

The Support Report

JBWere

The changing shape of giving and the significant implications for recipients

By John McLeod

April 2018



Foreword



In 2016, JBWere launched “The Cause Report” – a first-of-its-kind analysis into the evolution of the for-purpose (historically referred to as the “not-for-profit”) sector in Australia. We wrote this report to provide all Australians with a deeper understanding and appreciation of a sector that is so critical to our social and economic prosperity. It is deeply satisfying to note that The Cause Report continues to be utilised by all parties engaged in and around the for-purpose sector as a valuable input into education and strategy development.

The Cause Report was a catalyst for discussion and debate across the ecosystem of the sector. We met with social enterprises, philanthropists, Government, and the Business community - all united in their vision to make this sector more impactful. These meetings led to deeper discussion around two key issues:

1. The scale and sustainability challenges driven by the concentration of income and assets in the top 10% of organisations; and
2. The role of philanthropic support in the context of the above challenge.

Whilst the first issue is a product of the historical evolution of the sector, we saw an opportunity to inform on this challenge through a detailed exploration of the shape of giving in Australia.

After more than a year of research and analysis, we proudly present The Support Report – an in-depth analysis of the changing face of giving in Australia. The report explores:

- How philanthropy is quickly evolving in Australia;
- The types of givers who support each cause area and those cause areas' reliance on philanthropic income;
- The dramatic difference in who, why, where and the way support is provided across donor segments; and
- The need for rapid evolution amongst non-profits to continue to attract support, particularly in certain cause areas.

For 178 years, the core ethos of JBWere has been to put clients first. We believe this report will provide insight for each of our clients and make them more impactful and successful in delivering on their mission. In addition, we hold a bolder ambition that everyone in the Australian ecosystem of social and economic impact will derive benefit from this research report and be able to leverage it as a strategic tool that leads to better informed analysis and decision making. Together we will make a significant difference in this sector which is so crucial to moving Australia forward.

Can I finally take this opportunity to thank the dedicated team we have in JBWere Philanthropic Services, our clients and all who have collaborated in the production of this report. I am proud of the role JBWere plays in this sector and I encourage you to engage with us and challenge our thinking by contacting the JBWere Philanthropic services team.

Enjoy the report.

	Page
Executive Summary	5
Introduction	6
The Givers	7
• Relative size of each donor segment	7
• Volunteering	8
• Mass market donors	9
◦ Location	10
◦ Income	11
◦ Age and Gender	13
◦ Causes supported	13
• Bequests	14
• High Net Worth Individuals (HNWI) and Private Ancillary Funds (PAFs)	15
• Public Ancillary Funds (PuAFs)	19
• Charitable Trusts	20
• Corporate Sector	21
◦ How business gives	22
◦ Where business gives	22
◦ What business gives	23
◦ Workplace Giving	23
The Receivers	24
• Relative size of each recipient cause	24
• Largest recipient charities	26
• Trends in fundraising costs	27
• Causes	28
◦ Religious activities	29
◦ International activities	30
◦ Social services, Economic, social and community development, Emergency relief	31
◦ Health, Medical research, Hospitals and rehabilitation	32
◦ Higher education	33
◦ Culture and arts	34
◦ Animals, Environmental activities	35
The Future	36
• The changing shape of giving	36
• Implications for recipient causes	37
• Wish List	38

Executive summary

While only providing around 8 per cent of the for-purpose sector's income, donations and bequests from individuals, trusts and foundations and businesses have far more significance on the plans, directions and new opportunities for the sector to grow impact. This is due to the generally greater freedom in using these funds compared to other sources of income that are tied to the provision of ongoing services and goods.

This income is vitally important to the sector's success but its nature is changing fast. Different donors support different causes and the growth rates between donor types varies significantly. This means a cause which relies heavily on one type of donor, say mass market events, may have a very different outlook to another cause which gets most of their support from bequests. With the rapid changes we are seeing in various donor segments, understanding who your supporters are, what are the trends for that group and opportunities available in other segments, will become even more important over the next two decades.

The Support Report is a continuation of our deep analysis of the sector initially seen in The Cause Report which examined overall for-purpose trends. This report focusses on the income derived from donations and bequests and on the cost savings provided from the significant support offered through volunteering. While overall growth rates for support are expected to remain strong and even accelerate, the mix is set to change significantly over the next 20 years producing winners and losers among causes and even among charities within those causes.

We make the following observations:

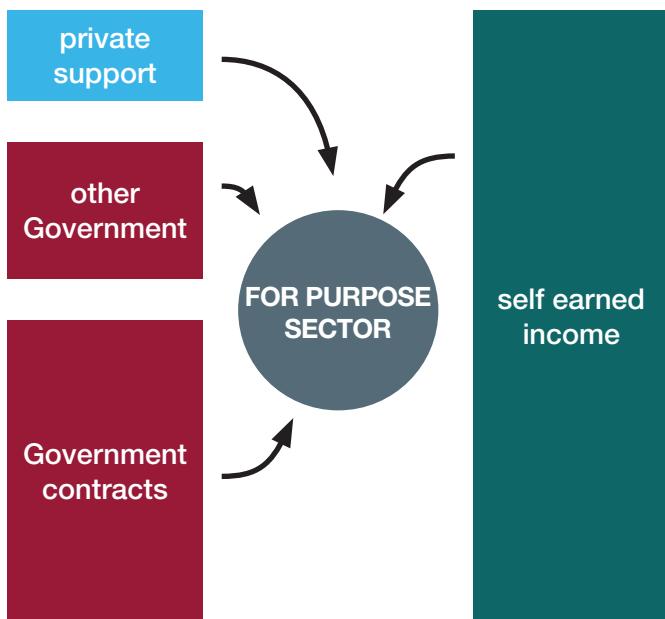
- Volunteering is undervalued and has likely peaked. A greater proportion of women volunteer and 35-44 is the peak age bracket. At current rates, the financial value of volunteering to the sector is 1.7 times that of donations and bequests but very few organisations put more effort into volunteering compared to seeking donations.
- Mass market donors currently make up almost half of total donations. This is expected to fall to around one third by 2036 as the proportion of taxpayers claiming deductions is low and slipping and the higher cost of many non-deductible fundraising strategies such as events and lotteries discourages growth.
- More women donate and at most age brackets, they donate a larger proportion of taxable income but with lower salaries they donate less dollars.
- The proportion donating and amounts given rises with income, although we see under 60% of those earning over \$1 million per year claiming a deduction for donations. The causes supported as income rises move from religion and basic needs to health, education and arts.
- Bequests are set to become more significant with an ageing population and rising house values. The introduction of a "living bequest" structure, available in the USA, would further boost bequests.
- There has been strong growth in large and visible giving and in structured giving through PAFs. Grants made through these plus other structured giving are set to grow to around 17% of all giving by 2036, up from 7% in 1996. The causes supported by this group varies significantly from mass market giving.
- There is still considerable growth expected from this High Net Worth Individuals (HNWI) area when we examine wealth levels in Australia and as the knowledge slowly spreads about how and why structured giving works. A significant opportunity for growth also exists among public ancillary funds/community foundations.
- The corporate sector is a strong supporter of for-purpose groups but the methods used and causes supported varies widely between large and small companies. In addition, the skills needed to do this well are still being learned by corporates with charities even further behind in appropriate engagement strategies.
- For the receivers of donations and bequests, religion remains the main cause supported but its dominance has fallen and guided by census data, is expected to fall further.
- The opportunity to gain market share appears to be led by Universities, medical research, arts and culture and perhaps environment. International aid already enjoys a large share of giving but given its donor base, maintenance of that share would be a good result.
- Fundraising is dominated by the largest organisations with the largest 10% of charities receiving 94% of all donations and the top 25 alone, almost 20% of the total.
- The return on investment in fundraising has fallen consistently over the last decade due partly to competition, however it is still attractive at around \$5 raised for each \$1 spent.
- We expect overall donations and bequests to rise at a faster rate over the next 20 years than seen in the last 20 years, but we see the mix changing significantly with structured giving, bequests and corporate support rising much faster than the mass market giving and volunteering.
- There are many opportunities for further improving this outlook, partly through legislation but also through better information sharing and marketing.

Introduction

Fundraising and volunteering are vitally important to the successful, impact maximizing, future of the for-purpose sector. However, it isn't an activity well understood by most supporters and increasingly isn't seen as important by a growing number of Australians. Even for those closely involved in either seeking or using that support, there are many significant changes taking place that are altering the face of giving and the skills needed to attract it.

In The Cause Report, we looked at the trends in total income for the sector over the last 20 years and saw a growing reliance on Government funding and a decline in self earned income with private support only slightly ahead of overall income growth. This was cause for concern as it is unlikely that the Government provided share of the sector's income will continue to grow at historic rates where it has moved from 30% to currently around 40% of total income. It was also an issue that the risk or innovation capital in the sector, mostly provided by philanthropy, might be used instead to cover funding gaps rather than be used in its most valuable way, doing things that other dollars can't. When we look at the sector's income mix (Diagram 1) we can see the relatively small, but unique, position that private support plays in our for-purpose sector.

Diagram 1 – Sources of funding to for-purpose sector



Source - ABS, ACNC, JBWere Philanthropic Services

This report is divided into two segments. Firstly, we examine the different areas of support, looking at their current size and trends and provide a view on the likely elements that will shape future growth. As importantly, we look at which cause areas are favoured by each donor segment. We include volunteering among the givers but also focus on the financial aspects of support. We contrast the languishing mass market with the much stronger trends being seen in structured philanthropy and corporate giving and the promise ahead from bequests.

The second section of the report focuses on the receivers of support. Again, we examine the current size of different cause areas and the trends driving their likely future growth, highlighting which sector's should benefit from the changes in support and which may struggle. We also look at the concentration of donations and bequests among the larger organisations and the concerning trends for the cost of fundraising.

Finally we examine the changes in support over the last 20 years, project what this vital area might look like in another 20 years and where resources need to be placed to share in an expected bright but different future.

We hope you enjoy this analysis and most importantly, we hope that you gain a deeper understanding of the major trends in support and how it may impact you, or your organisation.

The JBWere Philanthropic Services team would be pleased to discuss and expand on any aspects of the report and the opportunities available for you and your organisation.

The Givers

Many casual observers of Australia's for-purpose and charity sector view donations as a dominant source of their income and think of the donors as broad, homogenous and a large section of the community. The public face of donations are often the large annual appeals, events and telethons. The reality is that donations come from a wide range of sources each driven by different motivations, growing at varying rates and supporting a range of very separate causes. This first section of The Support Report examines the range of givers in Australia their size, growth trends and differing characteristics including which causes are more likely to be supported.

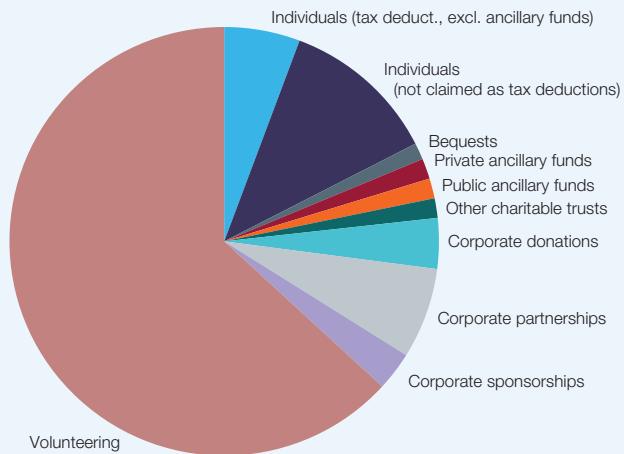
“Support is provided by a wide variety of donor groups and volunteers each growing at different rates and supporting separate causes.”

Relative size of each donor segment

In comparing the size of financial support provided by each donor group, we have included the very large and often undervalued contribution of volunteers. We have provided an estimate of the size of each group based on a number of sources and our own calculations. We have also broken up the donors into the mass market (large amounts of donors giving relatively smaller amounts), bequests, high net wealth individuals (HNWI's) and structured philanthropy, corporates and volunteering.

Diagram 2 shows the relative size of each segment and highlights the importance of volunteering to the sector. It also shows the scale of corporate support further broken up into the ways corporates are choosing to structure their relationship with recipients. While mass market individuals are an important part of the giving pie, they certainly don't dominate it. The HNWI, structured philanthropy and bequest areas of giving, while smaller, are the fastest growing segments of the pie and over the next decade are set to form a much more significant part of the giving landscape. They also tend to support very different causes to other donor groups.

Diagram 2 – Value of volunteer and donor segments



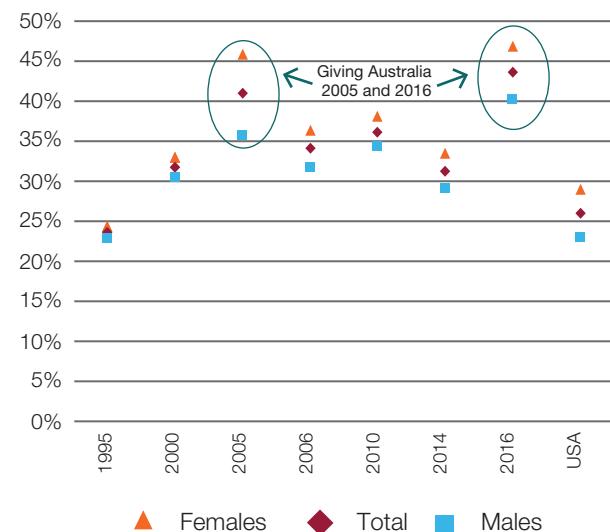
Source – Australian Taxation Office (ATO), Australian Bureau of Statistics (ABS), Giving Australia 2016, JBWere Philanthropic Services

Volunteering

It is worth contemplating the future direction of volunteering given the very large contribution it makes to the overall support pie in Australia. While there have been numerous surveys into volunteering, drawing out consistent trends is difficult. The two main sources used are the ABS General Social Survey and the Giving Australia surveys. The latter surveys conducted for 2005 and 2016 (circled in Diagram 3) showed significantly higher results than the ABS series due partly to a broader set of questions being asked and prompting about what activities could be included such as religious volunteering and Board directorships. The ABS surveys over time (which changed from the Voluntary Work Survey to the General Social Survey in 2006) also altered their survey targets at times when certain information was desired. Despite these comparison challenges, it is worth noting the plateauing and likely fall in volunteer participation rates in recent years. There has been a consistent pattern of higher female participation although, in both survey sets, the gap is narrowing. The combination of time pressure, growing regulation around volunteering, the increasing desire of volunteers to do skills based and "meaningful" work, lack of financial incentives (compared to tax deductions for financial donations) and preparation and support from recipient organisations, suggests this concerning trend in volunteering may continue. While survey methodologies differ, it is worth noting the levels of volunteering seen in the USA are lower again than the Australian numbers.

“Volunteering is a significant part of the for-purpose model but often doesn't have the investment seen in fundraising.”

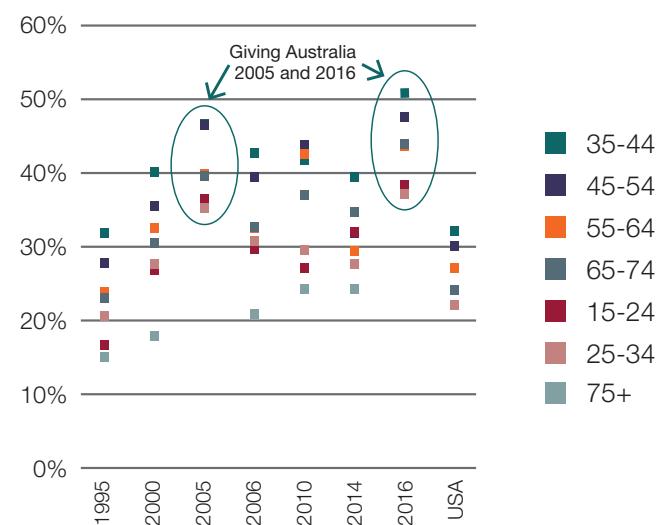
Diagram 3 – Volunteering by gender 1995-2016



Source – ABS, Giving Australia 2016, philanthropyroundtable.org, JBWere Philanthropic Services

Perhaps surprisingly, the peak age range for volunteering is 35-44 rather than the post retirement range beyond 65 (Diagram 4). It is interesting to consider the baby boomer bulge and its potential negative effects on volunteering as the population ages.

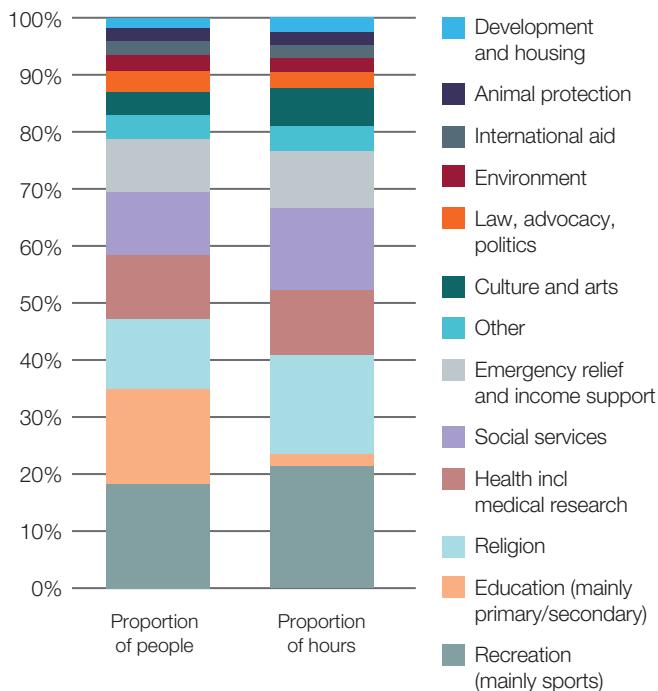
Diagram 4 – Volunteering by age 1995-2016



Source – ABS, Giving Australia 2016, philanthropyroundtable.org, JBWere Philanthropic Services

The causes that are supported by volunteering are widely spread and the comparison of people numbers and hours volunteering are quite different in many sector's (Diagram 5) highlighting the variety of ways charities organize to use their support. Recreation (mainly sport) and religion lead in both number of people and hours while primary and secondary education attracts a large number of people but much fewer hours. Social services and emergency relief are also both well represented as is health although much of their support is around fundraising rather than operational. There is also a skew in the age of volunteers depending on the cause. For sport, participation peaks in the 35-54 age brackets and primary and secondary education peaks at 35-44, coinciding with parents support of activities around children. However religion saw the opposite with support weakest at 35-54 but peaking for those over 65. Social services and emergency relief were far more consistent across all age groups.

Diagram 5 – Volunteering by cause



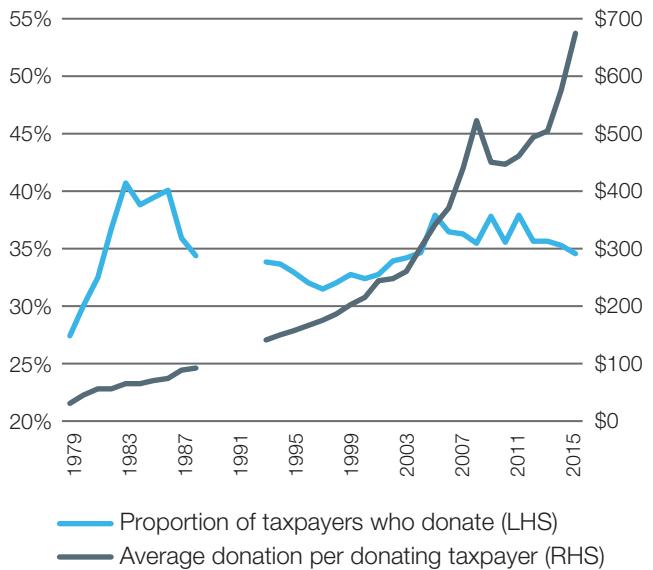
Source – Giving Australia 2016, JBWere Philanthropic Services

For-purpose organisations who rely on volunteering as a significant part of their operating model need to be aware of these trends and plan for changes.

Mass market donors

The financial support provided from the broad population is typified by a large number of people giving smaller amounts either via tax deductible donations or by participating in activities which are organized by, or raise funds for, charities and non profit organisations. This mass market fundraising is an important but increasingly difficult and competitive area for organisations and the financial returns on investment, while still attractive, have consistently fallen over time (see later section on Trends in fundraising costs). While only representing around one third of mass market donations, the consistent information available from the Australian Taxation Office (ATO) on deductions claimed in annual tax returns provides a very useful, consistent picture of the trends in this area (Diagram 6). The good news is that the annual amounts claimed for donations per donor has grown well in excess of inflation. Except for the jump in 2008 which reflected a pre global financial crisis (GFC) increase in donations, particularly into private ancillary funds (PAFs), there has been a strong and consistent growth in support from donors. The bad news is that those donors haven't yet inspired others to join. The proportion of taxpayers claiming tax deductible donations has been gradually slipping over the past decade albeit increasing in years of natural disaster (eg 2005 Asian tsunami, 2009 Victorian bushfires and 2011 Queensland floods). In fact, this measure of participation peaked in 1983 highlighting a worrying trend in mass market support.

Diagram 6 – Proportion of taxpayers and donations claimed 1979-2015

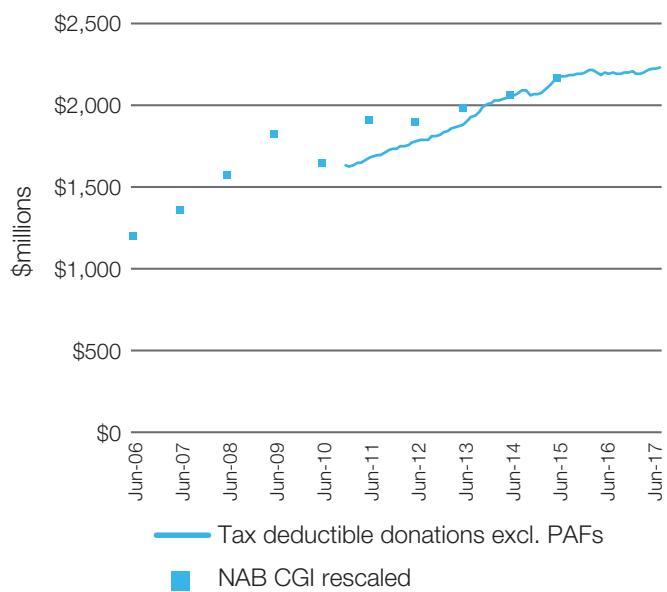


Source – ATO Taxation statistics, JBWere Philanthropic Services

Although the comprehensive ATO data is very helpful it is not timely with the data for 2016 only released later in April 2018. A more timely view on mass market giving can be gained from the NAB Charitable Giving Index (NABCGL) which is based on the electronic spending (e.g. Credit Card, Debit, Eftpos, BPAY, Direct Debit) behaviour of 2.5 million Australians, scaled to represent the Australian economy. We have included the total tax deductible donations reported by the ATO, excluding those

into PAFs, and compared to a rescaled NABCGL to see the likely trend in mass market donations beyond 2015 (Diagram 7). This shows we should expect a relatively flat result for both 2016 and 2017, especially considering few significant natural disasters occurred (thankfully).

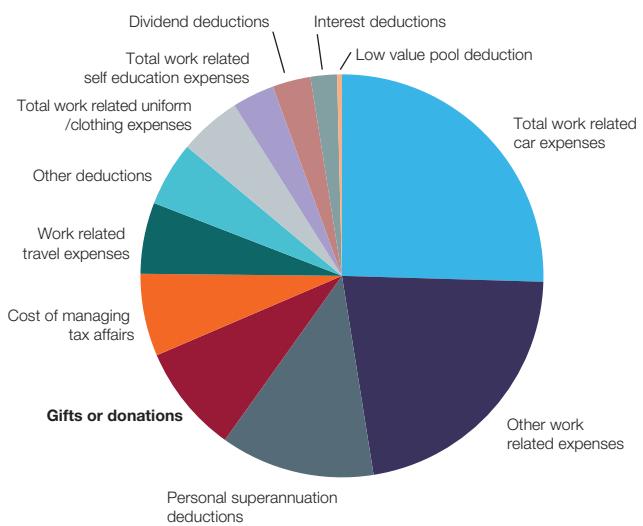
Diagram 7 – Donations claimed excl. PAFs and NABCGL 2006-2017



Source – ATO Taxation statistics, NAB Charitable Giving Index (NABCGL) created in association with Quantum, JBWere Philanthropic Services

Another way of thinking about the level of mass market support and potential for improvement is to compare the total level of these deductions with other tax deductions claimed (Diagram 8). In the latest available year, gifts or donations represented 8.7% of all deductions, similar to clothing and self education claims combined. In a positive sign this has risen from 6.9% in 2012.

Diagram 8 – Tax deductions claimed against income 2015

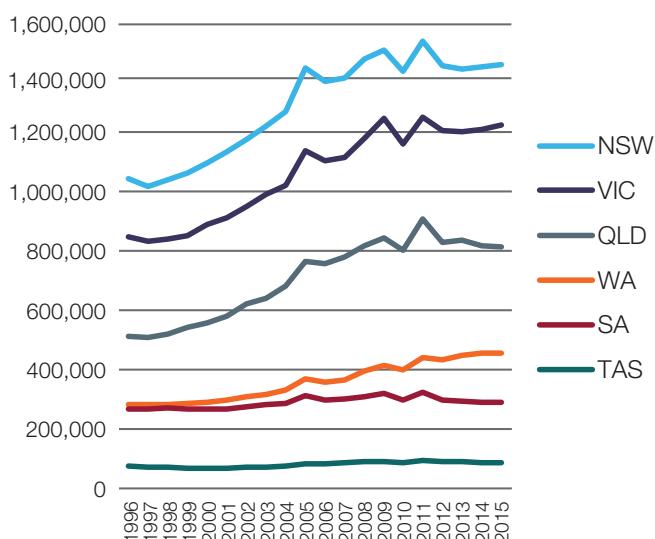


Source – ATO Taxation statistics, JBWere Philanthropic Services

Location

Examining the number of tax deductible donors by state highlights that the lack of growth is widespread. Despite population growth, the number of people claiming tax deductible donations is still similar to that seen a decade ago in 2005 (Diagram 9). That year saw the final year of a decade of good improvements boosted by the very high profile Asian tsunami in December 2004. Since then, any increases have been small and only around one third of overall Australian population growth. Only Western Australia has seen double digit increases while our most populous state, New South Wales, has seen under 1% total change and South Australia has experienced a decline.

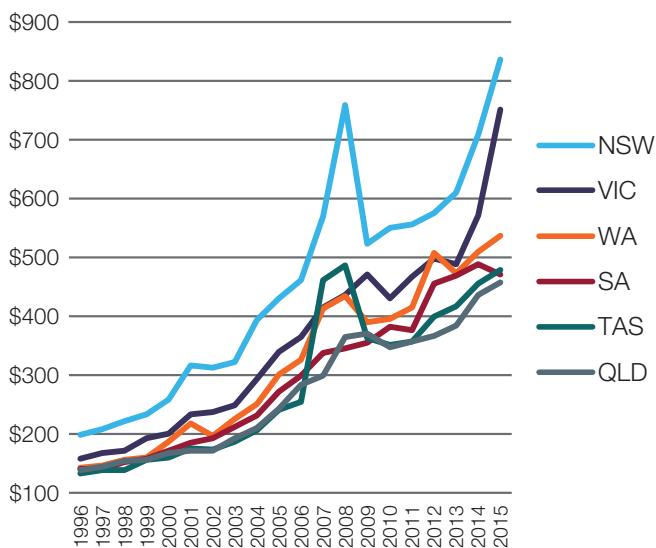
Diagram 9 – Donors claiming donation in tax by state 1996-2015



Source – ATO Taxation statistics, JBWere Philanthropic Services

When we compare states for the level of donations (from those donating), we see good gains in recent years in New South Wales and Victoria and continued solid improvement in other states (Diagram 10). The occasional spike has generally been the result of large donations into PAFs, particularly in 2008. This presents a dilemma to fundraisers about whether to focus on the increasingly generous, existing donor pool and risk donor fatigue or to try and find the message that will encourage the many more who aren't currently donating in this way to participate. There is certainly more upside in the latter, but it has proved a much more difficult path to date.

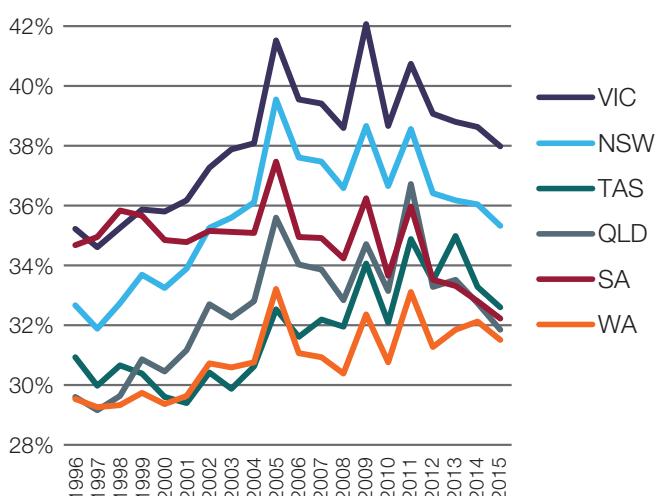
Diagram 10 – Average donation claimed by state 1996-2015



Source – ATO Taxation statistics, JBWere Philanthropic Services

The most concerning situation for the mass market is low participation rates. Although Giving Australia 2016 does highlight that when we include other non tax deductible donations, such as events, raffles etc the participation rate increases to almost 81%, the cost of fundraising for many of these activities is very high. Diagram 11 shows the proportion of taxpayers claiming tax deductions for donations by state. No state has escaped the post GFC decline except Western Australia and most are at or below levels seen in 2003. The natural disaster driven spikes in 2005, 2009 and 2011 are even more visible in this diagram as is the home state bias to these in Victoria in 2009 and Queensland in 2011. Thankfully, we saw the most populous states of New South Wales and Victoria having the highest donor participation rates.

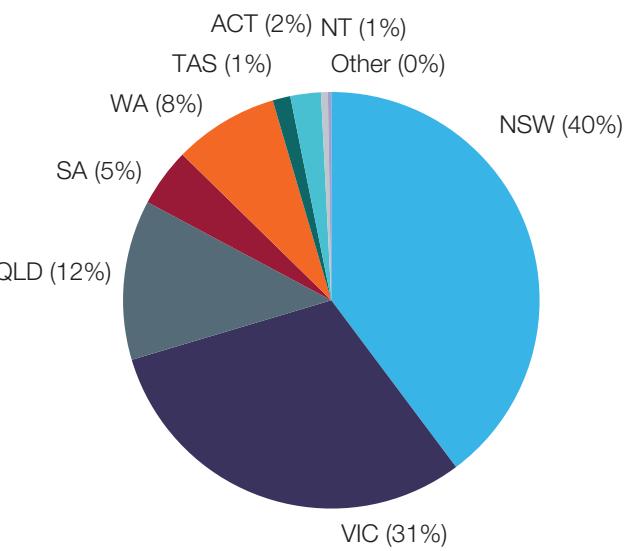
Diagram 11 – Proportion of taxpayers claiming by state 1996-2015



Source – ATO Taxation statistics, JBWere Philanthropic Services

The importance of population is highlighted when we compare the tax deductible dollars raised in each state (Diagram 12). In addition, when you combine the higher participation rates and higher average donations in New South Wales and Victoria compared to other states we see they represent over 70% of total donations while only having 56% of total tax payers.

Diagram 12 – Total tax deductions for donations by state 2015



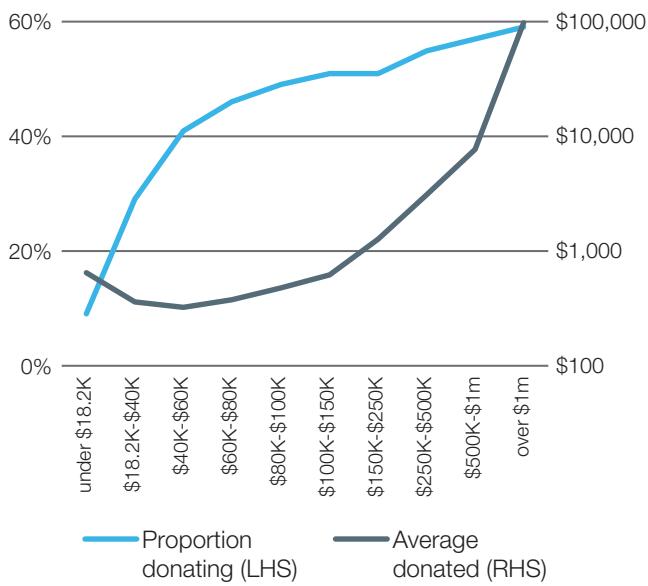
Source – ATO Taxation statistics, JBWere Philanthropic Services

Income

Those who have more can give more. While this is a sensible assumption, is it true in Australia? Broadly it is, in that we see those on higher incomes making larger tax deductible donations and a greater proportion of them participating (Diagram 13). The “hockey stick” shape of the amount donated is pleasing and reflects not just a higher dollar amount but also a higher proportion of taxable income is given. Those on \$50,000 - \$100,000 annual taxable incomes give 0.26% as a total group, although just including donors sees that rise to 0.57%. As incomes rise these proportions also rise with those enjoying taxable incomes over \$1 million (11,128 people) donating 2.57% of it as a group and only including the 59% who do claim, it represents 4.32% of their income. While the amount donated grows impressively, the proportion donating as income rises sees a much lower growth trajectory.

“While a greater proportion of those on higher incomes give more, there is significant room for improvement.”

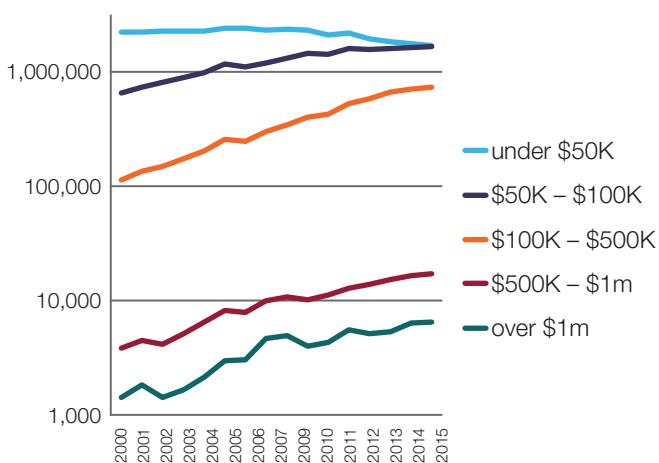
Diagram 13 – Proportion of taxpayers and deduction by income 1996-2015



Source – ATO Taxation statistics, JBWere Philanthropic Services

One of the hidden issues with the growth in philanthropy is that the gradual rise we are seeing in total tax deductible donations is as much about bracket creep as it is about generosity. Diagram 14 shows the number of people in each tax bracket making donations since 2000 and there has been a significant jump in all levels over \$50,000. On face value this seems like good news. Between 2000 and 2015, the proportion of taxpayers with taxable incomes over \$50,000 jumped from 16% to 43% while those above \$100,000 jumped from 2% to 12% of the total.

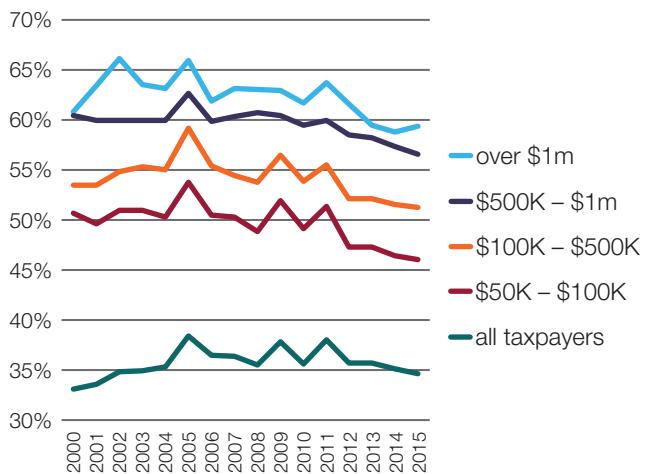
Diagram 14 – Donors claiming donation in tax by income 1996-2015



Source – ATO Taxation statistics, JBWere Philanthropic Services

Hopefully this will have had the effect of converting non donors to donors as income rises. When we look at the trends in donors from each tax bracket over time a more sober picture emerges (Diagram 15). While it is good that as income increases more people donate, the trend within each tax bracket is worrying. Also the actual percentage of those donating is disappointing with just under 60% of those earning over \$1 million in taxable income annually donating. In the USA it is closer to 90%. It would seem that as people's income levels increase, some choose to start donating, but a growing proportion don't and that is dragging down participation rates in each bracket.

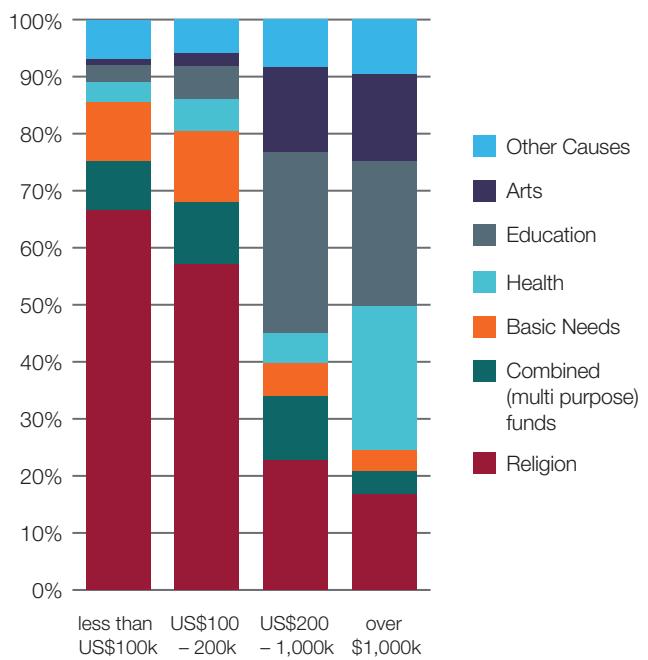
Diagram 15 – Proportion of taxpayers claiming by income 1996-2015



Source – ATO Taxation statistics, JBWere Philanthropic Services

While the focus has been on the number of people donating, there has also been research showing that the causes supported also change with income. Diagram 16 shows how the causes supported in the USA change considerably as income levels rise. Giving to religion falls and support for education (largely Universities), arts and health (including medical research) rises with income levels. While the Australian data isn't as comprehensive, we do see the same patterns when comparing causes supported by HNWIs and then PAFs to the broader causes supported by mass market philanthropy. This has significant implications for different causes as the demographics of giving changes.

Diagram 16 – Causes supported at different income level in USA 2005

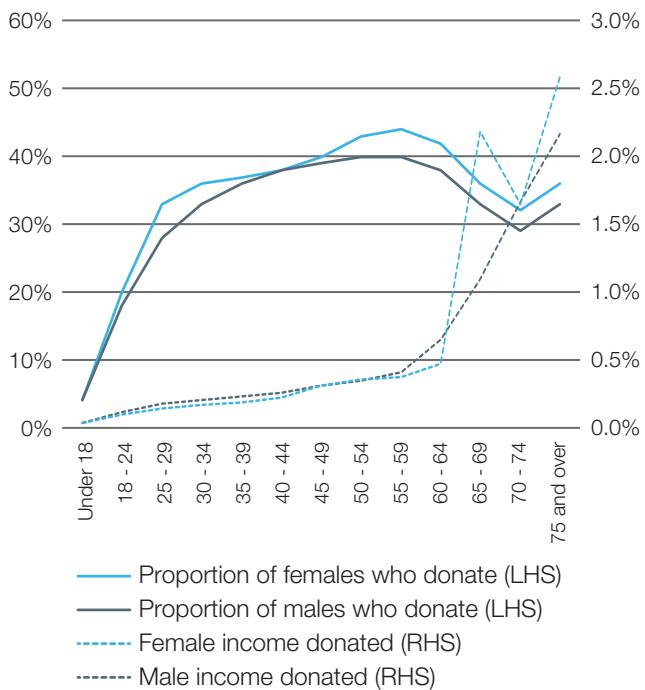


Source – Patterns of Household Charitable Giving by Income Group, 2005 - The Centre on Philanthropy at Indiana University, JBWere Philanthropic Services

Age and Gender

There is a significant difference in giving related to both age and gender. Over all age groups, a greater proportion of females make tax deductible donations compared to males (Diagram 17). As we saw in an earlier section, females also volunteer at greater rates. Also, until ages over 65, females donate a little more of their taxable income. The patterns of giving with age also show that the proportion who donate reaches near a plateau from 25 years of age with an absolute peak at 55-59. In terms of the proportion of income given there is a steady increase up to age 65, after which there is very significant increase. As covered in more detail later, this trend continues beyond life through bequests.

Diagram 17 – Proportion of taxpayers and % donated by age/gender 2015

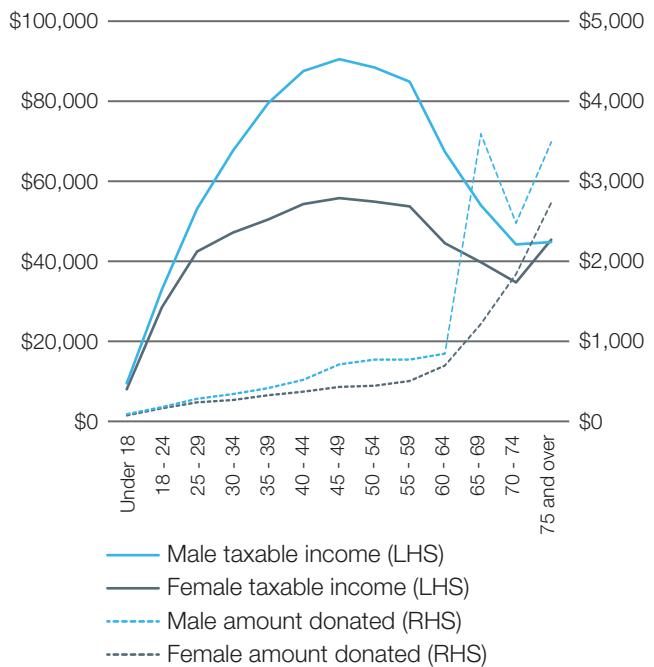


Source – ATO Taxation statistics, JBWere Philanthropic Services

The downside of the greater female proportion of donors and similar proportion of income given is that the level of female income is significantly lower than males at all age groups, except under 18 and over 75 (Diagram 18). This combination means the dollar level of giving by males is higher at all ages. While this does reflect what tax returns show, it doesn't necessarily correspond to many family decision processes about who decides to donate and where donations are directed. Again, the size of donations steadily increases with age but it isn't until over 65 that levels increase significantly.

“More women give and they donate more of their income. However their income is much lower.”

Diagram 18 – Taxable income and amount donated by age/gender 2015

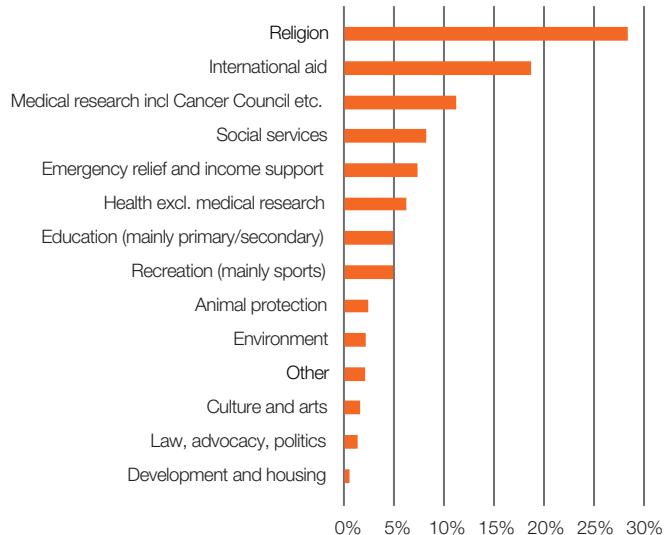


Source – ATO Taxation statistics, JBWere Philanthropic Services

Causes supported

In terms of the causes supported by the vast majority or mass market individual donors in Australia, religion dominates giving (Diagram 19). This is similar to data from the USA and many other countries such as New Zealand and covers “basic religious charities”. It does not include giving to other causes conducted by charities with a religious background (eg Salvation Army, World Vision etc). International aid is a clear second, above health and medical research and welfare causes. The Recipients section of The Support Report provides more detail about how these causes are supported by other sections of the giving pie.

Diagram 19 – Proportion supporting each cause 2016

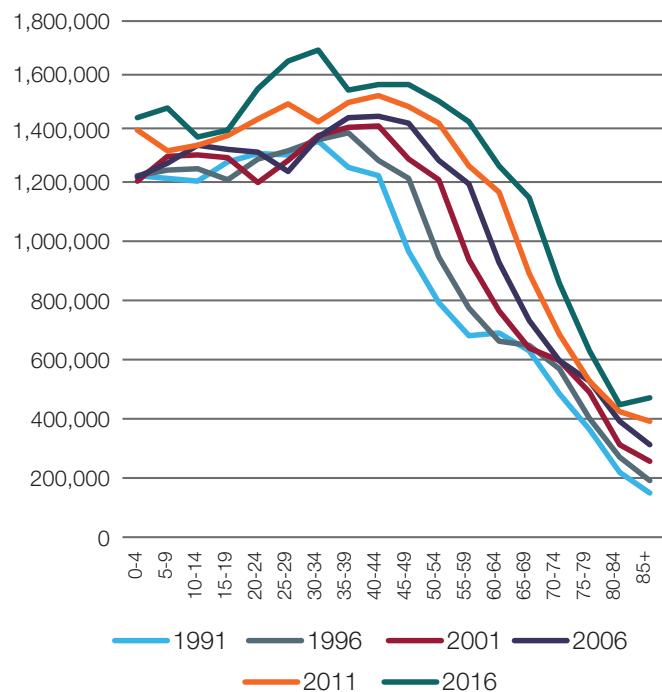


Source – Giving Australia 2016, JBWere Philanthropic Services

Bequests

Leaving a gift to charity in your will is usually the most significant level of support provided by donors over their lifetime. There have been few studies into the scale of bequests in Australia (only Ph.D.'s by the late Chris Barnard in Queensland and Christopher Baker in Victoria). However, analysis of average bequest size, proportion of wills containing bequests and mortality rates suggest an annual total of around \$450 million placing bequests in the same order of total support as provided by each of PAFs, PuAFs and charitable trusts. In addition, the financial return to charities from bequest programs is usually the highest of all forms of fundraising, partly due to the large number of bequests received "out of the blue" (see later section on Trends in fundraising costs). Of even more interest is the potential growth in bequests. The combination of an ageing population and the "baby boomer bulge" (Diagram 20) and increasing asset values with significant gains in property prices point to strong gains in bequest values in the next two decades. This part of the massive wealth transfer taking place in many western countries should provide a strong boost for charities, particularly in some cause areas, such as animal welfare.

Diagram 20 – Australian population by age 1991-2016

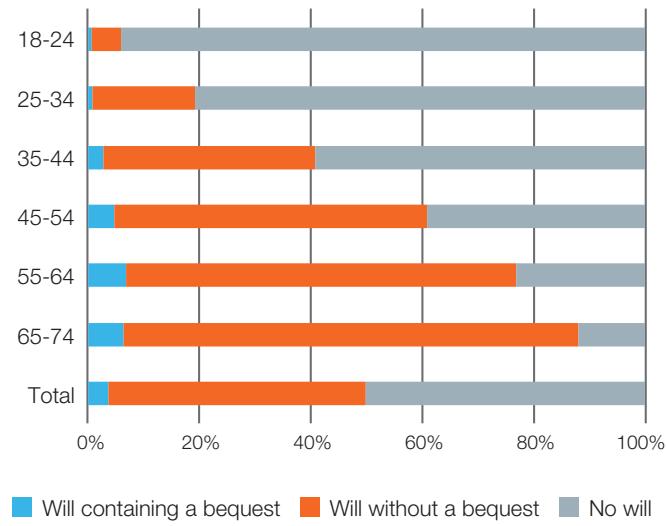


Source – ABS, JBWere Philanthropic Services

The Giving Australia 2016 survey asked respondents whether they had a will and if so what was the likelihood of leaving a bequest in that will. Diagram 21 shows that as we age, an increasing proportion have prepared a will and for those over 65, there is an 88% chance of having a will and 7% of it having a bequest. Given the current mortality rate in Australia is around 140,000 annually, it means there are approximately 10,000 bequests made each year with an estimated average value of \$40-50,000.

There can be significant volatility in bequests for individual organisations highlighting the need for good financial planning around bequests. This volatility was highlighted in the AFR Philanthropy 50 list which included 14% for bequests in 2016 and only 1% in 2017.

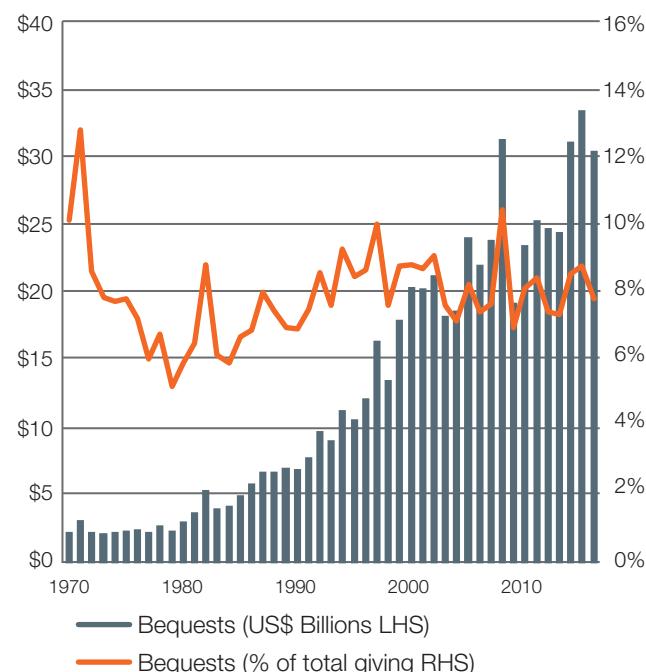
Diagram 21 – Population having a will and leaving a bequest by age 2016



Source – Giving Australia 2016, JBWere Philanthropic Services

In the USA, bequests have been consistently around 8% of total financial donations and are currently worth around US\$30 billion annually (Diagram 22). The beneficiaries of bequests were spread across the charitable sector but led by religion at around 24%, animals at 20% and community at 16%. In the USA we also see "living bequests" where the donor enters a contract with the charity agreeing to leave a bequest on their death and in exchange, the IRS provides a calculated level of tax deduction. The potential for growth in bequests in Australia could be enhanced by continuing the examination of incentives, especially at a time of much greater intergenerational wealth transfer.

Diagram 22 – Bequest made and proportion of total giving USA 1970-2016



Source – Giving USA, JBWere Philanthropic Services

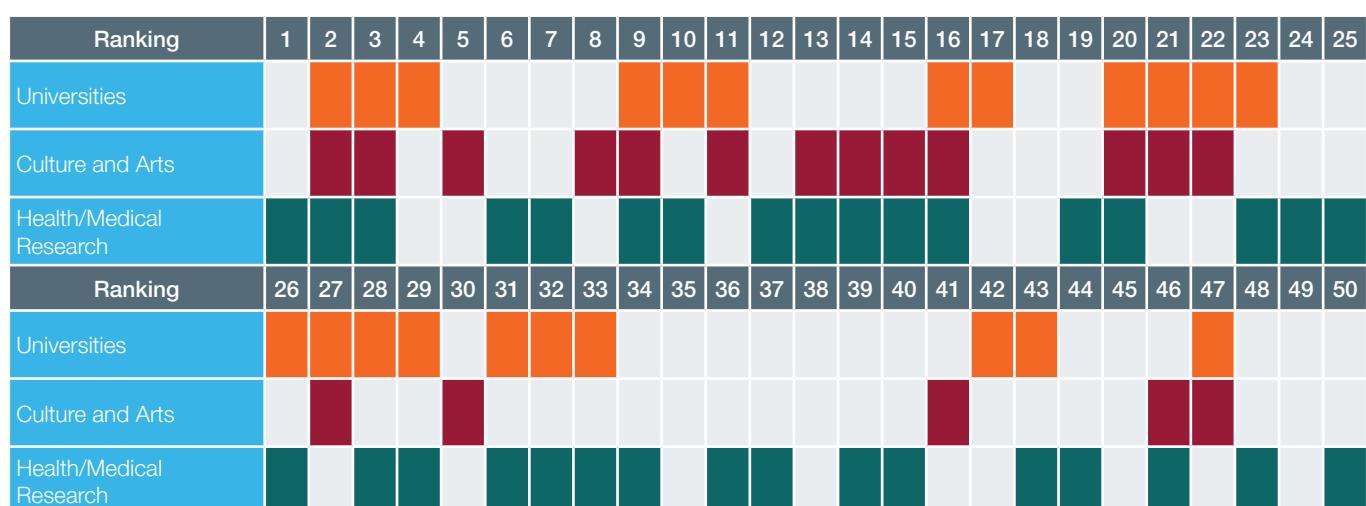
High Net Worth Individuals (HNWI) and Private Ancillary Funds (PAFs)

There has been considerable growth in giving from the wealthiest Australians in the last decade with a combination of factors aiding the increase. The most significant was the introduction of Prescribed Private Funds (now PAFs) in 2001 which allowed a private giving vehicle to be established in a format similar to the US private foundation. In addition, there has been an increasing willingness for major donors to be public with their giving which has encouraged others to both give and discuss their philanthropy. At the very largest end of giving, Australia now has two members (Len Ainsworth and Andrew and Nicola Forrest) of the Giving Pledge which asks for a commitment by the world's wealthiest individuals and families to dedicate a majority of their wealth to giving back (www.givingpledge.org). After commencing in August 2010 with 40 members, led by Bill and Melinda Gates, there are now 175 pledgers spread across 22 countries.

In Australia, JBWere first compiled a list of the top 50 philanthropists in 2015-16 for the Australian Financial Review's Philanthropy 50 special published in April 2017. The total giving from that 50 was \$470 million with the newly established Paul Ramsay Foundation leading the list and number 50 giving \$3 million. For 2016-17, the cutoff to make the list is up 10% and the top gift has almost doubled continuing the positive trend at the top end of the giving spectrum. It is worth noting the extraordinary generosity of the late Paul Ramsay in establishing the foundation in his lifetime and then adding the majority of his estate to the fund. With net assets of \$4.3 billion at June 2017 and grants of \$83 million rising to over \$200 million in coming years, that Foundation is a more dominant one in Australia's landscape than the Bill and Melinda Gates Foundation is in the USA. Hopefully this will change as other mega foundations are established locally.

One of the interesting revelations in compiling the Philanthropy 50 list was the causes that the largest donors supported. Diagram 23 shows a large proportion of the top 50 made significant donations to either Universities, Arts and Culture and/or Health and Medical Research in 2015-16. The main change in 2016-17 is the addition of environment to this list. Given religion and international aid are the two largest recipients of charitable donations in Australia, it is significant to note the different causes supported by the largest donors.

Diagram 23 – AFR Philanthropy 50 selected causes supported 2016

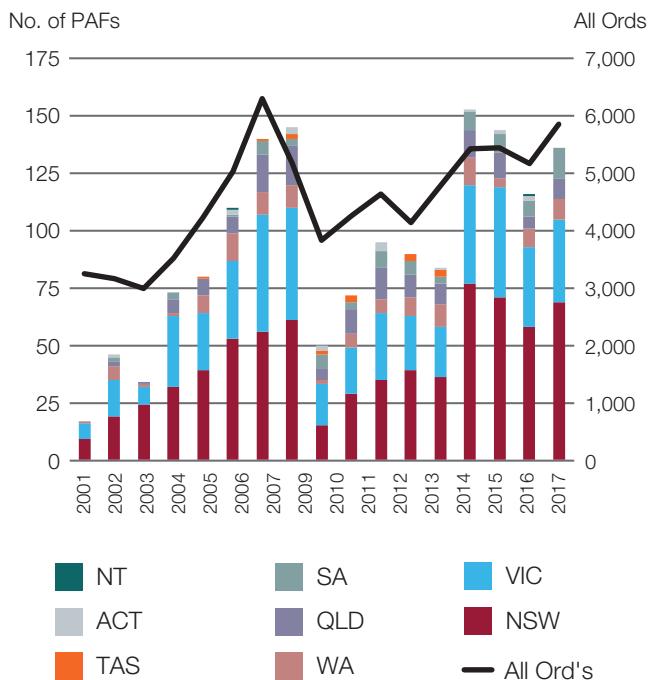


Source – ACNC, Fundraising Research and Consulting, Fundraising and Philanthropy Australasia, Pro Bono Australia, JBWere Philanthropic Services

“The growth in scale and visibility of HNWI’s philanthropy has been dramatic in the last decade. The major beneficiaries have been Universities, Arts and Health.”

Since the PAF legislation was introduced in 2001, there has been substantial growth in the number established across Australia. A PAF is a trust that allows tax deductible donations to be made by the founder and associates such as family and friends and then distributes a minimum of 5% of the capital annually to eligible deductible gift recipients. The funds sit in a tax exempt environment must be invested according to an investment policy and subject to the ATO's PAF guidelines. Once donated to the PAF, funds cannot be withdrawn except for donations and reasonable costs. The attraction for many donors is the ability to establish an ongoing philanthropic giving vehicle that can involve the broader family and allow control and responsibility to be passed on through generations. It also has the advantage of separating the timing of tax deductions (for assets donated into the PAF) from the grantmaking which allows better tax planning and a much longer time period for charitable support to be established. Diagram 24 shows the number of PAFs established annually in each state along with movements in financial markets using the All Ord's as a proxy. There is clearly a good correlation in most years and it is worth noting that in 2009 along with the GFC, there was a period of uncertainty as new legislation was drafted for PAFs and founders waited for its finalization.

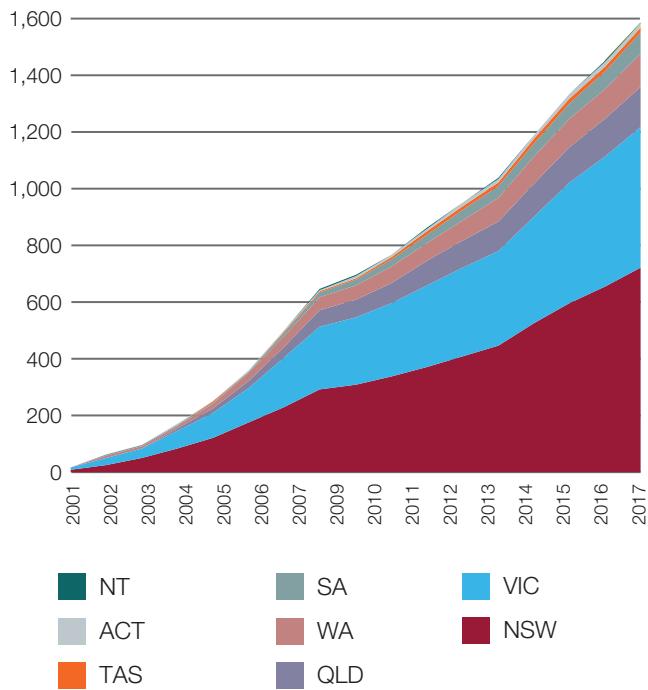
Diagram 24 – PAFs established by year and state and All Ord's 2001-2017



Source – ATO Taxation statistics, JBWere Philanthropic Services

Cumulatively, the total number of PAFs (including the cancellation, transfer and splitting of some) has grown consistently (Diagram 25). In the early PAF years, Victoria saw a proportionally higher number established as donors in that state were already more comfortable with the structured giving vehicle (as charitable trusts were more common historically in that state). As time has progressed, more have been established in New South Wales in line with population and wealth levels. We still see those two states with a disproportionately higher number of PAFs than other regions.

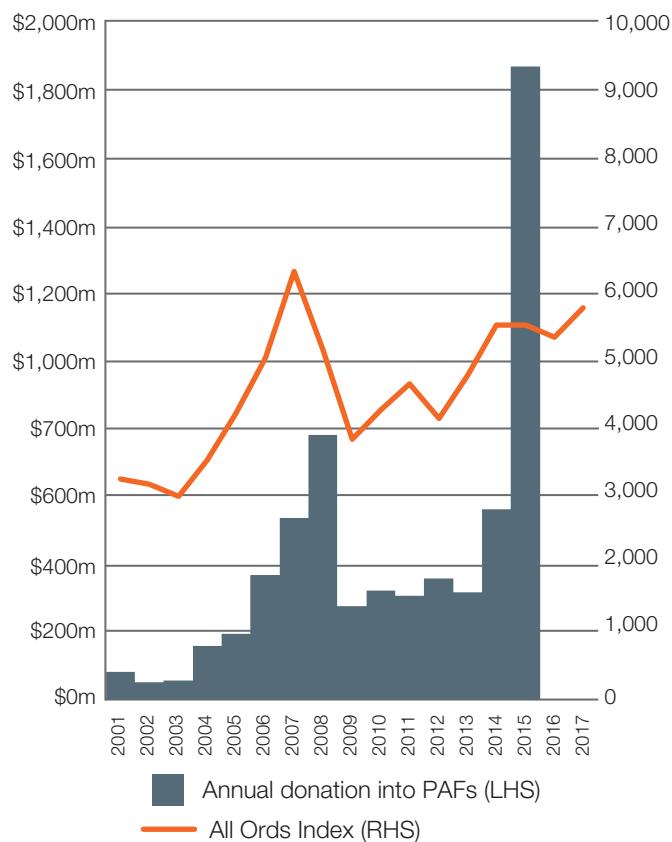
Diagram 25 – Cumulative no. of PAFs by state 2001-2017



Source – ATO Taxation statistics, JBWere Philanthropic Services

The level of annual donations into PAFs is also related to the number established each year as typically many begin with a larger initial contribution and then see smaller irregular donations in subsequent years. There are however a number that operate on a "flow through" basis, distributing most of what is donated in the previous year and using the vehicle as more of a discipline than to accumulate funds. Diagram 26 shows the level of donations into PAFs each year. The noticeable jump in 2015 (the latest year available for total PAF financials from the ATO) was boosted by a \$953 million donation into The Paul Ramsay Foundation. This will be significantly higher again in 2016 when the bulk of Paul Ramsay's estate was added to the fund.

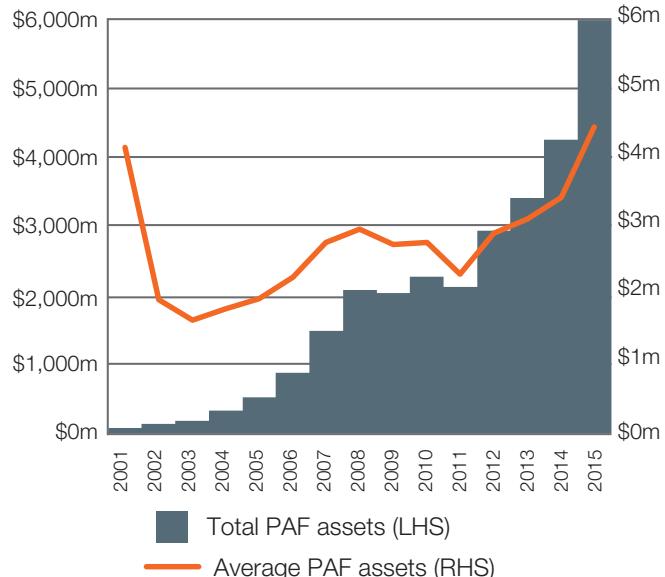
Diagram 26 – Donations into PAFs and All Ord's from 2001



Source – ATO Taxation statistics, JBWere Philanthropic Services

The cumulative total of assets in PAFs is shown in Diagram 27 along with their average size. Again, these values are significantly boosted by Ramsay. It is estimated that the total at June 2017 would be around \$10 billion or \$6 billion excluding Ramsay. The average PAF size is around \$3 million again excluding Ramsay.

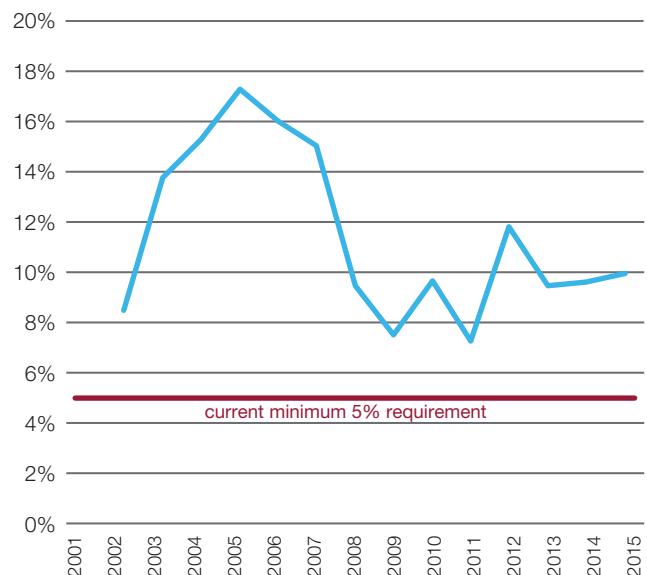
Diagram 27 – Total and average PAF corpus 2001-2015



Source – ATO Taxation statistics, JBWere Philanthropic Services

This growing corpus is feeding a growing annual distribution of grants. The requirement for PAFs is to distribute a minimum of 5% of their net assets valued at June 30 in the subsequent year. While most distribute closer to the 5% level, a number are quite a lot higher, often adding new capital to the PAF annually. This has pushed the average payout ratio for PAFs to almost double the required minimum (Diagram 28). As The Paul Ramsay Foundation is in the early days of establishment and would be distributing over \$200 million at 5%, their payouts are currently less (which can be requested by PAFs in certain circumstances). Their payout was 2.1% in 2017 (based on distributions of \$83.1 million and net assets at June 2016 of \$3.93 billion). This will see overall payouts move lower in the 2016 and 2017 years.

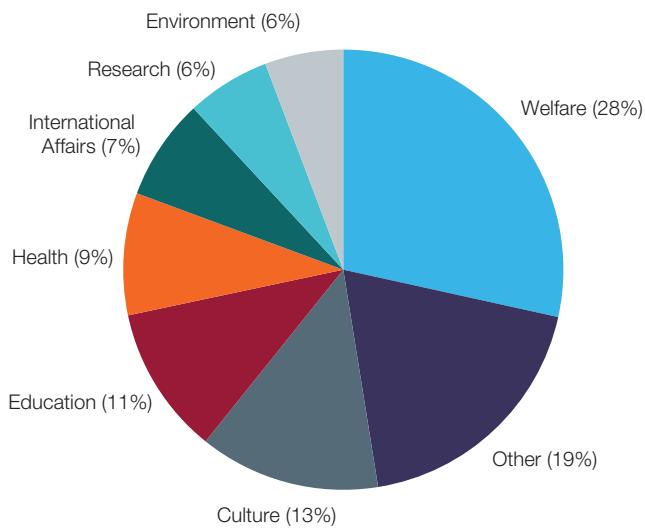
Diagram 28 – PAF distributions as a proportion of corpus 2001-2015



Source – ATO Taxation statistics, JBWere Philanthropic Services

As PAFs and now public ancillary funds are the only areas of philanthropy required to report on each of the organisations granted to, we know the break-up of causes supported by them. The ATO has detailed this each year to 2013 and while subsequent years haven't yet been calculated, it still provides a great insight to the types of areas PAFs choose to support (Diagram 29). Since establishment it is estimated that PAFs have distributed over \$3 billion and provided the greatest support to welfare causes with 28% of total grants, followed by arts and culture at 13%, education (mainly Universities) at 11% with health, international aid, (medical) research and environment all around 6 to 9%. It is interesting to note these causes supported are somewhere between the preferences of the Philanthropy 50 group and those supported by the mass market.

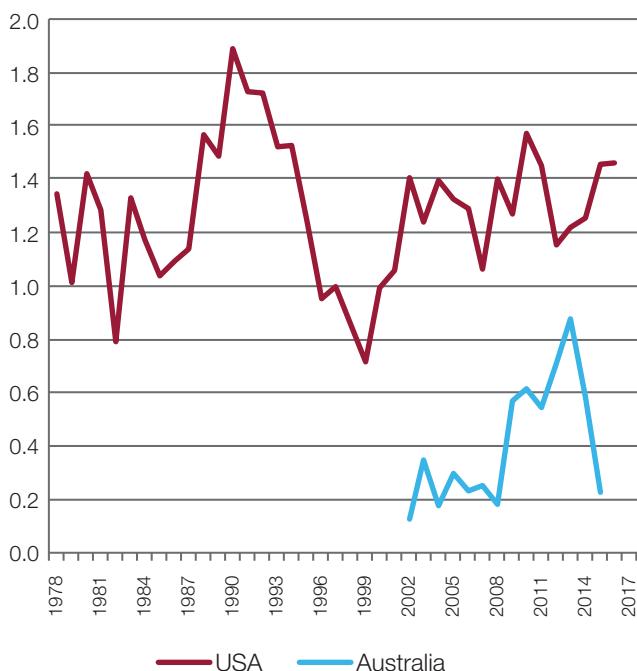
**Diagram 29 – Cumulative PAF distributions by cause
2001-2013**



Source – ATO Taxation statistics, JBWere Philanthropic Services

When we compare the well established Foundation scene in the USA with the PAF position in Australia, we can clearly see the long term potential and further growth ahead in Australia. One measure of maturity is to compare the funds being donated into new and existing foundations against the total of donations being granted out to charities (Diagram 30). In the USA, the ratio is well above 1 meaning that more money is being donated to “doing” charities each year from the already huge collective corpus established even though new foundations are still being established each year. In Australia, we are still well below 1 as new funds coming in outweigh a still relatively immature corpus for grantmaking. Admittedly the numbers for 2015 and later 2016 will be pushed much lower due to donations and bequests into the Paul Ramsay Foundation but post that, a return to the gradual uptrend should continue. To consider how many PAFs there should be in Australia, we can look at annual personal income levels where we know that over 42,000 people had taxable incomes above \$500,000 in 2015. If only 60% of these (the same proportion making an annual claim for donations) established a PAF, there would be over 25,000 a 15 fold increase on today’s total from only current very high income earners.

Diagram 30 – Ratio of grants out versus new donations in Foundations/PAFs



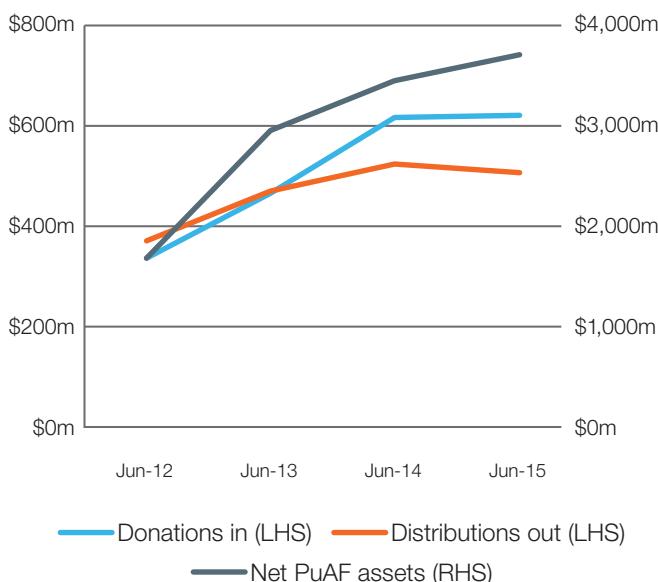
Source – ATO Taxation statistics, Giving USA, JBWere Philanthropic Services.

PAFs have provided a major boost to Australian giving and are still in their infancy.

Public Ancillary Funds (PuAFs)

Public ancillary funds (PuAFs) have been available in Australia for many years with community foundations their most recognized face. They are also used by a number of existing charities as their fundraising arm and a number of commercial organisations have them to aid client giving. Their rules are essentially the same as PAFs with the main differences being their minimum payout is 4% and they are allowed to fundraise (PAFs are not). Apart from this ability to fundraise, the most common use of PuAFs is to allow the same structured giving concept to be available to people with smaller amounts of money to donate. While a PAF has no legal minimum, the recommended level is above \$500,000 due to costs including an annual audit. A pooling of donors means a minimum might be set at \$20-50,000 for a sub fund within a PuAF, depending on the fund. Donors do lose the legal control of the funds including investment decisions but are still able to recommend to the Trustee which deductible gift recipients (DGRs) they would like to benefit and to pass on that recommendation ability to others. There is also now portability between PAFs and PuAFs meaning as circumstances change and another vehicle becomes more appropriate, you are able to switch. While PuAFs have been around a lot longer than PAFs, they were only required to begin reporting financial details in 2012 (Diagram 31). They tend to be used much more as a "flow through" vehicle with annual payouts almost double the rate of PAFs.

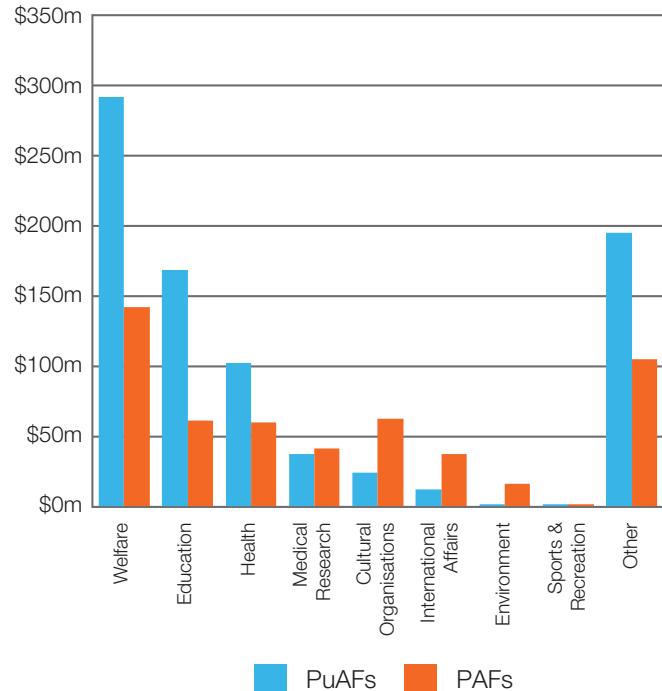
Diagram 31 – PuAFs – donations, distributions and corpus 2012-2015



Source – ATO Taxation statistics, JBWere Philanthropic Services

The causes supported by both types of ancillary fund are similar in that welfare dominates (Diagram 32) although education and health are more important to PuAFs, while international aid, arts and culture and environment are more significant to PAFs.

Diagram 32 – Distributions from PAFs and PuAFs by cause 2012 and 2013



Source – ATO Taxation statistics, JBWere Philanthropic Services

It is also useful to compare the differences in PAFs and PuAFs in Australia with that of the USA where very similar vehicles are available. The private foundation (independent and family) is structured like our PAF with an equivalent 5% annual payout required and the Donor Advised Fund (DAF) is largely used as a sub fund mechanism similar to our community foundations. Diagram 33 highlights both the scale of foundations in the USA, aided by both the much longer time period they have been available and the higher participation rate of taxpayers giving. However, it also highlights the much larger number of DAFs compared to Private Foundations. The largest DAF sponsor in the USA is Fidelity Charitable with more than US\$21 billion in assets, 180,000 donors and 110,000 DAF accounts. This scale should be expected with the much larger number of people in mid range income levels who may be best suited to that type of giving vehicle. While the same potential exists in Australia, a broad education is still needed to explain these simple and useful giving options. When we consider the relatively new PAF structure should still grow substantially, there is huge upside for PuAFs.

Diagram 33 – Comparison of Australian and USA Funds/Foundations

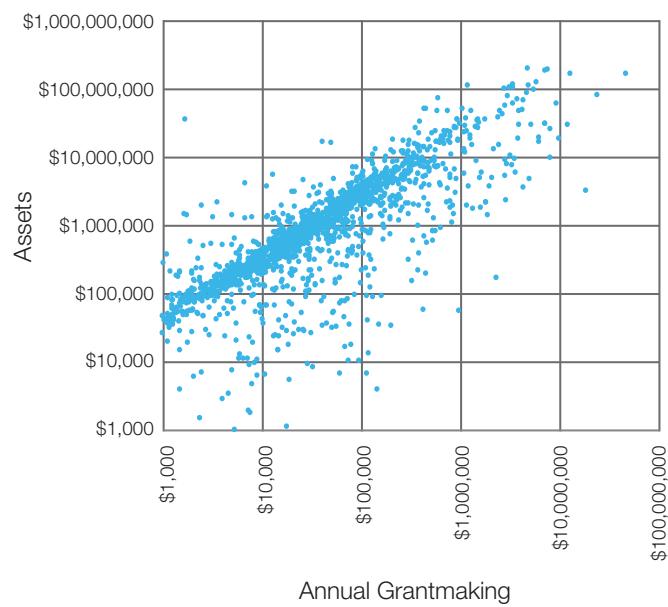
	Australia - June 2015 (A\$)		USA - December 2016 (US\$)	
	PAFs	PuAFs	Private Foundations	DAFs
Assets (\$Billion)	\$5.98	\$3.72	\$752.50	\$85.20
Donations in (\$Billion)	\$1.87	\$0.62	\$34.00	\$23.30
Grants out (\$Billion)	\$0.42	\$0.51	\$45.20	\$15.70
Payout ratio (&of prev. assets)	10.0%	14.7%	6.2%	20.3%
No. of funds	1,315	1,539	83,276	284,965
Average size (\$)	\$4,547,529	\$2,417,154	\$9,036,217	\$298,984

Source – www.nptrust.org, ATO Taxation statistics, JBWere Philanthropic Services

Charitable Trusts

One of the great benefits of financial reporting to the ACNC has been the visibility of charitable trusts. These often long established giving vehicles were generally established through a bequest in a will. They have also been used when a donor wanted a tax exempt fund from which to make donations over an extended period and was intending to give to non DGR charities (eg religion) and/or did not require a tax deduction for donations into the fund. Diagram 34 shows the relationship between the assets held in each charitable trust and the level of annual distributions. The groups shown are only those who have selected grantmaking as their main activity and we know there are many who choose (incorrectly) to state their main activity as the one they are donating to. In 2016, there were 2,005 funds with assets of \$7.7 billion distributing \$507 million. While as a group they are not growing as fast as PAFs, each of the three forms of structured philanthropy has a similar asset base and level of distribution.

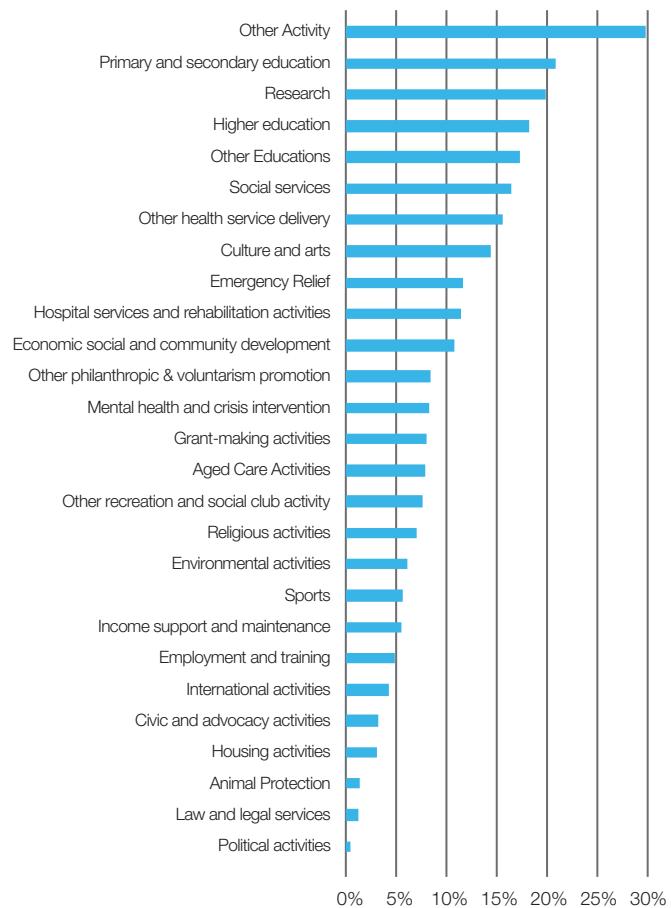
Diagram 34 – Grantmaking charitable trusts excl. ancillary funds 2016



Source – ACNC, JBWere Philanthropic Services

Data isn't collected to show the relative value of support to each cause but as their returns do indicate which areas they support, a simple count suggests education (both primary and secondary, plus tertiary) was the most common (Diagram 35). Surprisingly perhaps, religion was well down the list although some caution is needed as these aren't dollar weighted responses.

Diagram 35 – Proportion of charitable trusts by causes supported 2016



Source – ACNC, JBWere Philanthropic Services

Corporate Sector

One of the more difficult areas of support to analyse is that from the corporate sector. Companies are not required to report donations in a way that allows direct comparison although an increasing number are reporting activity in separate sustainability reports. In addition, what might be seen as marketing or advertising to a company still provides donation like income to a charity. Whether pro bono volunteering and in-kind gifts are included can also add to confusion.

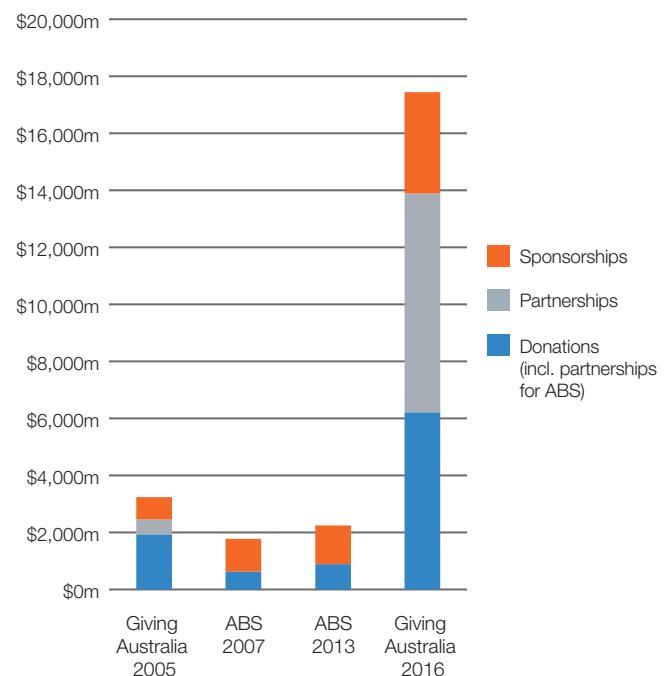
The two sets of data available are from the ABS as part of their Non Profit Institutions Satellite Accounts in 2007 and 2013 and then from the extensive survey results in the Giving Australia surveys in 2005 and 2016. Both surveys showed a considerable jump in corporate support in their latest results, particularly the Giving Australia survey (Diagram 36). The latest Giving Australia values were considerably larger than previous survey numbers partly due to the questions asked and activities included but also due to the extent of extrapolation of survey results across the whole business population. Even comparing the two Giving Australia surveys, the number of businesses counted in the weighted data jumped from 780,000 to over 2.1 million, largely due to many more Small and Medium Enterprises (SMEs) being included. It was highlighted in the Giving Australia 2016 report that there was also a potential of bias towards businesses that gave being the ones more readily choosing to report results.

There is no doubt that the degree of support offered by the corporate sector is significant. London Benchmarking Group (LBG), an international business consultancy specializing in sustainability and corporate responsibility, found in their 2017 annual survey of 157 members that they contributed US\$2.7 billion in community investment representing 1.19% of pre-tax profit. In India, the Companies Act 2013 specified that the Boards of larger companies (revenues above around US\$130 million) needed to ensure the company spends at least two percent of average net profits made over the last three years in pursuance of its Corporate Social Responsibility Policy and gave preference to the local area in which it operates. With a corporate tax rate of 30%, this equates to 1.4% of pre-tax profit, a little above the LBG average. While it is unlikely that many other countries will mandate levels of corporate support, the amount invested voluntarily is similar anyway, highlighting the value companies see in engaging with and supporting community.

The LBG level of average pre-tax contribution represents a self-selected group and is likely higher than the overall average, however if we applied it to the ASX 200 companies in Australia, it would imply community contributions of around \$1.7 billion from the 200 largest listed companies. As these companies had a combined pre-tax profit of \$140 billion, they represent a little more than 60% of total reported ATO company returns, although the latter also includes non-listed companies. Adding sole traders, as included in the Giving Australia 2016 survey, at the level of contribution suggested in that survey, we estimate total company contributions to the sector of over \$4.5 billion.

Despite the differences in the quantum of support between surveys, what was very clear were the large differences in how business gives and where it gives, depending on the size of the organisation. This is important for charities and for-purpose organisations to understand when wanting to gain support from this large and growing source of funding.

Diagram 36 – Business giving surveys 2005-2016



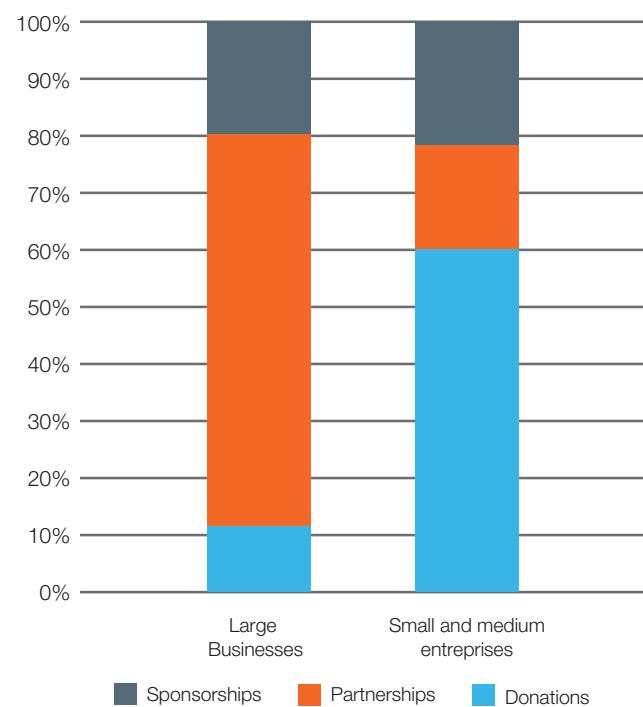
Source – ABS, Giving Australia 2016, JBWere Philanthropic Services

“ Corporate giving is large but less well understood by potential recipients. ”

How business gives

Diagram 37 shows the comparison between large businesses and SMEs in terms of how businesses organize their giving. Large businesses are far more likely to enter into partnerships than simply writing a cheque or providing a non-commercial sponsorship. While this helps to better align the outcomes, it does require more effort from both parties. The “shared value” approach to corporate support is growing as businesses can better structure and measure their efforts. This doesn’t mean the support is in a non-financial form. The LBG survey showed 63% of total contributions were in cash and only 9% in employee time with the remainder in in-kind, pro bono and management costs. The degree to which potential recipient organisations are ready for this relationship varies dramatically in the sector with many still looking for support solely on the need for their cause. While this “case for support” works well for the mass market, it won’t be enough to attract the growing level of corporate support, particularly from large businesses. This increasingly sophisticated approach to providing support does not work as well for all companies due to the internal resources required. This is the reason we see a much stronger use of donations as the primary way SMEs choose to contribute. Non commercial sponsorships are a similar proportion for both size groups.

Diagram 37 – Business giving strategies for large organisations and SMEs

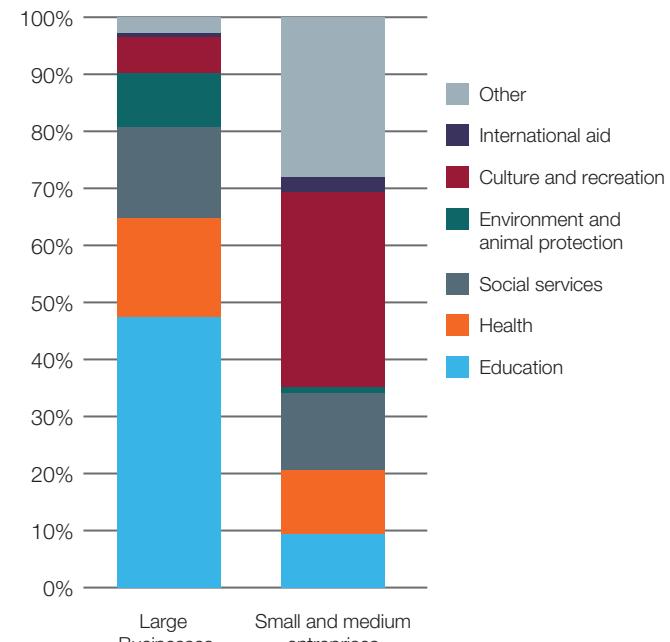


Source – Giving Australia 2016, JBWere Philanthropic Services

Where business gives

Just as we see large differences in the way businesses approach their giving, we see the same differences in the causes they choose to support (Diagram 38). The combination of often national reach, larger workforces and the need for innovation or research means we see support for education (particularly Universities) and often employee led, health and social services organisations, well supported by larger companies. These findings were mirrored in the LBG surveys where education received the largest support and social welfare was the fastest growing cause. The local and sometimes solely senior management chosen nature of SME support means we see a greater spread of causes but also more focus on recreation or community sport.

Diagram 38 – Business giving causes for large organisations and SMEs



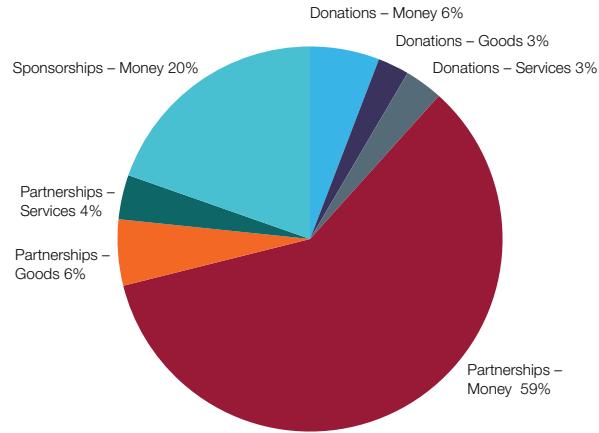
Source – Giving Australia 2016, JBWere Philanthropic Services

“There are huge differences in both how and where businesses give depending on their size.”

What business gives

Examining the breakup of support provided by large businesses shows that cash is still the largest form used (Diagram 39). Even for the more sophisticated partnership relationships, it represented the bulk of contributions.

Diagram 39 – Large business giving by strategy 2016

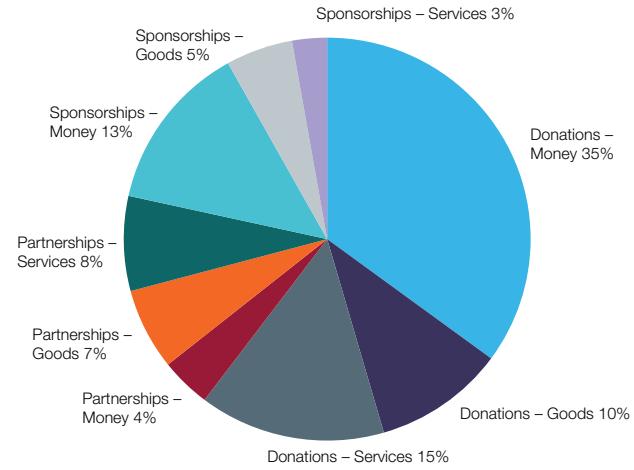


Source – Giving Australia 2016, JBWere Philanthropic Services

For SMEs, there was more of a spread in what was given and while cash was still over 50% of the total, both goods and services were each over 20% of the total (Diagram 40).

The significance for organisations looking to this sector for support is to consider their own cause, their scale and reach and what type of support they could best use. Asking whether cash always provides the best outcome or could the unique skills often available in corporates provide even better value support.

Diagram 40 – SME giving by strategy 2016



Source – Giving Australia 2016, JBWere Philanthropic Services

Workplace Giving

One of the more recent changes to encourage more philanthropy was the introduction of workplace giving. The program, which started around the same time as PAFs, has gradually increased the number of employees using the facility. However, the participation rate among workplaces offering the scheme remains around stubbornly low at 5% and the spread of the scheme hasn't yet matched the success of PAF growth (Diagram 41). When combined with workplace volunteering and company matching of donations, the potential of workplace giving is great and provides both leverage and ease of use to the employee. The more successful programs involve not just having the mechanics in place but also their promotion among the workforce and a lead from senior management. As larger companies further their embrace of partnerships and shared value, we would expect workplace giving to be more widely used by a broader range of employers including Government.

Diagram 41 - Workplace giving 2010-2016

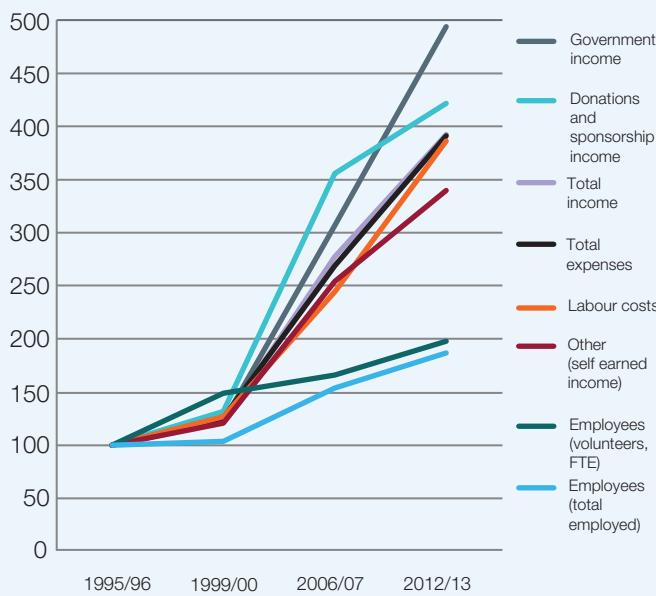
Year ending June	2010	2011	2012	2013	2014	2015	2016
Employees using workplace giving programs	101,204	157,385	130,754	141,910	156,289	162,573	169,700
Employees of workplaces with workplace giving programs	2,504,598	3,158,980	2,813,915	2,928,725	3,173,802	3,319,105	na
Donations (\$m)	\$23	\$30	\$27	\$28	\$31	\$43	\$35
Employees using workplace giving when available	4.0%	5.0%	4.6%	4.8%	4.9%	4.9%	na
Average donation per donor through workplace giving	\$227	\$191	\$206	\$197	\$201	\$261	\$207

Source – ATO Taxation statistics, The Australian Charities Fund, JBWere Philanthropic Services

The Receivers

Much as many perceive the various giving groups as all operating in a similar manner and giving to similar causes, the for-purpose sector itself is often not well understood. This is despite it employing almost one in ten Australians and it being central to our quality of life. There are a huge range of causes covered by the sector and each has a different financial and social operating model. The Cause Report, published in 2016, detailed the wide range of reliance on philanthropic support from international aid (75% of income) to Universities (2% of income). Even within cause areas, organisations see differences in support depending on their size, recognition, relationships with Government or donors and other income sources. One thing is common though and that is the recognition that philanthropy allows them to offer a better service, either now or in the future, compared to reliance on just Government and fee for service. There is also the likelihood that those other income sources will become more difficult as the past 20 years of Government funding outstripping total income growth slows and fee for service becomes more competitive (Diagram 42). In addition, there has always been a great reliance on volunteering in the sector. Not only does it provide a quarter of the workforce, it has been growing faster than paid employee numbers, again pointing to the reliance on public support to a sector that is not well understood.

Diagram 42 – Relative change in donation and volunteer support 1996-2013

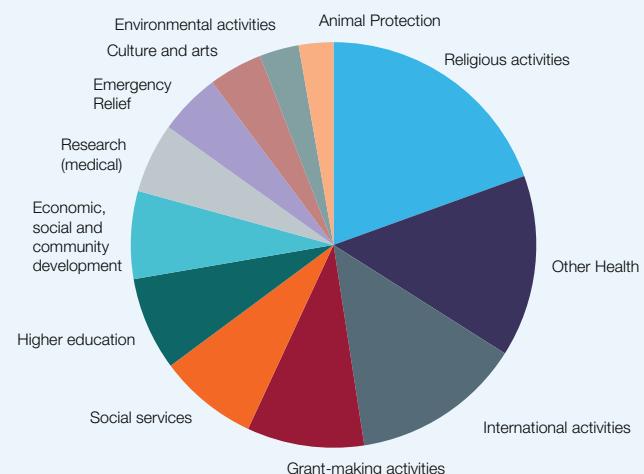


Source – ABS, JBWere Philanthropic Services

Relative size of each recipient cause

As each cause area receives a different proportion of its income from donations, it is misleading to think the big income earning and asset owning sector's dominate philanthropy. As shown in Diagram 43, the largest total income sector's of higher education (Universities), aged care and hospitals are well behind causes such as religion, international aid and social services and even grantmaking charities (eg donations into PAFs, PuAFs and charitable trusts) when it comes to the receipt of donations. In addition, the sector's favoured by some donor groups such as large corporates or HNWIs and PAFs are not the largest recipient sector's but instead are the medium ranking ones of higher education, medical research, arts and environment.

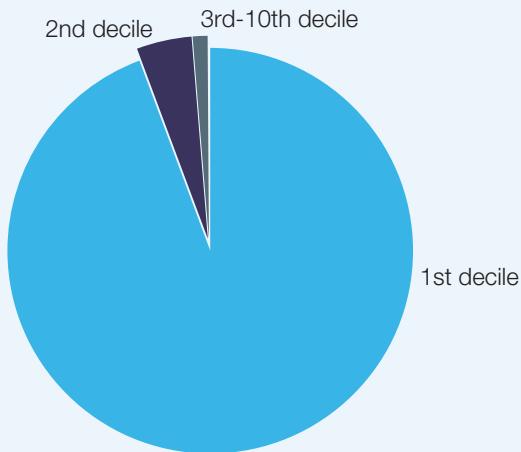
Diagram 43 – Recipient causes for donations and bequests



Source – ACNC, JBWere Philanthropic Services

What is true for donations as with most other aspects of the for-purpose sector is that the large organisations dominate. If we break the sector into deciles, we see that the largest 10% of organisations receive 94% of the donations (Diagram 44). Put another way, 90% of for-purpose organisations share just 6% of all donations. The value of incumbency and name recognition is extremely high.

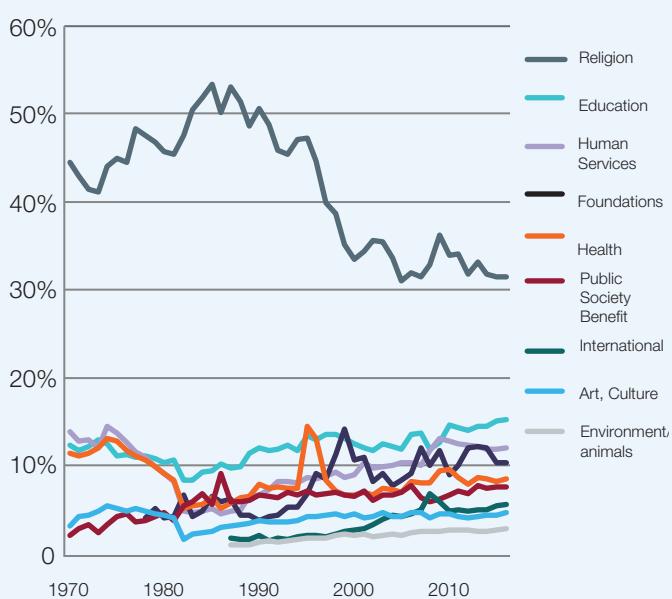
Diagram 44 – Donations and bequests received by charity size



Source – ACNC, JBWere Philanthropic Services

There has also been change in the level of support for various causes over time. Although Australia doesn't have the timeframe of comparable data, it is informative to look at the changes in the USA over the past almost 50 years (Diagram 45). Giving to religious causes has always been in the top position but its dominance has fallen. The proportions are lower in Australia (only partly due to religion not being tax deductible) but the same position (currently top) and direction (reducing dominance) is seen.

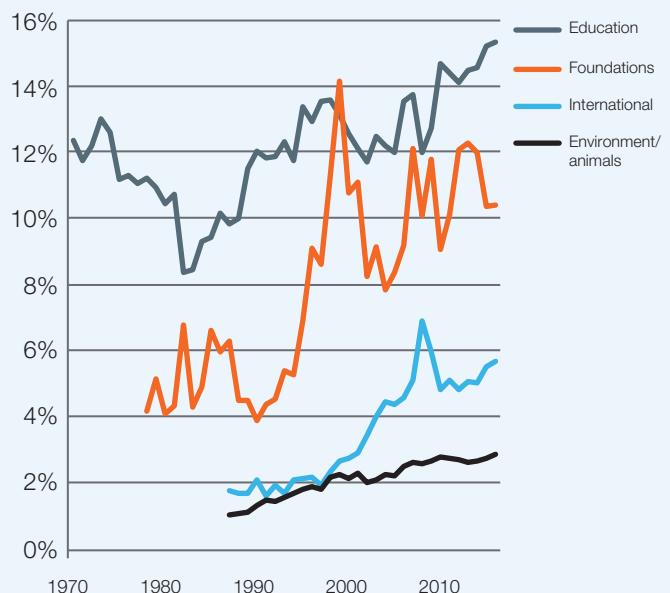
Diagram 45 – Change in causes share of giving in USA 1970-2016



Source – Giving USA, JBWere Philanthropic Services

This in turn provides opportunities for other causes to take share in what is still an overall growing pool of donations. Again, over that considerable time frame available in the USA, the main causes we've seen increase their share of donations have been education (primarily Universities), giving into foundations (both private/family and donor advised funds), international aid (admittedly from a low base compared to Australia) and environment/animals (again from a lower base than in Australia). Later sections will examine the outlook for selected causes in Australia (Diagram 46).

Diagram 46 – Causes seeing increased share of giving in USA 1970-2016



Source – Giving USA, JBWere Philanthropic Services

“As religion has fallen in market share of fundraising, other causes are making gains.”

Largest recipient charities

Looking more closely at the dominance of larger organisations, just the 25 biggest fundraisers received almost 20% of total sector donations in 2016 (Diagram 47). The struggle to be noticed is just as difficult among peers as it is across the whole sector. While a small number use a separate but related structure as their fundraising vehicle, the proportion that donations make up of total income highlights the very different models in various cause areas.

Diagram 47 – Largest recipients of donations and bequests 2016

		Main Activity	Donations and bequests	Total gross income	Donations % of Income
1	World Vision Australia	International activities	\$347,682,000	\$435,064,000	80%
2	Salvation Army - Eastern	Social services	\$114,305,546	\$387,970,249	29%
3	Australian Red Cross Society	Social services	\$89,495,000	\$894,032,000	10%
4	Medecins Sans Frontieres Australia Limited	Emergency Relief	\$88,313,203	\$94,266,720	94%
5	Compassion Australia	International activities	\$78,355,094	\$78,789,759	99%
6	University Of Sydney	Higher education	\$69,761,005	\$2,167,446,470	3%
7	The Smith Family	Social services	\$68,408,000	\$107,856,000	63%
8	The Cancer Council NSW	Other health service delivery	\$67,415,000	\$83,570,000	81%
9	University of Melbourne	Higher education	\$59,354,334	\$2,373,503,946	3%
10	Hillsong Church Ltd	Religious activities	\$56,819,447	\$113,728,414	50%
11	The Fred Hollows Foundation	International activities	\$56,350,144	\$79,837,771	71%
12	The Trustee For Peter MacCallum Cancer Foundation	Other philanthropic (Research)	\$52,422,408	\$55,206,271	95%
13	The University Of Queensland	Higher education	\$50,306,000	\$1,751,110,000	3%
14	Oxfam Australia	International activities	\$50,290,000	\$90,878,000	55%
15	Salvation Army - Southern	Social services	\$50,173,000	\$384,869,000	13%
16	LDS Charities Australia	Emergency Relief	\$46,000,000	\$46,180,554	100%
17	Cancer Council Victoria	Research	\$45,090,000	\$88,725,000	51%
18	The Trustee For The Monash University Foundation	Other philanthropic (Higher education)	\$44,501,000	\$67,425,000	66%
19	University of NSW	Higher education	\$42,008,000	\$1,911,942,000	2%
20	Vision Australia	Other health service delivery	\$41,844,000	\$102,743,000	41%
21	Church of Scientology Religious Education College Inc	Religious activities	\$40,137,877	\$44,126,201	91%
22	Guide Dogs NSW/ACT	Other health service delivery	\$35,869,299	\$40,548,507	88%
23	Murdoch University	Higher education	\$35,735,000	\$368,002,000	10%
24	The Garvan Institute Of Medical Research	Research	\$33,985,000	\$109,365,000	31%
25	Australia For UNHCR	Emergency Relief	\$33,845,018	\$43,125,559	78%

Source – ACNC, JBWere Philanthropic Services

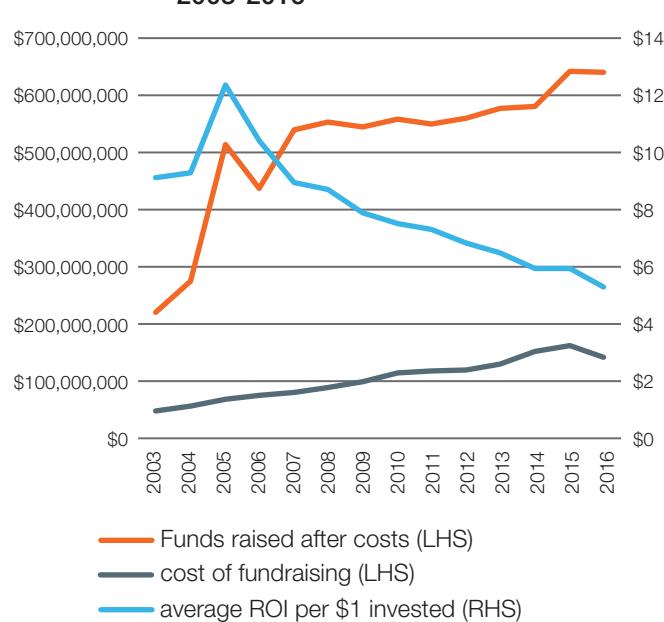
“Big charities dominate fundraising due to recognition and resources.”

Trends in fundraising costs

Although fundraising provides a wonderful level of support to charities and for-purpose organisations, it isn't free. There is a cost associated with raising funds and continually increasing competition between charities for that pool of funding adds to costs. Although ACNC vigilance has caused a significant number of charities to close (780 were revoked in 2017 for not completing their annual information statement), this has really been a catch up from many decades or low activity by those charities and we still see many new charities being registered (668 in the first three months of 2018, a little over 10 per business day).

While investment in fundraising does produce good overall returns for the sector, the trend in that return on investment is concerning (Diagram 48). This analysis looks at the average annual return on investment from 15 of the largest international aid organisations from 2003 to 2016. Of the 15, 14 raised over \$10 million per year and 11 were over \$20 million. We've used international aid organisations as it is one of the largest causes and because a large part of their fundraising is from the mass market. While funds raised and the total return after costs have risen, the rate of growth has slowed significantly since the Asian tsunami boosted 2004/05 year. The cost of fundraising has also grown, but at a higher rate which has meant the return on investment (ROI) of that fundraising has halved in the past decade. We have only seen results for eight of these 15 for 2017, but in a further sign of this growing pressure, seven of them saw further declines in ROI. This creates a growing dilemma for the Boards of charities about their willingness to continually increase the fundraising budget, especially in a sector such as international aid where 75% of income is from fundraising.

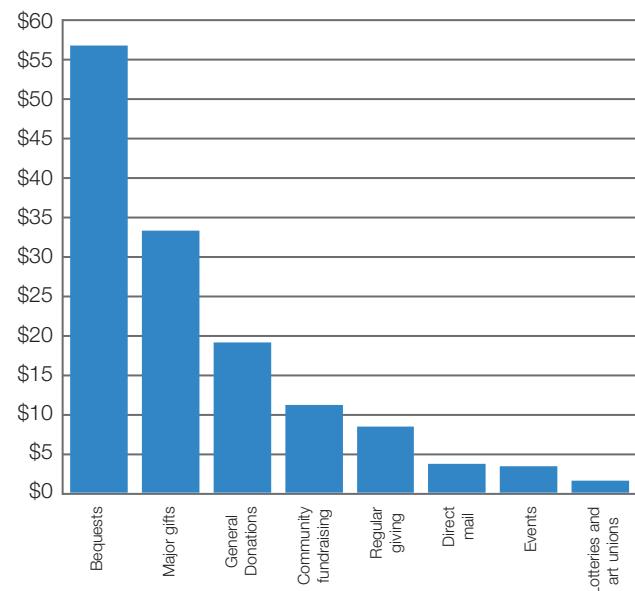
Diagram 48 – Funds raised and return on investment 2003-2016



Source – ATO Taxation statistics, JBWere Philanthropic Services, www.devpolicy.org

Another issue in fundraising is the very different returns seen from various fundraising strategies. Research conducted by www.askright.com looked at the ROIs from 21 charities across various fields from 2004 to 2013. They found very different returns from each strategy (Diagram 49). While at first glance it would suggest a charity should put all its efforts into bequests or major gifts and avoid lotteries and events, this has to be matched to what types of causes those donors might be more inclined to support and if recognition/visibility is required or sought, for example through events. We covered the cause preferences of different donor segments in earlier sections of the report, but it does highlight the need for very careful analysis when constructing a fundraising strategy. For each particular charity, an analysis of their cause, where they sit within that cause and fundraising targets will help determine the type of fundraising mix and the required investment in both funding and skills a Board must commit to.

Diagram 49 – Average fundraising returns for various activities 2004-2013



Source – Return on fundraising investment, Jeff Buchanan, www.askright.com, JBWere Philanthropic Services

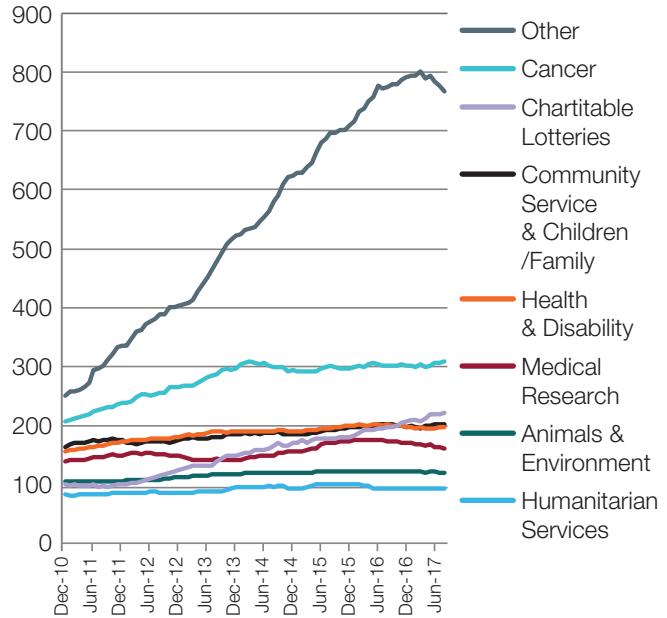
“Fundraising ROIs are falling and the gap between different strategies is significant.”

Causes

In this section we examine a selection of individual causes and after reviewing trends and their current supporter base, consider the outlook for fundraising support. We highlighted earlier the NAB Charitable Giving Index (NABCGL) and used it to suggest that 2016 and 2017 fundraising was likely to have remained relatively flat when ATO details are released, led by a subdued mass market and the lack of natural disasters (Diagram 50). The NABCGL can also be used to examine trends in different cause areas. While from a low base, the catchall "Other" has done well, most causes areas have been relatively flat, except for charitable lotteries (used as a cause area in the NABCGL), and the lowest of all fundraising ROI strategies.

“ The outlook for fundraising between different causes could be dramatic over the next two decades as growth in HNWI, PAFs and corporates outstrip the mass market. ”

Diagram 50 – NAB charitable giving index by cause 2010-2017



Source – NAB Charitable Giving Index in association with Quantum, JBWere Philanthropic Services

Religious activities

The “basic religious charities” sector does not include organisations which have a religious background but predominantly provide support for other cause areas such as social services or international aid. It is relatively asset rich but increasingly income poor. Donations provide just under 40% of total income and when volunteering is added to their operating model there is a great reliance on public support (Diagram 51).

Religion isn't one of the cause areas reported on in the NABCGL.

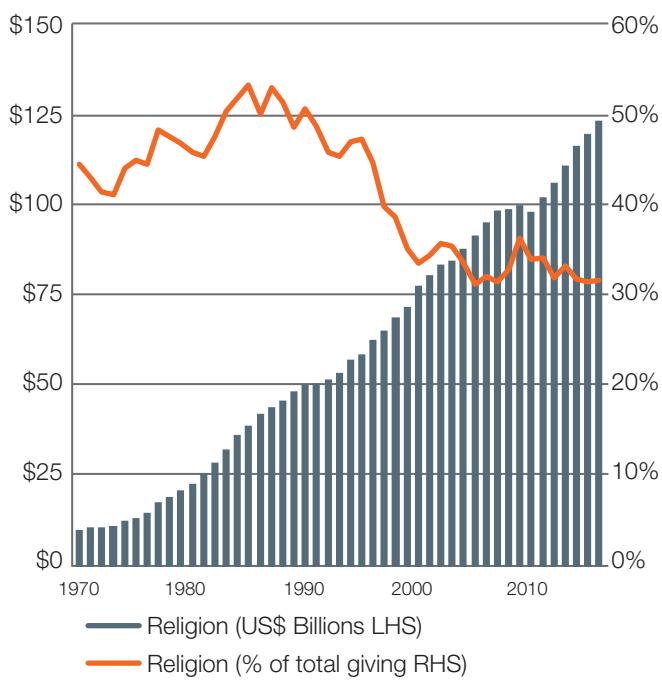
Diagram 51 – Religious activities - ranking among 26 causes

Ranking out of 26	Income	Assets	Donations	Donations % of income	Volunteering
Religious activities	8th	2nd	1st	4th	1st

Source – ACNC, JBWere Philanthropic Services

We saw in the long term giving trends from the USA that while religion is still the top cause supported, its share of donations has fallen from over 50% of all philanthropy in the late 1980's to currently around 30% (Diagram 52), although in dollars given there has been continued growth. In Australia we have seen a similar fall but from lower levels of around 40% in the mid 1990's to currently 20% of total donations. The UK sees a very similar 19% of donations to this cause.

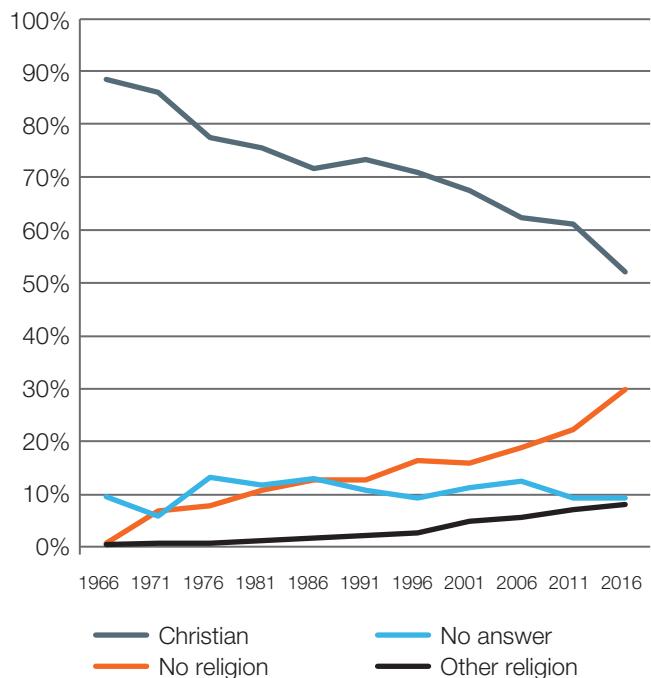
Diagram 52 – Religious giving and % of total giving USA 1970-2016



Source – Giving USA, JBWere Philanthropic Services

The dual challenges for religious donations are the declining trend of people identifying as religious and the much slower growth in mass market philanthropy in Australia. Diagram 53 shows the census data for religious affiliation in Australia where we have seen falls consistently since 1966. While there has been a rise in “Other religion”, this has been more than offset by the fall in “Christian” with the rise in “No religion” now reaching 30%. Added to this, religion is the largest cause supported by donations from the mass market and in hours of volunteering, with both these areas lagging behind growth rates seen for other parts of the support pie. All of this suggests the need for a broader examination of the assets to income mix for the sector into the future.

Diagram 53 – Religious affiliation from census 1966-2016



Source – ABS, JBWere Philanthropic Services

International activities

For a sector where many organisations had an origin in religious based groups, their financial issues have many differences. As a sector, they rank relatively low in total income and even lower in assets and volunteering support. However, their reliance on donations is extremely high with around 75% of income from this source, almost ten times higher than the charity sector average (Diagram 54). The sector's high reliance on donations, particularly from the mass market and "sponsor a child" fundraising has been very successful for a long period of time. More recent trends have started to raise concerns that change needs to be made and other sector's of the giving pie need to be more seriously approached. This provides challenges for organisations whose fundraising skills have been focused in different areas. The growth trends in support suggest that unless a broadening of skills involving different "case for support" arguments to different groups is undertaken, international aid may slip from near the top of Australian causes for donations.

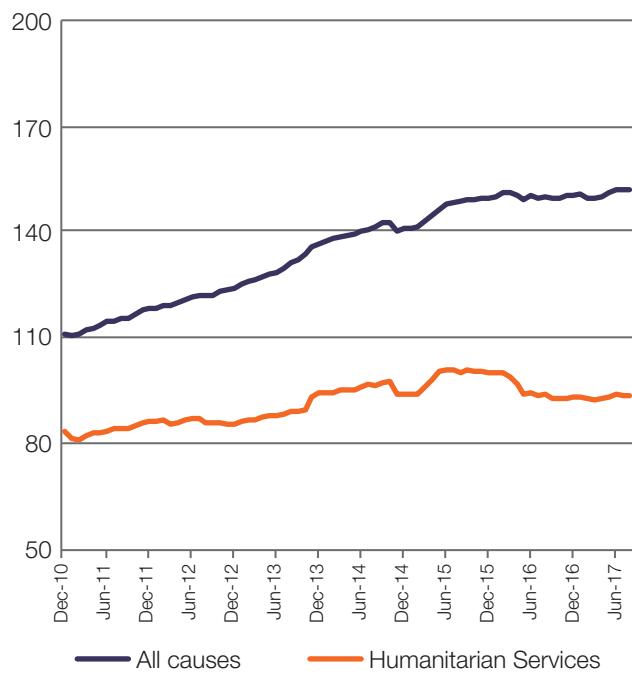
Diagram 54 - International activities - ranking among 26 causes areas

Ranking out of 26	Income	Assets	Donations	Donations % of income	Volunteering
International activities	18th	22nd	3rd	2nd	19th

Source – ACNC, JBWere Philanthropic Services

To add further to this "need to change" argument, more recent data from the NABCGL shows that support to the sector hasn't kept up with overall donations growth and has been equal lowest in growth of all sector's since the series began in 2010 (Diagram 55).

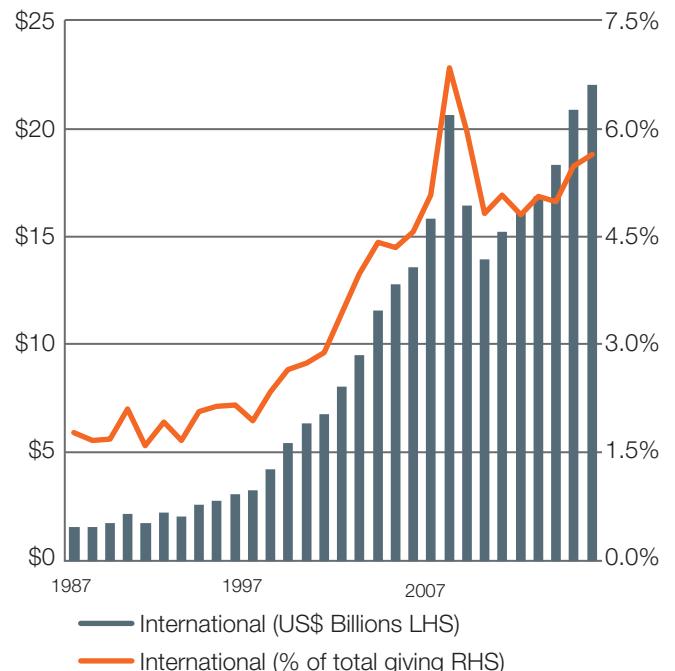
Diagram 55 – NAB charitable giving index, humanitarian services 2010-2017



Source – NAB Charitable Giving Index in association with Quantum, JBWere Philanthropic Services

It is useful to compare recent growth in the proportion of support received for international aid in the USA with the future potential in Australia (Diagram 56). Growth in giving to the cause in the USA has been strong and while that may offer some hope, we feel it is more a reflection of growth from a very low base in the USA and Australia already sees around 14% of donations going to this cause (compared to under 6% in the USA). The potential for further growth here is limited. In the UK, international aid receives around 12% of donations. The challenge is to maintain the current overall share of donations against the declining importance of their main supporter group and growth from other givers who currently don't have international aid as one of their main causes.

Diagram 56 – International aid giving and % of total giving USA 1970-2016



Source – Giving USA, JBWere Philanthropic Services

Social services, Economic, social and community development, Emergency relief

Reflecting good mass market appeal, this broad sector does reasonably well in its share of donations, especially in emergency relief, highlighting the great public response to natural disasters (Diagram 57). Its reliance on donations as a proportion of income is not overly high although with Government providing almost 65% of income, there is a desire to further diversify income sources. Volunteering is an important part of the sector's financial model and should remain so despite demographic changes in Australia as there is an even spread of age range among these supporters, although emergency relief rises with age, again a positive sign for the future.

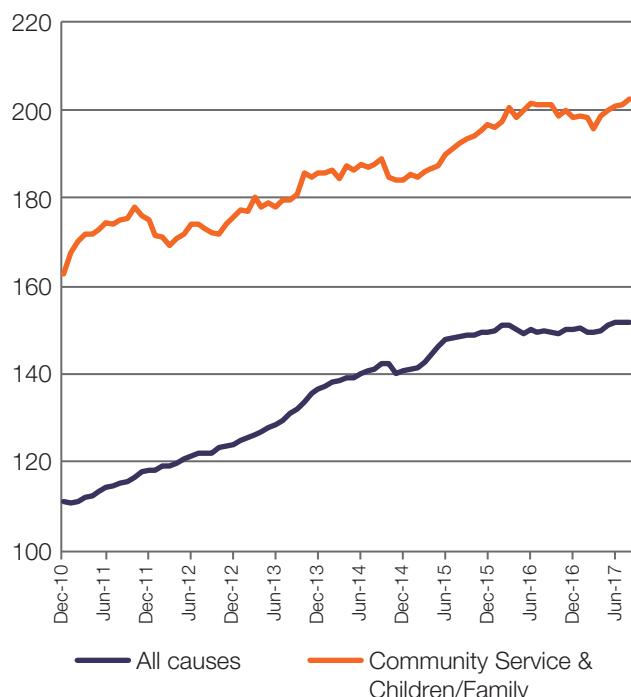
Diagram 57 – Social services - ranking among 26 causes areas

Ranking out of 26	Income	Assets	Donations	Donations % of income	Volunteering
Social services	5th	9th	5th	15th	5th
Economic, social and community development	10th	14th	8th	11th	9th
Emergency relief	17th	16th	10th	7th	7th

Source – ACNC, JBWere Philanthropic Services

The NABCGI suggests support has remained reasonably strong for the sector in recent years (Diagram 58). One of the challenges for the sector is in balancing the reasons for support between current need and future impact. Many existing supporters are naturally driven by the former, while newer corporate and HNWIs and PAFs may be more interested in the latter. The sector's operations cover both areas well but conveying these different messages to each group will be important.

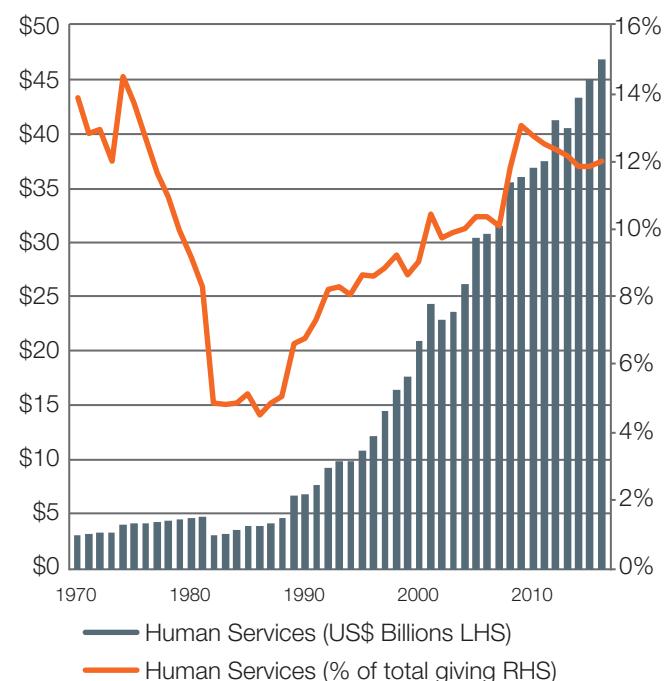
Diagram 58 – NAB charitable giving index, community services 2010-2017



Source – NAB Charitable Giving Index in association with Quantum, JBWere Philanthropic Services

In the USA, support for human services has been strong and growing, driven by local issues and the recognition that overall Government support for charities is lower and so philanthropy needs to and does take up more of that responsibility (Diagram 59). Although this is not so much the case in Australia, we still see an equivalent share of donations (albeit from a proportionally smaller pool) going to this sector.

Diagram 59 – Human services and % of total giving USA 1970-2016



Source – Giving USA, JBWere Philanthropic Services

Health, Medical research, Hospitals and rehabilitation

The combined health area sees quite different relative positions for donation support relative to their income and assets (Diagram 60). Medical research enjoys donations proportionally well above other health sector's and almost double that of the average for overall cause areas. This comes from a range of givers from HNWIs (with a large proportion of the AFR philanthropy 50 supporting the cause), PAFs and the mass market (through groups such as the state Cancer Councils). With the recent addition of the Medical Research Future Fund (MRFF), expected to grow to \$20 billion by 2021, adding to the National Health and Medical Research Council (NHMRC) funding and the new Biomedical Translation Fund (BTF), medical research should enjoy growing support and a good mix of income sources. The cross border nature of the cause has an upside in that international philanthropic supporters will fund the best global potential which has often been in Australia, but it also means the competition for the best people and research is high and adds to costs for the sector to maintain its position. The Health (dominated by aged care) and hospital sector's only receive a small portion of income from donations but do enjoy more support through volunteering.

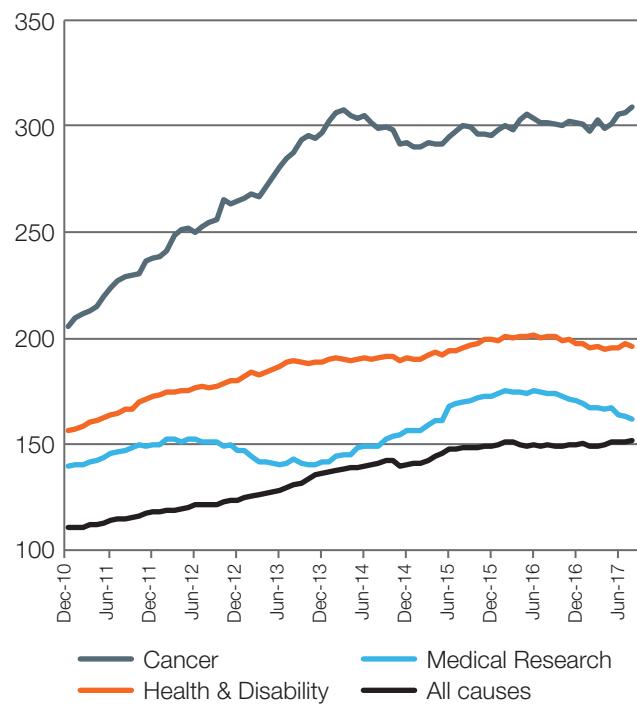
Diagram 60 – Health - ranking among 26 causes areas

Ranking out of 26	Income	Assets	Donations	Donations % of income	Volunteering
Health	2nd	2nd	4th	20th	3rd
Medical research	13th	13th	9th	9th	24th
Hospitals and rehabilitation	3th	7th	13th	22th	15th

Source – ACNC, JBWere Philanthropic Services

More recent data from the NABCGL shows good support for the sector continuing but not growing market share (Diagram 61). This is reflective of the broad range of different donor segments which support the sector.

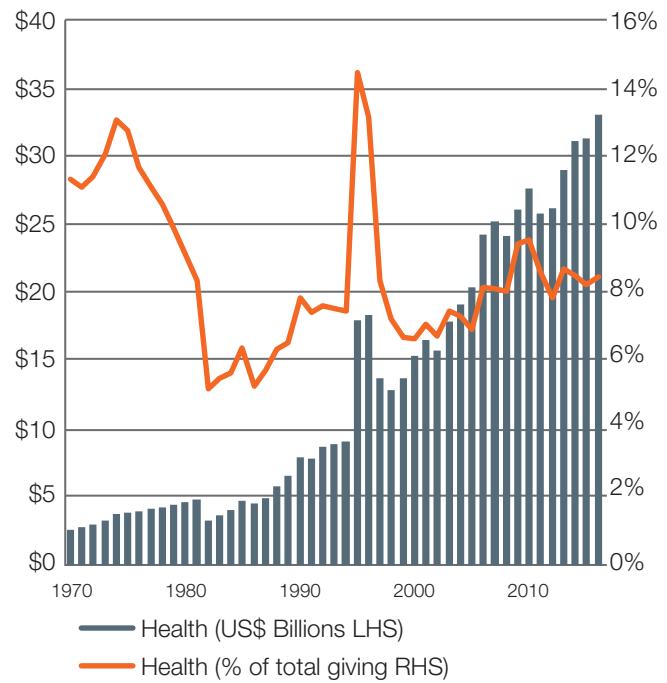
Diagram 61 – NAB charitable giving index, health related 2010-2017



Source – NAB Charitable Giving Index in association with Quantum, JBWere Philanthropic Services

Giving to health in the USA has maintained a consistent share of overall donations over a long period as other sector's have both gained and lost share (Diagram 62). Australia sees a higher proportion of support going to this sector but it has also been consistent over time as others grow and decline. This is likely to continue due to the broad range of giving groups combining to donate to the sector rather than an over reliance on any single segment.

Diagram 62 – Health giving and % of total giving USA 1970-2016



Source – Giving USA, JBWere Philanthropic Services

Higher education

The higher education sector ranks number one of all causes for both income and assets and while it still ranks highly for donations, it is near at the other end of rankings when comparing the proportion that donations are of total income (Diagram 63). Given the special role of the philanthropic dollar in providing for activities that either self-earned or Government funding don't support, there has been a strong increase in fundraising efforts at most Universities in recent years. This has in turn led to great success in attracting major donor and larger company support. There has been an increase in endowed Chairs across a range of disciplines, buildings and projects for research, scholarships and accommodation for recipients plus many other examples including art and building to house it. When we consider the always growing list of alumni, good support from the growing areas of the giving pie and the buildup in development office skills, higher education is very well placed.

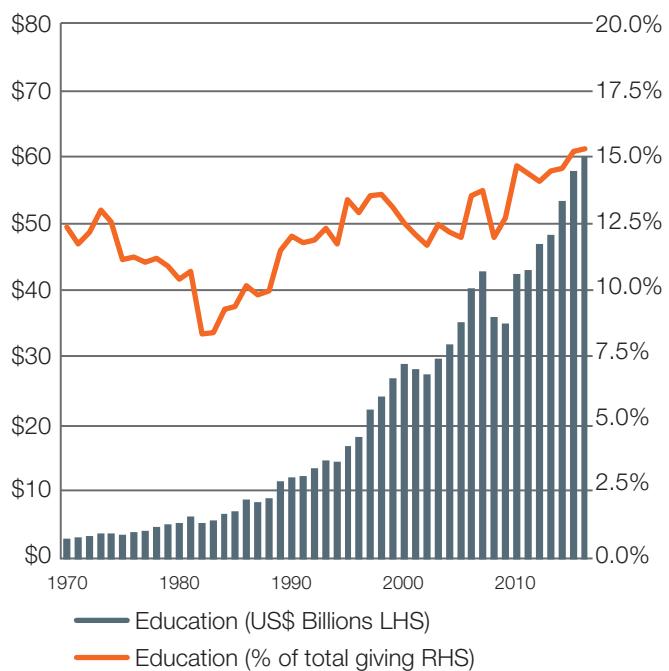
Diagram 63 – Higher education - ranking among 26 causes areas

Ranking out of 26	Income	Assets	Donations	Donations % of income	Volunteering
Higher education	1st	1st	7th	23rd	16th

Source – ACNC, JBWere Philanthropic Services

In considering its future direction in Australia, it is worth contemplating the almost doubling of share the sector has seen in the USA since the early 1980's (Diagram 64). Australia currently sees giving to higher education at around the same proportion as that in the USA at the start of their growth phase. We also haven't yet seen the move towards building huge endowments that are common in the USA (Harvard, Yale, Stanford and Princeton are all above US\$20 billion) and allow those colleges more autonomy and an increased ability to fund new initiatives and increase scholarships and access.

Diagram 64 – Higher education giving and % of total giving USA 1970-2016



Source – Giving USA, JBWere Philanthropic Services

“ Although Universities have already seen good growth in support, strong further gains are expected. ”

Culture and arts

Arts ranks around the middle of all cause areas for income and assets but is a little higher in donations and its reliance on them and higher again for volunteering (Diagram 65). Over the last 20 years we have seen earned income steady as a share of the total, but we have seen the fall in Government funding matched exactly by the rise in donations. The change from 8% to 14% of funding coming from philanthropy has been one of the largest increases for all cause areas. A large reason for the increase has been the emergence of PAFs which have distributed 13% of their grants to this sector, around three times the sector's share of overall donations. This alone explains a little under half of the increase and given future expected growth in PAFs, the sector should continue to enjoy good support.

Culture and arts isn't one of the cause areas reported on in the NABCGI which is another indication of its lower reliance on the mass market.

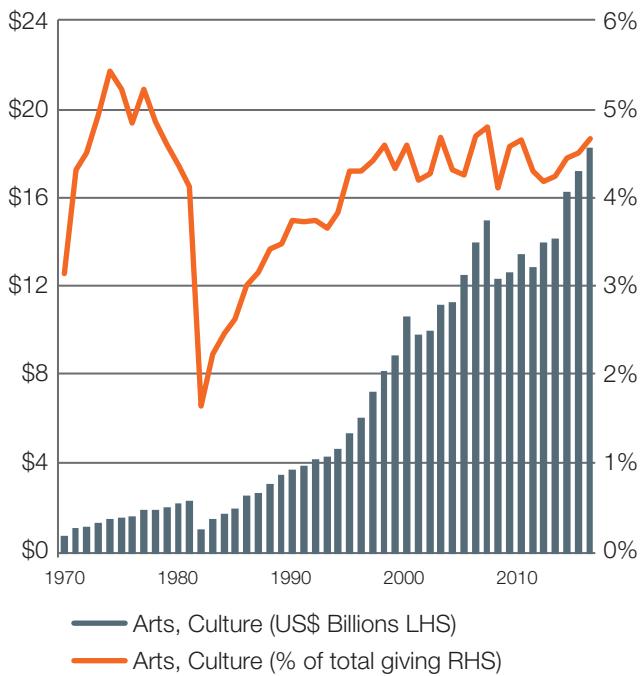
Diagram 65 – Arts and culture - ranking among 26 causes areas

Ranking out of 26	Income	Assets	Donations	Donations % of income	Volunteering
Culture and arts	14th	12th	11th	10th	8th

Source – ACNC, JBWere Philanthropic Services

Support for the arts in the USA has been very steady at around 4.5% of overall philanthropy. Given the much larger total of donations, it has provided great support for the sector over many years (Diagram 66). In Australia, the sector's overall share of donations is only marginally smaller than in the USA, possibly meaning it doesn't have the same potential of a major catchup as expected for higher education.

Diagram 66 – Arts and culture giving and % of total giving USA 1970-2016



Source – Giving USA, JBWere Philanthropic Services

“The arts sector has seen great growth in donations over the past 20 years, helping offset proportionate falls in government funding.”

Animals, Environmental activities

The two causes of animal protection and environment are often included in the same category and both are in the same International Classification of Non Profit Organisations (ICNPO) grouping. They are similar in many respects as both are relatively small in income and assets relative to other charity sector's and both rely on heavily on donations for their income (almost 50% for animals and almost 30% for environment) and volunteering is high (Diagram 67). The large difference comes in the source of those donations. The animal protection cause, particularly for the larger organisations, sees over 50% of donations in the form of bequests. Name recognition, trust and a relatable cause for those deciding on bequests are very important factors for this cause. For environment, there is a significantly different donor profile with an increasing proportion of trusts, foundations and HNWIs supporting the cause. In compiling the latest AFR philanthropy 50 list for 2017, we saw a greater number including environment than in previous years, again highlighting the attraction of the cause among donors of that section of the giving pie.

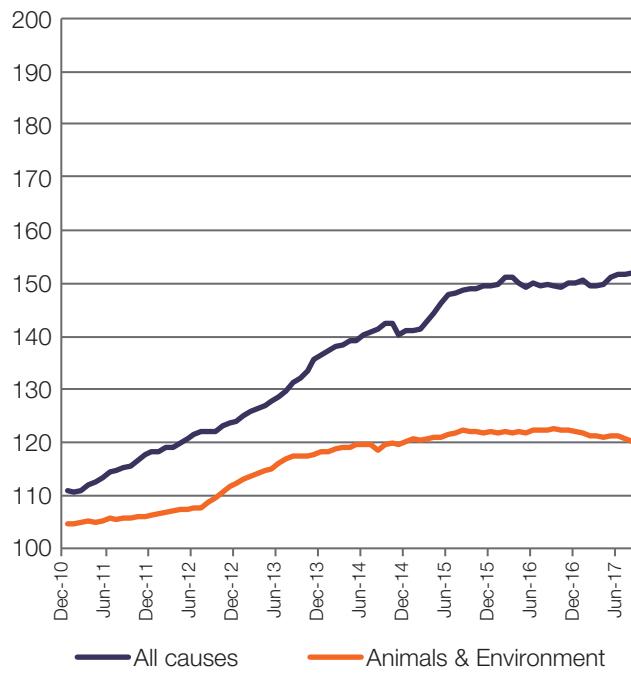
Diagram 67 – Environment/animals - ranking among 26 causes areas

Ranking out of 26	Income	Assets	Donations	Donations % of income	Volunteering
Animals	23rd	21st	16th	3rd	13th
Environmental activities	20th	17th	14th	6th	11th

Source – ACNC, JBWere Philanthropic Services

More recent indicators for overall fundraising have been flat (more a reflection of the mass market) but still at reasonably good levels (Diagram 68).

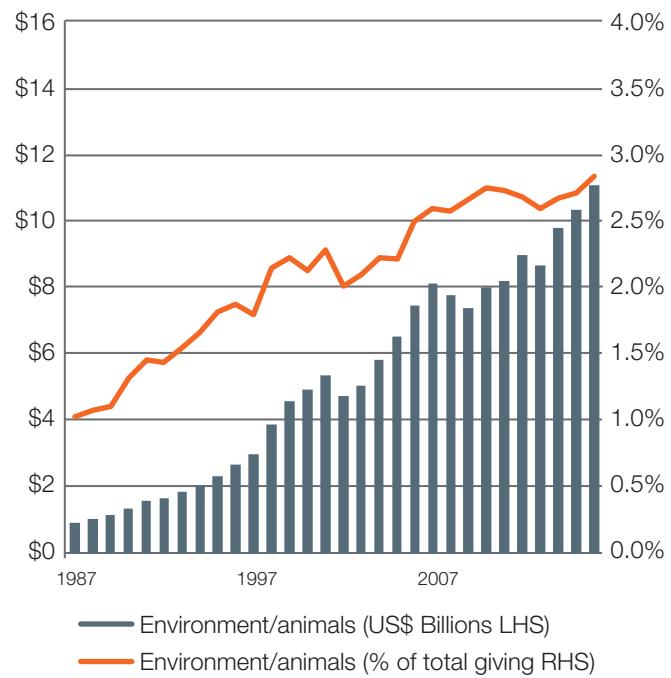
Diagram 68 – NAB charitable giving index, environment/animals 2010-2017



Source – NAB Charitable Giving Index in association with Quantum, JBWere Philanthropic Services

In the USA, support for the combined causes of animals and environment has grown well over the last three decades (Diagram 69). However, it still represents under 3% of giving compared with almost 6% in Australia. Both causes have a significant part of their donor base coming from areas that should show good growth in coming years suggesting further improvements locally, particularly for environment.

Diagram 69 – Environment/animals giving and % of total giving USA 1987-2016



Source – Giving USA, JBWere Philanthropic Services

The Future

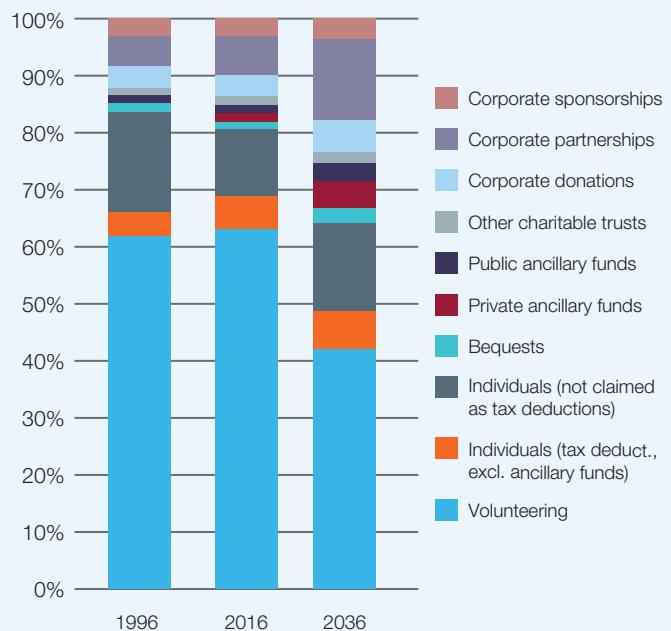
There are many changes occurring in the various areas of support for charities and for-purpose organisations. This is against a backdrop of strong increases in Government funding over the last 20 years that is unlikely to be repeated as their rate of outsourcing social activity to the sector begins to plateau. While the hoped-for growth in "self-earned" income is needed to offset this and reverse its 20 year decline, the importance of volunteering and giving in the sector's income mix will remain vital. How organisations deal with these complex changes will be driven by their ability to understand the trends and then more challengingly, to adapt their own efforts to these changes.

The declining importance of the mass market and volunteering will have a large impact on certain causes, while the growth in other giving areas will provide strong support for others.

The changing shape of giving

We have used the current level of activity in each of the volunteering and giving segments of the support pie as a base to predict its activity over the next 20 years. We've analysed the growth rates over the previous 20 years and then adjusted them for the current influences in each segment to show our estimates for what the makeup of the Australian scene in volunteering and giving will look like in 2036 (Diagram 70). One of the most important changes is likely to be the still significant but proportionally declining level of volunteering. While growing in absolute terms, the number of hours and their wage value will rise significantly slower than other forms of support.

Diagram 70 – Change in for-purpose supporters incl. volunteers 1996-2036

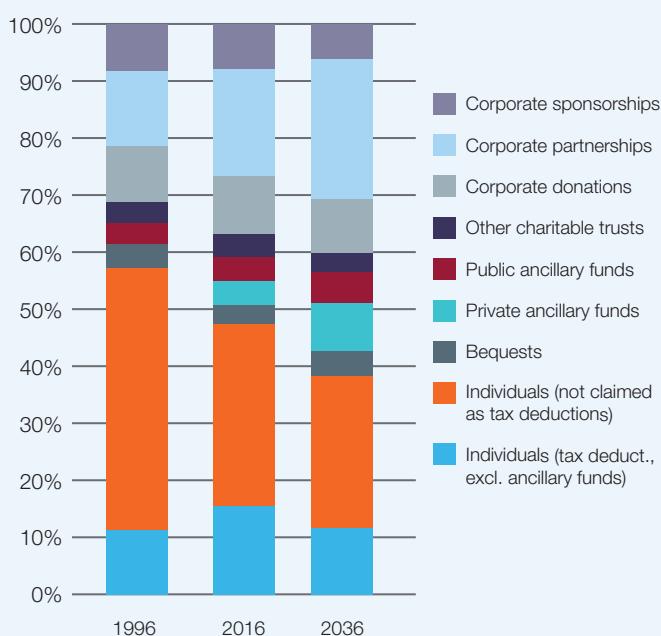


Source – ATO Taxation statistics, ABS, ACNC, Giving Australia 2016,
JBWere Philanthropic Services

Just focusing on the non-volunteering or financial areas of support, we also see large changes in its makeup (Diagram 71). Leading the growth rates are PAFs as an increasing number are established and join the growing pool of funds making annual distributions, remembering they didn't exist in 1996. The next fastest growth segments are likely to be a group comprising bequests as demographic changes roll over the country, PuAFs if they can be successfully marketed and corporate partnerships as profitability grows and this preferred relationship strategy evolves. Growth in tax deductible giving and corporate sponsorships

are likely to be the slowest areas apart from volunteering. The slide in mass market support could potentially be arrested if a national campaign were attempted to convince the public of the importance of the social sector to their own lives while the slower growth in sponsorship is more a reflection on the growing sophistication of the business sector in the way they approach giving.

Diagram 71 – Change in for-purpose supporters excl. volunteers 1996-2036

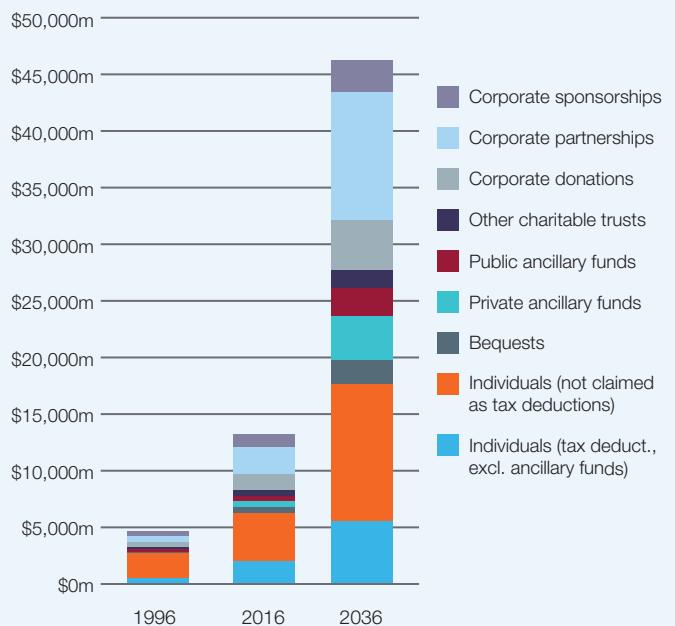


Source – ATO Taxation statistics, ABS, ACNC, Giving Australia 2016,
JBWere Philanthropic Services

Implications for recipient causes

We see a large difference in growth rates between each giving segment and projecting this over 20 years produces a very different shape for the overall support mix. Diagram 72, excluding volunteering, shows the dollar value of support predicted for 2036 and compares that to current levels and those of 20 years ago. The good news is that we see overall growth rates rising from 5.4% pa over the last 20 years to 6.5% pa over the next 20 years. Inside of that change we still expect individual mass market support via tax deductible and non deductible giving to be significant but to be overtaken by the corporate sector. We see structured giving, led by PAFs to have risen from 7% to 17% of non volunteer support. In 20 years we also see volunteering worth less than the total of non volunteer support, rather than its current level of worth which is 70% greater.

Diagram 72 – Growth in value of for-purpose supporters 1996-2036



Source – ATO Taxation statistics, ABS, ACNC, Giving Australia 2016,
JBWere Philanthropic Services

Although the changes in support levels predicted over the next 20 years are dramatic, they are even more so for different cause areas. Remembering that each segment of the support pie has different cause preferences, when we analyse the changes from an individual cause perspective, we get a very different view. One of the sector's expected to do well is higher education. It is well supported by two of the stronger growth areas of corporate partnerships (particularly large business) and HNWI/PAFs. For similar reasons medical research and arts should also gain ground. From a smaller base, environment should also see very solid gains while animals will benefit from the growth in bequests. Those sector's expected to potentially struggle without an alteration to existing strategies are sport (as volunteering slows and corporates move from sponsorships to partnerships), religion (slower volunteering and a declining share of donations, albeit from top position currently) and international aid (their current reliance on mass market philanthropy needs to evolve). In addition, the position of individual organisations within their particular cause area will also have a strong influence on their ability to improve support levels, remembering the dominance of the largest charities in gaining financial support.

Wish List

There is always a long list of options for improving the level of support given to the for-purpose sector, who in turn, provide much of the social and environmental impact which improves our quality of life. The following are a selection of some of them:

- A “*slip slop slap*” style campaign for philanthropy – One way of arresting the sliding proportion of people donating is to show them the value to their own lives of supporting others. Promoting the self interest angle of support as well as the “worthy of support” argument has been missing from many campaigns. Canada has instituted a number of such campaigns in recent years with Imagine Canada in 2005 and www.mygivingmoment.ca in 2013 which coordinated and brought together various groups to encourage increased support across the country.
- *Recognising the long term effects of short term fundraising* – Practices here and more so in other countries have had the effect of damaging some organisations otherwise good intentions. Improved and respectful conduct should be expected everywhere and especially in the for-purpose sector.
- *Better recognizing the value of volunteering* – With changing demographics and an increasingly time poor population, the shape of the volunteering offering needs to evolve. As more corporates institute workplace volunteering programs offering a range of skills, not just hours and a retiring population with knowledge becomes available, there are great opportunities for lateral thinking organisations.
- *Spreading the word about PuAFs* – Just as PAFs have begun to be understood by higher income earners as a sensible way to organize and grow their giving, a much greater pool of potential donors needs to be educated on one of the best kept secrets in our giving world.
- *Encouraging better use of workplace giving* – While the structure is in place, just like PuAFs, more could be done by companies to encourage its use. A combination of leveraged matching and senior management led examples, in addition to other large employers such as Government being encouraged to participate.
- *Living bequests* – The concept of gaining a current tax deduction (for an IRS calculated amount) for entering a contract with a charity to leave a bequest is well established in the USA via charitable remainder trusts and other similar structures. In order to encourage a greater share of the huge intergenerational wealth transfer ahead to support causes, further investigation should be made in Australia.
- *Ensuring maximum use of the philanthropic dollar* – Funds given for support have more freedom than funds provided to fulfill a contract or provide a service and should ideally be used that way. Communication of this “risk capital of the sector” approach should be encouraged where appropriate. Aligned to this should be the implicit agreement from Government about scaling up programs that have been proven by philanthropy. Even matching that support in the early years provides great encouragement and endorsement.
- *Continuing gains in the range and ease of using philanthropic capital* – The growing pool of philanthropic capital and other capital wanting to do good socially as well as financially is increasingly searching for impactful investments. There is still an imbalance between good and easily accessible investment opportunities and this increasingly large pool of funds.
- *Better co-ordination between charities and donors* – Finally to achieve impact it is rare for one organisation and one funder to supply it alone. However, the marketplace for a coordinated approach is small, unsophisticated and often only found by luck. Without it we are not being as efficient as possible with either our valuable support or our even more valuable ideas. Perhaps it is up to philanthropy to be the architect of some of this co-ordination and collaboration.

“Good gains have already come from legislation, good marketing and technology but there are opportunities to further grow support.”

About the author



After 16 years in resource equity markets research, John co-founded JBWere's Philanthropic Services team in 2001. His primary responsibilities include researching and analysing trends in the philanthropic sector; interpreting data to provide valuable insights for clients; and forging relationships between clients with a philanthropic interest and the for-purpose sector. After retiring as a Principal and Executive Director of JBWere, John has been able to devote more time to both his family's interests in private philanthropy through a Private Ancillary Fund (PAF) established in 2004, and broader education through consultancy in the sector while still undertaking research and client advisory work for the Philanthropic Services team at JBWere. John serves on multiple boards in a fiduciary volunteer capacity, including the Philanthropy Australia Council. John is a recognised and respected leader in the philanthropic sector and is the author of:

- The Cause Report: 20 years of (r)evolution in the not for profit sector;
- The New Zealand Cause Report;
- The AFR Philanthropy 50 list of Australia's top 50 philanthropists;
- Growing impact in New Zealand – Impact investment: need, practice and opportunity; and
- IMPACT – Australia: Investment for social and economic benefit (co-authored with Australian Government-Department of Education, Employment and Workplace Relations (DEEWR)).

About JBWere Philanthropic Services

Working with charitable and Not-for-Profit (NFP) clients has been a key cornerstone of the growth and history of JBWere over its 175 years of existence. In 2001, JBWere established a dedicated Philanthropic Services division – a team of specialist advisers who provide strategic advice and insight to all our purpose driven clients, be they charities, NFP organisations, individuals, families or businesses.

Our unique, high quality, tailored offering represents significant value-for-money for our clients and consist of three broad pillars:

- Governance:
- Tailored Strategic Advice; and
- Executive Education and Insight.

JBWere is the leading provider of Philanthropic and Investment Management advice to the sector, managing in excess of \$5 billion across more than 500 client accounts. Our clients are as diverse as the NFP sector itself spanning philanthropic foundations, member organisations and charities involved in a range of cause areas. The highly skilled and multi-disciplined Philanthropic Services team is a key differentiator of the JBWere approach and distinguishes the commitment to not only assist our clients in meeting their fiduciary obligations to prudently manage their assets, but also help them deliver on their mission.

Please visit our website (<https://www.jbwere.com.au/for-purpose-organisations/philanthropic-services/thought-leadership>) to download our Research and Insight papers.

To see how JBWere can help you or your organisation please contact us via phone (1300 263 166) or email (philanthropic.services@jbwere.com)

Corporate directory

You can contact JBWere using the details below.

Melbourne

Level 16, 101 Collins Street
Melbourne Vic 3000

Telephone: +61 3 9906 5000
Fax: 1300 798 149

Sydney

Level 42, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Telephone: +61 2 9325 2600
Fax: 1300 307 307

Adelaide

Level 6, 22 King William Street
Adelaide SA 5000

Telephone: +61 8 8407 1111
Fax: +61 8 8407 1112

Brisbane

34th Floor, Riverside Centre
123 Eagle Street
Brisbane Qld 4000

Telephone: +61 7 3258 1111
Fax: +61 7 3258 1112

Canberra

Level 3, 60 Marcus Clarke Street
Canberra ACT 2600

Telephone: +61 2 6218 2000
Fax: +61 2 6218 2001

Perth

Level 11, 100 St Georges Terrace
Perth WA 6000

Telephone: +61 8 9212 7900
Fax: +61 8 9212 7999

Important notice

JBWere Ltd ('JBWere') and its respective related entities distributing this document and each of their respective directors, officers and agents ('JBWere Group') believe that the information contained in this document is correct and that any estimates, opinions, conclusions or recommendations contained in this document are reasonably held or made as at the time of compilation. However, no warranty is made as to the accuracy or reliability of any estimates, opinions, conclusions, recommendations (which may change without notice) or other information contained in this document and, to the maximum extent permitted by law, the JBWere Group disclaims all liability and responsibility for any direct or indirect loss or damage which may be suffered by any recipient through relying on anything contained in or omitted from this document. The information contained in this document is based on our general understanding of taxation and other laws. JBWere does not hold itself out as providing professional taxation advice. Actual tax liabilities may differ from any estimates provided in this document. You should consult with your professional taxation advisor before acting on the information or data contained in this document or contact your advisor if you require further assistance.

ISBN 978-0-646-95416-5



9 780646 954165 >