foundations grow to match the relative number in Canada (population adjusted) there could be up to \$110 million per annum in additional distributions to local charitable organisations.

This growth could be enabled in part through the considerable wealth and assets that sit in Australia's regions. Analysis undertaken by Seer Data & Analytics shows nearly a third of the projected intergenerational wealth transfer will occur outside of capital cities. Figure 8 below outlines the top twelve regions across the country (Statistical Area 2s), with the highest total wealth transfer, together with their donation and volunteering levels.

Some of the areas with the highest total intergenerational wealth transfer potential, such as Bowral and Port Macquarie-East in NSW, also have high giving levels, so the likelihood of capturing a share of the transfer in those locations for charitable causes is high. In areas with relatively lower giving levels but large wealth transfers such as the Tamworth region in NSW and Busselton in WA, there is potential to 'activate' these areas to give more too. They also have high volunteering rates. Research shows that those who volunteer are more likely to donate, so this is an indicator of potentially fertile ground to build upon.

**Figure 8: Intergenerational wealth transfer**

**Top 12 Statistical Area Level 2s outside of major cities, ranked by total wealth transfer (2021-2030)<sup>37</sup>**

No.	Statistical Area 2	State	Total wealth transfer (\$m)	Average wealth transfer per household (\$m)	Gift/donation rate (percentile)	Volunteering rate (percentile)
1	Busselton	Western Australia	1,544	0.9	20	75
2	Port Macquarie - East	New South Wales	1,506	0.7	80	69
3	Bowral	New South Wales	1,483	1.1	92	83
4	Tamworth Region	New South Wales	1,468	1.3	24	77
5	Maclean - Yamba - Iluka	New South Wales	1,458	0.9	41	60
6	Nelson Bay Peninsula	New South Wales	1,379	0.7	89	49
7	Buderim - North	Queensland	1,299	0.9	62	69
8	Laurieton - Bonny Hills	New South Wales	1,270	0.8	65	61
9	Armidale	New South Wales	1,155	0.9	19	89
10	Robina	Queensland	1,111	0.9	22	30
11	Wonthaggi - Inverloch	Victoria	1,111	0.6	88	73
12	Victor Harbor	South Australia	1,101	0.7	50	88

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Community and place-based philanthropy has the potential to act as a motivating and enabling force, helping to build collaborative relationships, galvanise coalitions, provide capital, and mobilise resources at a local level. Community foundations and entities such as the Foundation for Rural and Regional Renewal have structured mechanisms through which to support local-level philanthropy in Australia. Other social enterprise and regional development-based models are also emerging as a means of generating philanthropic capital to be allocated to local efforts.<sup>38</sup>

These types of philanthropic mechanisms make it possible to both raise funds and make grants into local communities.

Community foundations and other locally-based structured giving mechanisms are well-placed to play a critical role as philanthropic intermediaries. Importantly, they need to be seen as more than just 'funding' organisations as they are also 'doing' organisations, adding significant local value and insight to the funds they receive and then grant. There is a recent body of work focused on better understanding the opportunity to grow community foundations across Australia, led by the peak body, Australia Community Philanthropy.<sup>39</sup> It will be important to build on this work to capture this significant opportunity.



## Factors that influence giving

There is a body of global research which seeks to understand and identify the factors and considerations that drive giving at a societal and individual level. Through research undertaken for the Blueprint, six factors to influence giving were identified that can be harnessed to respond to the opportunities identified above.<sup>40</sup> These have informed the development of the strategic priorities identified in this Blueprint and the initiatives to address them.

<p><b>Awareness, education, and solicitation</b></p> 	<ul style="list-style-type: none"><li>• A prerequisite for philanthropy is that potential donors are aware and convinced of the needs of a beneficiary group or cause. Research shows that knowing an end beneficiary or having a connection to a cause can increase the likelihood of giving. Consequently, raising awareness of charities and charitable causes is a key lever to influence an individual's likelihood of giving.</li><li>• Solicitation is also key – donors need to be asked to give. Studies have shown that for more than 85 percent of donations, the key reason people donated was because someone asked them to.</li></ul>
<p><b>Incentives</b></p> 	<ul style="list-style-type: none"><li>• A significant motivator for making donations is the cost incentive. Lowering the cost or the complexity of donating has been found to increase donations. Fiscal incentives are therefore a tool that governments can use to respond to this motivator and stimulate philanthropy. Tax incentives and vehicles have been found to be very effective, most recently evidenced in Australia with the introduction of PAFs in 2001 and growth in sub-funds.</li></ul>
<p><b>Peers</b></p> 	<ul style="list-style-type: none"><li>• Donors are often influenced by their peers. Engaging peers who give to share the personal fulfillment experienced through giving as well as the benefits to wellbeing is important. Giving should be viewed as a positive thing to do; conversely, not giving can be perceived poorly.</li></ul>
<p><b>Culture of giving</b></p> 	<ul style="list-style-type: none"><li>• In countries where philanthropy and the not-for-profit sector are seen as more relevant and important, people are more inclined to provide support. This is influenced by perceptions that philanthropy and the not-for-profit sector are instrumental in providing public goods and services. This is closely related to 'awareness of need', albeit at a societal level.</li><li>• Importantly, engaging people at key points in their life journey has also been shown to increase the likelihood someone will give in later life, should they have the capacity to do so.</li><li>• Building a 'culture of giving' also includes increasing the visibility of philanthropic giving and discussing it openly – research suggests this too can stimulate giving.</li></ul>
<p><b>Public trust</b></p> 	<ul style="list-style-type: none"><li>• A key motivator of giving is the perception of donors that their contribution makes a difference to the cause they are supporting. This can be fostered at a societal level by ensuring there is a high level of public trust in not-for-profits and that not-for-profits spend their resources well.</li><li>• Ways to build trust include transparency and accountability mechanisms for not-for-profits, complemented by awareness and education.</li></ul>
<p><b>Ease of giving</b></p> 	<ul style="list-style-type: none"><li>• Behavioural studies show that a key driver of giving is making it easy and simple for people to do so. Examples of mechanisms that make giving easier include digital platforms for giving, structures and intermediaries that enable giving, and being prompted to give at critical decision points (e.g. when drafting a will).</li></ul>

# 5. Overview of the Blueprint strategy to grow giving

## OUR ASPIRATION

Double structured giving by 2030

## OUR STRATEGIC PRIORITIES

 <b>Protect</b> Protect the foundations of philanthropy that work well today	 <b>Enhance</b> Enhance the building blocks of giving in Australia	 <b>Target</b> Target specific opportunities with high potential to grow giving
<p><b>Priority 1:</b> Protect existing frameworks which work effectively and support giving</p> <p><b>Priority 2:</b> Support public trust and confidence in charities</p>	<p><b>Priority 3:</b> Introduce new structures and incentives</p> <p><b>Priority 4:</b> Increase awareness and education about philanthropy</p> <p><b>Priority 5:</b> Continue to build the evidence base</p>	<p><b>Priority 6:</b> Capture a share of the intergenerational wealth transfer</p> <p><b>Priority 7:</b> Engage more of Australia's well-resourced and HNW individuals</p> <p><b>Priority 8:</b> Grow giving from UHNW individuals</p> <p><b>Priority 9:</b> Build a pipeline of next generation and new givers across wealth levels</p> <p><b>Priority 10:</b> Increase community and place-based giving</p>

## OUR INITIATIVES

The first stage of the Blueprint has identified ten initiatives which will play a key role delivering these priorities. There are a further ten potential initiatives that may be further developed in the next stage of the Blueprint.

1. Remove barriers to donating excess superannuation
2. Reform the DGR framework
3. Introduce a Living Legacy Trust structure
4. Champion stories of diverse philanthropic giving
5. Develop a research agenda to extend the evidence base
6. Support professional advisors to engage with clients about philanthropy
7. Introduce a bi-annual report on HNW giving
8. Support UHNW philanthropists to engage peers in giving
9. Cut red tape to enable more place-based philanthropy
10. Facilitate community and place-based philanthropy

## ENABLERS

- A Coalition of the Giving** • A cross sector group to drive, champion and lead the initiatives
- Enabling support** • Provided by Philanthropy Australia, with other organisations able to join as part of a collaborative effort
- Funding** • Many initiatives will require funding or other commitments of support, including from Government



## 6. Protect the foundations of philanthropy

Australia is a generous nation, with strong foundations for philanthropy considered to be amongst the most favourable in the world.<sup>41</sup> It is essential that these foundations are protected. There are two strategic priorities to achieve this.

Strategic priority	Goal
1. Protect existing frameworks which work effectively and support giving	Protect the existing policy, regulatory and taxation frameworks which support giving from any adverse changes which may reduce their effectiveness
2. Support public trust and confidence in charities	Ensure that public trust and confidence in charities is maintained, as it is a known enabler of strong giving levels

Ongoing efforts to protect the foundations are outlined below.

### ADDRESSING STRATEGIC PRIORITY 1: PROTECT WHAT WORKS

#### ✓ Maintain existing refundable franking credit arrangements

- Refundable franking credits are a vital source of income for philanthropic organisations and enable them to provide more grant funding to charities.
- The availability of refundable franking credits is relevant in the case of dividend income and is consistent with the income tax exemption which philanthropic trusts and foundations receive. This is because refundable franking credits ensure that no income tax is paid either directly or indirectly by the philanthropic trust or foundation.
- Any changes which limit the ability of philanthropic organisations to access refundable franking credits will result in a large decrease in the amount of grants that philanthropy can provide to charitable causes. This would have major ramifications for charities and the broader community.

#### ✓ Maintain the existing uncapped tax deduction for donations to DGRs

- Australians benefit from an uncapped tax deduction for donations to DGRs, meaning that there is no limit to the amount of donations that can be claimed as a deduction from a person's income when calculating taxable income.
- This provides an important incentive for larger-scale giving, particularly amongst HNW individuals. Any changes which seek to cap the amount of donations that can be claimed as a deduction would reduce giving, negatively impacting charities and those they serve.

#### ✓ Preserve an effective and responsive ACNC

- The ACNC plays a vital role as the regulator of Australia's 58,000 registered charities. It works to support public trust and confidence in Australian charities, provides education and guidance which promotes good governance within charities, and seeks to ensure that red tape burdens on charities are minimised.
- The ACNC needs support in order to remain an effective and responsive regulator. This includes prioritising the implementation of the Australian Government's response to the 'Strengthening for Purpose: Australian Charities and Not-for-profits Commission Legislative Review 2018' and ensuring that other changes to the ACNC regulatory framework are evidence-based and well designed.

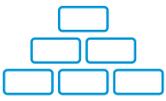
#### ✓ Protect advocacy by charities

- Advocacy is an essential element of the work of many charities. Without advocacy, universal suffrage and many other basic human rights which we now enjoy would not have been achieved. By seeking to change government policies and practices, advocacy by charities targets the root causes of social and environmental challenges, rather than just addressing the symptoms.
- Advocacy is an important mechanism through which charities can use their expertise and experience working at the frontline in communities across Australia to give voice to those experiencing disadvantage and whose interests may otherwise be drowned out.
- For this reason, it is important that existing provisions in Australian law which recognise and protect advocacy by charities are maintained. It is also important that other government policies and practices encourage rather than hinder such advocacy.

### ADDRESSING STRATEGIC PRIORITY 2: SUPPORT PUBLIC TRUST AND CONFIDENCE IN CHARITIES

#### ✓ Maintain and support the important work and performance of the charities - acknowledging this is a key factor motivating giving in Australia.

- A key motivator of giving is the perception of donors that their contribution makes a difference to the cause they are supporting. This can be fostered at a societal level by ensuring there is a high level of public trust in charities, including that charities are well managed and use their resources wisely. Mechanisms to sustain trust include transparency and accountability mechanisms for charities, complemented by awareness and education of these mechanisms.
- In the ACNC's most recent report on *Public Trust and Confidence in Charities* (2017)<sup>42</sup>, there was a decrease in those who believe most charities are trustworthy (20 percent) compared to the previous rounds of research (29 percent in 2013, 29 percent in 2015). Although it was also found that those who believe the charity sector is regulated are more likely to consider most charities trustworthy (56 percent).
- This data highlights the critical importance of maintaining and supporting public trust and confidence in charities, a role that must be shared across sectors.



# 7. Enhance the building blocks of giving

Australia has strong building blocks for giving in place. To support the achievement of the Blueprint’s aspiration to *Double our Giving*, these building blocks must be enhanced. There are three strategic priorities focusing on strengthening the building blocks with clear goals.

Strategic priority	Goal
3. Introduce new structures and incentives	To ensure the available structured giving vehicles and tax incentives encourage philanthropic giving in Australia and remove any unnecessary barriers
4. Increase awareness and education about philanthropy	To increase awareness and education about philanthropy, the benefits of giving, and structured giving vehicles
5. Continue to build the evidence base	Build and demonstrate the case for philanthropy, understanding its impact, and how it can grow

## 7.1 INITIATIVES TO PRIORITISE

There are five initiatives to deliver on these priorities.



### INITIATIVE 1. REMOVE BARRIERS TO DONATING EXCESS SUPERANNUATION

#### Description

Enable individuals to use a binding death nomination to nominate charities with DGR status to which excess superannuation can be bequeathed. Remove the current tax penalty for bequests to charities from superannuation.

#### Details

- Many Australians die with the majority of the wealth they had when they retired. Data from a large superannuation fund found that deceased members left behind around 90 percent of the superannuation balance they had at retirement.<sup>43</sup>
- According to modelling by the Grattan Institute, the median retiree will leave an inheritance of \$190,000 in today’s dollars, in addition to any home they own.<sup>44</sup> Further, superannuation balances at death are forecast to increase in the decades ahead to \$130 billion by 2059, and will be even higher should the Australian Government maintain the legislated increase to the Superannuation Guarantee.<sup>45</sup>
- However, there are currently disincentives to donate excess superannuation to charity. Under existing laws, any funds which are distributed to a non-dependent are generally taxed at up to 15 percent plus the 2 percent Medicare Levy. Any donation of excess superannuation to a charity incurs this tax penalty. In addition, an individual cannot use a ‘Binding Death Nomination’ to directly donate some of their excess superannuation to a charity. Instead, they must donate it through their estate, which is more complicated.

- There are two components to this initiative. Firstly, individuals should be allowed to use a Binding Death Nomination to nominate a charity with DGR status to receive a bequest directly from their superannuation upon their death. Secondly, any superannuation bequest to a charity with DGR status should be exempt from taxation, consistent with how donations from a person’s income are treated during their lifetime. This initiative is complemented by initiative 2 below, which would expand the number of charities with DGR status that would be eligible to benefit from such donations. However, the initiative is not predicated on initiative 2’s implementation, and can be implemented independently of it.



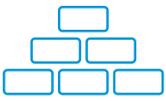
### INITIATIVE 2. REFORM THE DGR FRAMEWORK

#### Description

Broaden and simplify access to DGR status for charities, improving access to philanthropy and better positioning charities to support future community needs.

#### Details

- Australia has just under 58,000 charities, but due to the DGR framework within tax law, not all charities are eligible for DGR status. Based on 2019 data, there are only around 30,000 entities with DGR status. Most, but not all, of these are charities. The practical implication of this is that nearly half of Australia’s charities are not able to accept tax deductible donations or a grant from a PAF or PuAF.
- Many charities ‘fall between the cracks’, with their only option to seek a ‘specific listing’ in the tax laws – a long and complicated process, requiring a legislative amendment and with only a remote possibility of success. Charities with multiple purposes and activities often need to be endorsed under multiple DGR categories, creating a significant burden. It impacts a range of organisations, including philanthropic intermediaries focused on growing giving.



## 7. Enhance the building blocks of giving

### INITIATIVE 2. REFORM THE DGR FRAMEWORK (CONTINUED)

- This burden also impacts community foundations. These foundations generally operate using a PuAF structure, this means they are precluded by tax law from receiving grants from PAFs. In addition, as PuAFs, community foundations can only make a distribution to Item 1 DGRs. This restriction is especially problematic in regional areas, where very few organisations have such status, making it harder for community foundations to support their activities.
- In 2013 the *Not-for-profit Sector Tax Concession Working Group* established by the Australian Government recommended that DGR status should be extended to all registered charities.<sup>46</sup> To contain the cost of this reform, it also recommended that charities whose purposes are for the advancement of religion, or education through childcare or primary and secondary education, would only be able to apply DGR funds towards activities falling within other charitable purposes.
- This recommendation has not been taken up by the Australian Government, however it has been modelled and analysed by Treasury as part of the work of the *Not-for-profit Sector Tax Concession Working Group* and represents a sound and thoroughly examined approach to DGR framework reform which would help grow philanthropy and cut red tape for charities.
- Comprehensive reform remains the priority. If, however, a staged approach is preferred, then a first step should be to create a DGR category for community foundations as well as other philanthropic intermediaries.



### INITIATIVE 3. INTRODUCE A LIVING LEGACY TRUST STRUCTURE

#### Description

Establish a new tax incentive, where donors could place their capital in a trust for the benefit of a charity upon the donor's passing.

#### Details

- Australia will shortly experience the largest intergenerational wealth transfer in its history, with estimates that over the next two decades \$2.6 trillion is expected to pass to the next generation.<sup>47</sup>
- It is hoped that charities will benefit from this transfer through bequests. However, giving by bequest is currently low. In 2016, only 7.4 percent of final wills had a direct charitable bequest.<sup>48</sup>
- The Living Legacy Trust is a structure which can help grow legacy giving by introducing a new tax incentive which involves a donor placing an asset in a trust for the benefit of a charity upon the donor's passing.

- Whilst the asset is irrevocably committed to the charity, the donor can still receive an income stream from the asset while they are alive. In return for irrevocably committing the asset to the charity, the donor receives a tax deduction when they place the asset in the trust, worth a percentage of the asset's value. This percentage varies with the donor's age, given that the older a donor lives to be, the more time they will have to benefit from an income stream from the asset.
- To enable charities to benefit from such trusts sooner, particularly given many charities lack access to capital and short term finance,<sup>49</sup> there is potential for an intermediary to be established to lend funds to charities against the security of any trusts established to benefit the charity.
- Preliminary analysis of options for this structure indicate that the model could be budget neutral.



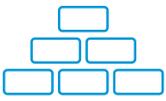
### INITIATIVE 4. CHAMPION STORIES OF DIVERSE PHILANTHROPIC GIVING

#### Description

Promote stories of philanthropy from diverse donors in Australia, both to demonstrate its value to potential philanthropists and foster a culture of giving in Australia.

#### Details

- Storytelling is a powerful tool to activate people. In the age of big data and an abundance of information, stories cut through.<sup>50</sup> Research suggests that openly discussing donations and celebrating philanthropy stimulates a philanthropic culture and with that, increased philanthropic giving.<sup>51</sup>
- There is a role to be played in shining a light on some of the great examples of giving in Australia, particularly amongst well-resourced and UHNW givers, to normalise this as an expected part of our culture. These stories should come from a diverse range of professions, communities and backgrounds, including young philanthropists, community foundation sub-fund holders, well-resourced migrants and the Asian Australian diaspora.<sup>52</sup> They should also demonstrate the personal benefits of giving, for individuals and families, including improved wellbeing, physical health and happiness.<sup>53</sup>
- Philanthropy Australia is already undertaking work in this area and is committed to continuing and amplifying these efforts.



# 7. Enhance the building blocks of giving



## INITIATIVE 5. DEVELOP A RESEARCH AGENDA TO EXTEND THE EVIDENCE BASE

### Description

Work collaboratively across the philanthropic sector to prioritise research which continues to build and demonstrate the case for philanthropy and how it can grow.

### Details

- There is a large and developed body of knowledge about philanthropy in Australia and internationally.
- The Blueprint has particularly benefited from the extensive evidence base which has been built up over time in Australia by a committed group of researchers devoted to understanding the various drivers of philanthropy and options for growing it further. It has sought to build on this, and consolidate many of the important insights from this research to inform the Blueprint’s conclusions.
- Enhancing this evidence base is an ongoing pursuit, and will be critical to informing the implementation of the Blueprint and the achievement of its objective to double structured philanthropy by 2030.
- Throughout the extensive consultation and research undertaken as part of the Blueprint’s development, it was evident there are priorities which would benefit from further research.
- For example, there is limited research which seeks to apply behavioural insights to structured giving in particular. A focus on trialling experimental approaches in this area would help inform the design of further initiatives aimed at increasing charitable donations in wills, arresting the downward decline in giving, and increasing the portion of high income earners who make tax deductible donations.
- Therefore, a co-ordinated and strategic approach to developing and properly funding a research agenda is necessary, and will be a focus of stage 2 of the Blueprint.

### 7.2 POTENTIAL INITIATIVES TO BE FURTHER DEVELOPED

There are two further promising initiatives which will continue to be developed in the next stage of the Blueprint.

#### ADDRESSING STRATEGIC PRIORITY 4: INCREASE AWARENESS AND EDUCATION ABOUT PHILANTHROPY

##### ▶ Potential initiative 1. Implement a National Giving Campaign

- A strong culture of giving stimulates higher giving levels. This is an area that requires further effort in Australia – as the proportion of Australians claiming a deduction for giving to a DGR has been in steady decline for at

least a decade. Those who earn over \$1 million per annum who donate is now about 54.5 percent. This compares to 90 percent giving in the same income bracket in the USA. Further, the decline in mass market giving is significant. If the current rate of decline continues, it is estimated a cumulative \$16 billion in donations could be lost by 2030, compared to if current levels of giving are maintained.<sup>54</sup>

- A time-limited ‘Slip Slop Slap’ style national campaign could be launched to achieve this effect, to further enhance Australia’s culture of giving. Such a campaign could share the experiences of those who give and their reasons, and tell the stories of the people, organisations and causes that giving benefits. It could highlight the different ways to give, ranging from workplace giving to establishing a PAF, or donating through a sub-fund. It could also target different audiences – potential donors themselves, but also individuals who can influence giving choices such as employers and financial advisers.
- To progress the implementation of a campaign would require a steering committee of expertise including experts in behavioural economics, advertising and campaigning, as well as representative bodies of charities as beneficiaries.

##### ▶ Potential initiative 2. Invest in the fundraising capacity of charities

- Effective fundraising is a critical part of growing giving in Australia. Investing in fundraising staff and resources increases the effectiveness of fundraising efforts.<sup>55</sup> Research has also highlighted the importance of boards and executives having a strong understanding and involvement in fundraising.<sup>56</sup> Despite strong recognition of their centrality to fundraising, research highlights an opportunity to build capacity in this area.<sup>57</sup>
- While training and development is available for professional fundraisers, there is limited support for CEOs and executives who wish to improve their knowledge and skills in fundraising.<sup>58</sup>
- Organisations such as the Fundraising Institute Australia are already playing a leadership role in this area, and there is a need for continued efforts to strengthen the fundraising capacity of charities, including for their boards and executives, and increase understanding about the value of structured giving.





## 8. Target specific opportunities with high potential to grow structured giving

The strategic priorities and initiatives outlined in this section are designed to target the high potential opportunities to grow structured giving around specific cohorts of current or potential givers. The goal of each of the strategic priorities is outlined below, and builds on efforts to enhance the building blocks for target cohorts.

Strategic priority	Goal
6. Capture a share of the intergenerational wealth transfer	Capture a minimum one percent share of the intergenerational wealth transfer for philanthropic purposes
7. Engage more of Australia's well-resourced and HNW individuals	Increase the proportion of Australia's well-resourced and HNW individuals who give, and arrest the decline in giving levels
8. Grow giving from UHNW individuals	Increase the proportion of Australia's UHNW individuals giving, and normalise giving in this cohort
9. Build a pipeline of next generation and new givers	Instil giving as the norm in the next generation of Australians to lay the foundations for a lifetime of giving
10. Increase community and place-based giving	Grow community and place-based philanthropy to its fullest potential, reflecting the growth seen in Canada

### 8.1 INITIATIVES TO PRIORITISE

There are four key initiatives to support the achievement of these strategic priorities.



#### INITIATIVE 6. SUPPORT PROFESSIONAL ADVISORS TO ENGAGE WITH THEIR CLIENTS ABOUT PHILANTHROPY

##### Description

Work with professional advisors to have the incentives, tools and knowledge to engage with their clients about philanthropy, to grow structured giving including through bequests.

##### Details

- Professional advisors such as lawyers, wealth advisors, financial planners, and accountants are highly influential in how their clients manage their finances and allocate their assets and are a critical lever in growing philanthropy in Australia.
- Studies focusing on financial advisors, for example, show they have a big impact on how their clients invest their money, including how they perceive and act on opportunities for philanthropic giving.<sup>59</sup> Further, between 20 to 40 percent of the Australian adult population have used a financial advisor,<sup>60</sup> including 73 percent of HNWs.<sup>61</sup>
- There have been numerous attempts to encourage financial advisors to engage more with their clients about philanthropy, but these have had limited success to date. A recent study found that while 75 percent of advisors view philanthropy positively, the majority of advisors (63 percent) have discussed philanthropy with 10 percent or fewer of their HNW clients. Research has also identified factors that could help, including providing training and access to information and materials.<sup>62</sup> But less attention has gone into looking at incentives or behavioural triggers.

- A study with lawyers conducted in the UK demonstrated the promise of using behavioural insights thinking to increase giving. It found a 40 percent increase in legacy giving among people writing their first will when legal professionals normalised gifts in wills.<sup>63</sup> There is merit in extending this research to the Australian context.
- There is also an opportunity to leverage the influence these intermediaries can play, with their well-resourced clients across a broader income range.

**Better enabling professional advisors to engage with their clients about philanthropy is a significant opportunity. The strategy to address this has two current focus areas:**

- Embed philanthropy training into advisors' education programs**, including through continuing professional development programs and mandatory education standards.
- Leverage behavioural insights to improve the likelihood of advisors engaging clients about giving**, through experiments/pilots to better understand the current barriers and potential incentives particularly for wealth advisors, financial planners and lawyers.



#### INITIATIVE 7. INTRODUCE BI-ANNUAL REPORT ON WELL-RESOURCED AND UHNW GIVING

##### Description

A first-of-its-kind report to plug a significant gap in knowledge of well-resourced and UHNW giving, leveraging data from wealth advisory firms, to build greater transparency of the extent of giving in this cohort and stimulate additional giving.



## 8. Target specific opportunities with high potential to grow structured giving

### Details

- Currently available data on giving levels in Australia only tell part of the story. Little is known about the giving behaviour of the rising number of well-resourced and UHNW individuals in Australia. ATO data provides visibility into the giving of those on high incomes, but it does not extend to other forms of wealth. Far more is known about the giving behaviours of the wealthy in the UK and US.
- To improve the culture of giving in Australia, it is important to normalise conversations and increase openness around giving. This can be done through raising awareness and having data to support storytelling.
- The introduction of a bi-annual survey and report on giving by well-resourced and UHNW Australians is proposed, drawing on data from Australian wealth advisory firms. It would share anonymous data, including on:
  1. Actual giving levels by different wealth cohorts – HNW (\$1m+); VHNW (\$5m+) and UHNW (\$30m+);
  2. Qualitative attitudes to giving – through understanding the motivations, triggers and behaviours for giving in this cohort, including family involvement and engagement; and
  3. Eliciting ‘magic formula stories’ from those prepared to share their stories on how and why they are giving.



### INITIATIVE 8. FACILITATE AND SUPPORT UHNW PHILANTHROPISTS TO ENGAGE THEIR PEERS IN GIVING

#### Description

Better enable existing philanthropists to share their personal giving stories and the benefits of giving, with their peers, to increase giving amongst Australia’s wealthy.

#### Details

- Australia’s UHNW individuals do not give at the same level as their peers in other countries. According to 2017-18 Australian tax data, 54.5 percent of those earning over \$1 million p.a. claim tax deductible donations. In the United States, that figure is 90 percent.
- However, there are incredibly generous wealthy philanthropists in Australia. The Australian Financial Review’s Philanthropy 50 list for 2018-19 identified that the donations from that pool of 50 amounted to \$748 million in 2017-18 alone, a 35 percent increase on the year prior. The cut off to make the 2018-19 list was \$4.3 million, and the largest donation was \$153 million.<sup>64</sup>
- Research shows that donors are often motivated by gaining a reputation amongst their peers.<sup>65</sup> What motivates giving amongst the wealthy is also very personal. Public appeals are unlikely to compel this cohort to give in the short term.

- There is significant opportunity for UHNW philanthropists to engage their peers in sharing the benefits of giving and their own giving journeys. Philanthropy Australia intends to support UHNWs with this direct engagement.



### INITIATIVE 9. CUT RED TAPE TO ENABLE MORE COMMUNITY AND PLACE-BASED PHILANTHROPY

#### Description

Community foundations are critical for community and place-based giving. Currently they experience constraints due to government red tape. Removing this red tape will catalyse their growth.

#### Details

- Community foundations present a sizable opportunity to grow giving in Australia’s urban, regional and rural areas, and have the potential to create enormous impact where it is needed most. They are also an accessible entry point to structured giving and provide a ready-made community of donors to support people through their early years of giving. However, red tape currently inhibits community foundations from making the fullest possible contribution.
- As community foundations generally operate using a PuAF structure, they are precluded by tax laws from receiving any grants from PAFs. PAFs are a common form of private and family foundation, providing nearly \$400 million in grants in 2017-18. Community foundations are therefore cut off from accessing this large and growing source of philanthropy.
- In addition, as PuAFs, community foundations can only make a distribution to ‘Item 1’ DGRs. This restriction is particularly problematic in regional areas, where very few organisations have such status, making it harder for community foundations to support them.
- In order to support the important work of community foundations right across Australia, a new DGR category should be created for community foundations within Division 30 of the *Income Tax Assessment Act 1997* (Cth). This could also extend to other philanthropic intermediaries with a specific focus on growing giving.
- Further, some community foundations use a Public Benevolent Institution (PBI) structure for place-based initiatives, however this structure has certain limitations and restrictions. These would be addressed by creating a new DGR category specifically for community foundations, however a broader review and modernisation of the PBI structure could also have benefits for some community foundations.



## 8. Target specific opportunities with high potential to grow structured giving



### INITIATIVE 10. FACILITATE COMMUNITY AND PLACE-BASED PHILANTHROPY

#### Description

Facilitate growth of community and place-based philanthropy including by building awareness, supporting early-stage development, government matched fundraising, and supporting initiatives to access local assets.

#### Details

- Building on Initiative 9 above, there is an opportunity to foster the growth of community and place-based giving with targeted initiatives.
- While community foundations or aligned structures do not need to be large to be effective, they do need a revenue source, corpus or endowment of invested capital, from which they can draw income for grants to community projects and organisations. Further, foundations need to have or be able to access resources to raise funds, manage investments and make or administer grants. Ideally, foundations can reach a scale where they can fund at least one staff member rather than rely on volunteers.
- There is an active group of organisations in the community foundations sector which have been engaged through the development of this Blueprint, including Australian Community Philanthropy, the peak body for community foundations.<sup>66</sup> These organisations would be key partners to progress this initiative in the next stage.

There are a range of initiatives which have been explored with stakeholders from the place-based giving sector during the Blueprint engagement process which should progress to further testing and refinement in the next stage of Blueprint development:

- **Building awareness of community and place-based philanthropy:** Raise awareness of the value and potential of community and place-based philanthropy as a mechanism to mobilise and leverage local resources, and to leverage cross-sector efforts and investment in communities. This is an important first step to being able to engage prospective funders and partners.
- **Supporting start up and early-stage growth:** This could include enabling work by peak bodies such as Australian Community Philanthropy to develop and share resources supporting communities to set up place-based giving initiatives, supporting the development of a peer network of likeminded initiatives and supporting the provision of outsourced backbone services to help smaller initiatives to achieve economies of scale.
- **Government-matched philanthropic grants program:** This would support the set up and early growth of place-based foundations, akin to initiatives undertaken by the Victorian Government in their 2008 Action Plan, *Strengthening Community Organisations*, which helped to incubate the set up and growth of twelve community foundations in Victoria.

- **Exploring mechanisms to promote local fundraising and leverage local assets:** Support the ability of community foundations to leverage significant assets within their community for social good. This could include the exploration with government of opportunities for community foundations to access unclaimed charitable funds or stranded assets and tap into the intergenerational wealth transfer.<sup>67</sup>
- **Support to leverage crowd funding and technology platforms:** To enable place-based philanthropic initiatives to source donations and manage grant making activity.
- **Investigating options to build partnerships between community and local government:** To help build government awareness of and support for community foundation activity. This could include collaborations with state-based local government peaks to help strengthen local government awareness of, engagement with and support for community foundations.

### 8.2 POTENTIAL INITIATIVES TO BE FURTHER DEVELOPED

There are eight promising initiatives to be further developed.

#### ADDRESSING STRATEGIC PRIORITY 7: TO ENGAGE MORE OF AUSTRALIA'S WELL-RESOURCED AND HNW INDIVIDUALS

##### ▷ Potential initiative 3. Supporting corporates and other workplaces to have conversations with well-resourced employees to encourage philanthropy at retirement

- Given the key point when many people have the time and means to consider how best to manage their wealth is retirement, this initiative would focus on providing corporates and businesses with the information needed to encourage retiring employees to consider establishing structured giving vehicles.

#### ADDRESSING STRATEGIC PRIORITY 8: GROW GIVING FROM UHNW INDIVIDUALS

##### ▷ Potential initiative 4. Work with the media to encourage reporting of stories of UHNW giving

- Research shows that openly discussing donations and celebrating philanthropic donor stories stimulates a philanthropic culture and with that, increased philanthropic giving.<sup>68</sup>
- Great headway has been made in this space amongst UHNW philanthropists, with the introduction of The Australian Financial Review's 'The Philanthropy 50' initiative in 2017. It will be important to continue to work closely with the media to encourage reporting of positive stories of UHNW giving and explore new opportunities to raise its profile, so that articles and reports of people with wealth are equally associated with accounts of their generosity.



## 8. Target specific opportunities with high potential to grow structured giving

### ADDRESSING STRATEGIC PRIORITY 9: BUILD A PIPELINE OF NEXT GENERATION AND NEW GIVERS

#### ▶ Potential initiative 5. Support programs that teach children about philanthropy at school

- International evidence demonstrates that children involved in educational programs focusing on philanthropy experience a strong desire to engage in philanthropy and social change in the future. There are promising programs in Australia looking to address this opportunity, such as the Lord Mayor's Charitable Foundation's 'Youth in Philanthropy' program and programs run by Kids in Philanthropy.
- There is an opportunity to increase awareness of philanthropy for the younger generations, motivating them to contribute to philanthropic causes both in the present and as they progress through their lives. This can be achieved by funding innovative new programs promoting philanthropy in school, as well as exploring how to scale existing programs.

#### ▶ Potential initiative 6. Encourage uptake of giving circles, and support their enabling environment, including in workplaces

- New research also shows great promise for giving circles in a workplace context. In 2020, a pilot program of giving circles was conducted at Westpac, in partnership with Good2Give. It was found to have increased giving levels amongst employees, as well as motivating matched giving by the employer.<sup>69</sup>
- There is an opportunity to scale giving circles in the workplace into more organisations, based on the success of the pilot. This would not only increase giving through giving circles, but more importantly, cultivate a culture of giving in our workplaces, particularly amongst emerging HNWs. Encouraging giving early on in an individual's career may establish patterns of behaviour that can result in greater generosity later in life, when they have more to give.

#### ▶ Potential initiative 7. Better engage with well-resourced and HNW migrants, including the Asian Australian diaspora

- Australia had the largest inflow of well-resourced and UHNW individuals in 2018 of any other country globally, with 12,000 migrants who mostly moved to Sydney or Melbourne – many from Asia.<sup>70</sup> While COVID-19 will impact migration flows for some time, there is an opportunity to convert recent arrivals into philanthropists, and foster a thriving and welcoming community of giving.
- Research has identified that more can be done to grow the profile of the already generous Asian-Australian philanthropic community, as well as foster inclusivity in the philanthropic space and inspire more individuals to give.<sup>71</sup> The Blueprint proposes this work continue to be developed. There may also be opportunity for government to encourage migrant philanthropy through the criteria applied to investor visas, as is the case in New Zealand.

#### ▶ Potential initiative 8. Establish a fundraising challenge targeted at companies

- Giving circles and workplace giving are proven effective tools for introducing people to giving at work. There is potential to also introduce a competitive element to fundraising at work, to generate more giving. Stakeholder consultation identified an opportunity for a fundraising challenge targeted at companies, including those with emerging HNWs, which would invite companies' employees to raise as much money as possible in a given timeframe, competing against other companies or across industries. This could leverage existing initiatives such as Giving Tuesday or be a new campaign.

#### ▶ Potential initiative 9. Foster and enable the next generation of philanthropists

- To build a pipeline of future givers in Australia, there is a need to build a culture that elevates the importance and benefit of giving for a range of cohorts – including young people with wealth or those who will soon inherit wealth. This includes next generation family members, and young professionals with wealth or with high earning potential.
- There are existing initiatives serving this purpose well in Australia. Given the advanced development of these sorts of initiatives in the US with groups like *Resource Generation* and *Sharna Goldseker's 21/64*, efforts should continue to further support and grow these networks in Australia. These initiatives play a critical role in the journeys of young philanthropists, and in supporting the development of their ideas.

#### ▶ Potential initiative 10. Encourage workplace volunteering, as a pathway to giving

- Those who volunteer are more likely to give. For those with less means to give early in their careers, volunteering is an important enabler for raising awareness of charitable causes. Data in the Australian context also shows that communities exhibit an additional 3.5 percent rate of giving for every additional 10 percent rate of volunteering.<sup>72</sup>
- Initiatives such as Pledge 1%, which asks companies to commit 1 percent of equity, product, profit, and employee time to charitable causes, can contribute to this goal.<sup>73</sup> But there is opportunity for more corporates to participate in this pledge or through their own workplace volunteering commitments.

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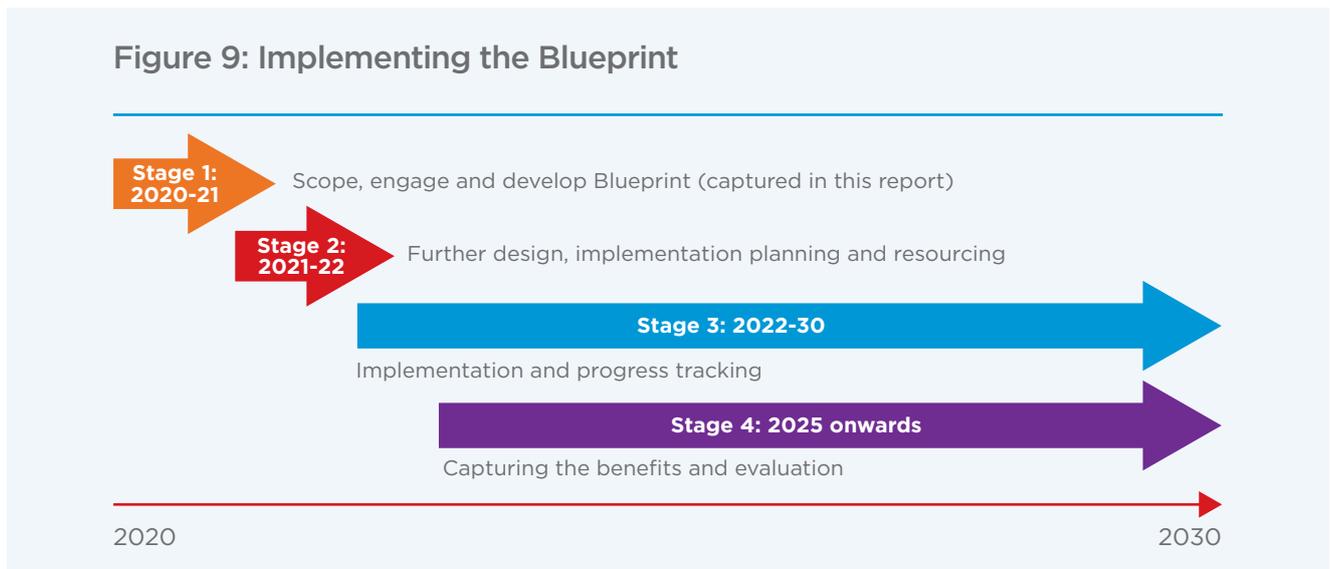


▶ As we move forward with the Blueprint, we commit to communicating and celebrating the great joy that philanthropy can generate for the individual donors, the service providers and the beneficiaries – a joy which can't help but inspire others to give.

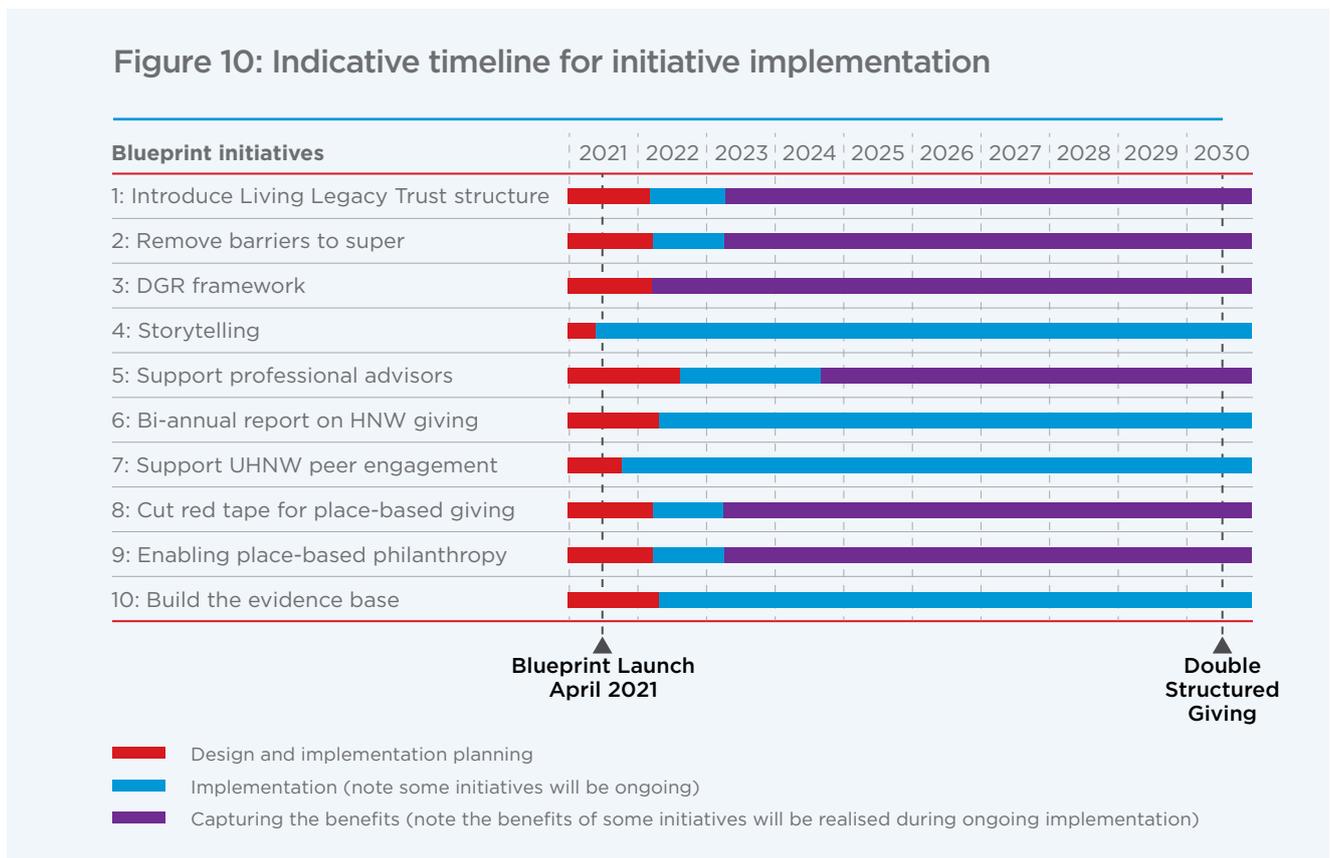


# 9. Timeline for implementation

This Blueprint outlines the roadmap for how Philanthropy Australia and leaders across the social, business and government sectors can work together to supercharge Australia's culture of planned and structured giving by 2030. It is the first stage in a multi-stage process, outlined in Figure 9 below.



Beyond the Blueprint's launch, stage 2 will commence with detailed implementation planning for each initiative which has been identified to support the strategic priorities. Further, the potential initiatives set out for each strategic priority will be tested and where appropriate, developed further. Figure 10 below provides an indicative timeline for the implementation of each initiative. Note the timing of some initiative implementation is contingent on government support.



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## 10. Enablers

Equally critical to the success of this Blueprint is that the strategic direction and priorities outlined are not only supported by a commitment to further stages of implementation planning and execution, but that this work is co-ordinated and sustained through three key enablers. These enablers, identified through research and consultations, are the need to:

- Form a **Coalition of the Giving**, to bring a broad based group of leaders and change agents from across the philanthropic, social, business and government sectors to collectively shape the Blueprint's implementation and the detailed design of specific initiatives, and to further create a shared sense of ownership for the achievement of the Blueprint's aspiration over the coming years.
- Develop and execute a **funding strategy and plan** to support the further stages of work, the enabling support and the key initiatives which will require varying levels of investment to implement.
- Ensure sufficient resources are provided for ongoing **enabling support** critical to successfully steward the further stages of work, support the engagement of the Coalition and secure funding, as well as report on the Blueprint's progress at key points through to 2030.

### Coalition of the Giving

Philanthropy Australia, through the process of the Blueprint's development has already taken significant steps to identify, engage and test the appetite of many key stakeholders across the philanthropic, social, business sectors as well as government, to participate in the Blueprint's work going forward.

A key next step will be the process of building this Coalition, which will include establishing a Leadership Council drawn from a diverse range of stakeholders who will publicly and privately advocate for the Blueprint within key sectors and to government, and provide advice to a Blueprint Stewardship Committee. This will be led by Philanthropy Australia and charged with overseeing the further stages of work, implementation and progress and outcomes reporting. Finally, much of the delivery of the further design, planning and execution of initiatives will take place in working groups which will be formed to lead each of the strategic priority areas.

### Funding strategy and plan

A strategy will be developed to fund the further stages of work, initiative implementation, and the enabling support. This strategy will focus on immediate resourcing requirements for the next stage of design and enabling support, with potentially larger investments required for initiatives which still need to be further scoped before a funding request is finalised. Philanthropy Australia will play a key role in developing and executing the funding strategy.

### Enabling support

Previous successful efforts to catalyse significant change across Australia involving numerous stakeholders over a sustained period demonstrate it is as equally critical to invest in ongoing enabling support as it is to set a clear aspiration, articulate the strategic direction and develop the roadmap. To ensure progress is made, enabling support within Philanthropy Australia will be established to progress the work, and specifically to ensure that the day-to-day effort of catalysing, sustaining and tracking activity and outcomes across the scope of the Blueprint is appropriately resourced.



We welcome expressions of interest from individuals and organisations looking to support stage 2 of the Blueprint. For questions or further information, please contact Philanthropy Australia CEO Jack Heath at [blueprint@philanthropy.org.au](mailto:blueprint@philanthropy.org.au).

# 11. Appendix

## 11.1 CONSULTATIONS

Thanks to many people who contributed to the development of the Blueprint through conversations, focus groups, workshops and dialogue, including but not limited to the following individuals. Development of the Blueprint was highly collaborative, but final decision making rested with Philanthropy Australia, with input from a Steering Committee.

Name	Title
-25 NEXUS participants	Workshop with young philanthropists from NEXUS group
-70 philanthropists	Survey of PAF & PuAF clients of Perpetual, Equity Trustees and Australian Philanthropic Services
Adam Peaston	Co-founder, Seer Data & Analytics
Alice Macdougall	Special Counsel, Herbert Smith Freehills
Amanda Martin OAM	CEO, Australian Environmental Grantmakers Network
Amanda Miller	Co-Chair, Philanthropy Australia
Ann Johnson	Co-Chair, Philanthropy Australia; Blueprint project Steering Committee
Antonia Ruffell	CEO, Australian Philanthropic Services
Ben Rodgers	Executive Officer, Inner North Foundation
Caitriona Fay	Managing Partner, Perpetual Private, Perpetual; Blueprint project Steering Committee
Dr Catherine Brown OAM	CEO, Lord Mayors Charitable Foundation
David Crosbie	CEO, Community Council for Australia
David Ward	Technical Director, Australian Philanthropic Services
Deborah Smith	Partnerships Manager, Community Council for Australia
Denis Moriarty	CEO, Our Community
Denise Cheng	Relationship Manager (Philanthropy), Equity Trustees
Dr Jason Franklin	Philanthropist, Activist and Researcher (USA)
Dylan Smith	Former Executive Officer, Fremantle Foundation; Director, Australian Community Philanthropy Board
Fiona Menzies	CEO, Creative Partnerships Australia
Frankie Airey	Fundraising Consultant, Philanthropy Squared
Gerlinda Scholz	CEO, Australian Community Philanthropy
Greg Hutchinson AM	Board Member, Paul Ramsay Foundation
Helen Merrick	Executive Manager, Fundraising Institute Australia; Campaign Director, Include a Charity
Hilary Pearson	Philanthropy Consultant (Canada)
Ian Silk	CEO, Australian Super
Jane Jose	CEO, Sydney Community Foundation & Sydney Women's Fund
Jim Craig	Chair of Investment Committee, Australian Super
Jo Taylor	Chief Capability Officer, Paul Ramsay Foundation; Blueprint project Steering Committee
Joe Skrzynski AO	Board Member, Philanthropy Australia
John McLeod	Board Member, Philanthropy Australia; Senior Consultant, JBWere Philanthropic Services; Blueprint project Steering Committee
Julie Reilly	CEO, Australians Investing in Women
Katherine Raskob	CEO, Fundraising Institute Australia
Kristi Mansfield	Co-founder, Seer Data & Analytics

Name	Title
Kristine Anderson	NSW/ACT & QLD Manager, Australian Environmental Grantmakers Network
Professor Kristy Muir	CEO, Centre for Social Impact
Lisa Grinham	CEO, Good2Give
Louise Kuramoto	Head of Philanthropy & Impact, Australian Communities Foundation
Luke Branagan	Director, JBWere Philanthropic Services
Maree Sidey	CEO, Australian Communities Foundation
Michael Traill AM	Executive Director, For Purpose Investment Partners
Natalie Egleton	CEO, Foundation for Rural and Regional Renewal
Nick Moraitis	CEO, The Foundation for Young Australians
Professor Paul Flatau	Director, UWA Centre for Social Impact
Professor Glyn Davis AO	CEO, Paul Ramsay Foundation; Blueprint project Steering Committee
Professor Robert Slonim	Behavioural Economist, University of Sydney
Professor Susan Phillips	Carleton University (Canada); community foundation expert
Rachel English	Foundation Manager, Mutual Trust
Rob McLean AM	Policy and Research Committee, Philanthropy Australia; Board Member, Paul Ramsay Foundation
Roewen Wishart	Fundraising Consultant, Xponential
Ruth Jones	Director, Global Markets, Australia and NZ Country Representative, Asian Venture Philanthropy Network
Sara Jenkins	Coordinator, Corryong Neighbourhood Centre
Sarah Buckley	CEO, Trawalla Foundation
Sarah Gavel	Consultant and Head of Corporate Philanthropy (Australia), Global Philanthropic
Stephanie Exton	Executive Director, Mornington Peninsula Foundation
Sue Woodward	Head of Not-For-Profit Law, Justice Connect; Board Member, Victorian Council of Social Service
Susanne Williamson	Senior Director (Development), Monash University
Susan Metcalf	CEO, Chief Executive Women
Suzi Carp	Executive Director, River Capital; Philanthropist
Tracie Olcha	CEO, Australian Jewish Funders
Troy Edwards	Director (Policy & Advocacy), Municipal Association of Victoria
Associate Professor Wendy Scaife	Director, Australian Centre for Philanthropy and Nonprofit Studies, Queensland University of Technology
Will Beresford	Relationship Manager (Philanthropy), Equity Trustees

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# 11. Appendix

The following people made up the core working team responsible for the development of this Blueprint.

Name	Title
Doug Hume	Manager, SVA Consulting
Isabella Olsson	Policy & Research Officer, Philanthropy Australia
Jack Heath	CEO, Philanthropy Australia (commenced in the role in January 2021)
Jon Myer	Special Advisor, SVA Consulting
Krystian Seibert	Acting Policy & Research Director, Philanthropy Australia; Industry Fellow, Centre for Social Impact, Swinburne University of Technology
Megh Mankad	Analyst, SVA Consulting
Regina Hill	Director, Effective Philanthropy
Sarah Davies AM	Former CEO, Philanthropy Australia (served until end of December 2020)
Sarah Wickham	Former Policy & Research Director, Philanthropy Australia (served until end of December 2020)
Susie King	Director, SVA Consulting

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## 11.2 ENDNOTES

- 1 While giving from corporate foundations are a form of structured giving, they have not been a focus of this Blueprint. This is due to the different levers required to increase giving by corporate foundations, and other well-resourced and developed initiatives already underway to increase giving through this structure.
- 2 In a survey of individuals with structured giving vehicles (specifically PAFs), commissioned by Philanthropy Australia for the purposes of the development of this Blueprint, almost 70 percent of respondents reported that the establishment of a giving vehicle had led to them giving more overall.
- 3 A survey undertaken for the Giving Australia 2016 report found the number one reason givers adopted a structured approach to giving was to 'be more strategic in giving' (71.4 percent). The equal second highest responses were 'To make a difference', 'To help organise giving' and 'To involve family in giving' (53.6 percent each).
- 4 Department of Prime Minister and Cabinet (2020), *Social Impact Investing Taskforce*.
- 5 Impact Investing Australia (2020), *Scaling Impact: Blueprint for collective action to scale impact investment in and from Australia*.
- 6 See Volunteering Australia's ongoing *Reinvigorating Volunteering campaign*.
- 7 See Appendix for a full list of experts and stakeholders engaged during the Blueprint's development.
- 8 A note on the giving data that appears through the Blueprint. For simplicity of measurement, 'structured giving' is taken to be comprised of annual distributions from PAFs and PuAFs and charitable trusts (available from the ATO and ACNC), together with informed estimates for bequests and corporate cash donations from various sources. These estimates, together with calculations for non-structured giving that appear later in the report, are informed by comprehensive modelling undertaken by JBWere Philanthropic Services in 2018 for the *Support Report*, as well as updates to short term estimates published in JBWere's *The outlook for philanthropy during COVID-19* (April, 2020). At the time of the Blueprint's publication, 2017-18 is the most recent year for which there is ATO Tax data available. 2018-19 data is expected to become available around April 2021. Note that the aspiration to 'double our giving' will be measured off a 2020 base year and comprises PAFs, PuAFs, bequests, charitable trusts, and corporate cash donations. Due to a lag in data availability, data on giving in 2030 will only be available in 2032.
- 9 Charities Aid Foundation (2019), *World Giving Index: Ten years of giving trends report*.
- 10 Indiana University Lilly Family School of Philanthropy (2018), *Global Philanthropy Environment Index*. Australia scored 4.17 out of 5, on an index which examines the incentives and barriers facing individuals and organisations when donating to social causes.
- 11 See earlier endnote for a description of data used to inform these estimates.
- 12 (i) JBWere (2018), *The Support Report*; (ii) *Giving USA Report* (2020). Sources and assumptions not available; (iii) ACF (2019) *Foundation Giving Trends 2019*; (iv) CAF (2016), *Gross Domestic Philanthropy*; (v) JBWere (2020), *The Support Report*; (vi) Harvard (2018), *Global Philanthropy Report*; (vii) Scaife, W., McGregor-Lowndes, M., Barraket, J. and Burns, W. (2016), *Giving Australia 2016. Literature Review*.
- 13 The history and culture of giving varies between nations, most notably with the United States, as do the other enabling conditions for philanthropy outlined by Indiana University Lilly Family School of Philanthropy (2018), *Global Philanthropy Environment Index*. A study by the Charities Aid Foundation (2016, *Gross Domestic Philanthropy*) found no significant correlation between levels of taxation and government spending and the amount given to charity across all indicators looked at internationally, with the exception of employer social security charges (which show that amongst those countries where there are higher social security contributions by employers, less is donated to charity and vice versa).
- 14 ATO data, JBWere and SVA analysis. Note this captures tax deductible donations, which generally reflects about a third of mass market donations. However, it does provide a consistent longitudinal data source and picture of the trends.
- 15 JBWere (2018), *The Support Report*.
- 16 Giving Australia 2016, *Literature Review*.
- 17 In Australia, data is unavailable on the precise number of Australian's that sit within each wealth bracket. Analysis by ACOSS (2020), *Inequality in Australia 2020*, however, shows wealth levels by quintile, rather than by wealth brackets, and illustrates the rising portion of wealth in the top quintile (with average wealth of \$4.7million). Note this data is based the ABS Income and Housing household survey, which is known to underestimate the wealth of the very wealthy.
- 18 According to Capgemini (2020), *World Wealth Report 2020*, the population of HNWIs in Australia grew by a further 7 percent in 2019, to 284,000 individuals, following an 8 percent rise in 2018. This report defines HNWIs as those having investible assets of over USD 1 million or more, excluding primary residence, collectibles, consumables and consumer durables.

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## 11. Appendix

- 19 Note that donations into sub-fund levels appear within the PuAF data. Note also that while corporate donations captured here are a structured form of giving, they may not have used a structured giving vehicle for their donations. A recent survey undertaken for *Giving Australia 2016* found that just ~30% of Australia's large businesses operated a corporate foundation or trust.
- 20 Previously known as 'Prescribed Private Funds'.
- 21 Content adapted from Australian Philanthropic Services various Trustee Handbooks. Data on size of PAFs and PuAFs taken from Australian Taxation Office (2020), *Taxation Statistics 2017-18: Charities Table 4A*; on sub funds from Seibert, K. (2019) *Snapshot of sub-funds in Australia*, and on bequests and trusts from analysis undertaken for JBWere (2018), *The Support Report*.
- 22 Australian Taxation Office (2020), *Taxation Statistics 2017-18: Charities Table 4A*.
- 23 Australian Community Philanthropy (2020), *2019/20 Annual Report*.
- 24 JBWere (2018), *The Support Report*.
- 25 Baker, C., Barraket, J. and Elmes, A., with Williamson, A., Scaife, W. and Crittall, M. (2016), *Philanthropy and philanthropists. Giving Australia 2016*; and Baker, C. (2014), *Encouraging Charitable Bequests by Australians*.
- 26 JBWere (2018), *The Support Report*.
- 27 Legacy Foresight (2019), *Australian Gifts in Wills 2040*.
- 28 Boyd, J. and Partridge, L. (2017), *Collective giving and its role in Australian philanthropy*.
- 29 Seibert, K. and Joyce, A. (2020), *Evaluation of the Giving Circles at Work Pilot*.
- 30 SVA analysis of "Intergenerational Wealth Transfer Estimate 2015-2060" data set provided by Seer Data and Analytics.
- 31 See Remember a Charity (2016), *Research sheds new light on the role of solicitors in facilitating legacy giving and Legacy Foresight* (2019), *Australian Gifts in Wills 2040*.
- 32 Bloomberg, *Bloomberg Billionaires Index*.
- 33 Robitaille, N. (2019), *A little nudge goes a long way to increasing organ donor registrations*. Whilst this research relates to organ donations, consultations with expert researchers as part of this project showed that similar conclusions can be drawn about other forms of altruism.
- 34 Australian Community Philanthropy (2020), *Community Foundations in Australia: Blueprint for Growth*.
- 35 SVA analysis of "Intergenerational Wealth Transfer Estimate 2015-2060" data set provided by Seer Data and Analytics. Seer Data's Intergenerational Wealth Transfer data displays the giving propensity of different geographical areas, using a simple 1-100 index. Areas are ranked using a percentile method. e.g. an area in the 95th percentile for its 'Total Wealth Transfer' places it in the top 5% of all areas in terms of its total wealth transfer. On the 'Estimated Total Wealth Transfer Map', Australia's SA2s are ranked from 'blue' to 'red'. The 'blue' areas are those in a low percentile (close to 0), and the 'red' areas are those in a high percentile (close to 100).
- 36 McGregor-Lowndes, M., Crittall M., Conroy, D. and Keast, R. with Baker, C., Barraket, J. and Scaife, W. (2017), *Individual giving and volunteering. Giving Australia 2016*.
- 37 Table presents a selection of Seer Data & Analytics' "Intergenerational Wealth Transfer Estimate 2015-2060", combined with volunteering and giving percentiles calculated by Seer Data, using their *Willingness to Give Index*. Areas are ranked using a percentile method. e.g. an area in the 95th percentile for its 'Gift/donation rate' places it in the top 5% of all areas in terms of gifting/donating.
- 38 For example, see the work of the Into Our Hands Community Foundation in north-east Victoria <https://intoourhandsfoundation.com.au/our-prosperity-realised-transfer-of-wealth>.
- 39 Australian Community Philanthropy (2020), *Community Foundations in Australia: Blueprint for Growth*.
- 40 The six factors or mechanisms to grow giving have been drawn from the following literature reviews: Wiepking, P. and Handy, F. (2015) *Facilitating Factors from a Cross-National Perspective*; Bekkers, R. and Wiepking, P. (2010), *Eight Mechanisms That Drive Charitable Giving; Giving Australia 2016 report series*. Note this list focuses only on factors that can be influenced and harnessed to grow giving, as distinct from those outside our control.
- 41 Indiana University Lilly Family School of Philanthropy (2018), *Global Philanthropy Environment Index*.
- 42 ACNC (2017), *Public Trust and Confidence in Australian Charities Report*.
- 43 Australian Government, The Treasury (2020), *Retirement Incomes Review*.
- 44 Grattan Institute (2020), *Balancing act: managing the trade-offs in retirement incomes policy*.
- 45 Australian Government, The Treasury (2020), *Retirement Incomes Review*.
- 46 Australian Government, The Treasury (2013), Not-for-profit Sector Tax Concession Working Group, *Final Report*.
- 47 SVA analysis of "Intergenerational Wealth Transfer Estimate 2015-2060" data set provided by Seer Data and Analytics.

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- 48 McGregor-Lowndes, M., Crittall, M., Conroy, D. and Keast, R. with Baker, C., Barraket, J. and Scaife, W. (2017), *Individual giving and volunteering. Giving Australia 2016*.
- 49 SVA and Centre for Social Impact (2021), *Partners in recovery: Why charities need tailored support*.
- 50 See for instance, Standard Social Innovation Review (2018) *The Secret to Better Storytelling*; Jensen, B. (2014) *Strength in storytelling*.
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## About Philanthropy Australia

Philanthropy Australia is the national peak body for philanthropy and is a not-for-profit membership organisation with a more than 600-strong membership.

Our mission is to represent, grow and inspire an effective and robust philanthropic sector in the community.

Our Members are trusts and foundations, businesses, families and individuals who want to make a difference through their own philanthropy and to encourage others with their giving. To find out more about Philanthropy Australia, visit **[www.philanthropy.org.au](http://www.philanthropy.org.au)**.

