



Better Philanthropy Telescope

February 2024

PHILANTHROPY
AUSTRALIA



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ACKNOWLEDGMENT OF COUNTRY

Philanthropy Australia
acknowledges the Australian
Aboriginal and Torres Strait
Islander peoples as the first
inhabitants of the nation and
the Traditional Custodians
of the lands where we live,
learn and work. We pay our
respects to Elders past
and present.

Welcome to our Better Philanthropy Telescope

Foreword

As philanthropy's prominence and profile in Australia grows, understanding the currents that shape the sector's thinking is paramount.

The 2024 Better Philanthropy Telescope takes the pulse of the sector to help identify the trends, issues and opportunities that will shape the giving agenda this year. We are grateful to the 116 people, from across Australia and from various organisations, who responded to our survey.

Two headlines stand out from the responses. The first is how philanthropy responds to the cost-of-living crisis; from how it is shaping giving priorities through to its effect on giving levels. The second is the rise of collaboration. Funders are increasingly looking to partner with their peers as well as build stronger partnerships and long-term relationships with not-for-profits, communities and government.

As this is the second edition of the Telescope, we are able to start tracking changes over time. There is a strong consistency in the issues that matter between last year and this. How philanthropy responds to the climate crisis and how First Nations communities are best supported remain front of mind for many. With philanthropic practice, the desire to measure impact and build the capacity of the not-for-profit sector remains strong.

Thinking of course is not static and we see, as we enter 2024, philanthropy responding to the ever-changing context and exploring newer opportunities whether from the rise of AI or from the growing impact investing market.

Philanthropy Australia looks forward to exploring these themes through our activities this year, not least at our National Conference in August 2024 in Adelaide.

Telescope is a pulse check and cannot give a full picture of the state of play of Australian philanthropy nor cover the diversity of thinking and activity. What it can do is inform conversation and motivate us all to achieve more and better philanthropy.



Adam Ognall
Executive Director Engagement
Philanthropy Australia

Shaping the agenda

The Philanthropy Australia Better Giving Telescope is a community created report driven by Philanthropy Australia's members.

We produced a survey that asked 6 open questions. Individuals were invited to complete the survey, with responses being anonymous. 116 people participated, drawn from across Australia. Participants were from a mix of organisations – funders, non-funders and professional advisors. The 2024 survey is our second annual survey and over time we anticipate Telescope becoming a more in-depth initiative tracking changes over time.

Disclaimer: Please note that the views in this document are those of survey respondents, not necessarily Philanthropy Australia.



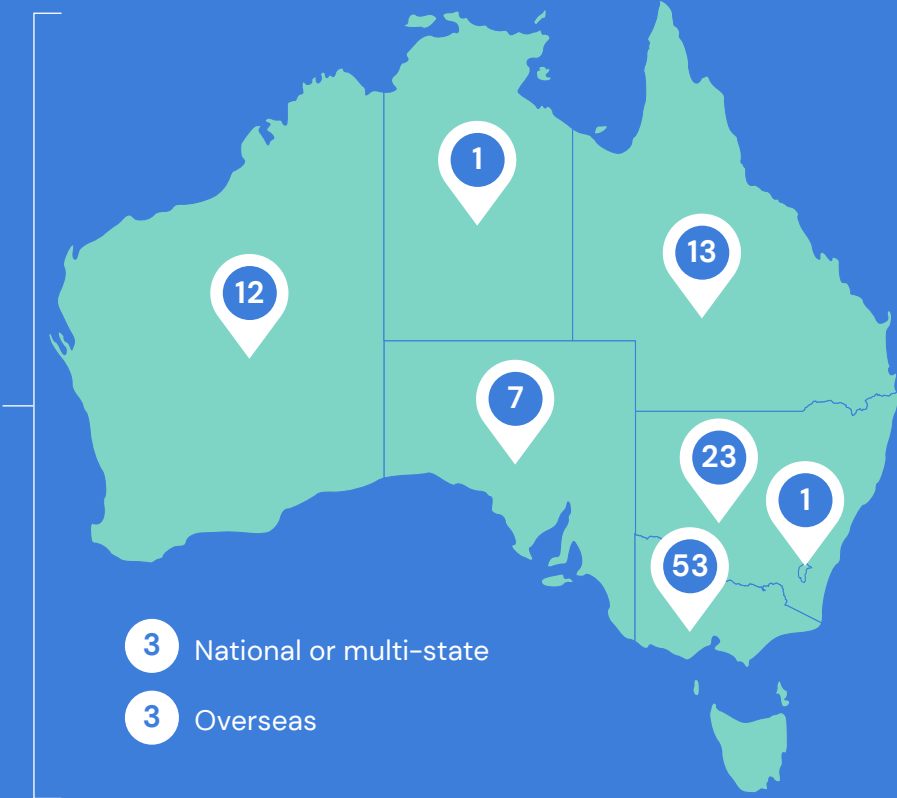
Survey participants

116

respondents

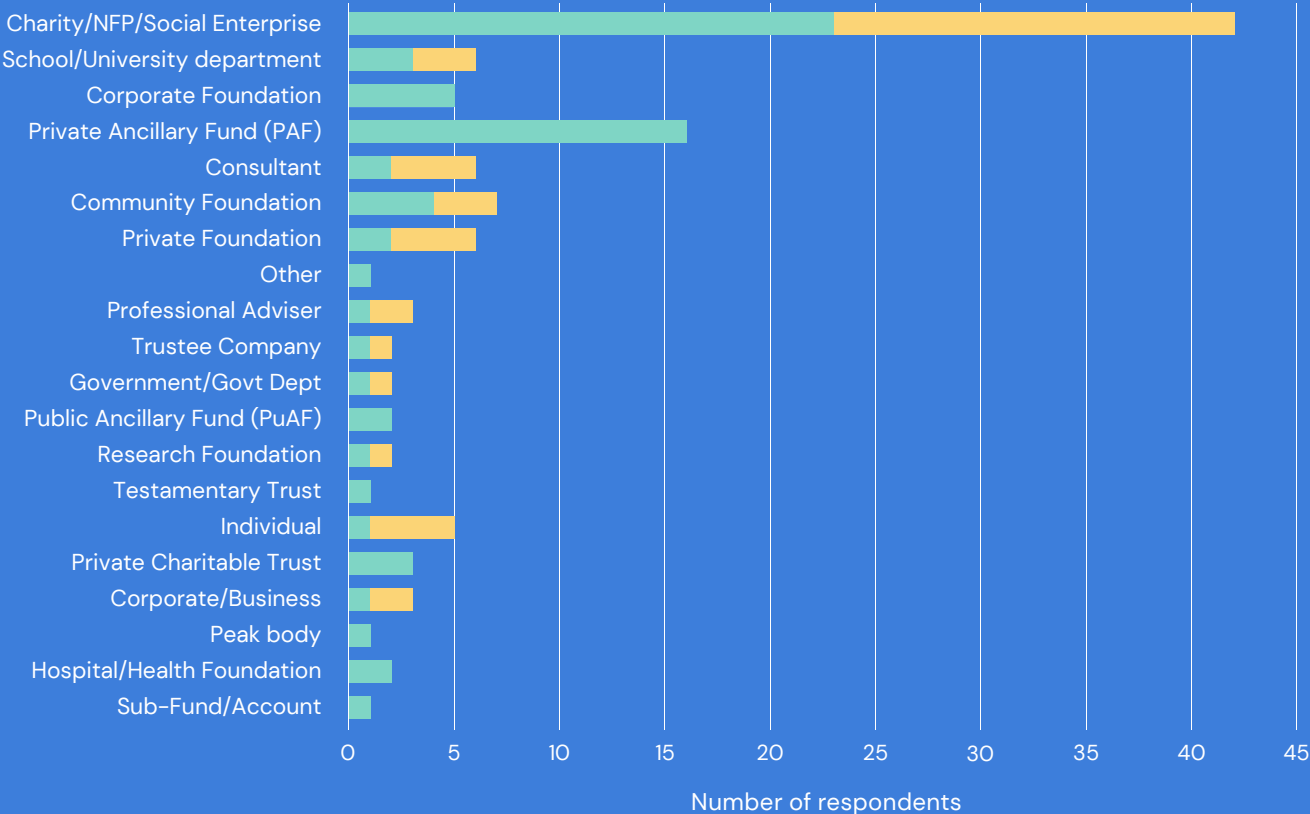
There were **116** respondents to the 2023 Better Philanthropy Telescope.

About **46%** of the respondents were funders, **40%** were not-for-profits (NFPs) and the remaining comprised of professional advisers, consultants and others.



Types of organisations represented

Member Non-member



10 ideas that will matter

The survey responses identified the top 10 ideas that will matter in 2024.

1

Funding collaboratively

Many funders spoke of their desire to align their funding with others either through formal co-funding arrangements or through networked approaches.



Collaborations are the key. We are looking at matched funding and mutual relationships to build impact in 2024 and beyond.

2

Partnering for impact

The desire for funders to work more closely with not-for-profits and others including government is a very strong sentiment. Respondents recognise the multiple benefits this can bring.



Innovate to make philanthropy a more open and accessible conversation between grant-makers and grant-seekers;

3

Telling philanthropy's story

Philanthropy's contribution to Australian society needs to be better recognised and understood by policy-makers and others and there is a strong commitment to creating a more giving culture.



Productivity Commission [inquiry into philanthropy] implementation will be the biggest topic of philanthropy in 2024.

4

Focussing on impact

The language around giving is evolving with greater focus on achieving impact. This speaks to greater sophistication in giving with less description of activities philanthropy funds and more emphasis on how philanthropy is responding to the big challenges of the day.

5

Responding to growing need

The cost-of-living crisis and how it is being felt by communities is prevalent in how many funders are shaping their approach to 2024.

“

The ‘long tail’ of the cost-of-living crisis will be a challenge faced by many of our partners.

6

Investing with impact

Impact investing is a definite area of interest and growth for many philanthropic organisations.

“

The development of the impact investing market in Australia and access to much more funding to really make a difference at scale.

7

Valuing relationships for the long term

Strong long-term relationships remain crucial for funders and not-for-profits, with the value of multi-year funding increasingly understood. One related challenge is the ability to form new relationships owing to factors such as lack of exposure and capacity constraints.

8

Building capacity in lean times

Thought is being given to how, despite resource and capacity constraints on the funding side, philanthropy can contribute to the long-term sustainability of not-for-profits through backing capacity building work.

“

Capability and capacity building funding to make a comeback please!

9

Applying AI

Technology and in particular the application of AI was touched upon in many responses, reflecting the growing recognition that philanthropy needs to grapple with emerging technologies and trends.



AI driven innovation.

10

Powering impact with data and evidence

There is a desire to improve philanthropic practice through increased use of data and evidence. This covers not only strengthening evaluation practices but also through data-informed decision making.





Big world issues in 2024 and why they matter

Cost-of-living crisis

“ *Economy/cost of living and its impact on members in lower socio-economic groups – we anticipate needing to increase our funding to support this cohort.* ”

“ *We spoke to the charities we support to understand what they need the most – it was clear that untied multi-year funding is extremely important to them in the current cost of living climate.* ”

“ *The ‘long tail’ of the cost-of-living crisis will be a challenge faced by many of our partners. We are also seeing a growing cynicism and challenges in engaging communities.* ”

“ *Cost of living challenges and natural disasters will make the balance between responding to immediate needs and focussing on long term issues and campaigns a challenge.* ”

“ *Responding to cost-of-living pressures and community needs on big picture issues such as family violence and environment amid responses required to basic food and housing shortages.* ”

“ *Increasing awareness of the growing divide between the haves and have nots, especially in the context of the increasing cost of living in Australia and the impact on lower income earners.* ”

Climate

“ *The biggest influence was a growing urgency to support climate change-related organisations and put some of our other priorities on hold.* ”

“ *There are some challenges for humanity that need to be addressed urgently. Extinction of species and a warming climate.* ”

“ *Climate change becoming a more mainstream concern.* ”

First Nations

“ *The referendum and associated opportunities for systemic reform for First Nations justice was a major influence.* ”

“ *Empowering First Nations people with agency in distributing philanthropic funds.* ”

“ We wanted to put greater emphasis on First Nations-led organisations, especially following the failed referendum.

“ Self determination – how do we create pathways and structures that support those most affected and with the deepest and truest knowledge to not only be at the table but to be at the head of the table, making the decisions.

Policy direction

“ The political environment is important. Too little attention is paid by policy makers towards what philanthropy can bring, for example, piloting new ideas and catalysing significant projects.

“ Advancing public understanding and improving government recognition, through policy, of social inequality.

“ Productivity Commission implementation will be the biggest topic of philanthropy in 2024.

“ Government and philanthropy working together.

“ Connecting to government with the work on the ground that Philanthropy are doing.

Global Events

“ Global instability may present unpredictable changes in our giving strategies.

“ Due to the war in Israel [and Gaza] our funds have been required more urgently in other sectors and this will likely remain a focus for 2024.

“ Fund more projects with focus on international needs.

“ In 2024, I think the political events in the Middle East may continue to exacerbate tensions we are seeing playing out in the community.

What you're saying

1

What were the biggest influences on giving strategies and on your philanthropy in 2023, has anything restricted or inhibited your giving?

● INFLUENCING ISSUES

Similar to the findings in the previous Telescope, the difficult economic conditions were a major influence on giving strategies in 2023. For some funders this has restricted or consolidated their giving to higher priority areas, particularly those that are experiencing reduced capacity following the COVID-19 pandemic lockdown period. However, there was an increase in giving during the Voice Referendum. Other important influences mentioned were the urgency of climate change, lower government support in some areas, responding to global events including in Israel and Gaza, and restrictions due to DGR1 status.

“DGR1 restriction has greatly challenged our ability to be responsive to community, and to fund into community owned grass root organisations.”

● INFLUENTIAL VOICES

The value of strong relationships appeared again in this Telescope. Forming new relationships was cited as challenging due to various reasons such as lack of exposure or opportunity, capacity constraints and strategic alignment. Some funders recognised the value of multi-year funding and evaluation. Given the Voice Referendum some funders expressed an increased motivation to give further to First Nations.

● INTERNAL ORGANISATIONAL INFLUENCES

While the difficult economic conditions resulted in restricted funding for some funders, a smaller number of other funders were able to maintain their giving levels. Other areas raised were multi-year funding, learning about new philanthropy practices, balancing priorities, involving the next generation, measuring impact and evaluation and strong relationships.

A smaller number of respondents mentioned adopting artificial intelligence (AI) to help automate their processes.

2

What do you expect the most pressing challenges facing you and your partners in 2024 will be?

● GLOBAL AND NATIONAL CHALLENGES

The difficult economic conditions experienced in 2023 are expected to continue in 2024: higher costs, lower funding and lower capacity to fund. Respondents expect this will have negative impacts across other areas such as affordable housing, and diminished capability for organisations to invest in and build relationships.

The impacts from the Voice Referendum result, responding to global events including in Israel and Gaza, political tensions and climate change are expected to continue.

“ *The ‘long tail’ of the cost-of-living crisis will be a challenge faced by many of our partners.* ”

● PHILANTHROPIC CHALLENGES

Issues around funding – access, receiving sustainable levels and reduced capacity to fund – mean some respondents expect to see a more competitive landscape in the sector as need/demand for the services not-for-profits provide rises.

Some respondents are looking into other funding opportunities and channels.

Collaboration with government will be a continuing challenge in 2024 including the double giving agenda and creating a more giving culture in Australia and organisational-level collaboration.

● ORGANISATIONAL CHALLENGES

At an organisational level, the challenging economic conditions are expected to result in higher operational costs, reduced investment in an already resource and time constrained environment.

Staff recruitment and retention is expected to be a major challenge in 2024, repeating what we heard last year. Identifying the right relationships to engage with is another challenge.

“ *Securing resources to deliver true relationship management.* ”

3

What opportunities do you see that might help you and your partners advance their work?

EXTERNAL OPPORTUNITIES

Respondents see opportunity for better awareness raising of the sector and greater government recognition of the work of not-for-profits.

Other opportunities identified include the next generation and the role of First Nations.

A smaller number of respondents cited artificial intelligence (AI) and specific government reforms.

PHILANTHROPIC OPPORTUNITIES

The double giving agenda and Productivity Commission Inquiry into Philanthropy was cited as an opportunity for the sector to advance their work.

Other major opportunities are around the development of impact investing models and education and research for better understanding and decision-making.

ORGANISATIONAL OPPORTUNITIES

Many respondents identified the opportunity of collaboration – collaboration among funders and more generally between partners.

“ Collaborations are the key. We are looking at matched funding and mutual relationships to build impact in 2024 and beyond.

Others will look to continue deepening their knowledge, advocate and demonstrate impact.

4

How do you expect your philanthropic practice to change in the next 12 months?

● FUNDING PRACTICES

Funders want to improve their philanthropic practice to enable better outcomes with their partners.

Some funders expected to increase their funding levels in the next 12 months while around 20% of respondents stated they will not change their giving practices which is a similar proportion to the findings in last year's Telescope.

“ More core funding to help partners to respond and be flexible.

● ORGANISATIONAL PRACTICES

Respondents want to focus their efforts.

Similar to the opportunities identified, collaborative efforts are also a key practice for some organisations. Some will also focus their relationship building with known partners including some NFPs seeking higher returns for their fundraising efforts, and some funders prioritising their giving.

Some funders and NFPs will be looking to increase their data and evidence-based processes in the next 12 months.

“ Practice kindness every day.

5

What are the big ideas that will matter for philanthropy in 2024?

A recurring theme made in both this, and last years' Telescope is **collaboration**. Some respondents elaborated on what this meant to them such as working together between funders themselves and also across funders, not-for-profits, government and business, and sharing ideas.

“ Increased opportunities to work together towards responsible and mission-aligned investing

“ Engaging with government to build their awareness of how philanthropy operates and opportunities for strategic collaboration

“ Having a say in how our nation operates and bringing different groups together- government, not-for-profits and business

“ Getting more people involved – we need stories from new voices

Similar to the previous Telescope, **climate change** was mentioned by many respondents:

“ Solving the climate crisis and the implications of this

“ Integrating climate and nature across other pillars of giving

“ Greater public awareness of urgency of healing the environment

Impact investing was raised by a number of respondents.

“ We also are seeing more interest in impact investing

“ Social impact investing, financial models that promote sustainability and social responsibility

The challenging **economic conditions** is echoed in the responses again.

“ Responding to cost-of-living pressures and community needs on big picture issues

“ Due to economic uncertainty, impact will again be a key driver

Measuring, and also demonstrating, impact was another common theme:

“ *Measuring impact and adapting for better outcomes* ”

“ *Seriously looking at what has worked and what has not* ”

Several respondents touched on technology including **AI and data privacy**:

“ *Explore potential for AI to be an asset for philanthropic fundraising* ”

Respondents highlighted the government’s **double giving agenda** and the **Productivity Commission (PC) Inquiry into Philanthropy** (which received 277 submissions and an additional 76 comments – the highest response level out of the current PC inquiries)¹. Superannuation reform was mentioned by some respondents. Other respondents also raised other tax reforms they would like to see. Inclusion, support and empowerment of **First Nations** and de-colonising wealth were expressed by respondents.

“ *Self determination – how do we create pathways and structures that support those most affected and with the deepest and truest knowledge to not only be at the table but to be at the head of the table, making the decisions* ”

Some respondents want to see changes in **philanthropic practice and funding strategies** including capacity building, more open, accessible and trust-based partnerships between grantmakers and grantees, and participatory grantmaking.

“ *Innovate to make philanthropy a more open and accessible conversation between grant-makers and grant-seekers;* ”

Other areas some respondents referenced included the large wealth transfer and wealthy members of community giving, diversity, housing, youth, education, health, domestic violence, disadvantage, the sector’s talent pool challenges, connection with Asia-Pacific, and the upcoming Philanthropy Australia Conference.

¹ Accessed January 2024: <https://www.pc.gov.au/inquiries/current/philanthropy#draft>

6

What is the biggest change (or changes) you would like to see occur in philanthropy in 2024?

Collaboration was again one of the biggest changes a lot of respondents want to see in 2024 – more opportunities/forums, among funders, with government, joint programs, more access for small not-for-profits, and more equitable approaches including more diversity of voices.

“ More collaboration and networks/ forums and formal mechanisms to come together to solve – but with urgency

“ To see a greater diversity of voices being spoken and listened to within philanthropy, including people from different age, gender, racial, experiential and socio-economic backgrounds

“ Understanding there is no silver bullet or quick fix for complex long-term problems, government and corporate could find a way to have a longer-term approach

“ Greater collaboration and co-ordination between philanthropic organisations, government and local communities

“ Better opportunities for funders of all sizes to learn from and connect with each other and build their professionalism

“ More cohesive support and coordination to tackle the world’s biggest issues

Respondents want to see **increased giving** by all in 2024 and more philanthropists, along with greater awareness.

“ More people becoming aware of the issues and with that increasing their giving

“ More philanthropists!

“ More families getting involved

“ For the average person to understand the definition of philanthropy and to have more stories in the media about how philanthropy is benefiting the community

Calls for **shifts to funding practices** were hoped for by respondents with such as untied funding, longer term, core funding, more transparency and reduced administration. A smaller number of respondents reflected both sides of the innovation argument where some urge new approaches and others are focused on continuing to do and expand on what they know works.

“ More untied and core funding

“ We should be enablers... “how can we enable...(insert strategic pillars)” (funder)

“ Shorter grant applications and reporting, less admin

“ Greater transparency and accountability in philanthropy

“ It would be a wonderful uplift for performance and impact if the NFP sector was resourced to meet the needs of the community it serves. i.e. training, wages and infrastructure. The make do environment does breed ingenuity but the full potential is often capped

An increasing focus on **First Nations** philanthropy was another change respondents want to see.

“ I would like to see philanthropy engage with first nations people as partners in long term engagements where the community sets the priorities and measures of success

“ More people giving greater amounts, particularly to the environment and First Nations organisations

Impact investing is an area of interest and potential for growth from some respondents.

“ Encouragement for use of capital for impact investment

Along with an interest in the Government’s **double giving agenda**, several respondents raised specific areas of **tax reform** in different areas such as superannuation, deductibility of gifts, refunds, volunteers and charitable concessions.

Appendix A

Survey Questions

Welcome to our Better Philanthropy Telescope.

What follows is a simple 6-question survey which gives you an opportunity to help shape the philanthropic agenda as we look towards 2024. The survey is completed anonymously.

This is the second year we have run the Telescope, and we will publish the report in early 2024 as we return from the summer break. Thank you for taking part.

1

Are you a Philanthropy Australia

- Member
- Non-member
- Question Title

2

Please choose your organisation type

- Charity/NFP/Social Enterprise
- Community Foundation
- Consultant
- Corporate Foundation
- Corporate/Business
- Government/Govt Dept
- Hospital/Health Foundation
- Individual
- International Structure
- Peak body
- Private Ancillary Fund (PAF)
- Private Charitable Trust
- Private Foundation
- Professional Adviser (family office, financial, legal)
- Public Ancillary Fund (PuAF)
- Research Foundation
- School/University department
- Sub-Fund/Account
- Testamentary Trust
- Trustee Company
- Other (please specify)

3

Where are you based?

- VIC
- NSW
- QLD
- WA
- SA
- TAS
- NT
- ACT
- Other (please specify)

4

What were the biggest influences on giving strategies and on your philanthropy in 2023, has anything restricted or inhibited your giving?

Free-text response

5

What do you expect the most pressing challenges facing you and your partners in 2024 will be? These could be both internal factors or external events (e.g. political, economic)

Free-text response

6

What opportunities do you see that might help you and your partners advance their work?

Free-text response

7

How do you expect your philanthropic practice to change in the next 12 months?

Free-text response

8

What are the big ideas that will matter for philanthropy in 2024?

Free-text response

9

What is the biggest change (or changes) you would like to see occur in philanthropy in 2024?

Free-text response



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