Growing Philanthropy in Australia

Response to the Productivity Commission's Philanthropy Review

Prepared by the Centre for Social Impact

May 2023

Acknowledgement of Country

In the spirit of reconciliation, the Centre for Social Impact acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Address for Correspondence
Arminé Nalbandian, CEO
National Office of the Centre for Social Impact
UNSW Business School (E12)
Cnr Union Rd & College Rd
UNSW Sydney
Kensington NSW 2052

Suggested Citation: Roberts, C. and Moran, M., (2023). *Growing Philanthropy in Australia: Response to the Productivity Commission's Philanthropy Review.* Centre for Social Impact.

Centre for Social Impact

The Centre for Social Impact (CSI) is a national research and education centre dedicated to catalysing social change for a better world. CSI is built on the foundation of four of Australia's leading universities: UNSW Sydney, The University of Western Australia, Flinders University and Swinburne University of Technology. Our **research** develops and brings together knowledge to understand current social challenges and opportunities; our postgraduate and undergraduate **education** develops social impact leaders; and we aim to **catalyse change** by drawing on these foundations and translating knowledge, creating leaders, developing usable resources, and reaching across traditional divides to facilitate collaborations.

Acknowledgements

The authors acknowledge the assistance of Professor Paul Flatau (CSI UWA), Professor Danielle Logue (CSI UNSW), Dr Libby Ward-Christie (CSI Swinburne) and Dr Lyndsey McKee (CSI National Executive) in preparing this response.

Contents

1 Executive summary 3
2 Philanthropy in Australia 4
2.1 Better giving 4
2.2 Definitions and scope 4
2.3 Engaging with and increasing understanding of cultural diversity 5
2.4 Vehicles, trends & motivations for giving 6
2.5 Role of government in philanthropy 9
3 Encouraging philanthropy through DGR Reform 9
3.1 The case DGR reform 9
3.2 Meeting policy design criteria 10
3.3 Approaches taken in comparable jurisdictions 10
4 Other opportunities to increase giving 11
4.1 The need for better donor and public information on NFP effectiveness 11
4.2 Role of funders in supporting evidence-based impact measurement 12
5 References 13

1 EXECUTIVE SUMMARY

The Centre for Social Impact (**CSI**) recognises philanthropy as a powerful force for social impact, providing critical support for not-for-profit organisations (**NFPs**) and community causes. In 2020, Australian registered charities received $12.7b in income from grants and donations (ACNC, 2020, p. 5), while in 2018 it is estimated that the value of contributions of the structured giving segment was $2.4b (Philanthropy Australia, 2021, pp. 7). While this represents a relatively small component of the total income for charities and other NFPs (approximately 8%), philanthropy can act as an important complement to publicly funded social and community services by providing an important source of risk capital to support innovation among charities and other NFPs. More broadly, philanthropy is important for promoting pluralism and building social capital in Australian society.

Despite philanthropy's role in attempting to address Australia's most pressing social and environmental challenges, there remain opportunities to both increase – and enhance – giving. Growth in philanthropy must be about not just more, but also *better*, philanthropy.

Philanthropy must also broaden its horizons engaging more deeply with First Australians and culturally and linguistically diverse communities (**CALD**).

The Productivity Commission's (the **Commission**) Review into Philanthropy in Australia (the **Review**) is a crucial step towards identifying strategies and opportunities to enhance philanthropy at a national level and ensure it continues to make a meaningful contribution.

This paper sets out:

- Support for strategies and reforms to increase – and improve – philanthropy in Australia.
- Responses to the Commission's queries on definitions, scope, culturally diverse perspectives, available data and data gaps.
- A discussion of giving vehicles and trends (particularly high net wealth giving).
- A call for DGR status to be extended to all registered charities (except those that operate solely for the purposes of religion, childcare or education).
- The need for accessible, evidence-based information on NFP effectiveness.

Support for the reforms set out by Philanthropy Australia

As both a member of Philanthropy Australia (PA) and an independent academic collaboration, we support the proposals set out by PA (2021 and 2023), in particular:

1. Creating mechanisms for Australians to make bequests through their superannuation balances without tax penalties (and subject to appropriate protections for dependents).
2. Extending DGR status to all registered charities, but restricted to activities that are not for the advancement of religion, childcare and education (addressed further in section 3.1 below).
3. Providing Australian taxpayers with an easy mechanism to donate some or all their tax return to a registered charity as part of the tax return process.
4. Strategies to drive the growth of Australia's Community Foundation network.
5. Enhancing the effectiveness and efficiency of ancillary funds by allowing PAFs to transfer funds to PuAFs, who may be able to aggregate and better target money for maximum impact.
6. The implementation of a single national fundraising regulation regime.
7. Exploring through policy design other opportunities to encourage later-in-life and legacy giving.

We note that PA has prepared detailed submissions for the Commission's consideration on each of these proposals. We comment specifically on reform of the DGR Framework below, and indicate here our support for the PA response as a whole.

2 PHILANTHROPY IN AUSTRALIA

2.1 *Better giving*

Growing philanthropy in Australia must be considered not only in terms of quantum, but also in terms of its effectiveness and impact. Better giving requires investment in both education and professional development as well as resourcing to support to access to evidence-based evaluation tools for the philanthropic sector (both philanthropists and philanthropic professionals). We also require greater investment in education and professional development to support capacity building that is tailored to the Australian context. At present, such resources are limited; individuals and organisations tend to work in silos, and there is limited sharing of success, failures and lessons learned.

2.2 *Definitions and scope*

Provided that supporting growth in philanthropy is understood in terms of increasing both quantum and effectiveness, we support both:

- The Commission's definitions of philanthropy, acknowledging that the concept that extends beyond monetary giving and, importantly, includes forms of support such as volunteering (PC, 2023); and
- The Commission's intention to focus the Review on the financial support aspects of philanthropy (in the form of money or property), to minimise duplication with the other, related government policy development processes (PC, 2023).

We also note the Commission's intention to consider social impact investing only 'to the extent it can be regarded as a complement to, or substitute for, philanthropic giving.' It is in that context that we comment specifically on social impact investing and charities' access to capital, in relation to the reform of the DGR framework, in section 3.1.

Finally, we support the Commission's view that political donations and the policy settings specific to them should be excluded from the Review.

2.3 Engaging with and increasing understanding of cultural diversity

The Commission is seeking advice on ways of recognising different definitions, perspectives and norms relating to philanthropy among different cultures and communities. These perspectives are vital to the completeness of the Review and the quality of its outcomes.

We refer the Commission to the recent report produced jointly by the Centre for Social Impact and the Jumbunna Institute for Indigenous Education and Research (2022), *From colour blind to race conscious: Actions and priorities to increase cultural diversity in Australian philanthropy.*

This report calls for a transformation among philanthropic organisations in Australia, 'whereby boards and executive teams expand power and resourcing through diversified cultural representation and engagement' (CSI & JIIER, 2022). Deliberately increasing cultural diversity[1] in the philanthropic sector is vital for the reasons set out in the report, not only to better reflect the makeup and interests of the Australian population, but also because:

> *Understanding the significance of race in both identifying problems and how solutions are articulated by philanthropists represents the biggest factor preventing the philanthropic sector from fulfilling its mission of social change.* (CSI & JIIER, 2022, p. 3)

As well as the myriad reasons for the philanthropic sector to embrace diversity, the report identifies specific evidence gaps in our understanding of how the lack of cultural diversity is impacting Australian philanthropy (CSI & JIIER, 2022, Table 1, p. 10). It also calls for fundamental lessons to be taken from failed attempts to better connect the philanthropic sector with First Nations peoples and causes, including the need for funders to build cultural capabilities, First Nations targets for philanthropic spending and increasing First Nations representation in the sector. (CSI & JIIER, 2022, p. 11).

Finally, and perhaps most pertinently to this Review, the report sets out strategies and approaches for improving cultural diversity in philanthropic governance and decision-making, including:

- Securing genuine and meaningful buy-in from senior leadership and board members.
- Recognising the impact of 'cultural load' on culturally diverse employees, and ensuring institutional change is implemented by all employees and executives.
- Training and educating staff and board members on equity, diversity and inclusion.
- Diversifying recruitment of volunteers from culturally diverse backgrounds.

---

[1] CSI acknowledges that, '*'Cultural diversity'…is used to broadly refer to culturally marginalised people and communities that are not from white or Anglo-Western origins, including Aboriginal and Torres Strait Islander peoples. We acknowledge that 'cultural diversity' can be used as a construct that is both part of an individual identity, and a term that can be 'put on' others as a way of describing or othering or discriminating against culturally marginalised groups of people.'* (CSI & JIIER, 2022, p. 3).

- Actively consulting with culturally diverse communities to understand impacts on grantees, as well as grantmaking priorities, strategies and guidelines.

(For further detail of these and other recommended strategies, see further CSI & JIIER, 2022, Table 2, pp. 12-13).

We also draw the Commission's attention to an earlier report by Baker, C., & Moran, M., 'Access, Recognition and Representation: Philanthropy and Ageing in a Multicultural Society' (2014) CSI Swinburne. It also provides an examination of the nature of community level philanthropic responses to the specific challenges faced by CALD communities.

2.4 Vehicles, trends & motivations for giving

The Commission has made a number of calls for data regarding donor demographics and motivations, fundraising costs for NFPs, and the use of different giving vehicles.

2.4.1 Data gaps

On the general issue of philanthropic data collection and availability, we observe that data on philanthropic giving in Australia continues to be fragmented, despite repeated calls for reform, including more broadly in the Commission's 2010 inquiry into *The Contribution of the Not-for-profit Sector* (PC, 2010).

As noted in the Commission's Call for Submissions (PC, 2023) a wide range of agencies are responsible and hold data on the philanthropic sector including the Australian Bureau of Statistics (ABS),[2] the Australian Charities and Not-for-Profits Commission (ACNC) and Australian Taxation Office (ATO). These agencies must do so to meet a combination of regulatory and oversight requirements.[3]

At present these agencies compile discrete aspects of data, including as follows:

- The ACNC provides relatively open access to data it holds on income and expenditure for most charities (noting ancillary funds must 'opt in'[4]). It also publishes *The ACNC Australian Charities Report* that provides some data on registered charities[5] (but does not include data on bequests and does not disaggregate data on individual and structured giving).

- The ATO collects and retains data on individuals and vehicles where there is tax deduction – and shares data with the Australian Centre for Philanthropy and Nonprofit Studies (ACPNS) at Queensland University of Technology which analyses and

[2] The ABS no longer compiles the *Australian National Accounts: Non-Profit Institutions Satellite Accounts,* which was an important complementary dataset for understanding the economic contribution of NFPs (including income sources).

[3] Datasets and data sharing between these agencies are not fully joined up and these agencies also necessarily use different methods.

[4] This contrasts with other jurisdictions such as the United States, where information on structured giving vehicles that are akin to ancillary funds ('private foundations') is made publicly accessible through returns to the Internal Revenue Service through Form-990-PFs.

[5] Emeritus Professor Myles McGregor-Lowndes (2023) has noted that, 'With *The Australian Charities Report* being switched from an academic institution [CSI UNSW] to ACNC inhouse, there is less data, and no independent analysis or sub-reports'. For example, in 2018 CSI UNSW and the UNSW Social Policy Research Centre produced a sub-report – *Australia's Grant-making Charities in 2016* – which provided novel analysis of structured philanthropy.

disseminates this data (but this excludes corporate and individual giving where there is not a tax concession).

A range of academics, university research centres (for example, ACPNS, CSI) and independent researchers (for example, McLeod, 2018) analyse and bring together different datasets in an attempt to provide an overall, but imperfect, understanding of philanthropic giving in Australia.

While *The Giving Australia* project commissioned through the Prime Minister's Community Business Partnerships provided important snapshots into philanthropic giving and behaviours (for example, McGregor-Lowndes et al., 2017, Baker et al., 2017), there is, however, no single entity that collates and brings together data on philanthropy in Australia.

2.4.2 Available data on giving trends by income level

The Commission has asked for any data, in addition to what is publicly available, on giving by donors who have different characteristics, such as age, gender or income.

CSI recently published a detailed evidence review of giving in Australia by income level, with a particular focus on High Net Wealth (**HNW**) and Ultra High Net Wealth (**UHNW**) giving (Flatau et al., 2022a and 2022b). Key sources of available data, including restricted release data sets from the ATO and Confidentialised Unit Record Files (**CURFs**) from the ABS Survey of Income and Housing (2021) are discussed (Flatau et al., 2022b, pp. 78-103).

Wealth levels (and giving levels) of Australia's wealthiest are difficult to quantify (Flatau et al., 2022b, p. 21). As well as ATO data, information has been drawn from *The Australian Financial Review* Rich List (AFR Rich List), together with *The Australian Financial Review* Philanthropy 50 List (AFR Philanthropy List) and *The Australian*'s Top 25 Philanthropists List. These lists, however, are not comprehensive and should be treated with some caution. They are all based on publicly available data. The AFR Rich List is based on estimates and the AFR Philanthropy List includes only those who agree to be on the list. Below the top 200, data is more limited and therefore challenging to analyse in a rigorous manner (Flatau et al., 2022b, pp. 21, 78-103).

2.4.3 Trends in High Net Wealth Giving and Ultra High Net Wealth Giving in Australia

Despite the limitations of the available data, important insights have been drawn regarding giving trends in Australia (Flatau et al., 2022b, pp.13-15), in particular for:

- The 200 wealthiest Australians
- The Top 1% and 5% of income earners, and
- Private Ancillary Funds (**PAFs**).

Four findings in particular are worth highlighting:

- *Almost half of the top 1% and top 5% income earners did not report any donations in 2018/19 (46% and 48%, respectively).*
- *The top 1% and 5% of income earners donated a somewhat lower proportion of their income than lower income earners.*
- *Tax-deductible donations represent well below 1% of income; on average Australian taxpayers are giving only 0.2% of their income. Only 5% of donors claiming tax deductions give more than 1% of their income.*
- *Only 55% of Australians with a taxable income over $1 million make tax-deductible donations.*

  (Flatau et al., 2022b, p. 14).

As well as trends in giving, analyses of trends in Australian wealth show that that there is significant scope to increase current rates of philanthropic giving in Australia (Flatau et al., 2022a and 2022b).

2.4.4 Costs, advantages and disadvantages of philanthropy as a source of revenue for NFPs

On the question of costs, advantages and disadvantages of philanthropy as a source of revenue for NFPs, the Commission should note that:

1. Relative to government funding, one of the key advantages of philanthropy is its potential flexibility to address unmet NFP organisational needs (program and operational funding), especially those that are innovative or higher risk than governments are prepared to wear. In this way philanthropy, particularly structured philanthropy, has the potential to act as society's 'risk capital'. Australian philanthropy has a relatively strong track record in this respect supporting innovation (e.g., early support for discovery research on Cochlear Implants) and policy and social change (e.g. the Homestretch Campaign to extend the age at which young people exit the state care system). Philanthropy also has limitations including a tendency to try and play too closely its advantages focusing attention on supporting 'novel/innovative' and siloed NFPs projects and programs at the expense of operational support and recurrent funding. There is also growing recognition that, like other funding types, philanthropy generates administrative burden on resource-constrained NFPs including through highly competitive grant rounds and is characterised by inequitable power dynamics between grantor and grantee.
2. Philanthropy is not equitably accessible to all NFPs. Even putting aside the DGR framework (addressed further in section 3.1), small NFPs have fewer resources, capabilities and less capacity to build relationships with potential donors, submit grant applications and engage in formal reporting and stewardship activities. There are also marked power imbalances and disparities in access to philanthropic funding generally and specifically for First Nations NFPs and NFPs that support culturally diverse initiatives (CSI & JIIER, 2022, p. 4) Although not studied in the Australian context, evidence from other jurisdictions indicates that implicit bias likely influences philanthropic grant-making decisions (CSI & JIIER, 2022, p. 10).
3. As a funding source, philanthropy in Australia has not yet evolved to adequately support the true cost of impact (SVA & CSI, 2022, p. 3). This is because a significant proportion of philanthropic (and government) funders fund only a specific percentage of indirect costs and/or use indirect costs as a quality differentiator for NFPs, despite is clear evidence that spending insufficient resources on indirect costs can potentially reduce NFPs' overall effectiveness. Compounding this challenge, outcomes measurement – which is increasingly required by funders – is itself an indirect cost and thus adds pressure to NFPs' indirect cost margins. Alleviating these burdens for the NFP sector requires government and the philanthropy sector to take a number of steps, including raising awareness that effective NFPs should be fully-funded in their indirect costs to achieve their impact, and moving towards adopting – and providing funding for – evidence-based methods of NFP organisation impact assessment and funding (SVA & CSI, 2022, pp. 3-4).[6]

---

[6] The US-based William & Flora Hewlett Foundation, for example, reports spending between 0.7% and 1.3% of its program budget on evaluation (Arbreton et al., 2018). In the US, evaluation spending presents challenges for philanthropic foundations, but it is common practice for foundations to engage in program evaluation, even if individual grant funding that includes funds for evaluation remains rare (CEI, 2020).

2.5 *Role of government in philanthropy*

2.5.1 Role of philanthropy

As noted above, philanthropy is a powerful force for creating public benefit and social impact. A complement to, rather than a substitute for, government support for public services, philanthropy is important for:

- Addressing social, economic, and environmental challenges;
- Promoting pluralism; and
- Building social capital, connections and capabilities both within Australian communities, and between Australia and the world.

Philanthropy also has the potential to be more flexible and nimble than government funding, and to support more high-risk forms of social innovation.

Australian governments have consistently signalled that they recognise these benefits through a regulatory regime that supports individual/household giving and institutional philanthropy through supporting structured giving vehicles.

We caution that policymakers should not rely too heavily on philanthropy as a response to budgetary constraints. Philanthropy is best engaged as a partner to support innovation and not to fill gaps in service provision.

To date, collaboration between government and philanthropy in Australia has been relatively limited with a few notable exceptions (for example, the partnership between the Victorian Government and the Colman Foundation through Doveton College).

'Soft' policy measures are required to encourage greater understanding of philanthropy by government agencies.

2.5.2 Vehicles for and policies to support giving

At first glance, Australians are reasonably-well incentivised (by global standards) (Martin, 2018) to engage in tax deductible giving for individuals and the corporate sector, and the philanthropic vehicles available in Australia – such as ancillary funds – are workable. As noted in the Commission's Call for Submissions, however, Australia's rates of giving across the population are falling (PC, 2023 pp. 6-8). Australian giving rates are also lower than our global peers (0.81% of GDP in Australia compared with 0.96% for the UK, 1% for Canada, 1.84% in NZ and 2.1% in the US (PA, 2021)). This suggests that more can and should be done in Australia to incentivise philanthropy through appropriate policy settings.

Again, we support in general the proposed policy reforms and strategies put forward by Philanthropy Australia (PA, 2021 and 2023). We have commented specifically on the DGR Framework in section 3.1 below.

3 ENCOURAGING PHILANTHROPY THROUGH DGR REFORM

3.1 *The case DGR reform*

To improve the efficiency, effectiveness and equity of the deductible gift recipient (**DGR**) framework in Australia, DGR status should be extended to all charities registered with the ACNC (other than education and religious charities).

Under Australia's current regime, NFPs must apply to the ACNC for charitable status by demonstrating that they have been established for purposes beneficial to the public, that they operate on a not-for-profit basis, and that they are appropriately governed. Having demonstrated those matters to the satisfaction of the ACNC, registered charities are automatically eligible for certain tax concessions (including income tax, fringe benefits tax and payroll tax).

They are not, however, automatically designated as DGRs, hampering their access to philanthropic funding. While there is nothing preventing any person or organisation from accepting philanthropic gifts, Australian donors have no tax incentive to give to organisations without DGR status; in the case of PAFs and Public Ancillary Funds (**PuAFs**), they are prohibited from doing so for organisations that are not also DGRs.

Applying to the ATO for DGR status comes at significant cost and administrative burden for registered charities; for smaller community organisations, the cost may be prohibitive. In some cases, pro bono support from professional legal advisors and/or Ministerial consent may be needed, which again disadvantages those charitable organisations that do not have such social capital, financial capital, or profile, to access. This in turn reinforces existing systemic biases that limit access to philanthropic funding for underserved organisations, communities and people (see further CSI & JIIER, 2022).

The inquiry thus provides an opportunity to revisit reforms that have long been necessary.

The DGR regime could be significantly simplified and made more equitable by designating all registered charities (other than educational and religious charities) as DGRs as recommended by the Commonwealth's NFP Sector Tax Concession Working Group (2013) over a decade ago.

We acknowledge that, because of the exclusion of charities whose purposes are *solely* for advancement of religion and education (the two largest categories of registered charities), this reform may not significantly increase the quantum of funds available to charities for public purposes. It would, however, be of significant benefit to smaller charities working at the grassroots, community level, and provide them with greater access to philanthropic funds.

Importantly, because of the exclusion of educational and religious charities it would also be revenue neutral.

3.2 Meeting policy design criteria

The DGR reforms proposed in section 3.1 meet the criteria of good policy design set out in the Commission's Call for Submissions, including:

- Improving *efficiency* by providing a boost to structured philanthropy by widening the pool of organisations that ancillary funds could give to, while incentivising giving among individuals and households in a way that is revenue neutral.
- Increasing *equity* by reducing inconsistencies whereby some organisations generating clear public benefit are excluded from the DGR framework, while others are not.
- Facilitating *simplicity* by making the system less unwieldly, reducing complexity by streamlining the process for accessing DGR status and reducing the potential for arbitrary decisions. This would ensure that the regime more closely aligns with public policy objectives and the priorities of the broader community. In its current form the DGR framework only offers a patchwork response to policy objectives and broader community priorities – reform is necessary to simplify and streamline the framework.

3.3 Approaches taken in comparable jurisdictions

For completeness, we note also that granting all registered charities DGR status would be similar to the approach in comparable jurisdictions such as the UK and Canada. A multi-layered regime requiring similar approvals from different regulators is unusual.

Increasing access to non-grant distributions to charities (other than DGR Item 1s) to further incentivise impact-led investment among ancillary funds

The Commission's Call for Submissions expressly noted that social impact investment (SII) is not a primary focus of the inquiry. We note that this is an activity that 'lie[s] at the boundaries of conventional definitions of philanthropy' (PC, 2023).

There are elements of the regulation of philanthropy – specifically in relation to the DGR framework and associated with this the regulation of ancillary funds – which are an example of this intersection and are material to the Commission's Review.

Specifically, reforms to the legislation governing ancillary funds were implemented to provide guidance on 'non-grant' distributions – including loans, property, loan guarantees etc. – by ancillary funds (DGR Item 2s) to eligible DGR Item 1s (see for example, s15 (4) *Taxation Administration (Private Ancillary Fund) Guidelines).* The objective of these reforms was to provide clarity on how ancillary funds could support beneficiaries through what are in effect concessionary forms of social finance.

At present, ancillary funds can only use the non-grant distribution provisions if the benefit is to a DGR Item 1.

If DGR status were broadened to include all charities, ancillary funds could support charities more easily through below-market loans, loan guarantees and so forth.

These provisions would enable ancillary funds to make concessionary investments and provide other non-grant benefits, and would contribute to addressing access to capital challenges that were identified as central in the Commission's 2010 study into the NFP sector (PC, 2010).

4 OTHER OPPORTUNITIES TO INCREASE GIVING

4.1 The need for better donor and public information on NFP effectiveness

To grow philanthropy in Australia, there is a need for more accessible, evidence-based impact measurement of NFPs and NFP programs. Improved evaluation approaches would support more impactful giving and build public trust. We also see that, in the absence of that information, inappropriate proxy measures of NFP measures are being used by funders (both philanthropic and government) – in particular, indirect cost ratios.

Impact measurement for NFPs is complex, especially when compared to for-profit organisations. As noted briefly above in section 2.4.4, indirect cost measures are crude and reflect a misunderstanding of NFP effectiveness. Research shows that:

- NFPs with low indirect costs are not necessarily more efficient nor more effective than those who do not. Indeed, investing insufficient resources on indirect costs potentially reduces organisational effectiveness.
- In a significant number of cases, NFPs underreport their indirect costs to funders due to perceptions that funders are unwilling to fund more 10-20% in indirect costs.

- NFPs tend to underinvest in core capabilities, including employee training, IT, quality, marketing – and indeed impact measurement – due to pressures on indirect costs that stem largely from funding practices. (SVA & CSI, 2022).

In addition to greater investment in accessible, evidence-based impact measurement systems and data, government and the philanthropic sector both have a key role to play in educating and signalling to funders, NFPs and the public that underinvestment in NFPs indirect costs puts their effectiveness at risk.

4.2 Role of funders in supporting evidence-based impact measurement

Both government and the philanthropic sector both have a critical role to play in providing more accessible, evidence-based impact measurement of NFPs and NFP programs.

First, there is a need for sector-wide implementation of evidence-based metrics and appropriately validated evaluation tools. CSI's *Amplify Online*[7] is being developed to assist in addressing this challenge. A self-service online platform, it is comprised of two quantitative impact evaluation and survey development tools: Indicator Engine and Yardstick, which guide organisations to identify what and how to measure and analyse. The Community Services Outcome Tree[8] is another outcomes measurement tool available to community sector organisations and their funders.

Where resources permit, NFPs can adopt these and similar tools on an individual basis. However, implementing evidence-based impact measurement tools at a *systemic* level requires leadership, incentives and – perhaps most importantly – sufficient funding support from government and philanthropic funders.

---

7 https://www.csi.edu.au/amplify-social-impact/amplify-social-impact-online/ accessed 1 May 2023.

8 https://communityservicesoutcomestree.com/ accessed 1 May 2023.

5 REFERENCES

Arbreton, A., Trivedi, P. & Twersky, F., (2018). *The Value of our Evaluations: Assessing Spending and Quality*. William & Flora Hewlett Foundation. https://hewlett.org/wp-content/uploads/2018/02/Evaluation-Quality-and-Spending-Analysis-2018.pdf

Australian Charities and Not-for-profits Commission. (2022). *Australian Charities Report – 8th Edition.* Australian Charities and Not-for-profits Commission. https://www.acnc.gov.au/tools/reports/australian-charities-report-8th-edition

Baker, C., Barraket, J., & Elmes, A., with Williamson, A., Scaife, W., & Crittall, M., (2017) *Philanthropy and philanthropists: Giving Australia 2016 Report*. CSI Swinburne.

Baker, C., & Moran, M., 'Access, Recognition and Representation: Philanthropy and Ageing in a Multicultural Society' (2014) CSI Swinburne. https://researchbank.swinburne.edu.au/file/33c812ea-fcb9-4cf0-951e-0b49240e5833/1/PDF%20%28Published%20version%29.pdf

Center for Evaluation Innovation (2020). *Benchmarking Foundation Evaluation Practices 2020*. Center for Evaluation Innovation. https://www.evaluationinnovation.org/wp-content/uploads/2020/01/FinalBenchmarkingReport2020.pdf

Centre for Social Impact & Jumbunna Institute for Indigenous Education and Research (2022). *From colour blind to race conscious: Actions and priorities to increase cultural diversity in Australian philanthropy.* Sydney: UNSW. https://assets.csi.edu.au/assets/research/From-Colour-Blind-to-Race-Conscious-report.pdf

Flatau, P., Lester, L., Brown, J.T., Kyron, M., Callis, Z., & Muir, K. (2022). High Net Wealth Giving in Australia: A Review of the Evidence, Summary Report, Centre for Social Impact: UNSW and UWA. DOI: https://doi.org/10.25916/1myr-rj65

Flatau, P., Lester, L., Brown, J.T., Kyron, M., Callis, Z., & Muir, K. (2022). High Net Wealth Giving in Australia: A Review of the Evidence, Centre for Social Impact: UNSW and UWA. DOI: https://doi.org/10.25916/ranq-n886

Martin, F. (2018). The major tax concessions granted to charities in Australia, New Zealand, England, the United States of America and Hong Kong: what lessons can we learn? In M. Harding (Ed.), *Research handbook on not-for-profit law* (pp. 463-483). Edward Elgar.

McGregor-Lowndes, M. (2023) Are any more recommendations worth implementing from nearly 30 years of Commonwealth nonprofit reform reports? (ACPNS), QUT. https://eprints.qut.edu.au/237821/

McGregor-Lowndes, M., Crittall, M., Conroy, D., and Keast, R., with Baker, C., Barraket, J., & Scaife, W., (2017) Giving Australia 2016: Individual giving and volunteering report. (ACPNS), QUT. https://www.communitybusinesspartnership.gov.au/wp-content/uploads/2017/09/giving_australia_2016_report_-_individual_giving_and_volunteering.pdf

McLeod, J., (2018). *The Support Report: The changing shape of giving and the significant implications for recipients*. JBWere. https://aidnetwork.org.au/wp-content/uploads/2019/10/02-JBWere-Support-Report-2018.pdf

Philanthropy Australia. (2021). *Blueprint to grow structured giving: How Australia can double structured giving by 2030.* Philanthropy Australia. https://www.philanthropy.org.au/wp-content/uploads/2023/01/Blueprint_to_Grow_Structured_Giving_Report_Final.pdf

Philanthropy Australia. (2023). A Strategy to Double Giving by 2030: Philanthropy Australia's Draft Submission to the Productivity Commission – Full Submission. Philanthropy Australia. https://www.philanthropy.org.au/wp-content/uploads/2023/03/Draft-Work-in-Progress-Submission-to-PC-on-doubling-giving-by-2030-March-2023-Full-Submission-1.pdf

Productivity Commission. (2010). *Contribution of the Not-for-Profit Sector,* Canberra. https://www.pc.gov.au/inquiries/completed/not-for-profit/report/not-for-profit-report.pdf

Productivity Commission. (2023). *Review of Philanthropy: Call for submissions*. https://www.pc.gov.au/inquiries/current/philanthropy/call-for-submissions

Social Ventures Australia and the Centre for Social Impact (2022) *Paying what it takes: funding indirect cost to create long-term impact*. https://assets.csi.edu.au/assets/research/Paying-What-it-Takes-Report.pdf