

12 May 2023

Philanthropy Inquiry Team

Productivity Commission

Via email [philanthropy@pc.gov.au](mailto:philanthropy@pc.gov.au)

Dear Philanthropy Inquiry Team

**RE: Review of Philanthropy**

The Nature Conservancy Australia welcomes the opportunity to provide an initial submission to the Productivity Commission's Review of Philanthropy in Australia. The Nature Conservancy (TNC) is a global environmental non-profit, non-government organisation working to create a world where people and nature thrive. Founded at the grassroots level in the United States in 1951, TNC has grown to become one of the most effective and wide-reaching environmental organisations in the world, with 5000 staff including more than 400 scientists, and impacting conservation in more than 70 countries across six continents.

With first-hand experience here in Australia and globally, TNC brings a multi-jurisdictional lens to philanthropy and the role of fundraising in making it possible for us to deliver transformative conservation projects that are sustainable and community-embedded.

Our perspective originates in the environmental sector and we recognise that different charitable sectors have different challenges. However, we also believe there are challenges shared by all sectors that make it difficult - and sometimes impossible - for charities to realise their full fundraising potential.

While philanthropy can't fix or pay for everything, it can play a key role in leveraging other support. In our sector of environment/conservation, the world is running out of time if we are to find solutions to the critical challenges of climate change and biodiversity loss so that nature and people can thrive. Incentivising and creating more opportunities for people to donate and invest in these solutions not only takes some pressure off government, it also builds the kind of personal associations that reshape attitudes and culture over time.

In economic terms alone, human reliance on nature is colossal, with the World Economic Forum estimating that US\$44 trillion of global GDP is moderately or highly dependent on nature and its ecosystem services. The tremendous benefits nature provides to people need to be accounted for on balance sheets. Applying private finance principles to conservation can fund the long-term management of protected areas. By embracing environmental, social, and governance (ESG) principles we can create outcomes based on value, growth and protection that benefit nature and people.



The Nature Conservancy is a global non-profit, non-government environmental organisation working to create a world where people and nature thrive. Founded at the grassroots level in the United States in 1951, TNC has grown to become one of the most effective and wide-reaching environmental organisations in the world, with over 5000 staff including more than 400 scientists, and impacting conservation in more than 70 countries across six continents.

## **TNC Australia – observations on Australian philanthropy**

Since operations began in 2002, TNC Australia (TNC) has attracted more than \$71 million in philanthropic support, with \$38 million of this coming from international foundations and donors. This support forms approximately 51% per cent of the revenue required to deliver our conservation projects.

We know first-hand that philanthropy alone cannot answer the challenges our world is facing. Our experience has demonstrated that a blended funding model incorporating collaborative engagement with other stakeholders including government, corporations and other not-for-profit organisations increases the likelihood of realising the income necessary to deliver our work. Co-design and participation also amplifies the investment in people as well as money, which leads to a more robust project that is embedded within the community.

This blended finance model is now the preferred option for many large philanthropic organisations, recognising that philanthropy alone cannot fund the massive targets set by the UN Biodiversity Council and the Australian government to protect 30% of land and 30% of water by 2030.

Creating a more agile, collaborative philanthropic landscape in Australia is essential to unlock the potential of philanthropic giving as a one of several major levers needed to meet these ambitious and essential goals.

As a science-led charity, and a recognised leader in conservation in Australia, TNC has built trusted partnerships with governments and communities in support of collaborative investments that amplify impact. For example:

- TNC was actively engaged in the development of Marine Protected Areas (MPA) policy as well as helping fund the evidence base for which areas were most in need of protection. Similarly, we were deeply involved in Australia's first National Biodiversity Strategy and in the establishment and implementation of the National Reserve System Program (NRSP) – contributing research, scientific expertise and attracting matched funding.
- Most recently, we have played an integral role in raising Australia's and the world's ambitions for the new Global Biodiversity Framework and in securing a domestic commitment to protect 30 per cent of Australia's land and oceans by 2030 (30x30).

As both a country and continent, Australia is in a unique position to be able to protect 30 per cent of the land, with 22 per cent of the Australian continent currently in protected areas, up from seven per cent in the mid-1990s. Securing another eight per cent on land in seven years to meet the 30x30 target is ambitious, but achievable.

However, several mechanisms are needed to make this level of ambition a reality including creation and/or expansion of National Parks, Indigenous Protected Areas (IPAs), private conservation reserves, conservation covenants on private lands and marine protected areas.

The purchase of large and nationally significant properties from willing landowners to add to the National Parks estate and private conservation reserves will be a central strategy for success in achieving both scale, a representative reserve system and protecting endangered species habitat.

A blended, unified approach with resources coming from both private and public sources will be required. Fast action and nimble response will be vital in many instances, to capitalise on suitable opportunities as they arise, often on the open market.

This is where organisations like TNC can help either through our long history of funding land acquisition for conservation directly in partnership with Federal and state governments and/or leveraging funding for critical land acquisitions. A lack of Australian Government funding to implement the 30x30 commitment is likely to put a chill state policy reform ambition and raise questions with domestic and international donors about whether they wish to contribute funding to 30x30 in Australia. This could mean that either Australia will not meet the target in a credible way that addresses its representation and zero extinctions commitments, or it will dramatically increase the costs to the Government in the years closer to 2030.

A more agile philanthropic framework with broader regulations will be essential if philanthropic and private sector investors to step up and fill the funding gap.

There is a large amount of money globally that is being raised towards 30x30. For example, there are multi-billion dollar international foundations that are investing, or have expressed an interest in investing, to expand Australia's conservation estate but these foundations also recognise the role and responsibility of governments and require co-investments and for the funding to have a catalytic effect:

*"Since launching the Wyss Campaign for Nature, the Wyss Foundation has invested or committed nearly USD \$25 million towards acquisitions and operations support in Australia, funding that has already protected more than 3 million hectares of high quality and underrepresented ecosystems to add to Australia's public and private protected area estates. These investments have been made in partnership with non-government land trusts and conservation groups, state governments, and Indigenous communities... We stand ready to commit more resources to the protection of biodiversity in Australian but to do so will necessitate the Australian government to also increase the scale of investment to achieve a comprehensive, adequate, and representative reserve system covering 30% of Australia's ecosystems by 2030."*

***Extract from a letter from The Wyss Foundation to Minister Tanya Plibersek, March 2023***

Significant philanthropic investments like this will likely be attracted to countries that act early and indicate a willingness to partner with multiple funders. Australia represents a safe investment and good 'value for hectare' and could leverage a significant amount of funding by acting early with a strategy and matching fund in place. This would also encourage state and territory governments and other funders to make ambitious plans to contribute to 30x30.

The 'knock-on effect' in building and maintaining momentum to reach targets and goals is a recognised phenomenon and we believe that it will be crucial for this Review of Philanthropy in Australia to be responsive and dynamic if reforms are to be made which will enable charitable organisations to take advantage of this momentum.

Over the past two decades, as we have seen a rise in the professionalism of philanthropy in Australia, the costs of fundraising have also risen. However, much private support and, in some cases, government grants, often exclude administrative and fundraising expenditure when defining eligibility for funding. This has restricted the capacity of charities to create and deliver more inclusive fundraising models that could bring new supporters and income to the organisation.

More recently there has been acknowledgment by some funding organisations such as The Ian Potter Foundation that it takes a diverse, equitable workforce for a charitable organisation to deliver quality work, and TNC welcomes this trend in funding intelligence.

We believe there is potential to increase philanthropy by enhancing the effectiveness and efficiency of the use of donations by recognising the value of capacity- and capability-building for fundraising within charities. Promotion of this by governments could shift the dial in public acceptance and support for the modern business reality of not-for-profit organisations.

### **TNC Australia – observation on philanthropic methodology in Australia**

In the early 2000's TNC globally embraced relationship-driven fundraising which forms the basis for how we interact with our donors, as well as how we collaborate internally on philanthropy. This aligns with our focus on major and principal gift fundraising which requires, time, trust, transparency and accountability to be successful. We seek to connect people with our mission as much as we seek their support.

The challenge is to recognise these intangibles into reporting structures which are largely metric-based: relationships are not quantitative, and building the level of trust required to precipitate a significant gift usually takes several years. TNC would encourage consideration of grant/funding reporting that incorporates non-financial considerations that contribute to a more holistic view of a charity's fundraising activity such as donor retention beyond 18 months, or % increase in average gifts over 3 years.

TNC is fortunate to learn and adapt from philanthropic work being delivered by our counterparts within a global organisation. This gives us direct sight of practices and tax structures in other countries that contribute to highly effective philanthropy. In particular, the public culture of philanthropic engagement in the United States is fostered by a range of planned giving options that is more flexible and varied than those available to Australian taxpayers.

We are attaching to this submission two documents used by TNC in the United States in donor conversations:

- Appendix 1: Benefits of Planned Giving gift chart
- Appendix 2: Ways of Giving explained

In this defining decade for our planet, TNC has ambitious goals for achieving the global 30x30 conservation goals adopted by our organisation in 2020 and at the 15th Conference of the Parties to the Convention on Biological Diversity (COP15) in Montreal 2022. It is estimated that over \$700 billion will be required globally to protect 30% of land and 30% of water within the next seven years. To reach such significant targets, "business as usual" in the Australian philanthropic sector will not work.

Reaching 30x30 will not only require strong commitments from governments in terms of policy, but also in terms of financing and enabling the protection effort. The cost of achieving 30x30 require contributions from state, federal, philanthropic and business sources to share the cost and be successful.

For charitable organisations with high impact targets like TNC, diversifying income streams and offering a wider range of financial options for donors and supporters is crucial. Our fundraising to date has deliberately focussed on building and securing long-term relationships with major donors, foundations, and government. This mix of philanthropic and non-philanthropic income has created a reasonably stable revenue stream and reduced risk to our ongoing operations.

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We can demonstrate that the creation of jobs, connection to culture and community resilience are areas that benefit from environmental work in the field. The case for increasing protected land areas to generate social and economic benefits and support economic recovery is clear:

- In Queensland, a state government study credited parks and protected areas with injecting \$2.6 billion into the economy and supporting 17,000 jobs.
- In Western Australia, a recent state government study found visits to national parks were up five per cent (22.6 million visitors in the past year).
- In South Australia, national parks and reserves were estimated to contribute over \$374 million to the state's economy in 2018-19 including over \$358 million in flow-on economic benefits and 1,211 jobs in the private sector to regional communities.

A 2021 World Bank report estimated the economic rate of return on investment for protected areas for governments is six times the initial investment.

Green jobs, especially Indigenous Ranger jobs, have been shown to create significant social and economic benefits. Analysis by Social Ventures Australia (commissioned by PM&C in 2016) showed a return on investment of \$3.40 per dollar for Indigenous Protected Areas (IPAs). It also found employment and economic benefits tend to stay in regional areas.

Since helping establish one of the first savanna burning carbon projects at Fish River Station in 2011, TNC Australia has worked with dozens of Traditional Owner groups to set up and support capacity-building for Indigenous-owned projects on traditional lands. These projects deliver a range of environmental (both climate and biodiversity), socio-economic and cultural benefits at a scale not otherwise seen in remote Northern Australia.

In addition to habitat regeneration and preservation through fire management directly, revenue generated by the projects enables Traditional Owners to fund the implementation of their Healthy Country Plans, allows them to access their land, and ensures the sustainability of the projects, their outcomes and the governance of the relevant Indigenous organisations into the future.

TNC program design is underpinned by our values including our commitment to diversity and respect for people, communities and cultures. Our experience has taught us that programs that support gender and age equity are delivering benefits to entire communities and multiple generations, connecting people back to their country and securing long-term and stable conservation outcomes. Examples include:

- **>10 students:** For the first time in 30 years >10 Indigenous students are studying at Macquarie University following a gender project at Ngukurr in the Northern Territory.
- **260 women:** In 2021, over 260 women from dozens of ranger groups participated in a workshop hosted by the Strong Women Healthy Country Network.
- **135 participants:** The Laynhapuy IPA project engaged with 135 participants over 100 nights at nine locations to survey biodiversity, record cultural knowledge and teach school students in the Laynhapuy homelands.



More broadly, through work with dozens of Indigenous corporations, we have delivered benefits to approximately 6900 people through better rights, decision-making and conservation actions and we estimate that over 500 jobs have been created through Indigenous carbon enterprises we have supported.

An answer to the question about the impact of nonprofit organisations supported by philanthropy could be “how long is a piece of string?”. The ripple effect can be unexpected, exciting, inspiring and transformative.

We are including with this submission a Case Study of the impact on conservation philanthropy in Australia when collaboration, blended funding and relationship-driven fundraising combine to achieve results that couldn't be anticipated at the outset.

- Appendix 3: The Nature Conservancy and The Thomas Foundation - Our Collective Impact

TNC's relationship with The Thomas Foundation over the past two decades has fundamentally influenced our work and our success since we began operations in 2002. This case study demonstrates the significant impact of philanthropy beyond dollars and the impact possible when philanthropists and not-for-profit organisations share a clear vision and goals.

Appendix 1: Benefits of Planned Giving Chart

# BENEFITS OF PLANNED GIFTS



The chart below briefly outlines different ways to give and the potential benefits to you. For more information, please contact our team of gift planning experts so they can help you find a gift that meets your financial goals.

	GIFTS NOW						GIFTS THROUGH YOUR ESTATE			GIFTS THAT PROVIDE INCOME				OTHER GIFTS		
	Cash	Appreciated Securities (e.g. stocks, bonds, mutual funds)	Business Interests	Real Estate <sup>(1)</sup>	Personal Property <sup>(2)</sup>	IRA Rollover <sup>(3)</sup>	Gift in Your Will	Retirement Assets <sup>(4)</sup>	Life Insurance <sup>(5)</sup>	Charitable Gift Annuity	Pooled Income Fund	Charitable Remainder Unitrust	Charitable Remainder Annuity Trust	Retained Life Estate	Charitable Lead Trust	Donor-Advised Fund
<b>BENEFITS TO YOU</b>																
Income Tax Deduction	✓	✓	✓	✓	✓					✓	✓	✓	✓	✓		✓
Estate Tax Deduction							✓	✓	✓	✓*	✓*	✓*	✓*	✓	✓	✓*
Capital Gains Tax Savings		✓	✓	✓	✓					✓	✓	✓	✓			✓
Fixed Income for You										✓			✓			
Income with Growth Potential											✓	✓				
Higher Payout on Low Dividends										✓	✓	✓	✓			
<b>BENEFITS TO TNC</b>																
Immediate/Future Support	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate	Future	Future	Future	Future	Future	Future	Future	Future	Immediate	Immediate
<b>ABOUT YOUR GIFT</b>																
You Can Change Your Mind							✓	✓	✓							
Minimum Age						70 1/2				50 (35)**	50	50 <sup>(6)</sup>	50 <sup>(6)</sup>			
Legacy Club Membership							✓	✓	✓	✓	✓	✓	✓	✓		
<b>GIFT MINIMUM</b>																
For Cash										\$10,000	\$5,000	\$100,000	\$100,000			\$100,000
For Appreciated Securities										\$10,000	\$5,000	\$100,000	\$100,000			\$100,000
For Real Estate				\$100,000			\$200,000			\$200,000		\$200,000		\$200,000		\$200,000
For Personal Property										\$50,000		\$50,000				\$100,000

Notes: 1. Examples include residence, vacation property, commercial, farm, land. 2. Examples include artwork, collectibles, equipment, etc. 3. You may avoid paying income tax on distributions transferred directly to TNC. Total distributions to charity may not exceed an annual limit set by the IRS. 4. May also be possible to give outright (contact our Gift Planning Team for more information). 5. May also be given outright. 6. Trusts for younger donors may be established when transferred directly to TNC.

\*There is an estate tax deduction for this gift if it is established through your estate plan.

\*\*Minimum age for a deferred gift annuity is 35.

## WAYS OF GIVING

### *Gift options at The Nature Conservancy*

While you may assume that an outright gift of cash or other assets is the only way to support The Nature Conservancy, there are many other possibilities—each with different features and benefits. Explore these options below and learn even more on our website by going to [www.nature.org/researchmygift](http://www.nature.org/researchmygift) to determine the best choice for you.



#### GIFTS OF CASH

Many gifts to TNC are made by check or credit card. If you itemize your taxes, such outright cash donations are generally deductible up to 60% of your adjusted gross income.

#### GIFTS OF STOCK

A gift of stock that you have owned for more than a year can be a particularly good option. If you sell this stock, you will pay a capital gains tax on any increase in its value. By giving stock to TNC, however, you avoid tax on the gain. In addition, your charitable contribution deduction is equal to the full fair market value of the stock. This amount is generally deductible up to 30% of your adjusted gross income.

#### GIFTS OF REAL ESTATE

The Conservancy often accepts donations of full or partial interest in real estate, which can be urban or rural, developed or undeveloped, commercial, residential or industrial. Qualifying properties include single-family homes, apartment buildings, farms, office buildings, and building lots, just to name a few. Real estate can be an advantageous gift because it may eliminate or reduce capital gains tax, as well as provide a charitable tax deduction.

Due to the costs of evaluating a potential gift of real estate, its minimum value must be \$100,000.

Conservancy staff will visit the property and determine if any part of it requires environmental protection. If the land is not ecologically significant, it will be considered a trade land gift. Trade land properties are sold, and the proceeds are used for natural area protection at top TNC sites or in an area you designate.

You can also give your primary residence, farm or vacation home to TNC and retain the right to use it for your lifetime, an option called a retained life estate. You receive an income tax deduction once your property is



## DONOR-ADVISED FUNDS

Through TNC's donor-advised fund, you make a charitable gift when the time is best for you and then advise us about how you would like your donation to help us fulfill our conservation mission and meet your other philanthropic objectives.

You can participate in the TNC's donor-advised fund with a minimum initial contribution of \$100,000. In exchange for this outright gift, you recommend how and when the fund is spent. At least 20% of your distributions must be for TNC projects, and you may recommend that up to 80 percent goes to other charitable organizations. The minimum for subsequent gifts to your fund is \$1,000.

## LIFE-INCOME GIFTS

Through various charitable life-income arrangements, you receive steady income and a charitable tax deduction. You may also reduce capital gains taxes.

If you own stock that is paying low dividends or real estate that is not ecologically significant, a life-income gift may be particularly attractive. You could donate the stock or real estate through one of several arrangements that provide you with an annual return. This income is paid to you and/or a loved one for life, after which the principal is used by TNC.

Popular life-income gifts include the:

**Charitable gift annuity:** This simple contract with TNC pays you fixed income for your lifetime. Annuity rates are based on the ages of the income beneficiaries. A gift annuity is typically established by individuals who are not concerned about inflation and would prefer to receive a fixed payment. The minimum gift size is \$10,000, and donations of cash or securities are preferred. This vehicle is reserved for beneficiaries aged 50 and over. (Beneficiaries who are at least aged 35 may qualify for a deferred gift annuity.)

**Deferred gift annuity:** A variation of the charitable gift annuity, a deferred gift annuity provides you with an income tax deduction at the time of your gift, but the income payments are deferred for at least one year.

**Charitable remainder unitrust:** A charitable remainder unitrust is a separate legal entity established to pay you and/or another beneficiary variable income. A unitrust is typically used by individuals who wish to diversify their assets and works well for donations of real estate. The minimum gift size is \$50,000 for cash or securities, \$100,000 for real estate.

## ESTATE GIFTS

One of the easiest ways to give to TNC is through your will or revocable living trust. You can name TNC as the beneficiary of specific assets, a portion of your estate or your residual estate after payment of other bequests.

Bequests to TNC are free from federal estate tax and can therefore offer substantial tax savings. There is no limit on the amount you can leave to TNC—or other charitable organizations—through your will.



## RETIREMENT PLANS

You can name TNC as a beneficiary of your individual retirement account (IRA), Keogh plan, 401(k), 403(b) or another qualified pension plan. The Conservancy can be designated as a beneficiary of part or all of what remains in your retirement account. The proceeds of these plans are distributed outside of probate and are free from federal estate tax.

### IRA Distribution

In addition to naming TNC as a beneficiary, if you are 70 ½ or older you can make a tax-free distribution from your traditional or Roth IRA. It's a smart and efficient way to support the causes that matter to you most. You can make a gift of up to \$100,000 and may receive federal tax savings. If you are under 72 or still working, there may be additional tax consequences. Please contact us before making a gift to ensure your donation is accurately recorded.

## HOW TO NAME THE NATURE CONSERVANCY IN YOUR ESTATE

If you wish to name TNC in your will or estate plan, or designate us as a beneficiary of your retirement accounts or life insurance, please name us as:

*The Nature Conservancy, a nonprofit corporation, organized and existing under the laws of the District of Columbia, and with principal business address of 4245 North Fairfax Drive, Suite 100, Arlington, Virginia 22203-1606.*

Our tax identification number is: 53-0242652.

## USE OF YOUR GIFT

The Conservancy uses gifts to support global conservation priorities unless otherwise specified by the donor. If you would like your gift to be used at a place or for a program that matters to you (such as a state or country), please contact us to ensure that your wishes can be met.

### WE'RE HERE TO HELP

- ▶ To speak with one of our planned giving specialists or to notify us of a legacy gift you have planned, contact us at **(877) 812-3698** or **legacy@tnc.org**.

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2. Fostering a common co-operative focus to environmental conservation groups that previously competed. The resulting collaborations have given confidence to other organisations, which has enabled TNC Australia to:
  - Build cooperative relationships with Federal and state governments, local councils, businesses and communities to build 60 shellfish reefs, which is the largest marine restoration initiative ever embarked on in Australia.
  - Support Indigenous Communities in Northern Australia to acquire and manage their lands which, to date, has resulted in:
    - 22 million hectares of savanna under Indigenous savanna fire management carbon projects, abating around 1.2 million tonnes of carbon annually. The resulting carbon credits generated by Indigenous communities are valued at >\$50 million p.a.
    - We have facilitated 25 Healthy Country Plans
    - We have supported the establishment of 12 Indigenous Protected Areas
3. Encouraging impact investing in conservation projects such as:
  - The Murray-Darling Basin Managed Water Fund which has attracted investment assets of around \$50 million since its inception in 2015 with an average return of 13.7%. The Fund has delivered 10,897 megalitres of water to 30 wetlands to date.
4. Legitimising conservation philanthropy among high net wealth individuals, foundations and companies in Australia which is supporting land and sea conservation projects including:
  - Supported conservation efforts across more than 161 million hectares of lands and waters.
  - Extending the *Great Southern Seascapes* program which includes reef, kelp and shoreline restoration projects across southern Australian waters from Perth to Noosa.
5. Elevating Australian conservation internationally and attracted approximately \$31.5 million of support from international Foundations, Companies and individuals including:
  - Wyss Foundation
  - Pew Charitable Trust
  - Cartier Philanthropy
  - Google
  - Re:Wild
  - Alcoa
  - McCall MacBain Foundation
  - Peierls Foundation

In this defining decade and into the future, The Nature Conservancy Australia is committed to continuing the legacy of The Thomas Foundation through collaboration with governments, businesses and communities to drive lasting conservation outcomes that create a world where people and nature can thrive.

# Our Collective Impact

## Then and now

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Australia is home to some of the most intact and expansive natural environments on Earth. It's iconic wildlife, extensive oceans and megadiverse ecosystems including sparse tropical savannas, dense rainforests, vast desert landscapes and temperate woodlands make Australia one of the seven most biodiverse nations on Earth.

In the last quarter of the 20th century, Australia's fossil fuel, mining, and natural resources sectors were at their peak, and our population was rapidly increasing. While this provided many economic benefits, our precious environment bore the brunt and, as a result, an alarming decline of biodiversity was taking hold.

Before The Thomas Foundation (TTF) was established, high-profile conservation efforts in Australia often focused on blockages, protests, and political campaigning. Seeing a different way for the future of conservation, TTF was established to leverage a different model underpinned by scientific research, business management models and stakeholder collaboration that would achieve ambitious, sustainable, large-scale outcomes.

At the time, The Nature Conservancy operated largely in the U.S with no real presence in Australia. However, there was a critical need for different models of conservation to be implemented to stop the decline of biodiversity, protect wildlife, and improve marine conservation.

It was clear that Australia would benefit from TNC's expertise through a local presence, and TTF began a concerted effort to bring TNC to Australia. The Thomas Foundation funded a feasibility assessment for TNC's expansion, and after much persuasion from both David Thomas and Robert McLean, TNC's Australia program opened in 2002.

The TTF philanthropy model helped open and drive a wider audience to philanthropy, becoming a major player of early thinkers in this space, along with the likes of the Potter Foundation, RE Ross Trust, Myer Foundation and others.

**Over the last 20+ years, together we have achieved significant impacts.**

We have elevated Australia's conservation efforts to bring a new level of professionalism and impact among conservation scientists, campaign managers, and fundraisers; we have inspired a new way of investing in conservation efforts among private and corporate philanthropists; we have encouraged governments to step up and act; and we have supported conservation efforts across more than 161 million hectares of Australia's lands and waters.

What's more, we have driven collaboration across the conservation sector, bringing stakeholders to the table to achieve lasting, holistic solutions to complex challenges. These efforts have made multi-organisational partnerships, government contributions, and private sector commitments the benchmark for Australian conservation projects - a marked difference to when TNC began in Australia 21 years ago.

TNC Australia recognises that these outcomes would not have been possible without the passion, dedication and support of The Thomas Foundation. Their early adoption of an innovative approach helped to elevate conservation and philanthropy, which, in leading by example, encouraged others to join the cause. This set the stage for our work, without which many of Australia's most iconic land- and seascapes would be unprotected today.



## **Our greatest achievements**

### ***Elevating Australia's conservation efforts***

In 1999, David Thomas and Rob McLean worked together to demonstrate the organisational and conservation benefit of bringing The Nature Conservancy to Australia. The first local office opened in 2002.

### **Implementing a first-of-its-kind giving model for Australia**

In 2007, the David Thomas Challenge was launched to address Australia's most urgent conservation protection initiatives. The first-of-its-kind model for Australia started with a \$10 million commitment from The Thomas Foundation, which was entrusted to TNC to be directed to projects and partner NGOs. This, in turn, attracted significant government, philanthropic and private interest and ultimately raised a total of \$28.1 million for conservation across Australia. The Challenge demonstrated the value of leverage in the philanthropic sector, increased awareness of giving, bringing more high net wealth philanthropists to The Nature Conservancy and partner organisations, and unlocked government contributions at a scale not previously seen.

Inspired by the impact of the David Thomas Challenge, TNC Australia is currently setting a new challenge to help attract people and partners to meet our 30x30 global goals following the Convention on Biological Diversity's historic Kunming-Montreal Global Biodiversity Framework.

### **Addressing the alarming rate of biodiversity loss**

Driven by an early focus to protect Australia's terrestrial land, The Thomas Foundation initially supported TNC Australia's land-based programs. In 2006, TTF awarded a \$3 million grant for TNC to support the *Anchors in the Landscape* Campaign of Bush Heritage Australia. TNC's impact in the areas of land protection and supporting communities to manage their land continues to this day. To date, 21,400,000 hectares of land have been protected, restored or have improved management. Our work has included:

- 22 million hectares of savanna under Indigenous fire management, abating 1.2 million tonnes of carbon and returning traditionally fire practices to these northern Australian landscapes.
- Facilitating transfer of ownership of internationally significant wetlands at Gayini to the Nari Nari Tribal Council.
- Acquisition of the ecologically significant Nilpena Station in South Australia, The Lakes and Bramwell-Richardson stations in Queensland, and Brindigabba in New South Wales for addition to the protected area estate. These properties were protected as part of a partnership between TNC and the Wyss Foundation, bringing philanthropic funds to match state government funding and utilising the successful model of the David Thomas Challenge.

Today, biodiversity is finally becoming a mainstream topic thanks to COP15 and TNC has bold ambitions to help Australia achieve its 30x30 commitments.

### **Supporting TNC Australia's marine conservation work**

While supporting significant terrestrial programs, The Thomas Foundation determined that a shift to focus on oceans and shorelands was needed to address biodiversity loss in these ecosystems. Starting in 2012, TTF granted \$4 million to launch and establish the *Great Southern Seascapes* program, aiming to spark a revolution in marine conservation and the blue economy. Initially focusing on the restoration of shellfish reefs through a pilot study in Victoria, this project expanded to include reef, kelp and shoreline restoration projects across the southern waters of Australia from Perth to Noosa. In 2020, we began a program to build 60 reefs in collaboration with local communities, bringing shellfish reef ecosystems back from the brink of extinction.

This program will create up to 170 jobs and engage up to 120 subcontractors.

### **Sharing expertise to build the next generation of conservation**

In 2006, the Barbara Thomas Fellowships for Excellence in Conservation was launched to focus on education, shared learnings and increasing capacity across Australian conservation NGOs. The Barbara Thomas Fellowships have enabled important research to be undertaken and shared. This has contributed to the scientific capability and knowledge within TNC and many other NGOs across Australia. Importantly, the program facilitated the exchange of some of the most talented TNC leaders to spend time in Australia and for Australians to visit TNC sites in North America and learn from their visits, and it applied more than 15 years of knowledge from the US to rapidly scale Australian projects. The Barbara Thomas Fellowships program continues to support important learnings in Australia.

In 2009, the David Thomas Conservation Oration was initiated to raise professional and public knowledge of the latest international findings and initiatives important to the conservation of biodiversity. The Thomas Foundation partnered with TNC to stage a series of events to give a platform to some of the most influential voices on environmental challenges, bringing people together to learn from leaders in the area.

### **Collaborating with stakeholders to achieve sector-wide impact**

In the early days of operation, David Thomas facilitated collaborations and supported key relationships with Bush Heritage Australia, Australian Wildlife Conservancy, Greening Australia and Trust for Nature, which have been pivotal in the success of TNC's projects. And, with this support, TNC's *Great Southern Seascapes* program, through the *Reef Builder* project, has established key stakeholder relationships in Noosa to regenerate shellfish reefs in the area.

TNC continues to leverage collaborations for larger, more sustainable impact. In 2020, following some of Australia's worst bushfires, TNC worked with over 50 farming, conservation, and land management organisations to create a practical, tangible and responsible plan to invest in long-term, landscape-scale initiatives in bushfire-affected areas and beyond.

Today we work with several organisations including the Wyss Foundation, Pew Charitable Trusts, WWF-Australia, and the Australian Land Conservation Alliance to make the case for governments to commit dedicated resources once again for land and ocean conservation which will unlock matching funds from philanthropy. This will be critical if Australia is to meet its 30% protection by 2030 target.

### **Driving corporate and private investment in conservation**

In the late 2010s, a new era of private corporate commitments in Australia began. For TNC Australia, significant corporate and private investment began to flow from key initiatives, such as the Murray Darling Basin Balanced Water Fund and the acquisition of ecologically significant wetlands like Gayini in New South Wales. Programs informed by science and collaboratively led by TNC led to the building of trusted relationships that secured investments from major players in the conservation philanthropy sector such as the Wyss Foundation, the Pew Charitable Trust, Alcoa, Munderoo Foundation, Google, Smartgroup, The Ian Potter Foundation and HSBC to name a few.

### **Encouraging governments to play their part**

As part of the David Thomas Challenge in 2006, the Australian Government committed \$6.2 million to support land acquisitions for addition to the National Reserve System.

Building this trusted relationship with governments early in TNC's Australian operations meant we were heard when providing evidence-based policy advice in subsequent years. This and our collaborative work with communities in the field has contributed to TNC's successful leveraging of further government contributions including:

- A \$20 million grant from the Australian Government in 2020 to initiate the Reef Builder program, as a new element of Great Southern Seascapes
- \$9 million from the Australian Government to restore 12,000 hectares of tidal blue carbon ecosystems in South Australia.
- \$1 million annually from the NSW Biodiversity Council to support biodiversity work undertaken by the Nari Nari Tribal Council on Gayini.

### **Advancing conservation methods through research and capacity-building**

Recognising the importance of scientific research to inform conservation efforts, The Thomas Foundation funded the Ecological Science Program (ESP) from 2008 to 2014, a landmark program that fostered improved understanding and protection of Australia's unique biodiversity. The ESP supported research projects addressing conservation problems of international importance, enabling TNC to strategically build scientific and technical capacity including innovative and cutting-edge methods, tools and frameworks.

Through the ESP, several reports have been published to guide the future of conservation, while 20 science prizes were funded for PhD students undertaking critical research to inform conservation in Australia.

### **Broader impact of The Thomas Foundation**

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As TNC's work expanded in Australia and TTF's business model for philanthropy yielded demonstratable results, other not-for-profit organisations engaged with TTF to generate funding for their programs. The Australian philanthropic landscape was maturing, and momentum was growing for leveraged support for projects with transformative impact. In response to this progress, TTF engaged with and supported conservation efforts outside of TNC, and expanded in other sectors, including health and the arts.

#### **Fight for the Reef**

In 2012 construction of new industrial facilities began at Gladstone to establish the world's largest LNG port and fourth largest coal port. The port lay within Great Barrier Reef Marine Park waters and was adjacent to the World Heritage Area. Concerned at impacts on the marine environment, TTF organised a partnership between WWF and the Australian Marine Conservation Society (AMCS) and provided funding for a public information and political lobbying campaign to protect the Great Barrier Reef.

The three-year campaign achieved significant change including new federal and state regulations as well as legislation that included:

- No new port development
- No dumping of dredge spoil in World Heritage waters
- Reformed governance arrangements for the Great Barrier Reef Marine Park Authority
- Reformed navigation and fishing regulations

## **Kimberley and Northern Territory Coastal Waters**

While the Federal Government declared extensive marine protected areas in waters under its control, gaps remained in coastal marine protected areas. With \$1.8 million in support from TTF, the Pew Environment Group (PEG) and the Australian Marine Conservation Society (AMCS) campaigned to fill some of these gaps in the Kimberley and the Northern Territory coastal areas.

In the Kimberley, outcomes included:

- Declaration of the Great Kimberley Marine Park comprising 1.9 million hectares of state waters
- Removal of 175,000 hectares of bauxite mining leases from the Mitchell Plateau
- A ban on further mining and exploration leases over two million hectares of the Kimberley coast

In the Northern Territory, outcomes included:

- Protection of 20% of the Territory's 7.2 million hectares of its marine estate, including 10% of this marine estate converted to a no-take zone
- Support for Traditional Owners in banning sea-bed mining and commercial fishing in specified reserves
- Engagement of both recreational and commercial fishers in achieving these objectives

## **Health and the Arts**

Recognising a need for support in sectors outside environmental conservation, Directors of TTF determined there would be an 80:20 split in funding of conservation to other projects and approved discretionary funding allocations by the Chairman in areas such as health, education and the arts. Such grants included:

- **Centre for Healthy Brain Ageing**  
In 2011, TTF granted \$1 million to UNSW for the Centre for Healthy Brain Ageing for multi-disciplinary research into brain ageing and dementia research.
- **HammondCare**  
In 2013, TTF committed \$1.25 million to HammondCare, providing aged, dementia and palliative care, and rehabilitation and pain management needs. In 2014, TTF provided a further \$250,000 for their Music Engagement Project using music to improve quality of life for people in need.
- **Australian Chamber Orchestra**  
In 2017, a grant of \$1 million was made to the fund for the establishment of a permanent home for the Australian Chamber Orchestra at Pier 2/3, Walsh Bay, Sydney.

Over the lifetime of the Foundation, TTF maintained a lean operational model, which contributed to an effective and efficient use of resources, enabling more funds to go directly to conservation projects.

The Expenses to Distribution ratio (EDR) is used internationally as an indicator of philanthropic Foundations' performances. Over the 20-year life of TTF the EDR was 5.2%. A Philanthropy Australia survey a few years ago found the average Foundation EDR in Australia was 28%.

Further demonstrating the impact of TTF's philanthropy model, the Foundation reports that the projects seed-funded by TTF attracted an estimated \$800m in matching private donations and Government grants – a realised ratio of Foundation investment to total project support of more than 22 : 1.

## TNC in this defining decade and into the future

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The work which TNC Australia and The Thomas Foundation have achieved to date, and the models developed over more than two decades, have had a significant impact on conservation and philanthropy in Australia.

As we look to the future, TNC is dedicated to continuing this legacy by working with government, industry, Indigenous organisations, communities, donors and partner NGOs to continue implementing programs that achieve sustainable best-practice conservation at a large scale.

To do this, we will focus on:

- Unlocking multiple areas of funding by collaborating between government, private landholders and philanthropy and reinforcing the benefits of leveraging a business model to guide philanthropic giving.
- Establishing new markets that benefit conservation by working with philanthropists, business and governments. This includes advancing carbon economy such as through savanna burning in northern Australia and in restoring blue carbon ecosystems such as saltmarsh and mangroves. These projects use philanthropic start-up funds to undertake the baseline science and validate the carbon savings. This enables discussion with policy makers and allows for policy revisions as necessary. We anticipate this will unlock millions of dollars that will flow to on ground conservation works.
- Providing strong science and policy advice on the development of new markets such as the Australian Government's new Nature Repair Market. Getting the policy and legislation right is important for investor confidence and results on the ground.
- Modelling strong philanthropy outcomes. We will continue to leverage the models we have used in the past to demonstrate what strategic philanthropy looks like, influencing partner NGOs and showing what impact at scale looks like through this way of funding. An example is the Wyss Foundation (and philanthropic foundations they have partnered with), who, through TNC Australia, have invested or committed USD \$15 million to be matched with state governments to purchase new public and private protected areas for national significant ecosystems. That relationship will continue for at least the next decade.
- Next round of the Barbara Thomas Fellowship. Current fellow in place and will be reporting before the end of calendar year 2023. The round for the next fellow is scheduled to open in May-June 2023.
- Monitoring our work, be it the fine scale ecology of recovering shellfish reefs through to the contribution that creating new protected areas has, to increasing the representation of our reserve system, is critical to TNC. Monitoring enables the ability to better communicate the outcomes of our work, to course correct where needed and to give confidence that investment has been worthwhile.

The Nature Conservancy Australia applauds David and Barbara Thomas and The Thomas Foundation for their transformative commitment to conservation and for their leadership in the development of philanthropic giving in Australia. We acknowledge, honour and are grateful for TTF's support for TNC Australia by facilitating our Australian presence, contributing to our growth and continued success, and for sharing our dedication to our ongoing mission to conserve the lands and waters upon which all life depends.