Philanthropy Review
Productivity Commission

Strive Philanthropy Submission

If we are to double corporate giving by 2030 it is important to ensure a robust review and examination of the current knowledge and key opportunities to grow corporate giving in Australia.

As an organisation focussed on providing leading research into corporate giving, Strive Philanthropy has taken this opportunity to provide our latest research, analysis and key thinking for the upcoming philanthropy review.

Strive Philanthropy would like to submit two primary sources for the review:

- **Annual GivingLarge Research Reports** (2018-2022)
- **Rising the Tide.** A model to grow corporate philanthropy in Australia

The latter report proposing a model to not only embed the growing corporate social investment and enlightened thinking in Australia, but also providing recommendations to amplify it across our business sector.

GivingLarge Annual Research Reports
LINK

Rising the Tide on Corporate Philanthropy

"Philanthropy Australia is delighted to support Strive Philanthropy's work in highlighting the role and contribution of corporate giving in this country: the research is a timely reminder of the opportunities we have to grow giving and to create a more generous and inclusive Australia."

Rising the Tide

A Model to Grow Corporate Philanthropy in Australia

GIVINGLARGE

STRIVE PHILANTHROPY

Key Supporters

philanthropy australia

WHEELTON

CORPORATE CITIZENSHIP

Strive Philanthropy

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About Us

About Strive Philanthropy

Strive Philanthropy is a research organisation dedicated to highlighting the notable philanthropic efforts of corporate Australia within our community. By highlighting corporate generosity through focussed research and public awareness efforts we will help to drive valued social change, increased transparency and increased community contributions. Strive has its sights set on working with businesses to significantly grow their philanthropic contribution. A goal that could drive millions of dollars to the Australian community.

About GivingLarge

The GivingLarge Report and research sets out to highlight the considerable community contributions being made by some of Australia's top companies. The research conducted annually by Strive Philanthropy analyses the publicly available reports of our top companies, compiling their community investment statistics to develop a unique data set aimed to draw attention to corporate Australia's efforts in this area. The findings of this report help to: Inform future corporate behaviour in community investment; encourage increased contributions & transparency; stimulate best practice sharing and adoption

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Introduction.

By any yardstick, the last 3 years for Australia and the planet have been difficult. The COVID-19 pandemic has transported us in to an unprecedented environment battling a viral pandemic that has impacted our vital needs as a community. Our health, our homes, our place of work all turned upside down as we try to make sense of what's happening. This same period of time has brought significant environmental impacts to our country with parts of our country ravaged by bushfires and floods, unfortunately resulting in tragic loss of lives. The headlines publicising the most visible impacts of these crises but it is perhaps the micro impacts on our community that are most worrying. The impacts on families doing it tough, on affected small businesses or on the health of an isolated nation. As we come to terms with this period of our lives it seems hard to look for the glass half full on the kitchen counter. But in between all the bad news there has been some chinks of light. For the world of corporate philanthropy, the 2020s have seen great increases in giving to the community. The latest contributions from Corporate Australia at an all time high; a worthy headline to embrace at a difficult time for our country and the globe.

Despite our challenging environment, or perhaps as a result of it we now have a remarkable opportunity to take stock of this notable finding and the momentum behind it, and ask how can we embed this firming of corporate social investment and take steps to drive continued growth of funds to our community. Funds that help to support the thousands of charities, not for profits and community organisations that support our thriving community though times just like these.

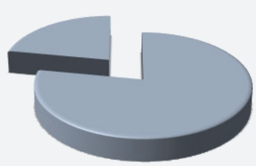
As an organisation focussed on providing leading research into corporate philanthropy in Australia, Strive Philanthropy has taken this opportunity to propose a model to not only embed this trend and this enlightened thinking towards corporate social investment, but hopefully to amplify it across our business sector.

Background.

“Australia is a generous nation. This generosity plays a vital role in supporting the diverse, vibrant and innovative charities, not-for-profits and community groups that form the ‘social capital’ that strengthens communities right across our nation.”
Philanthropy Australia

Corporate philanthropy has certainly become a vital contribution to our thriving society. Providing billions of dollars worth of resources to thousands of charities, not for profit and community organisations who rely on their disbursements in order to conduct their important work. With our best estimates suggesting that Australian businesses contribute more than $4-$5 billion[1,2] to the community each year and that approximately $13.1[3] billion is given each year to charitable causes (all types of philanthropy); the portion coming from Australian businesses is indeed significant and reminds us of the critical role our companies play in supporting our thriving community.

>$4B
Estimated contribution from Australian Business



$>13B
Structured and non structured giving in Australia, 2017-18

Corporate giving is however, vastly different from traditional types of philanthropy, sitting in a complex business environment alongside competing corporate priorities, challenges and the ongoing needs of the very community in which it sits. Our top corporates nowadays placing their philanthropy within extensive social investment and social impact plans that usually aim to bring together the firms organisational priorities with the needs of the community in which it operates. Cause areas are often aligned with a firms brand value proposition or area of expertise, and the resources donated vary from cash contributions to volunteering and in-kind product or service offerings. We’re also seeing a large emerging investment in corporate community partnerships that look to provide sustainable shared value to both the community beneficiary and the corporate themselves.

1. GivingLarge Annual Research, Strive Philanthropy
2. Corporate Support Report 2021, JB Were
3. BluePrint to Grow Structured Giving 2021 Philanthropy Australia

Background.

There is, of course, a business case for giving.

Emerging evidence suggests that corporate giving not only supports the countless charities and community organisations in need, but it also satisfies several other important corporate stakeholders who are calling for meaningful social impact from the companies they work for or do business with. Enlightened businesses understand that their employees, customers and other stakeholders evaluate their philanthropic contributions, with resulting impact on their reputation and potentially even their bottom line. Trends in corporate sustainability, shared value and conscious capitalism all acting to embed the importance of a company's community investment as a key output for firms to focus.

Pleasingly the top end of town seems to be taking note, introducing these forward thinking models which is helping to drive significant increases in giving. The latest GivingLarge analysis revealed a record breaking $1.22[4] billion contribution to the community from Australia's top corporate givers in 2022. This all time high coming from just our top 50 companies and representing a 4.3%[4] increase on previous year totals. As noted this record breaking number uniquely coinciding with a steady and increasing interest in corporate citizenship, and representing a notable point in time for corporate Australia and their support of our community.

Record Breaking 2022

$1.22 Billion

Contributed to the Community by our Top 50 Companies

While their contribution is indeed significant and growing, Australian companies still have some work to do. Despite record breaking totals, the three-year rolling average contribution of pre-tax profit in 2022 from our top 50 companies (0.78%) lags global benchmarks of ~1%. We also see a large disparity between our most and least generous with our leading companies giving well over 1% of pre-tax profit and our lower companies (even within our top 50) giving as low as 0.1%[4].

4. GivingLarge Report 2022

Timing.

While guidance on increased in community support and increased giving is perhaps always warranted, there is a number of reasons why this is the right time to for this review and for us as a community to come together to drive further corporate giving.

1. Crisis events leading to a convergence of community needs and corporate support

The unfortunate events through the last 3 years remarkably saw companies dig into their deep pockets to support the unique needs of the community. Contributing hundreds of millions of dollars of extra funding to support relief for the emergencies right on our doorstep[5]. One would have been forgiven for anticipating that contributions would drop. That the crises of 2020,21 would result in our top institutions tightening their belts and reducing their community contributions as a result of dropping profits. And so perhaps the best news out of our analysis was to see that not only did companies increase their contributions to crisis relief but they also remained committed to their existing community partners. We saw companies rapidly respond with generous donations to affected communities despite a risk posed to many corporates themselves. The increases in community funding suggesting a hardening, and hopefully enlightened opinion around the importance of social investment to our top companies.

30%
Some sector profits dropping as much as 30%[6]

17%
Increase in corporate giving in 2020 vs 2019[6]

5. Will bushfires spark increased corporate giving in 2020 [LINK]
6. GivingLarge Report 2020

Timing.

2. Philanthropy Australia publish a Blueprint to Grow Structured Giving[7]

On 21st April 2021, Philanthropy Australia unveiled a bold roadmap to grow philanthropy with their launch of Blueprint to Grow Structured Giving. The Blueprint lays out a robust framework for how Philanthropy Australia and the philanthropic- not-for-profit- business and government sectors can work together to supercharge structured giving in Australia – with an aspiration to grow structured giving from $2.5 billion to $5 billion annually by 2030.

Structured giving involves using a vehicle designed to enable giving, such as private or public ancillary funds. Structured giving can also occur without using a dedicated vehicle, through corporate cash donations. Structured giving accounts for around 20% of total annual giving in Australia. It is a critical component in our philanthropic landscape because it encourages higher giving levels by donors, builds a culture of giving, and facilitates a more 'strategic' approach to giving. These latter points aligning strongly with the opportunities at hand within corporate giving.

The Blueprint lays out three key strategic priorities to grow giving including the targeting of specific opportunities with high potential to grow giving. **Corporate giving singled out as a key opportunity to help grow overall structured giving, particularly off the back of its all time highs.** A second stage of the blueprint is due to be released which will flesh out the details of initiatives that are believed will make a real difference

It is hoped that Strive Philanthropy's proposed model will support this second stage by providing practical recommendations around driving growth in corporate philanthropy

7. A Blueprint to Grow Structured Giving, Philanthropy Australia

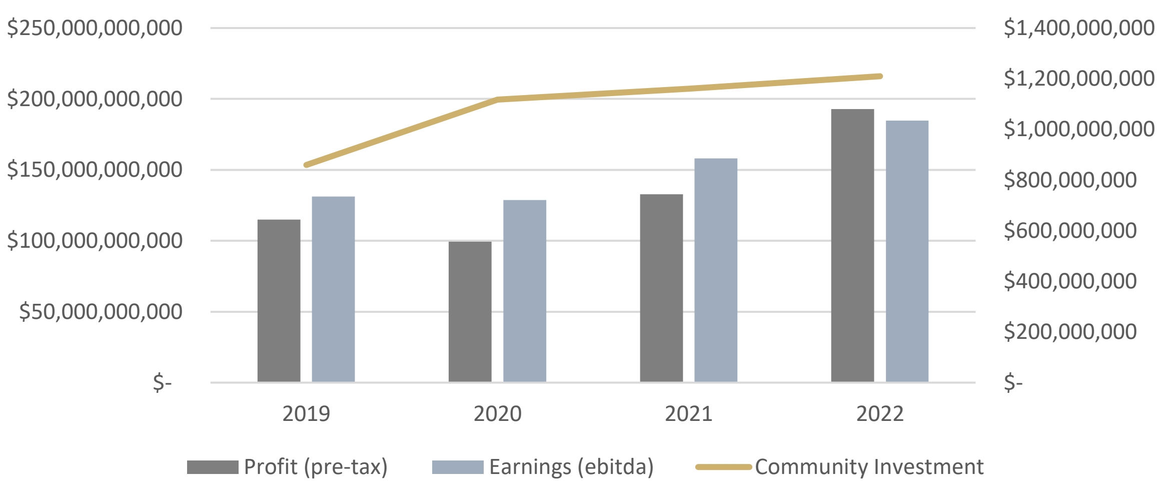
Timing.

3. Emerging ESG and Sustainability Trends

A cynic might mark down the 2020s as the time period where companies felt compelled to give, but there are clear signs that giving is now much more of a given. Philanthropy is quickly becoming an important strategic choice. An emergence of conscious corporations committed to ESG, a ground swell of conscious consumers, of purpose engaged employees and even impact minded shareholders who want a social return on their investment. The planets have certainly aligned with these social trends which is leading to a firm hardening in the value that they may bring to the business. Enlighted companies are taking the opportunity to develop strategies for these emerging stakeholder needs and are quickly realising that their increased community investment can coincide or even boost their firms success.

"The planets have certainly aligned with these social trends which is leading to a firm hardening in the value that they may bring to the business"

Contributions Over Time Vs Earnings & Profit[4]



A Model for Growth

A Recommended Model

Corporate Philanthropy is unique. It's vastly different from other forms of philanthropy and so to make impactful change requires a specific examination and set of recommendations. Driving an increase in community contribution will require us to consider this unique business setting and the system that these large benefactors reside to ensure we can create an environment that can sustain the varying and evolving needs of both the corporate and the community. Needs that sit within complex, multifactorial areas alongside priorities such as organisational strategy, corporate reputation, brand differentiation and operational capability. Solutions will need to have clear appeal to key corporate stakeholders like customers, employees and shareholders.

Most importantly driving an increase in community contribution will require the curation of a healthy and sustainable philanthropic environment for our leading firms. An environment that recognises and celebrates leading companies. An environment that allows for the sharing of best practice across companies, one that engages and satisfies valued stakeholders and results in greater impact to the community.

Our proposed model for creating this environment sits neatly into a sustainable and continuous cycle, starting with the need for clear corporate disclosure and followed by other important elements like robust research, creation of a best practice environment and leading to improvements in benchmarking, goal setting and greater satisfaction for engaged stakeholders.

A Model for Growth

Clear Disclosure

- Direct Benefits to Community
- Direct Benefits to Corporate
- Benefits of a New Social Norm

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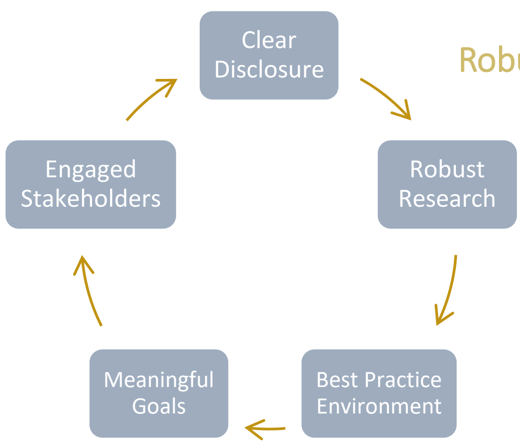

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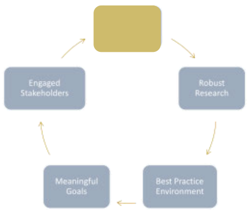
Increase Disclosure

Lose the Tall Poppy to raise the bar on social investment



If a company gives to the community and no one is there to hear it then does it have as much impact?

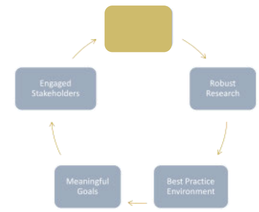
Many would answer yes to this thought provoking question, expressing that showcasing a companies giving is an unnecessary consideration when evaluating the overall impact of the contribution. Afterall the community beneficiary will likely use the funds the same way whether they are disclosed or not. The same intended recipients will benefit from the contribution whether companies make a splash so why should they disclose it widely? This is a common point of view for a company to take. One that is often followed by a comment outlining the overall altruistic intent of the companies gift, with a quick reminder that the corporate is not looking for a, “pat on the back!”.

We also commonly hear that by keeping the contribution private, the firm avoids any public scrutiny on the companies philanthropic motives and steers clear of provoking a type of tall poppy syndrome amongst their community, an unfortunate and ongoing factor for businesses who try to talk about their positive impact.

While these considerations are real and arguably relevant for companies to consider, there is a number of key “bigger picture” social benefits that will go undiscovered with this approach that simply can’t be ignored. Direct and indirect benefits that could considerably drive broader total giving within Australia, and provide significant value to both the community and the corporate themselves.

Increase Disclosure

Lose the Tall Poppy to raise the bar on social investment



Direct benefit to community

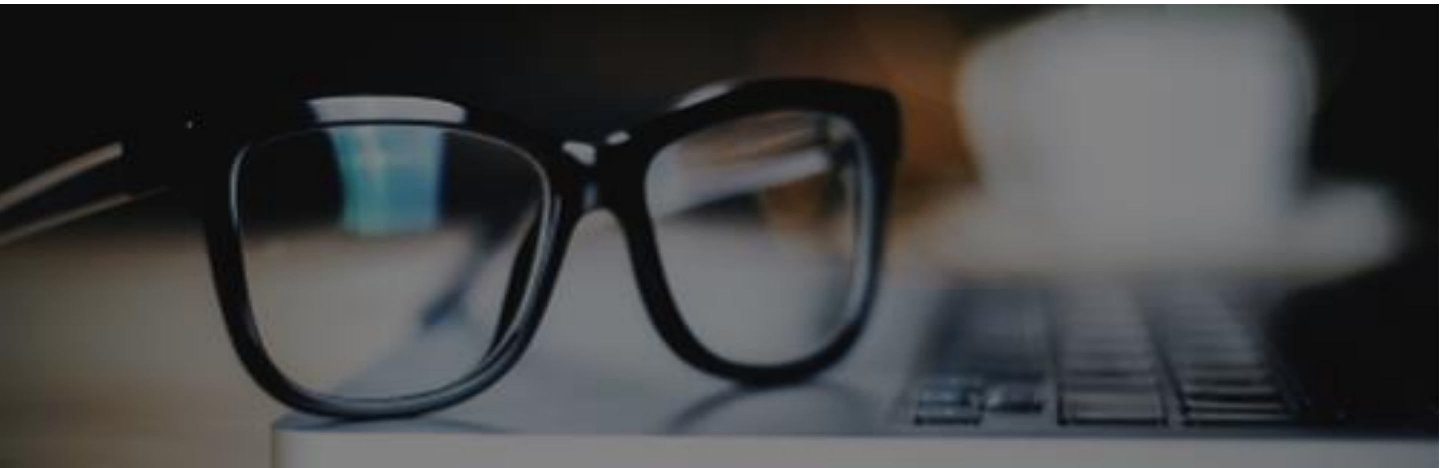
For the community sector, adequate corporate disclosure on community investment provides a valuable overview of the companies overall community program. It provide insightful information to community organisations (especially fundraisers) on items such as:

- Which areas does the company give to or focus on?
- Who are the current beneficiaries?
- How much is contributed?
- What type of giving is provided (e.g. cash, volunteer, product)?

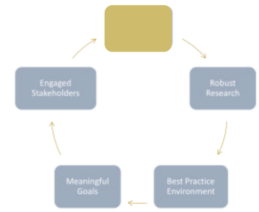
The result being a much more informed community sector. A for purpose organisation that can make more intelligent and more efficient partnership approaches, using the disclosed information to understand if the firm is a suitable fit.

Notably, a corporates clear and detailed transparency (even well before any transfer of funds) provides a valuable community service itself. It enables increased efficiency for fundraising efforts, and partnership approaches for charities and not for profits. It reduces wasted time and resources for the charity in approaching unsuitable partners and provides important detail to help our for purpose sector tailor their fundraising approach.

Disclosure is an important means for a company to communicate their firms performance and value to stakeholders (customers, employees, shareholders, community). Increased disclosure helps reduce information gap between a company and its valued stakeholders which helps to build trust.



Increase Disclosure



Lose the Tall Poppy to raise the bar on social investment

Direct benefit to corporate

Adequate disclosure also allows some of the companies most valuable stakeholders to understand the firms community approach. Employees, customers and shareholders all learning of the companies community interests and efforts. Providing answers to these individuals on questions around whether the company's support is aligned with their own community interests and whether their latest efforts are in keeping with their own expectations of supporting the community. The result building trust and boosting confidence with these important stakeholders, ultimately leading to a stronger reputation and greater stakeholder engagement. Direct benefits may include

- Increased employee engagement and loyalty,
- Increased status with community groups
- Increased alignment with conscious consumers and shareholders

Indirect benefits of a new social norm

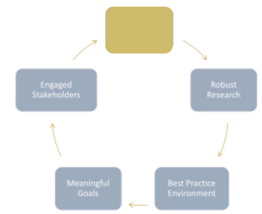
An unfortunate and ongoing factor for businesses who try to talk about their positive impact is tall poppy syndrome. Tall poppy syndrome is an Australian cultural phenomenon in which those who are perceived to be immodest, are mocked and criticised. This phenomenon certainly comes to mind when we consider reasons why some Australian companies do not showcase their community efforts. Preferring to avoid this level of scrutiny, remaining modest and keeping their community contributions under wraps.

Unfortunately, doing so doesn't help the matter. The tall poppy criticism of course relies on an individual or an entity being an outlier. One that is self endorsing to boost their own self image (amongst others that choose not to stand out) and so opening themselves up to be cut down to size.

Consider for a moment if all our companies highlighted or even showcased their community contributions. In this scenario an outlier or taller poppy would cease to exist. All companies would be looking to share their community efforts publicly and a new-found social norm would be established. A norm that expects companies to share their community highlights.

Increase Disclosure

Lose the Tall Poppy to raise the bar on social investment



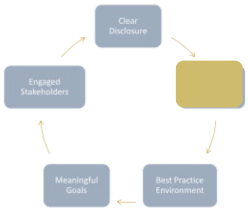
This new social norm taking us one step closer to an accepted best practice environment amongst companies. One that celebrates stand out achievements and that doesn't leave companies feeling like they need to justify their own self endorsement. Instead embracing opportunities to share their efforts and learnings for community benefit.

A broad and independence showcase of firms social contributions will help to provide an optimal & equal environment for peer to peer learning, helping to eliminate the tall poppy

This new environment with a new normal of ongoing disclosure of community efforts tipping a Risk Vs Benefit assessment for companies for the better. Lower risk of scrutiny on a firms community efforts resulting in an increasing level of confidence for a company to continue to showcase their efforts, opening them up to further realise the organisational benefits of corporate giving and hopefully driving further contributions.

Robust Research

Translating available data to actional insights



Sitting hand in hand with corporate disclosure is the vital role of robust analysis in translating available data to actionable and relevant insights for our corporate and community sector.

In our previous call out we provided an example of how availability to public reports for our top companies has helped to reveal significant disparity in social investment between our higher and lower performing companies. This insight providing us a meaningful yardstick to use to encourage increases in giving. An insight discovered through robust research, now a powerful lever for increasing social investment. This example only possible when the figures can be carefully put side by side and in context. Our top companies just disclosing their giving isn't enough. Robust analysis needs to be conducted to bring together the information and create meaningful insights that can be used to drive improvements and inform our actions.

Disclosed data → Robust analysis → Insights → Informed Action → Impact

The main purposes of research is to contribute to developing knowledge in a field, inform action and gather evidence for theories. For us as a community, robust research can find answers to things that are unknown, fill gaps in knowledge and improve the way that companies and charities operate.

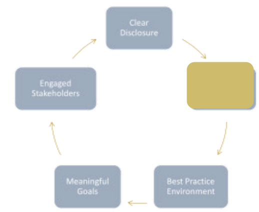
Contribute to Developing Knowledge

Robust research in this space will increase the knowledge of our contributing companies. Providing a rigorous benchmark and understanding of the existing landscape. This can be shared with relevant companies and importantly used to help to identify gaps in the current environment and with each firms giving programs.

Quality analysis should also help companies understand more about how their peers give to the community; providing insights across group or sector analysis to reveal information such as average total contributions, average portion of profits given, common cause areas and other key trends across a larger dataset. These insights can help inform future decisions, and prompt companies to consider items like how much to give or how much of their profits to contribute. It can also help to uncover key unanswered questions in the space and inform future research and improvements.

Robust Research

Translating available data to actional insights



Comparing Apples with Apples

Quality research also allows for an important standardisation of often quite different disclosures. As different companies may report their results in different ways, it is important to ensure that the same things are being analysed across companies. A robust methodology should take into account variables that may exist across varied corporate disclosures. Variables may include:

- Definition and types of community investment.
- Reporting year and reporting standard
- Third party assurance
- Income measure & currency.
- Impact assessment.

Analysing companies with a robust methodology, that takes in account these variables, acts to ensure an aligned review of company contribution, reporting discrepancies and allowing companies to benchmark themselves more meaningfully and without limitation.

Gather Evidence for Theories & Inform Action

With an increased understanding of the social investment landscape and research in hand that uncovers robust insights, an organisation (corporate and community) can take action with increased confidence. Informed community organisations can approach suitable corporate funders with a tailored, optimal pitch. Informed corporates can confidently benchmark themselves against others, embracing opportunities to improve and place efforts into establishing a position as a leading corporate citizen. The benefits here are obvious, with the community reducing wasted hours on firms that are not suitable and a healthy corporate yardstick driving increases in leading contributions.

Ongoing research will also help to spot trends and establish theories to further refine action. Trends which may help to inform future philanthropic patterns, funding cycles and donor opportunities. For example company earnings or previous year growth has emerged as an important predictor of increased community contributions[5]. While perhaps not surprising this ongoing trend should further help fundraisers in refining their applications with corporate benefactors. Giving insights to help with application timing and likely capacity.

5. GivingLarge Research 2018-22

Adequate Disclosure and Robust Research:

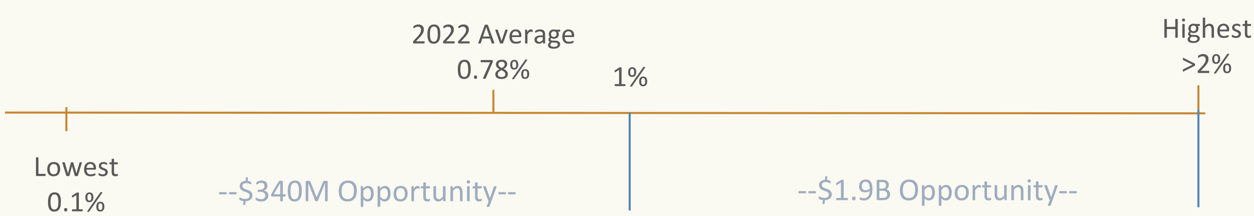
A vital step towards a best practice environment.

The latest GivingLarge analysis uncovered a remarkable $1.2 billion contributed to the community by the Top 50 Corporate Givers in Australia in 2022[4]. While it's the total dollar figure that usually hits the headlines it is actually the lesser known insights that might be most valuable for us to consider. In particular the considerable disparity in giving as a portion of pre-tax profit across our highest and lowers contributors. A disparity that is evident even within our top 50. Some of our biggest givers at the top of the table investing well over 2% of pre-tax profit, contrasting lower percentage givers contributing as little as 0.1%. This insight clearly visible in the top 50 group but also within specific sectors like finance and real estate where a similar difference of more than 1.5% was uncovered within like minded companies.

The large difference even between our top 50 companies clearly highlights a tide rising opportunity for us. One that would not be evident if it wasn't for adequate disclosure from our top organisations. This finding as well as many others discovered in this space making a strong case for companies to highlight their contribution, not only to satisfy their own stakeholders (incl. community) but also to reveal information that may provide peer to peer value to other firms. A step towards creating a best practice environment that would likely drive improvements in community investment and impact

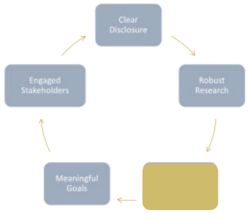
A quick back of the envelope calculation provides a compelling assessment for us to continue to encourage public disclosure to reveal these kinds of findings: While our GivingLarge 50 companies contributed an average 0.78% of pre-tax profit in 2022, our best firms gave in excess of 2%[4]. This disparity across similar companies representing a remarkable opportunity for us to attempt to bridge this gap and drive needed funds to the community. Lifting our average giving up towards 1% has the potential to unlock an additional $340 million. Better still, adoption of the practices of our leading companies (who contributed in excess of 2%) could add almost $2 billion dollars (to a total of $3.2b) just within these 50 companies.

Range of percentage contributions across GivingLarge 50[4]



A $1.9 billion annual opportunity to drive best practice

4. Based on analysis of 30 GivingLarge companies where profit was used as their primary income measure. GivingLarge Report 2022



Best Practice Environment

Peer to Peer sharing for greater community impact

In the business world it is very common to see companies learning from each other. A thriving market place will certainly see one firm looking to another to understand their approach and learn from it. How companies approach corporate philanthropy should be no different.

Social learning theory claims that modelling is an important component of the learning process. In the most basic sense, companies observe behaviour taking place and then go on to adopt similar behaviour. Importantly participants require the opportunity to practice modelled behaviour and gain positive reinforcement if it is to be adopted successfully.

Creating a healthy peer to peer environment between companies will allow for the sharing of effective community interventions as a way to educate each other. Related peers who may share similar positions as key funders

Peer sharing: A community service itself.

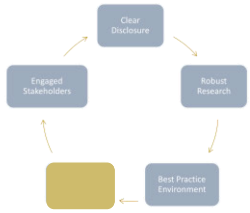
A corporate community team armed with the companies extensive experience in implementing community projects and initiatives has a notable opportunity to share and educate their peers in other organisations about their experiences, in order to raise the bar and increase the effectiveness of the community contribution. The intention is that familiar peers, giving locally-relevant and meaningful learnings that take into account the local systems and environment will be most likely to be able provide optimal advice and maximise increases in impact.

This peer sharing, remarkably, provides a community service itself. Not a cash or product donation but the contribution of a key learning or experience that could improve the impact other firms are trying to have with their community partners.

A move closer to forming an evidence based environment, bringing together knowledge and learnings and allowing for the open sharing of results, case studies, overall impacts and in this case the practical management of social investment functions should be considered.

Meaningful Goals

Create common, aspirational goals to drive community performance



Successful businesses are run with layers of planned strategy and key organisational goals that drive performance and optimal outcomes.

Interestingly we are now seeing some of the most visible and attention grabbing goals coming directly from a firms sustainability strategy. Goals for reductions in carbon emissions, equality and diversity or employee safety. Meaningful goals around levels of community investment are certainly emerging as part of this list and are becoming just as attention grabbing and engaging. Many Australian companies now setting targets around their annual contributions or intended impact.

If we really do get what we measure then this goal setting surely constitutes and important approach to drive further giving.

In addition to driving a level of accountability, organisational goals provide several other key benefits that are equally important to consider. Social investment goals can:

- provide guidance and direction;
- facilitate planning and performance evaluation
- motivate and inspire employees and peers

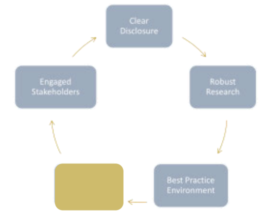
Guidance and Direction

Meaningful goals provide a framework to work inside and help to focus effort. Community investment goals show interested corporate stakeholders the organizations community direction and why getting there is important. A useful goal will clearly outline this required direction and allow team members to align with the intended scope. Maximising efficiency for the company and the intended beneficiaries. For social investment this may be a goal focussed on the amount or type of giving or the overall impact. An ongoing commitment to contribute a certain amount or to use certain types of corporate resources to add value to the community.

An openly disclosed goal will also have valued downstream effects on other stakeholders, such as community fundraisers who get a much clearer understanding of the intended focus and direction of the organisation, and on other important parties such as employees and customers who can align with the organisations focus.

Meaningful Goals

Create common, aspirational goals to drive community performance



Facilitate Planning and Performance Evaluation

What gets measured gets managed.

A social investment goal should greatly help with organisational planning. Taking an area of the business that historically may have just provided ad-hoc community support to a higher level of sophistication. Allowing for valued planning on community impact, areas of focus and helping firms allocate resources in advance. Effective goal setting should facilitate good planning, and importantly good planning should facilitate future meaningful goal setting. Establishing a sustainable system of ongoing value to the company and the community.

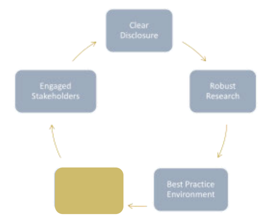
Perhaps most obviously community investment goals will allow companies to assess their performance to their set goal. Put simply, to be accountable. Companies give themselves a north star to work towards. Firms can evaluate their performance to the goal and make critical strategic and resourcing decisions to ensure achievement of the set target.

Best practice planning will also allow for the provision of funds in time of unforeseen community emergencies, an important area for companies to think about.

Big business also has the opportunity to be an important stakeholder during an emergency, with a unique capacity to rapidly secure resources for those in need. Large organisations can quickly mobilise cash, donate products and use their existing infrastructure to support critical operations like distribution and supply to affected areas. Companies can even influence their large network of suppliers, employees and customers to dig into their pockets. But how do corporations find the required funds when a significant emergency occurs? Do they have emergency response funds ready to distribute when needed? Or do they inopportunely take funds from existing community budgets intended for other beneficiaries? Good planning should allow organisations to answer these questions and have a plan in place to support the community in these times. Developing a policy that can quickly be put into action, with funds that are set aside for disaster relief, funds that are quickly accessible and just as importantly aren't taken from a bucket intended for other worthy community beneficiaries.

Meaningful Goals

Create common, aspirational goals to drive community performance



Motivate and Inspire employees and peers

Meaningful goals can serve as a key motivational source for employees. Goals can help to inspire people to work harder and smarter especially if attaining the goal is going to result in significant value in areas that align with employees interests and beliefs. These goals can encourage outside the box thinking and effective collaboration to achieve the set target,

Notably, goals won't just motivate internal personnel; like minded companies, business partners and even corporate peers or competitors may also be influenced by a firms philanthropic goal setting. With leading companies putting themselves in a position to be role models to others when setting these goals.

Initiatives such as Pledge 1%, which asks companies to commit 1 percent of equity, product, profit, and employee time to charitable causes have become important movements to drive further community contribution. Pledge 1% and its partners engage companies all over the world to take the pledge and make the commitment to further build philanthropy into their culture, asking companies to stand at the forefront of both economic and social change. Founding partners include the Salesforce Foundation and Atlassian who are focussed on inspiring other companies to participate through their own programs.

Case Study: Who Gives A Crap help lead corporate philanthropy into a new age.

Since day 1 'Who Gives A Crap' has focused firmly on its social impact, building it squarely into its business model. The company originally launched with a unique crowdfunding campaign, making their social intentions clear from the get-go. Committing 50% of future profits to be directed to water sanitation charities.

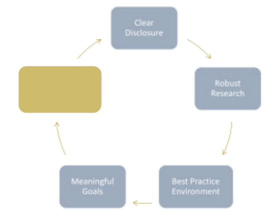
It seems incredible that nine years (and a lot of loo roll later) that same philanthropic pledge still stands, with the company recently announcing a total donation of more than $10 million to date. It was never a glib proposal. It wasn't a marketing stunt. Their pledge was for real.

It was always hard not to be caught up with the bootstrapped fairy-tale of this story, but perhaps the most exciting part of the Who Gives A Crap success is what it signals for corporate philanthropy. It's not embedded any more. It's clearly in the proposition. The company making a clear and generous philanthropic pledge to drive significant social impact, and one that will hopefully drive peer adoption in the years to come.

In true entrepreneurial style this innovative model reinventing the relationship between business and philanthropy by placing the firms desire to do good in the world right next to their imperative for financial success. An approach that has been met with firm support. One that has strongly and sustainably resonated with their customers and employees who they bring on a kind of socially minded adventure year in year out.

If we're lucky these latest examples may just spark a change of tack from our top firms in this high-level integration between business and philanthropy. Hopefully affirming the value that social investment can bring to these established companies and satisfying a ground swell of conscious consumers, of purpose-engaged employees and even impact minded shareholders demanding a social return on their investment.

Enlighted companies need to take the opportunity to learn from this new age approach, and to develop strategies for these emerging stakeholder needs, realising that their increased community contribution can coincide or even boost their firm's success.



Engage Key Stakeholders

Firm the case for social investment by engaging key stakeholders

"A motivated employee treats the customer well. A customer is happy so they'll keep coming back, which pleases the shareholder. It's just the way it works."
Herb Kelleher, South West Airlines.

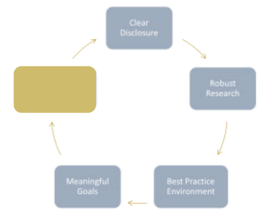
It's worth asking: what if companies gave nothing? What would happen to their culture, their reputation, and how might that affect their ability to flourish?
How would that play out with employees who don't see any corporate generosity and community efforts, how would that affect the companies ability to secure meaningful partnerships with government and other business partners? How would consumers react if there were no efforts made? And would investors still consider them?

Emerging evidence suggests that meaningful social investment will not only support the countless charities and community organisations in need, but also appeal to other important corporate stakeholders who are calling for meaningful social impact from the companies they work for or do business with. An emergence of forward thinking corporations committed to ESG, a ground swell of conscious consumers, of purpose engaged employees and even impact minded shareholders who want a social return on their investment. Enlighted companies are taking the opportunity to develop strategies for these emerging stakeholder needs and are quickly realising that their increased community investment can coincide with or grow their financial success.

An added benefit of firming engagement with these key stakeholders is a likely increase in corporate communication to these important parties. This increased interest in reporting back a companies approach and performance neatly cycling us back to our initial recommendation; focussing on clear disclosure.

Engage Key Stakeholders

Firm the case for social investment by engaging key stakeholders



Stakeholder	Focus	Emerging Evidence
Employees	Companies can engage employees through workplace giving and volunteering programs, matching donations and continuing to communicate the company's community focus, goals and achievements.	• Companies with engaged employees see a 26% higher revenue per employee & 13% higher total return to shareholders. • 60%+ of Millennials state that a "sense of purpose" is a key reason why they work for their current employers. • Companies with giving programs have 2.3 times the employee retention rate.
Customers	Engaging customers in the company's community interests and achievements can greatly increase consumer interest and commitment.	• 87% of consumers believe corporations should place equal weight on business and supporting communities. • 59% of general public are more likely to buy a product associated with a corporate non-profit partnership.
Shareholders	There is emerging evidence that corporate philanthropy can even benefit the shareholder. This value is generated largely through the downstream value that social investment has on other stakeholders, the company's reputation and coinciding success.	• Where corporate expenditures produce simultaneous social and economic gains; corporate philanthropy and shareholder interests converge. • If the strategic benefits of donating are sufficiently large corporate giving can benefit society while also increasing value for shareholders • Donations by a global sample of large public firms positively affected corporate value and financial profitability.

Discussion

Whatever the motivations, there's little doubt that giving is getting bigger and more complicated. Well-intentioned (but thoughtless) largesse is out. Smart giving with strategic intent is in. Our largest corporate givers not choosing philanthropy over returns to shareholders or paying workers. Instead making a strategic choice in allocating a portion of funds to the philanthropy bucket to support the community in which it operates. A strategic reasoning is easy to comprehend. It's a prioritisation exercise. There is now strong evidence around corporate giving benefits to corporate culture, employee morale, reputation, alignment with conscious consumers and shareholder value.

While we call for companies to continue their growth in giving the data indicates there will be ongoing challenges. Company earnings or previous year growth has been an important predictor of community contributions in the past. With the 2020s being difficult financial years for many companies it is important to recognise this trend and unfortunately prepare for a potential drop in investment in the years to come. Grant making and donations may be tighter for industries more impacted by the recent pandemic, likely resulting in a squeeze on sectors and companies that have been less affected. When we combine this squeeze with our consistent findings around the small number of firms who are giving the most to the community (67% of the total coming from just 10 companies) we are inopportunely left with a delicate reliance on a small number of corporates to support some pressing community needs.

So how do we ensure we satisfy not only the institutional needs of the corporate donor but also our pressing needs for ongoing and consistent community support and impact? How do we embrace our recent record breaking momentum to drive further giving in this complex environment?

"Philanthropy has to be integrated and authentic all the way through the business"

Driving this increase in community contribution will require the curation of a healthy and sustainable philanthropic environment for our business sector. An environment that recognises and celebrates leading companies. An environment that allows for the sharing of best practice across companies, one that engages and satisfies valued stakeholders and results in greater impact to the community.

Discussion.

We need to embrace a mentality that our leading company's can have a remarkable impact not only on their intended beneficiary, but also by rising the tide on overall giving and setting an outstanding example for one another. A setting where our leaders feel comfortable to showcase their efforts and where our lower contributing companies are motivated to try and reach this shining example.

Just like companies look afield and learn from their competitors strategy and operational effectiveness, so too will companies look at each other to understand best practice social investment. But we must lay the foundations of an environment for corporates to feel enthusiastic about sharing their social efforts and rise to the occasion.

The "rising tide lifts all boats" expression uniquely enables businesses to think about broader solutions and benefits outside of their own company (single boat), battling unpredictable tides, and asks what if we could rise the tide to benefit all boats. While we don't have a magical wand to rise the tide on corporate giving we do know that significant business trends can emerge and lead to valued change in the business landscape, rising a tide in particular areas (think about the emergence of large business trends like, social media, subscription purchases and even ESG). Companies, of course have the ability to spark these business movements, implementing leading innovation and strategy. These successful approaches must then be celebrated and showcased, driving other companies to start adopting similar practices and raising the bar across the broader business landscape.

A Practical Recommendation.

While our Rising Tide Report provides a useful model for future thinking and is highly relevant in a productivity commission review, Strive Philanthropy understands that it is primarily conceptual in nature and lacks immediate solutions to the recommendations provided. In the interests of this review we have taken the opportunity to provide a practical solution, aligned to our proposed model, that could have immediate impacts on growing corporate giving in Australia

Development of a Corporate Giving Database & Digital Hub

Capturing Corporate Giving to Upscale Social Impact

The purpose of this proposal is to outline the benefits of the creation of a comprehensive, searchable database that will capture information related to corporate giving. This database will serve as a valuable resource for various stakeholders, including researchers, policymakers, NFPs, and companies themselves, to better understand and analyse corporate philanthropic efforts and their impact on communities.

The main objective of creating this database is to centralize and organize information related to corporate giving in a structured and accessible manner. The database will capture data on corporate philanthropy, including the amount of donations, the causes or issues supported, the types of contributions made (e.g. cash donations, in-kind donations, employee volunteer hours), and the dates for applications for grants. The database will provide a comprehensive view of corporate giving practices across different industries, sectors, and regions, and facilitate analysis and benchmarking of corporate philanthropy efforts.

A Practical Recommendation.

The creation of a giving database will have several benefits and impacts, including:

Transparency and Accountability: The database will promote transparency and accountability in corporate giving by collecting and disseminating accurate and up-to-date information on companies' philanthropic efforts. This will enable stakeholders to assess the extent of a company's giving practices, track their commitments, and hold them accountable for their social responsibility efforts.

Research and Analysis: The database will serve as a valuable resource for researchers, policymakers, and NFPs to conduct research and analysis on corporate giving trends, impact, and effectiveness. It will provide data for benchmarking, comparison, and evaluation of corporate philanthropic efforts, and contribute to evidence-based decision-making.

Strategic Planning: The database will support companies in their strategic planning for corporate giving. It will allow companies to review and analyse their past giving practices, identify areas for improvement, and align their philanthropic efforts with their business objectives and social impact goals.

Collaboration and Partnership Opportunities: The database can facilitate collaboration and partnership opportunities between companies, NFPs, and other stakeholders. It can serve as a platform for companies to identify potential partners for joint giving initiatives, leverage resources, and maximize the impact of their philanthropic efforts.

Resource Allocation: The database will help companies in efficient resource allocation for their philanthropic efforts. By analysing data on corporate giving, companies can identify patterns and trends, and make informed decisions on where and how to allocate their resources for maximum impact.

Enhanced Reporting: The database will enable companies to improve their reporting on corporate giving. It will provide a standardized framework for collecting and organizing data, which can be used for reporting to stakeholders, including investors, customers, and employees, enhancing transparency and credibility.

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