



# Minderoo Foundation

**Submission on Productivity  
Commission's report on 'Future  
Foundations for Giving'**



13 February 2024

**Philanthropy Inquiry**  
Productivity Commission  
GPO Box 1428  
Canberra City ACT 2601

**RE: Final Submission to the 'Future Foundations for Giving' Report**

Dear Commissioners,

Minderoo Foundation appreciates your invitation for feedback on the philanthropy inquiry's draft report, *Future Foundations of Giving*, tabled on 30 November 2023 and is pleased to share a submission in addition to our original comments submitted on 15 June 2023.

In participating in this process (along with our involvement with the concurrent *Development of the Not-for-profit (NFP) Sector Development Blueprint*) our goal is to highlight key areas and trends we believe warrant further research and to make recommendations for strengthening, expanding or requiring legislative change.

As Australia's largest philanthropy, Minderoo is committed to strengthening the capacity of our peers and our partners to create, accelerate and scale measurable impact. We do this by:

- contributing infrastructure, tools, standards and skills (including research, data analytics and behavioural insights) to build the evidence base for our sector and partners
- co-creating a thriving measurement culture and embedding innovative practices through which we understand impact, learn and adapt and share knowledge
- our Strategic Impact Fund and Catalytic Capital Fund, through which we leverage the spectrum of capital to accelerate and scale our impact and unlock business as a force for good
- cultivating genuine relationships with existing and potential strategic partners and establishing partnerships that deliver benefits for society and natural ecosystems.

We believe it is up to government, philanthropy and the not-for-profit sector to come together to address some of the most prevailing societal issues facing Australia, with each playing a unique role in social innovation, strengthening local communities and building social capital.

Minderoo sees its role as a convenor, collaborator, supporter, investor and partner, working with business, government and philanthropy to advocate for the importance and impact of giving on society.

In our response we have highlighted the areas that we believe are the most critical to be considered as part of the final report ahead of it being delivered to the Australian Government.

We look forward to following the progress of this inquiry through to the tabling of the final report in Parliament, and to actively participating in the upcoming public hearings.

Yours faithfully,

**Jenna Palumbo**  
**Executive Director, Effective Philanthropy, Minderoo Foundation**

**ABOUT MINDEROO FOUNDATION**

Minderoo Foundation is a proudly Australian philanthropy that fights for a fairer future and seeks effective, scalable solutions to dismantle the systems that entrench inequality. We incubate ideas, advocate for change and accelerate impact. We uplift communities, advance gender and equality, protect the oceans and respond to emerging challenges.



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## 1. INTRODUCTION

Minderoo Foundation is a proudly Australian philanthropy that fights for a fairer future and seeks effective, scalable solutions to dismantle the systems that entrench inequality. We incubate ideas, advocate for change and accelerate impact. We uplift communities, advance gender and equality, protect the oceans and respond to emerging challenges.

Our vision is for a society that values all people and natural ecosystems and understanding that opportunity and disadvantage are not evenly distributed. They are predetermined from conception and are intergenerational, concentrated in particular places and exacerbated by many social factors. Often, those that are most disadvantaged are First Nations people.

We applaud the work of the Productivity Commission to date to shine a light on, provide further insight and make suggestions of how philanthropy can empower community decision-making to break cycles of disadvantage and to chart a new trajectory of progress for our society.

Minderoo has been working within this evolving philanthropic space for more than two decades, and over this time we have come to understand that communities should be cohesive, collaborative and thriving places, with the power to make decisions and direct resources toward solutions that best address their needs.

We are committed to filling gaps in the ecosystem where we are uniquely positioned to act and extend our support. We hope the recommendations from the final report and the outcomes that will no doubt come into effect from this process can help inform our work and, better still, help create a social sector that we can play a catalytic role in uplifting.

We aim to do this by shifting at least one of six system conditions that hold problems in place: policies, resource flows, practices, collaborations, voice and power, and mindsets [1].

Philanthropy should never be a substitute for government programs, or a mechanism to make up for government cuts or budget shortfalls. We see the sector as a critical partner for the government in anticipating future trends to better prepare our field to contribute to a fairer nation.

The sector should be encouraged to come together to strategically support, defend or argue for our causes and issues in order to influence decisions within political, community, economic and social institutions.

### **Encouraging more, and more effective giving**

Minderoo firmly believes that Australia's national philanthropic giving must increase. This inquiry and the concurrent review being undertaken by the Department of Social Services (the *Development of the Not-for-profit (NFP) Sector Development Blueprint* [2]) has come at an opportune time to remove the barriers standing in the way of greater charitable endeavours and to introduce the reforms necessary to unlock the potential of the sector. No single group can address all the issues facing Australia. Philanthropy has a unique role to play in social innovations, strengthening local communities and building social capital.

Minderoo sees its role as a convenor, collaborator, supporter, investor and partner, working with business, government and philanthropy to advocate for the importance and impact of giving on society. In this part of our response, we have highlighted the areas that are of greatest interest to us and those that we believe are the most critical to still be considered in this next stage of the inquiry.

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1 [https://www.fsg.org/resource/water\\_of\\_systems\\_change/](https://www.fsg.org/resource/water_of_systems_change/)

2 [Developing a National Not-for-Profit Blueprint \(dss.gov.au\)](#)



Based on our experience in the sector, we believe the following areas would significantly benefit the growth and effectiveness of giving in Australia.

### **Creating a policy environment that fosters giving**

Reform is required to create an optimal environment for change. The review of the Deductible Gift Recipient (DGR) framework to remove inequities and anomalies and consider extending DGR status to all registered charities is a key baseline requirement for the sector to grow. Currently, there is no clear policy rationale for retaining the existing DGR rules and we applaud the recommendations contained within the Productivity Commission's Draft Report.

If you're doing charitable work, you should be eligible for DGR status. For example, the rule that makes a charity that relieves poverty or distress eligible for DGR status, but not a charity that prevents poverty or distress seems illogical. As is the rule that requires a charity that is eligible under multiple DGR categories to establish and operate multiple entities before it can undertake charitable activities in each category. The ability to subsume all activities into one single DGR would maximise the charity's impact, while reducing administrative and compliance burdens and their associated costs.

Enabling all registered charities to qualify for DGR status will also drive giving rates, better aligning Australia with other jurisdictions such as the UK, the US and New Zealand, where giving as a percentage of GDP is higher.

We also recommend enhancing the effectiveness of ancillary funds by allowing ancillary funds to distribute to other ancillary funds. This has the potential to improve the efficiency, quality and impact of giving through these types of funds. This reform would be revenue neutral because ancillary funds can already receive tax deductible gifts.

We have been open in our support in encouraging alternative giving options that remove impediments to giving. There is an imperative to address barriers to giving and to ensure those who do give aren't penalised for their generosity. We need to look to the successes of other jurisdictions such as the UK and Canada and challenge Australia to be more innovative.

Improving Australia's tax rules regarding philanthropic giving and bringing them into line with comparable countries around the world, will play a big part in achieving the objective of doubling philanthropic giving by 2030.

### **Creating a national culture of giving**

To shift behaviours and inspire more frequent giving practices, there should be greater engagement with individuals, families, government, philanthropy, charities and businesses. This should go beyond incentives alone and explore complementary campaigns and initiatives that engage Australian's heart and minds. The scope of the Commission's inquiry should include a review of other jurisdictions that have developed more successful public strategies to increase giving across the philanthropic, not-for-profit and business sectors.

### **Cross-sector collaboration**

There is a significant opportunity for the government to collaborate with business, philanthropy and civil society to address social issues. However, there needs to be an openness from the government to ensure not only the right people are at the table, but the right conversations are being had, and that governments are participants of co-designed and developed solutions and not just asking the sector to support their current priorities. Through genuine collaboration, Australia could create genuine systemic change and see philanthropy, business and



academia lead where they have expertise and help alleviate the dependency on government funding across a range of different entities and service providers.

### **The future of philanthropy**

However, we also realise that philanthropy has the unique ability to “pick up the ball and run with it”. While Minderoo will eagerly await the findings and recommendations of the final report, we would encourage our peers and partners to look at what has been tabled to the government with a proactive lens to change, noting that key findings and suggested approaches can ultimately be adopted and funded by philanthropy, including items such as the proposed Aboriginal and Torres Strait Islander Philanthropic Foundation. This would require bold and courageous leadership and, in some instances, a ceding of power to those with lived experience and perhaps coming from a stronger place to evoke positive change in our community.

Many of the responses contained in this submission are not only our views on philanthropy here in Australia but are informed approaches that are being discussed within our organisations as best practice, our emerging trends that show promise, or have the potential to be replicated in different towns, cities or regions.

We are excited for the future of philanthropy and see this report not as our “wish list” to the government but as an important body of work which could guide reform in Australia over the coming decade. We must not wait for these recommendations to be formally adopted, because the prevailing social issues of our time, for which we are compelled to act upon, can't wait.

## **2. REFORMING THE DEDUCTIBLE GIFT RECIPIENT SYSTEM**

Minderoo supports recommendations that support a simpler, refocused and contemporary deductible gift recipient (DGR) system that creates fairer and more consistent outcomes for donors, charities and the community.

The goal to remove inequities and anomalies and consider extending DGR to all registered charities is a positive step as there is no clear policy rationale for retaining the existing DGR categories. If you're doing charitable work, you should have DGR status.

For example, as outlined above, it is perplexing that a charity which relieves poverty or distress qualifies for DGR status, while a charity that prevents poverty or distress does not. The rule mandating that a charity eligible under multiple DGR categories must establish and operate multiple entities before it can undertake charitable activities in each category is also perplexing.

The ability to include all activities into one single DGR would maximise the charity's impact, while reducing administrative and compliance burdens and their associated costs.

Enabling all registered charities to access DGR status will also drive giving rates, better aligning Australia with other jurisdictions we have already noted such as the UK, the US and New Zealand, where giving as a percentage of GDP is higher.

### **Additional changes**

Minderoo supports changes in the framing and language identified in recommendation 6.1 of the draft report from Goodstart (which is a partner of Minderoo's Thrive By Five program).

*Recommended change:*



In recommendation 6.1, in the fifth dot point, add the words “early childhood” before primary and secondary education, and delete the words “child care” before the word “aged care”. The relevant paragraph would then read:

“In applying these principles, the Australian Government should:

- extend eligibility for DGR status to most classes of charitable activities, drawing on the charity subtype classification in the Australian Charities and Not-for-profits Commission Act 2012 (Cth) to classify which charitable activities are eligible for DGR status and which are not
- expressly exclude the following classes of charitable activities or subtypes:
- early childhood, primary, secondary, religious and other informal education activities, with an exception for activities that have a specific equity objective (such as activities undertaken by a public benevolent institution)
- the activities of aged care in the social welfare subtype (other than activities undertaken by a public benevolent institution)
- all activities in the subtype of advancing religion
- activities in the other analogous purposes subtype that are for the purpose of promoting industry or a purpose analogous to an exclusion in another subtype
- activities in the law subtype that further another excluded subtype”.

#### **How governments can incentivise giving**

Minderoo supports the Commission's draft recommendation 4.1 in removing the \$2 minimum threshold for tax deductibility in donations, noting that:

- it may encourage more micro-donations because of the removal of a small friction point within the “ask”
- it could incentivise new approaches to collective giving and build a new supporter base for charities which could be stewarded and cultivated for larger or more regular giving
- it might increase the amount of funds secured through “rounding up” campaigns such as the ones seen at the supermarket register or those that drive more informed investing, such as the company Acorns [3]
- the language we use is important; if we are to build a culture of giving, we need to view a donation as a donation regardless of the size of the gift.

We believe that while this is not a “hot button” issue within the broader context of this inquiry, it is a simple yet effective change that doesn’t significantly impact compliance costs for charities because those with DGR status don’t currently need to supply receipts.

### **3. ANCILLARY FUNDS**

Minderoo is still eager to see the enhanced effectiveness of ancillary funds by allowing ancillary funds to distribute to other ancillary funds. This has the potential to improve the efficiency, quality and impact of giving through these types of funds.

This reform would be revenue neutral because ancillary funds can already receive tax deductible gifts.

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<sup>3</sup> <https://raizinvest.com>



Many Private Ancillary Funds (PAFs) serve as intermediaries, leveraging expertise and relationships to coordinate fund distribution effectively. So, having increased flexibility within ancillary funds to enable ancillary funds to other foundations, they can ultimately further the purpose of providing benefits to deductible gift recipients.

Some inquiry participants suggested changing the ancillary fund guidelines to allow ancillary funds to give to each other, arguing that the current arrangements prevent giving to worthy causes in certain circumstances, including to local organisations that may not have DGR status.

For example, the Intrepid Foundation (sub. 86, p. 3), which is established as a public ancillary fund (PuAF), had to reject a donation from a PAF in 2022.

Philanthropy Australia notes: “This broad intention – ensuring money gets to people in need – is tremendously important, but achieving it through a blanket ban on ancillary funds (AFs) distributing to each other is overly heavy-handed. On occasion, it would improve the quality and impact of giving if a PAF – which are largely private family funds – could distribute to a PuAF – such as a hospital fund or a Community Foundation, which is operating on the ground, with detailed local knowledge of key needs and how to address them. (sub. 162, p. 29)”

We acknowledge in the draft report that the “Australian Government has introduced the Treasury Laws Amendment (Support for Small Businesses and Charities and Other Measures) Bill 2023 to provide a pathway for up to 28 community foundations to have DGR status (Leigh 2023d)”. But we still view the restriction preventing ancillary funds from making distributions to other ancillary funds as prohibitive for tackling certain entrenched social issues where they might be better placed to tackle them.

Ancillary funds are highly regulated entities with robust governance and reporting mechanisms, surpassing those of other charitable entities. Their rigorous reporting requirements enable oversight by the Australian Taxation Office and helps monitor any changes in behaviour resulting from the restriction we are seeking to be addressed. Recognising the average distribution levels by ancillary funds in Australia consistently exceed the minimum, it suggests that trustees are committed to philanthropy. As discussions on regulatory changes progress, Minderoo wouldn't be against continued safeguards that uphold integrity while acknowledging our sincere philanthropic efforts and rigorous compliance measures.

We refer to many of the points made by Philanthropy Australia in their response to the Treasury's consultation on possible reforms to the distribution guidelines for ancillary funds in 2022 [4].

#### **4. SUB-FUNDS**

We believe there is a great opportunity in Australia to scale the use of sub-funds as a vehicle for giving through more data and awareness of their benefits.

A sub-fund structure enables donors to make an initial contribution, which can be claimed as a tax deduction, either immediately or spread over five years. Meanwhile, the sub-fund's balance is professionally invested, with monthly gains accruing over time.

Creating a sub-fund within a public ancillary fund is becoming increasingly popular for individuals seeking a convenient and mostly hassle-free way to organise their charitable contributions. In 2019, Krystian Seibert from the Centre for Social Impact at Swinburne University (and current Associate Commissioner of this inquiry)

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4 [https://www.philanthropy.org.au/wp-content/uploads/2022/11/Philanthropy\\_Australia\\_Submission\\_-\\_Distribution\\_Guidelines\\_for\\_Ancillary\\_Funds.pdf](https://www.philanthropy.org.au/wp-content/uploads/2022/11/Philanthropy_Australia_Submission_-_Distribution_Guidelines_for_Ancillary_Funds.pdf)





conducted Australia's first sub-fund survey [5], revealing nearly 2,000 sub-funds having existed as of June 30, 2018, with total assets reaching \$1.06 billion. Donations into these sub-funds in the 2017-18 financial year amounted to nearly \$123.5 million.

These funds have pros and cons. We present arguments for their change below:

In regard to the Commission's draft recommendations, we share concerns that public ancillary funds are currently not required to provide any information on sub-funds as part of their annual returns. As per the draft report: "This means that there is very little data available on sub-funds overall, and it is difficult to understand their role as a giving vehicle. Although public ancillary funds must distribute a minimum amount each year, this only applies at the fund level. It is possible that some individual sub-funds may be distributing at low levels even if the distribution of the public ancillary fund as a whole is still at least 4%."

To that end, we strongly agree with the recommendation in 9.1 that the Australian Charities and Not-for-profits Commission (ACNC) and the Australian Taxation Office (ATO) should work together to publish additional information on distributions by ancillary funds, including collecting and publishing additional information by sub-funds within public ancillary funds.

Sub-funds are effectively "charitable bank accounts" with the main benefit being the ability to make a donation and take an immediate tax deduction for it while waiting to decide how the donation should actually be used.

Given that they are usually run by a public ancillary fund, in addition to flexibility, it provides potential investment growth, and privacy.

However, if we look to the US, we can see that while this provides benefits to donors, the funds don't always make it through to our frontline charities, which raises concerns around their charitable purpose.

In the US, sub-funds are called Donor-advised Funds (DAFs) and they currently have more than \$140 billion sitting in them, set aside for future charitable gifts. But under the current tax laws, the funds have no requirement to ever distribute these resources to working charities. Accordingly, DAFs can accept and hold charitable donations that have generated a federal income tax deduction, but never devote the resources to charitable work.

Alarming, the largest grant making charities in the US right now are donor-advised fund national sponsoring organisations, such as Fidelity Charitable (the largest), Schwab Charitable (the nation's sixth biggest charity) and Vanguard Charitable [6].

Fidelity's private contributions had been surging up to 20 percent year on year, according to the Chronicle of Philanthropy [7] when they first reported it, but as we know, these are not traditional charities, and Australia would be wise in reviewing these funds now to ensure they remain effective and benefit the social sector as they continue their own growth trajectory.

A US Senate Bill has now been introduced which, if passed, would reform the tax laws that cover charitable donations, and in particular those made to, and by, DAFs). This new legislation aims for philanthropic funds to be "made available to working charities within a reasonable time period". The Accelerating Charitable Efforts (ACE) Act [8] would establish a timeline for donations to working charities from DAFs.

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5 [https://researchbank.swinburne.edu.au/file/68f5d8fa-1441-42b6-b73d-939e70a2e354/1/2019-seibert-snapshot\\_of\\_sub-funds.pdf](https://researchbank.swinburne.edu.au/file/68f5d8fa-1441-42b6-b73d-939e70a2e354/1/2019-seibert-snapshot_of_sub-funds.pdf)

6 <https://www.bloomberg.com/news/features/2022-11-21/how-fidelity-investments-built-america-s-biggest-charity?embedded-checkout=true>

7 <https://www.philanthropy.com/article/gifts-to-donor-advised-funds-grew-24-in-2013-according-to-a-study/>

8 <https://www.congress.gov/bill/117th-congress/senate-bill/1981/text?q=%7B%22search%22%3A%5B%22ACE+Act%22%5D%7D&r=1&s=1>



The ACE Act will address this problem and speed the provision of money to working charities by replacing existing DAF rules with two new types of DAFs:

**15-year DAFs:** The bill will create a new form of DAF under which a donor would get upfront tax benefits (as under current law), but only if DAF funds are distributed (or advisory privileges are released) within 15 years of the donation.

**50-Year DAFs:** As an alternative, donors who want more than 15 years to distribute their DAF funds will be allowed to elect an “aligned benefit rule”. Under this rule, a DAF donor would continue to receive capital gains and estate tax benefits upon donation but would not receive the income tax deduction until the donated funds are distributed to the charitable recipient. All funds would be required to be distributed outright to charities no later than 50 years after their donation.

While we recognise that this situation isn’t intended as an abuse of the system (in fact the average annual payout rates for DAFs hover around 20 per cent [9] — much higher than the 5 per cent minimum required of private foundations), money is more likely to build up if there is no forcing mechanism. This is something Australia would be wise to address.

## 5. BEQUESTS & SUPERANNUATION

Minderoo supports the draft report’s request for further information 8.4 in being able to name a charity directly when you list out your beneficiaries. There are a number of behavioural studies that identify the increased motivations to give (specifically The Behavioural Insights Team and its report *From Intentions to Action: The Science Behind Giving Behaviours* [10]) which point to the timing, removing the friction around the number of steps needed to give, and the ability to help people plan.

In regard to other changes to bequests and superannuation, we are broadly supportive of the views of Philanthropy Australia, as set out in its submission and that the report prepared for them by Impact Economics and Policy warrants further investigation and reflection in the context of ways to double giving in Australia by 2030.

As highlighted in the draft report, the Commission estimated that in 2018 \$107 billion (90 per cent of wealth transfers) was in the form of inheritances, with about 2 per cent of that wealth transfer estimated to be going to charities.

As part of the process ahead of the Commission tabling its final report, we would encourage the Commissioners to seek input from Australia’s largest super funds around the more contentious solutions put forward for consideration. We note the lack of engagement from this sector as part of the inquiry process but see this as a lack of awareness rather than a lack of interest. Perhaps there is scope to recommend that the Government convenes this group to ascertain their appetite for change.

## 6. BARRIERS AND OPPORTUNITIES FOR INNOVATIVE GIVING VEHICLES

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9 <https://www.nptrust.org/philanthropic-resources/philanthropist/why-the-donor-advised-fund-payout-rate-matters-and-how-it-fits-into-the-bigger-picture/>

10 <https://www.bi.team/publications/from-intentions-to-action-the-science-behind-giving-behaviours/>



Ancillary funds have a key role to play in the development of the social impact investing landscape in Australia, including through ensuring for-purpose organisations have access to appropriate forms of capital in order to innovate and scale. While some for-purpose organisations may be registered as charities, and therefore able to secure grants and donations, many operate as social enterprises through “mission-locked” private companies. These social enterprises are unable to secure grants and donations, and at the same time their mission-lock makes it challenging to raise mainstream capital.

Ancillary funds are well suited to support impactful organisations by addressing this capital gap. However, most ancillary funds are limited to undertaking activities which are charitable at law in Australia and for the public benefit. As such, ancillary funds are unable to provide capital to “mission-locked” social enterprises where there is a risk of “non-incidental” private gain e.g. by the founders or a small stakeholder group. This is notwithstanding there may be significant impact and public benefit created in the process, and that the social enterprise is unlikely to be able to raise mainstream capital due to its mission-lock.

Given the potential for ancillary funds to fill this capital gap, Minderoo would welcome guidance on how ancillary funds can provide capital to social enterprises, in circumstances where there may be some gain to individuals, without risking being perceived as providing a “private benefit”. Minderoo would also encourage a clarification of the meaning of “private benefit” in these circumstances to acknowledge some private benefit may be necessary to achieve the broader charitable purpose and public benefit of developing a capital market to support social enterprises.

Another approach to tackling the challenges of investing in social enterprises is to create a distinct legal entity that recognises their unique features, such as the UK’s Community Interest Company [11]. For example, the inclusion of an “asset lock” requiring the social enterprise’s assets to be permanently used for the social objective is one way to provide impact investors, including ancillary funds, with comfort around potential “private benefit”. Such a structure, in combination with clear guidance from the ACNC, would enable more foundation capital to flow to support social enterprises.

Finally, given the structural barriers and challenges faced by social enterprises, Minderoo strongly supports the Impact Investing Taskforce’s recommendation [12] to establish a Foundation for Impact Investment (FII). The role of the FII would be to provide social enterprises with access to finance as well as grants to enable them to access intermediary support to become investment or contract ready.

## **7. FULL COST - ADMINISTRATIVE EXPENSES ARE NOT AN ACCURATE REFLECTION OF THE PERFORMANCE OF A CHARITY**

The concept of “pay what it takes”, or in other words the full costs associated with running a not-for-profit and their services, is an urgent conversation the sector must have, both as a way of addressing resource disparities and promoting equity.

The pay what it takes approach challenges conventional philanthropic practices by advocating for long-term thinking and acknowledging the limitations of existing data. Drawing parallels to personal finance, it asserts that not-for-profits, like individuals, require a safety net and strategic planning to effectively address societal challenges. By accounting for hidden costs, such as underpaid staff and the lack of benefits, the concept of unfunded expenses within the pay what it takes framework seeks to shed light on the true financial needs of not-for-profit organisations.

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11 <https://www.gov.uk/government/publications/community-interest-companies-business-activities>

12 <https://treasury.gov.au/sites/default/files/2023-12/p2023-391009-taskforce-updated-report-2022.pdf>



Additionally, pay what it takes represents a shift of power from ancillary funds to not-for-profits, fostering a partnership-oriented relationship that allows not-for-profit leaders to make informed financial decisions based on meaningful data, thereby enhancing accountability for agreed-upon outcomes.

There is no one size fits all solution to how Minderoo will approach our grant making. There will be a number of practices we may choose to draw from to deliver grant-related outcomes, including project and outcomes-based funding as well as unrestricted, multi-year funding, but we would welcome further research into this issue.

We hope that Australia doubles giving by 2030, but not if we reach that milestone using metrics that are flawed. We applaud the call for enhancing public information on charities, emphasising that we must share the data in a way that doesn't give the impression that the strongest charities are those that minimise overhead expenses while maximising funds allocated to programs. A more balanced approach that focuses on return on investment and positive impact would be a far better adjudicator of not-for-profit practices. It would also be a much more informative guide for where donors might want to give their support.

There may also be a role for government in helping funders and not-for-profits make that transition:

- Could the ACNC help develop consistent industry standards? This could be done in collaboration with funders through the Philanthropic Evaluation network which Minderoo helped establish with other ancillary funds nationally.
- Could government help build the necessary capacity within not-for-profits which don't currently measure full costs or don't have the resources to implement it? This could be through grants or training to help them identify these costs and set up their reporting structures moving forward.

One of the key difficulties in pay what it takes practices is a lack of a shared definition and understanding of indirect costs to which we acknowledge the efforts made in *Paying what it takes: Funding indirect costs to create long-term impact* report [13] collaboratively produced by the Centre for Social Impact, Philanthropy Australia and Social Ventures Australia.

We urge Commissioners to look at ways to further amplify the issues identified in this report and call for the national associations that represent key memberships in the sector and our ancillary fund peers to seek further education on this and our fundraising practices moving forward.

These could be available as learning modules provided by the ACNC or commissioned workshops led by experts such as the Nonprofit Finance Fund in the US.

## **8. CREATING MORE VALUE FROM THE DATA HELD BY AUSTRALIAN GOVERNMENT AGENCIES**

The largest philanthropic foundations in Australia have not only the funds but the expertise to make sense of the large data sets that are currently held by Australian Government agencies. These include researchers, data scientists, analysts and experts in impact measurement to name but a few.

Minderoo would be interested in having access to a comprehensive data linkage platform to organisations such as the ATO and ACNC, similar to PeopleWA, administered through the WA Department of Premier and Cabinet.

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13 <https://www.philanthropy.org.au/about-us/publications/paying-what-it-takes-funding-indirect-costs-to-create-long-term-impact/>



PeopleWA's platform seamlessly connects de-identified data from various government departments, including Communities, Education, Health, Justice, and the Western Australia Police Force. By providing a secure e-research environment, approved government agencies, researchers and non-profit organisations can harness up to 75 million unique records containing current and archival data for the first time.

Such a data linkage platform to federal departments, such as the Department of Social Services, could revolutionise how ancillary funds operate by offering insights into complex social, health, environmental and economic issues facing Australians. By aggregating data while protecting individual privacy, Ancillary funds can gain a richer understanding of the community impacts of government decisions, services and programs over time. This information could also be disseminated to local community partners to help them make informed decisions in their work and strengthen their cases for ongoing funding support.

The Office of Digital Government, and the Department of Health govern PeopleWA to ensure data integrity and privacy, following international best practices and anticipated legislative requirements. Replicating these standards would be necessary if a similar initiative was to be implemented.

The \$8 million funding from the WA Government's Digital Capability Fund underscored the importance of data-driven initiatives such as PeopleWA [14]. Federally, unlocking invaluable insights for evidence-based decision-making will ultimately benefit the Australian public. It would represent a collaborative effort to enable evidence-based government decision-making and improve service delivery. It would also demonstrate the potential impact of data linkage platforms on philanthropic endeavours.

### **Support for digital transformation**

The following comments emphasise the importance of ensuring end users can understand data and that tools for data analysis are effectively deployed, rather than relying on fragmented solutions from the market.

The rapid development and influence of AI will continue to shape the philanthropic sector and our world. As such, the ongoing tension regarding societal concerns, coupled with the practical need to adopt, adapt and apply AI tools ethically and effectively, will be the undercurrent for many of the major tech trends for our sector over the coming decade.

Understanding and managing the risks of AI is essential to capitalise on its benefits and enhance its effectiveness. Without intentionality, we risk undermining equity, amplifying biases and eroding public trust. The following points are ways we can help prepare our not-for-profit partners for the initial impacts of AI and be ready to build on the opportunity these technologies provide.

### **Digital transformation funding**

More funding will need to be allocated to support the digital transformation of non-profit organisations. With an approach to modernise and adapt to more hybrid work environments (accelerated by the recent pandemic), funders should commit more resources to help not-for-profits efficiently carry out their missions by updating their technology.

### **Investing in people amid technological change**

Dealing with the rapid changes brought by technology will require intentional investments in the human side of the equation. Funders will need to address the challenges, uncertainties and anxieties arising from technological

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<sup>14</sup> <https://www.wa.gov.au/organisation/department-of-the-premier-and-cabinet/office-of-digital-government/peoplewa>



changes. Collaborative efforts between technology, operational and programmatic leaders will be crucial, with a focus on proactive management of continuous change.

### **Embedding donor and public views in the ACNC regulatory approach**

Minderoo supports the broader viewpoints made by the Commission. The absence of open data on philanthropy inhibits the ability to make evidence-based decisions and effective policy changes. Together, the ACNC and ATO have years of data, which is an opportunity for enhanced analysis and data sharing. Critical data gaps include detailed donor information, consistent tracking of donation amounts and purposes, longitudinal donation patterns, impact measurement data and standardised financial reporting across organisations.

The limited ability of donors to assess and evaluate the impact of charities is also a barrier to giving. Their views should be central to the ACNC's future regulatory approaches.

Reforms that could also enhance the data landscape of the philanthropic sector include:

- the creation of a federated data repository alongside principles of data sovereignty
- implementation of data collection and reporting standards
- incentives to encourage data reporting compliance, data privacy and protection measures
- initiatives to promote data literacy within non-profit organisations
- fostering an open data culture to encourage data sharing and collaboration.

### **Effective evaluation**

Evaluation generates insights and learnings that are critical to sector innovation. For many organisations and agencies, the data, resources and infrastructure to evaluate well are currently unattainable. Reforms that would improve the quality and extent of evaluation include:

- initiatives to support evaluation capability development across all sectors
- unlocking government administrative data for evaluation e.g. UK Data Labs model [15]
- incentives to promote collaboration in evaluation across all sectors
- initiatives to promote radical transparency in evaluation findings and learnings.

Philanthropy primarily funds not-for-profits which often provide services funded by the government, but service delivery data collected from not-for-profits is often aggregated, limited or non-existent. Not-for-profits often cannot access government service delivery administration data (including linked data) or there are extensive barriers to accessing this data. This makes it difficult to understand how users are accessing or experiencing the government service delivery system because the not-for-profit part of the system is often not represented in government service delivery administration data, especially at an individual user level.

This impacts the ability of the government to commission services that cater for the needs of the community, to commission services for outcomes, to develop services that are orientated around community need rather than siloed by government agency, and for not-for-profits to be able to improve the design and delivery of their services. It also makes it difficult for not-for-profits to demonstrate the impact and outcomes of their service delivery within the government system because they cannot analyse how their service may have played a role in limiting the interaction of their clients with other parts of the system.

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15 <https://www.thinknpc.org/wp-content/uploads/2018/07/How-to-make-an-impact-data-lab-Final-1.pdf>





It is worth reiterating, as mentioned above, current issues in the sector regarding data stem from varying levels of data literacy among organisations, with some lacking digitisation. Barriers to accessing service delivery administration data, including linked data, are high due to factors such as cost, expertise and government reluctance to share information.

Additionally, governments do not mandate not-for-profits to share outcome and individual participant data.

This could be addressed by supporting not-for-profits to increase their data literacy, including digitisation of their data collection and storage, making government service administration data (including linked data) more easily accessible, and requiring (as part of commissioning and contracting) that not-for-profits share individual participant and outcome data (within all privacy legislation and requirements) with government. Supporting data literacy would also support the issues we identified above through pay what it takes approaches to funding and drafting proposals that take those costs into account.

Minderoo could play a role in elevating the capacity of not-for-profits to collect, analyse and use data, including their own data and government service administration data (including linked data). More broadly, this could be positioned as a role that philanthropy should lead in. This is based around PeopleWA and improving data capacity in not-for-profits.

Not-for-profits can be spaces for innovative service delivery, but at times this innovation isn't recognised or the lessons learned aren't shared with other organisations and across government. Philanthropy and government could play an important role in supporting evaluations of innovative service delivery and research to support the scaling up of innovative service delivery. Government should recognise that not-for-profits are critical to service innovation. It should provide space and scope for innovation to be evaluated and measured and use the findings to inform the development and delivery of government-funded services.

Government also needs to be willing and open to scaling-up effective innovative service delivery so that the ongoing implementation isn't left to not-for-profits to continue to maintain and drive. Within this, not-for-profits that have demonstrated innovation could be recognised and support provided for them to continue to innovate.

Minderoo will likely support this type of work moving forward through capacity building emanating out of impact measurement and learning, and likely through grants, too. Philanthropy's role is to innovate and take risks, but there is the very real prospect that it could lose motivation to play this role if we continue to take the risk, prove it up and then the service is stopped.

Much of this could be addressed through the Commission's recommendation for the ACNC to create relevant committees to continue improving the regulatory elements of the charities sector.

## **9. ENHANCED DISCLOSURE AND REPORTING OF CORPORATE GIVING**

Minderoo agrees with the Commission's draft recommendation 9.3 that the Australian Government should introduce a requirement for listed companies to publicly report itemised information on their donations of money, goods and time to entities with deductible gift recipient status.

First, this would enhance accountability to the shareholders, consumers, employees and other stakeholders at a time where there is increased public scrutiny on both companies giving and charities accepting funding because of changing community expectations and government regulation. For example, Tennis Australia, Opera Australia, and the Perth Festival reducing their sponsorship reliance on coal, oil and gas companies.



By publicly disclosing details such as the amount of donations, beneficiaries and outcomes achieved, corporations will also be accountable for the impact of their giving. This could potentially create a shift towards more intentional giving that supports real solutions to increasing community vibrancy and resilience rather than a scattered approach focused on self-promotion and brand awareness.

Other benefits that go beyond the data include:

**Strategic alignment:** enhanced reporting enables corporations to align their philanthropic efforts more strategically with their business values, mission and goals. By tracking and analysing giving data, companies can identify areas of focus, measure progress and make informed decisions to maximise the social and business value of their contributions.

**Impact assessment:** comprehensive reporting allows corporations to assess the effectiveness and impact of their giving initiatives. By collecting and analysing data on outcomes and results achieved, companies can identify successes, areas for improvement and opportunities for innovation in their philanthropic programs.

**Stakeholder engagement:** transparent reporting of corporate giving activities fosters meaningful engagement with stakeholders, including employees, customers, investors and communities. By sharing information about their social impact efforts, companies can inspire and mobilise stakeholders to participate in and support philanthropic initiatives, including volunteering and workplace giving programs.

**Benchmarking and best practices:** through enhanced disclosure and reporting, corporations can benchmark their giving efforts against industry peers and best practices. Comparative analysis enables companies to identify trends, opportunities and areas for improvement, driving continuous learning and innovation in corporate philanthropy which might result in increased giving across the board.

## 10. VOLUNTEERING

Minderoo acknowledges the draft report's statement that "philanthropy contributes to a better society by providing money, time, skills, assets or lending a voice to people and communities who would otherwise receive lower quality, or have less access to, goods and services".

We also agree with the Commissioners in their statement that volunteering can help build social capital by contributing to social networks, building trust within communities, and diffusing knowledge and innovations through communities.

However, the latest ACNC annual charities report confirms the widely observed decline in volunteering, with numbers dropping to 3.2 million, down from 3.4 million previously [16]. "The picture is more sobering when we look at the decline over a longer time frame. There was a loss of around 596,000 volunteers between the 2018 and 2021 reporting periods," Commissioner Sue Woodward said.

This is an alarming trend which has also been heavily linked to the health issues associated with social isolation.

For that reason, it is vital the government take steps to reinvigorate the sector or provide incentives to welcome back volunteers, so that they volunteer for years to come.

We believe this might best be facilitated through the workplace.

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16 <https://www.acnc.gov.au/media/news/australian-charities-generate-190-billion-revenue-and-employ-105-workforce>





Several Australian organisations, including National Australia Bank (NAB), Westpac, Australia and New Zealand Banking Group (ANZ), Commonwealth Bank of Australia (CBA) and Telstra, have policies supporting employees' engagement in not-for-profit boards and volunteer activities through paid leave. NAB offers up to three days of paid volunteering leave annually, while Westpac, ANZ and CBA offer paid volunteer leave, encouraging employees to dedicate time to community service endeavours, including serving on not-for-profit boards and volunteering for charities. Telstra similarly promotes employee involvement in community service through its volunteer program, allowing paid time off for volunteering, reflecting these organisations' commitment to corporate social responsibility and community engagement. Such initiatives not only benefit employees by facilitating their contributions to meaningful causes but also strengthen communities and foster a culture of social responsibility within these corporations.

Currently Australian employees, including casual employees, can take community service leave for activities such as voluntary emergency management activities or jury duty. The US Federal Government through the Office of Personnel Management (OPM) currently supports the efforts of departments and agencies to encourage employee participation in volunteer activities and are encouraged to recognise their employees who volunteer their skills to help others. A department or agency can currently become a Certifying Organization for the President's Volunteer Service Award.

When paid time off is offered for community service, there is a strong return on investment for the community. Such initiatives promote increased volunteerism among employees, leading to greater participation in charitable activities and initiatives. This expanded volunteer base also enhances the capacity of community organisations and charities to address local needs and deliver services effectively, especially when we know that more than 50 per cent of charities operate with no paid staff.

More employees engaging in volunteering (especially on not-for-profit boards and committees) will no doubt bring more diverse skill sets and expertise to the organisations they choose to support, contributing to the development and implementation of innovative solutions to complex social issues. Additionally, these initiatives enhance employee satisfaction and engagement, fostering higher morale, improved job satisfaction, and increased loyalty and retention. In essence, providing paid time off for community service plays a pivotal role in building stronger, more resilient and more vibrant communities.

## **11. A GOVERNMENT-FUNDED PUBLIC CAMPAIGN**

There are a number of approaches to double giving by 2030, but a national campaign funded by the government would not provide the return on investment that would make it a worthwhile endeavour.

It can be argued that a national giving campaign is currently ongoing through the donation dollar which is a "nudge" strategy reminding us to give. About 25 million "donation dollars" will be minted, about one for every Australian, and while the coins are legal tender, people are urged to give them to people in need to help boost philanthropy. We are interested to hear from the Commissioners as to the current success of this campaign through their ongoing research.

That is not to say that some of our national peak bodies, such as Philanthropy Australia and Volunteering Australia, shouldn't drive campaigns and initiatives aimed at promoting the habit of giving and fostering a culture of philanthropy within society. Perhaps this could be more targeted, such as educational programs in schools, universities and workplaces, to raise awareness about the importance of charitable giving and its impact on communities.



## Financial advice mini-campaign

Research suggests that financial advisors play a significant role in charitable giving by providing guidance, facilitating philanthropic conversations, and helping clients incorporate charitable giving into their financial plans effectively. A focused campaign in educating financial advisors to better champion charitable giving in both a transactional and values aligned way could be key to unlocking the greatest ever generational wealth transfer this country has seen, which the National Australia Bank estimates that by 2050 about \$3.5 trillion in assets will change hands.

Several studies and reports including the Stanford University Effective Philanthropy Learning Initiative's Helping Wealth Advisors Increase Philanthropic Impact for High Net Worth Clients highlight the importance of financial advisors in shaping charitable behaviours and facilitating charitable giving among their clients:

**Impact of advisor recommendations:** clients are more likely to engage in charitable giving when their financial advisors recommend charitable strategies and incorporate philanthropy into their overall financial planning process.

**Influence on donor behaviour:** Financial advisors have a considerable influence on donor behaviour and charitable decision-making. Clients often rely on their advisors for guidance on tax-efficient giving strategies, investment options that align with their philanthropic goals, and estate planning considerations related to charitable giving.

**Knowledge and expertise:** Financial advisors bring valuable expertise and knowledge to charitable giving conversations, helping clients navigate complex tax regulations, donor-advised funds, charitable trusts and other philanthropic vehicles. By leveraging their expertise, advisors can help clients maximise the impact of their charitable contributions while optimising their financial plans.

**Philanthropic education:** Financial advisors also play a role in philanthropic education, raising awareness about charitable causes, highlighting the benefits of giving back to society and encouraging clients to consider the social impact of their financial decisions.

**Integration into financial plans:** Integrating charitable giving into financial plans can enhance client satisfaction, deepen client-advisor relationships, and contribute to overall financial well-being. By incorporating philanthropic goals into comprehensive financial plans, advisors can help clients align their values with their financial resources and create a legacy of giving that extends beyond their lifetime.

The importance of financial advisors in charitable giving should not be understated. By highlighting their role as trusted advisors, educators and facilitators of philanthropic conversations and engaging clients in discussions about charitable giving and providing strategic guidance on philanthropic strategies, financial advisors can empower individuals and families to make meaningful contributions to causes they care about while achieving their broader financial objectives.

## The Giving Pledge

If the government is serious about doubling giving by 2030, it should look towards our current ultra-high net worth (UHNW) donors and billionaires. There is an opportunity for government to encourage them to join more aspirational global campaigns such as The Giving Pledge, which encourages wealthy people to contribute a majority of their wealth to philanthropic causes. This will have a tremendous local and regional impact the more we see Australian philanthropists sign on. As of December 2023, the pledge has 242 signatories [17].

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<sup>17</sup> <https://givingpledge.org/about>



Giving publicly has a significant multiplier effect. When people think about philanthropy, they're often uncertain about the right amount to give, so seeing what others are doing is an encouragement, and something like The Giving Pledge provides a benchmark.

Dr Andrew Forrest AO and Nicola Forrest AO were the first Australians to sign The Giving Pledge, in which they promise to dedicate the majority of their wealth to philanthropic causes, including the work of Minderoo. Their \$5 billion gift, made in June 2023, was the biggest single charitable donation in Australian history, and to many was an inspiring act.

After the Forrests signed The Giving Pledge in 2013, Len Ainsworth followed in 2017, and Canva founders Melanie Perkins and Cliff Obrecht in 2021. The government might benefit from engaging with these individuals to help champion the pledge among their peers.

Regardless, a concurrent and complementary approach to a UHNW strategy would be to encourage regular, small-scale donations through fundraising events, crowdfunding platforms and workplace giving programs. It is important to cultivate a sense of social responsibility and civic engagement by highlighting the benefits of giving back to society and supporting those in need.

## **12. ESTABLISHING AN ABORIGINAL AND TORRES STRAIT ISLANDER PHILANTHROPIC FOUNDATION**

Minderoo supports a new Aboriginal and Torres Strait Islander Philanthropic Foundation being set up in Australia should there be evidence that a whole new entity is required.

This could take various forms, including methods that empower local decision-making and decentralised fund distribution, such as regional sub-funds.

Should this entity be established, Minderoo would be interested in exploring ways to support its success, including funding, capacity building support and complementary funding approaches.

We do also acknowledge that we will still need to play an active role in closing the gap, looking at ways to strengthen the capacity of Aboriginal and Torres Strait Islander communities to build partnerships with philanthropic and volunteering networks, and supporting new and existing Aboriginal and Torres Strait Islander giving vehicles, not simply defer to the new entity instead.

To seek more information on this recommendation to potentially endow a new foundation, we suggest Commissioners look at the important work happening in the sector from organisations such as First Nations Futures and the Koondie Woonga-gat Toor-rong (KWT Fund) that are First Nations led and might stand to benefit from government investment too.

Internationally, the models of Native Americans in Philanthropy [18] and the Liberated Capital movement, part of the Decolonizing Wealth project [19] would also be good sources of information.

The Commission should also look at the historical work of the Blak Loungeroom [20] that progressed the mutual principles of determining one's own future through philanthropy.

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18 <https://nativephilanthropy.org/>

19 <https://decolonizingwealth.com/liberated-capital/>

20 <https://www.barmalbijiril.org.au/blak-loungeroom>



The Blak Loungeroom gathered in the understanding that the world of philanthropy is new to most First Nations peoples in Australia. It was an opportunity for philanthropy workers and trustees to regularly communicate, discuss mutual interests and issues, seek support for initiatives and models, and share ideas of national significance.

The Blak Loungeroom provided a space controlled by First Nations people who oversaw the agenda, the guests, the decisions and the power for change.

We would also encourage the Commissioners to look at how the potential work of the new entity (both in terms of funding and advocacy) might be protected moving forward.

Australia need only look to the US and the Atlanta-based Fearless Foundation [21], an organisation led by Black women that helps combat underfunding in venture capital by providing grants, tools and mentorship to women of colour.

The American Alliance for Equal Rights (AAER) has sued Fearless Foundation, claiming that its grant program for Black female entrepreneurs is racially discriminatory.

This is fundamentally an issue about protecting the right to give and that philanthropic organisations and individuals have the right to exercise their views through giving, as protected by the First Amendment. That includes critical efforts to support historically marginalised groups.

Multiple inquiries into charitable regulation and activities have queried the rights to advocacy in our sector. If this new foundation is formed, it is important that the essential role of advocacy, whether through programs, funding, or direct engagement with the branches of government, can be better embedded and preserved in policy and legislation.

### **13. ENGAGING WITH DIFFERENT SOURCES OF PHILANTHROPY**

There are many suggestions that the Commissioners might follow in their request for information in chapter 10. The following could help bring together the philanthropic sector through both convening, collaboration and education.

#### **Philanthropic Liaison Officer**

While compiling this submission, one question we asked ourselves was whether there were any recommendations worth implementing from nearly 30 years of Commonwealth not-for-profit reform reports?

Professor Myles McGregor-Lowndes recently compiled major recommendations [22] from key national inquiries into the charities and not-for-profit sector over the past 30 years, including the Henry Review of Taxation. Taking this into account, David Crosbie, the CEO of the Community Council for Australia (CCA), suggested: “An Office for Not-for-profit Sector Engagement within a central Commonwealth agency should be established to drive the reform agenda”. Each state and territory level also needs to build the capacity.

Similar positions to this have been operating in US states, such as Michigan and California, since 2003. The Office of Foundation Liaison (OFL), a position initially funded by philanthropic leaders, currently operates with the

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21 <https://www.fearlessfund.foundation/>

22 [https://eprints.qut.edu.au/237821/33/Are\\_there\\_any\\_more\\_recommendations\\_worth\\_implementing.pdf](https://eprints.qut.edu.au/237821/33/Are_there_any_more_recommendations_worth_implementing.pdf)



support of the Governor and is located in the Governor's administrative offices (in Australia it could potentially sit within the Department of Prime Minister and Cabinet, Treasury or a future Commonwealth Office of Social Impact that was recently flagged in the Social Impact Investing Taskforce final report [23]). This role could help to identify and broker innovative funding partnerships and strategic collaborations between the executive branch of federal and state government and foundation, and other partners to encourage programs or policy reforms that would improve the lives of children, families and residents.

Academic research papers, which have looked at the effectiveness of these roles, could help inform a potential recommendation for the establishment of a philanthropic liaison officer or something similar.

The research paper *Why and How - Lessons from the Governor's Office of Foundation Liaison in Michigan* [24] looked at the Governor's OFL's efforts to bring government and private philanthropic resources together to achieve better outcomes for people in communities, particularly those most marginalised. OFL has continued to be effective in aligning resources across three gubernatorial administrations of different political parties. OFL provides a structure for coordination within and across government and philanthropy, helping to develop shared priorities that then lead to co-investments in innovative and equitable approaches to addressing community needs.

This document is based on the multi-year evaluation of OFL, along with interviews with its founders and of leaders of similar offices in other states and regions.

*Looking Back at Three Years of Public-Private Partnerships in CA* [25] is another example. Since going into office, California Governor Gavin Newsom has prioritised public-private partnerships as a tool for effective implementation of innovative public policy solutions. In 2019, he appointed the first ever Senior Advisor on Social Innovation to lead this work.

LA n Sync is another fascinating model that is housed within the California Community Foundation [26]. Inspired by the Obama Administration's Neighborhood Revitalization Initiative, LA n Sync was founded in 2013 to maximise local, state and federal support for place-based funding strategies that would improve the well-being of those living in Los Angeles County. It effectively scans government grants for opportunities and then reaches out to local groups to partner on the work, with the goal of bringing as much federal funding as possible to LA County. To date, it has secured more than \$284 million in grants and four federal designations to Los Angeles, resulting in more than \$352 million for the region.

### **Common grant forms**

Not-for-profits face several challenges when writing grant proposals, including limited resources and capacity, a competitive funding landscape, complex application requirements, and the need to align proposals with funder priorities. Additionally, crafting compelling proposals requires strong writing and communication skills, as well as robust evaluation and impact measurement systems to demonstrate programmatic effectiveness. In most cases it also takes 20-plus hours to write them. Fulfilling grant management and reporting obligations adds further complexity, necessitating investment in capacity building, strategic alignment with funding opportunities, and collaboration with experienced grant writers and peer organisations to navigate the grant writing process effectively and secure vital funding for their programs and initiatives.

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23 <https://treasury.gov.au/publication/p2023-391009>

24 <https://www.michiganfoundations.org/resources/foundation-government-liaison-offices-why-and-how-michigan-governors-office-foundation>

25 <https://www.michiganfoundations.org/resources/foundation-government-liaison-offices-why-and-how-michigan-governors-office-foundation>

26 <https://lansync.org/about/#how-it-works>



Research from the Technology Association of Grantmakers in the US showed that more than 39 per cent of grant proposals have duplicative questions [27]. The ACNC could tackle these issues by:

- looking into the effectiveness of current grant proposal processes in Australia
- potentially creating a common grant form that new, or small to medium foundations might adopt to help tackle the issues above
- allowing APIs to connect to the ACNC Charity Register, syncing with grant software to self-populate commonly asked questions and confirm charitable status.

### **Community workshops**

One common issue regarding access to different sources of philanthropy comes from the awareness of what is available. Government could fund local workshops that provide advice on grants, procurement and other training around emerging trends such as social impact investing. This could be delivered in each federal electorate across the country by local Members of Parliament, funders and other key stakeholders.

These workshops would be for local not-for-profit organisations on how to maximise their potential for acquiring federally funded grants.

The federal grants process can often be tedious, confusing and competitive. By bringing together experts in the sector to show that funding, and help applying for it, is available, participants can gain the confidence and knowledge they'll need to bring more grant dollars to their organisations and the programs that serve their local area.

The program could run for a couple of hours and include time for participants to ask questions of the panellists on subjects ranging from how to apply for a federal grant, which agencies and local entities can help with the requests, and the ability of local electorate offices to serve as a resource for not-for-profit organisations in search of funding opportunities.

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<sup>27</sup> <https://www.tagtech.org/news/577521/Grant-Applications-Share-39-Similarity-According-to-New-Research-by-TAG.htm>



## 14. CONCLUSION

In conclusion, funders come from a place of incredible privilege. We cannot change that but what matters is how we acknowledge that dynamic and bring grantees into the conversation, building authentic, trusting relationships.

We can be more intentional in addressing power sharing and power building in funder-grantee relationships by using our assets, voice and other resources to support our grantees beyond grant making.

In February and March of 2023, the Center for Effective Philanthropy conducted a survey of Minderoo grantees. The insights derived from those conversations were similar to other funders and prevailing issues within the sector. Funders should be cognisant of the following:

- Be clearer and more transparent about their strategy and goals.
- Develop a greater understanding of work in grantees' fields and awareness of the challenges that grantee organisations are facing.
- Strengthen our relationships with grantees by exhibiting trust and compassion for those affected by their work.
- Reconsider the types of grants funders provide, to better support organisational capacity and capability.
- Improve the administration of grant-making processes.

We look forward to seeing the final report, particularly as we have recently launched Minderoo's 2030 Strategy. This strategy has a strong focus on Australia, which is Minderoo's home and proving ground. But as Minderoo matures, we will prioritise the needs of our neighbours, many of whom are underserved by the global philanthropic sector. We will also look globally to collaborate, learn and scale best practices.