

22 May 2023

Submission to the Review of Philanthropy Inquiry

About Boundless Earth

The vision of Boundless is an Australia we can all be proud of — a prosperous, renewable energy superpower and a global force towards a decarbonised world. Our purpose is to accelerate climate solutions at the scale and speed required for Australia to do its fair share to avert the climate crisis.

We use the levers of philanthropy, investment and direct advocacy to make change and get Australia on the path to becoming a renewable energy superpower by 2030.

Introduction

Boundless Earth welcomes the opportunity to provide a submission to help the Productivity Commission understand the motivations for philanthropic giving in Australia and identify opportunities to grow it further.

We strongly support the Government's (and Philanthropy Australia's) goal of doubling philanthropic giving by 2030. We also strongly support the goal of the Australian Environmental Grantmakers Network (AEGN) of quadrupling philanthropic giving to the environment by 2030. Together, these goals (and underpinning legislation, frameworks and policies) will help Australia meet our emissions reduction targets and limit global warming to 1.5 degrees Celsius. They will also help create a better, more equitable Australia.

[Boundless](#) was established in March 2022. The recommendations in this submission are based on the experiences and lessons learnt through our work, as well as the extensive philanthropic experiences of some of our staff over many years. We also strongly back-in the [AEGN Environment and Climate Change Giving Trends Report 2022](#) and AEGN's submission to this inquiry.

Our experiences and recommendations

Funding models

Boundless's approach is to break down the climate change problem into a series of 'epics' which we pursue for three months. We develop a strategy for each epic which describes the key challenges and opportunities, and initiatives against which we will assess and fund projects. Within the three months, we identify, develop and deploy funds to a suite of projects and partners to help deliver Boundless goals, including both investments and philanthropic funding. We also conduct a range of direct advocacy activities either independently or with other partners. Once funded, our partners then spend the next 6 months to 2 years delivering those projects.

This funding model requires and encourages innovation, agility and risk-taking. It allows us to put focus on and momentum behind the chosen issue, allowing partners to create a wave of impact through leveraging each other's research, advocacy and campaigns.

We strongly believe there is a role to play in rapidly deploying funds towards multiple organisations or projects focused on solving similar issues – to drive advocacy and funding towards tipping points where the market no longer needs government support to deliver the outcome. An example of this is our funding and advocacy to support electric vehicle uptake – towards a goal of 10 per cent electric vehicle sales by 2024.

Recommendation 1

Develop new and innovative funding vehicles to help grow the not-for-profit sector and support larger numbers of individual or corporate donors to contribute to trusts and foundations. E.g. [Mosaic](#) program (U.S.).

Increasing funding towards climate and environmental causes

To match the scale of the climate and environmental crises, we must increase the diversity and amount of philanthropic funding supporting these causes. Currently, philanthropic funding via Private Ancillary Funds (PAFs) towards climate and environmental causes in Australia is reported to be just 2.1 per cent of the total funds donated, with these donations heavily concentrated in a few large charities.

We think it is critical that philanthropy is encouraged and supported to fund more, innovative and diverse not-for-profit entities, including small, new, regional/remote and/or First Nations organisations. There are many reasons it is currently difficult for the philanthropic sector to fund these organisations – including lack of capacity and resources of the not-for-profit organisations, and the time and effort required to build trusted relationships between funders and the not-for-profit. Increasing the speed and size of funding towards these types of organisations, particularly to support advocacy efforts, will accelerate climate solutions towards tipping points.

We have found that many climate and environmental not-for-profit organisations rely extensively on donations and philanthropy. This is caused by a range of factors:

- There is very limited government funding to support the work of climate and environment organisations, outside some of the biggest, oldest organisations (such as Landcare, Greening Australia, The Nature Conservancy, WWF)
- Some organisations choose not to take government funding to maintain their independence, and allow them to continue advocacy activities (which can be prohibited under government grant agreements)
- Building a trusted relationship with a philanthropic organisation can often lead to multi-year funding as well as revenue growth from other sources and improved networks.

Environment not-for-profits also receive significantly less government funding than other not-for-profits.

We think it is critical that the Government provides funding, and makes it easier for climate and environment organisations to receive more funding. This might include supporting philanthropy to make impact investments, and/or complement / crowd-in impact investment and private capital.

Recommendation 2

Establish an agency to increase funding towards climate and environment organisations, encourage and facilitate partnerships and build capacity – similar to the role Creative Partnerships Australia / Creative Australia plays

Recommendation 3

Increase government funding through a dedicated grants program (similar to the Regional Arts Fund) which can be administered by a not-for-profit peak body (such as the Climate Action Network Australia).

Recommendation 4

Provide infrastructure, services and other support towards operating costs of not-for-profits, such as office accommodation, facilitation of group purchasing (like state purchase arrangements) and other measures.

Making it easier to donate

Many funders are set up as PAFs and can only fund DGR 'item 1' organisations. While auspicing arrangements are commonly used, it creates additional red tape, cost, double-handling and, often, a sub-standard outcome for all parties.

A key barrier to environmental organisations receiving funding is the slow and opaque application process for the Register of Environmental Organisations (REO). We note that the Government has introduced legislation to streamline the REO process and strongly support these reforms. If/when the legislation is passed, we look forward to seeing the new process be implemented by the Australian Taxation Office quickly.

Recommendation 5

Broaden, simplify and speed-up access to DGR status for charities.

Recommendation 6

Consider whether the REO continues to have value, especially if the definition of DGR is expanded.

Education and training

We have seen that some professional financial advisors, lawyers and accountants are not equipped to properly or adequately advise their clients about philanthropy. Professional advisors are highly influential in how their clients manage their finances, allocate their assets and plan their estates, and are a critical lever in growing philanthropy in Australia.

Recommendation 7

Embed philanthropy training into financial advisors, lawyers and accountants' education programs, including through continuing professional development programs and mandatory education standards.

Improving data collection and transparency

Improved data collection and transparency will allow the Government, the philanthropic sector, corporate sector, and the public to better understand where funds are going, and how/where they can have the most impact. Providing philanthropists with more detail and transparency about the types of not-for-profit organisations available to support could streamline funding, support diversification and reduce due diligence cost and time.

We believe there is an opportunity to better measure the positive economic impact of philanthropic-funded advocacy. This would allow both the philanthropic sector and government to better tell the story of the importance of philanthropy, and create the evidence base for better policies which increase philanthropic funding and impact.

Recommendation 8

Improve data collection and transparency about where and how philanthropic funding is provided, and measure the positive economic impact of philanthropic-funded advocacy.

Recommendation 9

Create a site which allows the public (and philanthropists) to find and easily navigate to the not-for-profit causes/organisations they want to support (potentially hosted by the ACNC).

Conclusion

Thank you for the opportunity to provide this submission. We look forward to seeing the results of the Productivity Commission's inquiry. For further information please contact Dione Scheltus, Government Relations Lead,

Eytan Lenko

Chief Executive Officer