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Business giving and volunteering

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The Australian Centre for Philanthropy and Nonprofit Studies, QUT

Centre for Corporate Public Affairs

Centre for Social Impact Swinburne, Swinburne University of Technology



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Wayne Burns, Centre for Corporate Public Affairs

***Giving Australia 2016* report series**

- [*Giving Australia 2016: a summary*](#)
- [*Philanthropy and philanthropists*](#)
- [*Business giving and volunteering*](#)
- [*Individual giving and volunteering*](#)
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- [*Giving Australia 2016: Literature review summary report*](#)
- [*Giving Australia 2016: Literature review*](#)



Contents

1.0	Glossary	xi
2.0	Acronyms	xvi
3.0	Executive summary	xvii
3.1	Business giving and volunteering	xvii
3.2	This report	xvii
3.3	Key insights	xviii
3.3.1	Recipients of giving	xix
3.3.2	Shift in the rationale for business giving	xx
3.3.3	The rise of community partnerships	xxii
3.3.4	Workplace volunteering	xxiii
3.3.5	Payroll giving	xxiii
3.3.6	Community sponsorships	xxiv
3.3.7	Corporate foundations	xxv
3.3.8	Innovation in business giving	xxv
4.0	Introduction	1
4.1	Overview	1
4.1.1	Businesses operating in Australia in 2015–16	1
4.1.2	Business giving in 2015–16	2
4.2	Structure of the report	3
4.3	Key findings from previous research	4
4.3.1	Business giving	4
4.3.2	Workplace volunteering	5
4.3.3	Payroll giving	6
4.3.4	<i>Giving Australia 2005</i>	7
4.4	Research questions addressed in this report	8
5.0	Methodology	9
5.1	Overview and comparison with 2005	9
5.2	Literature review	10
5.3	Interviews: large business giving	11
5.4	Focus groups: SME giving	11
5.5	Survey of large business	12
5.5.1	Survey design and pilot survey	12



5.5.2	Sample	13
5.5.3	Distribution and response rates.....	13
5.5.4	Weighting and analysis	14
5.5.5	Time period.....	14
5.5.6	Issues to note—shortcomings of the methodology.....	14
5.6	Survey of SMEs	15
5.6.1	Questionnaire design and pilot.....	15
5.6.2	Sample	15
5.6.3	Distribution and response rate	16
5.6.4	Weighting and analysis	16
5.6.5	Time period.....	16
5.6.6	Issues to note.....	17
5.7	Notes on the overall methodology	17
6.0	Findings.....	19
6.1	What is business giving?	19
6.2	The state of business giving in Australia	19
6.3	Why do Australian businesses give?	22
6.3.1	Drivers of SME giving	24
6.3.2	Drivers of large business giving.....	26
6.4	Large business giving	32
6.4.1	Giving by size	33
6.4.2	Giving by industry	34
6.4.3	Recipients of giving	35
6.4.4	How large businesses decide how much to give.....	37
6.4.5	Forms of large business giving	39
6.4.6	Vehicles for giving by large business.....	40
6.4.7	Giving vehicles—community partnerships	41
6.4.8	Giving vehicles—community sponsorships.....	47
6.4.9	Giving vehicles—workplace volunteering.....	49
6.4.10	Giving vehicles—payroll giving.....	52
6.4.11	Giving vehicles - corporate foundations	54
6.4.12	How large businesses govern and manage their giving	57
6.4.13	The strategy behind giving modes and vehicles	61



6.4.14	Measuring giving performance	62
6.4.15	Innovation in large business giving	66
6.5	SME giving.....	68
6.5.1	Giving by size	69
6.5.2	Giving by location	70
6.5.3	Giving by industry	71
6.5.4	Recipients of giving	72
6.5.5	Barriers to unconditional donations	74
6.5.6	Giving vehicles	74
6.5.7	How SMEs make decisions about giving	80
6.5.8	Innovation in SME giving.....	83
7.0	Analysis	84
7.1	Key themes and future trends	84
7.1.1	The drivers and evolving community expectations.....	84
7.1.2	Giving is growing and is likely to continue	84
7.1.3	Vehicles and means of giving.....	84
7.2	Comparison with 2005 findings	85
7.3	Comparison with overseas trends	86
7.4	Practical implications	89
7.4.1	Workplace volunteering.....	89
7.4.2	Community partnerships	89
7.4.3	Taxation arrangements and incentives to encourage business giving	89
7.4.4	Awareness of best practice in business giving	89
7.4.5	Other public policy settings	90
8.0	Conclusion	91
9.0	References	92
10.0	Appendix.....	95
10.1	Appendix 1: Large business online survey questions	95
10.2	Appendix 2: SME online survey questions	113
10.3	Appendix 3: About the authors.....	131
10.3.1	The Australian Centre for Philanthropy and Nonprofit Studies, QUT	131
10.3.2	The Centre for Social Impact, Swinburne University of Technology	131
10.3.3	The Centre for Corporate Public Affairs.....	132



List of tables

Table 1 Breakdown of business population in Australia 2015	2
Table 2 Large business survey – giving by type (value)	21
Table 3 SME survey – giving by type (value)	21
Table 4 Value of giving by type by industry	35
Table 5 Value and destination of giving by all large businesses	36
Table 6 Value and destination of giving by corporations	36
Table 7 Management of community partnerships by large business	43
Table 8 How large business is approached, and prefers to be approached for giving	68
Table 9 Numbers of SMEs giving, by type of giving, by employee number	70
Table 10 Value of SME giving, by type of giving, by employee size	70
Table 11 SME giving by location (number and percentage)	70
Table 12 SME giving by industry (number and percentage)	71
Table 13 SME survey giving by industry (value)	72
Table 14 SME giving by activity (number and percentage)	73
Table 15 SME giving by activity (value)	73
Table 16 Approach methods for unsolicited donations from SMEs	82
Table 17 Key findings from international research of large business giving	87



List of figures

Figure 1 Business giving in 2015–16	xviii
Figure 2 Large business giving in 2015–16.....	xix
Figure 3 Percentage of SMEs giving in last financial by employee size	xxi
Figure 4 Business categories by number of employees	1
Figure 5 Components of business giving.....	5
Figure 6 Business giving by size (SMEs versus large business)	20
Figure 7 Percentage of businesses that gave.....	20
Figure 8 SME reasons for giving.....	26
Figure 9 Benefits of making donations for large businesses	27
Figure 10 Drivers of large business giving over time.....	28
Figure 11 Importance of components of large business giving as perceived by senior management interviewees over time.....	30
Figure 12 Large business giving	33
Figure 13 Giving by large business, by size	34
Figure 14 Allocation of giving by mid-tier businesses and corporations.....	40
Figure 15 Number of partnerships in which large businesses were involved	41
Figure 16 Confidence in the social impact of community partnerships.....	43
Figure 17 Number of years involved in a partnership – large business	45
Figure 18 Reasons large businesses select a community partner	46
Figure 19 Decision makers on focus of large business giving.....	58
Figure 20 How large businesses develop their giving budget	60
Figure 21 How large businesses measured the benefits of giving	65
Figure 22 Total SME giving.....	69
Figure 23 Barriers to SMEs making donations	74
Figure 24 SME survey responses – barriers to sponsorships	76
Figure 25 SME reasons for not entering into community partnerships	77
Figure 26 SME survey – payroll giving.....	78
Figure 27 Ways that SMEs encourage employee giving	79
Figure 28 How SMEs measured giving	81



1.0 Glossary

Ancillary fund: a legal structure which can be used to establish a tax-deductible foundation. There are two types of ancillary funds: Private Ancillary Funds and Public Ancillary Funds.

Australian business: an organisation with an active Australian Business Number (ABN) undertaking productive activity in Australia's economic territory. There may be circumstances where several businesses share the same ABN (ABS 2015). See also Corporation, Large business, SME (small and medium enterprise).

Baby boomers: the demographic cohort born during the post-World War II baby boom, between the years 1945 and 1962

Business: All operations reporting under one head office. There may be circumstances when several businesses share the same ABN.

Business and community partnerships: a collaborative arrangement (formal or informal) between a business and non-related community organisations, institutions, government bodies or individuals for mutually beneficial outcomes and social impact. Such an arrangement involves the voluntary transfer of money, goods or services in exchange for strategic business benefits, such as improved staff expertise, wider networking, enhanced community reputation and/or other quantifiable benefits.

Business giving: the giving of money, goods or services to community organisations by a business. See also: Corporate community investment (CCI), Corporate Social Responsibility (CSR), Corporate Responsibility (CR), and the nomenclature used least by the business itself, Corporate Philanthropy.

Charitable purpose: a nonprofit purpose for the public good, including relieving poverty or sickness or the needs of the aged, advancing education, advancing religion and other purposes beneficial to the community.

Charity: in its broadest sense charity is the practice of benevolent giving. Charity can also be used to describe an organisation that exists for altruistic purposes such as supporting those who are disadvantaged. Further information on the legal definition of charity can be found in Philanthropy Australia's online glossary (link provided at the end of this section).

Community partnership: most frequently a formal agreement between a business and one or more nonprofit organisations (NPOs) where the enterprise provides either funds, management time and capability, workplace volunteers, products and services (or all of these) to an NPO to support its work and objectives, or for a special purpose; and the NPO agrees how resources provided by the business will be applied and expended. Most community partnerships are defined by an agreed timeframe and outcomes that will be generated by the partnership.

Community sponsorships: business support of an NPO or community group to enable them to sustain their operations, stage an event, support fundraising, or achieve a specific objective (e.g. send an exchange student from a local community overseas). Unlike commercial marketing sponsorships, the business is not motivated by, and does not seek, to position its brand proposition through the sponsorship, nor position the sale of its products or services.

Corporate citizenship: see Corporate Responsibility.



Corporate Community Investment (CCI): activities associated with corporate giving, underpinned by business case thinking and practice, and which entail mutual benefit (Centre for Corporate Public Affairs and Business Council of Australia 2007). In 2016, CCI embraces all nature of giving by business, including philanthropy, community partnerships, workplace volunteering, and workplace giving.

Corporate foundation: generally refers to a trust established to make grants to NPOs or individuals or to carry out charitable purposes, and which derives the majority of its income from a profit-making company.

Corporate philanthropy: any voluntary nonreciprocal transfer of funds or resources from a business to another entity.

Corporate Responsibility (CR), or Corporate Social Responsibility (CSR): treating the stakeholders of the firm ethically or in a responsible manner (Hopkins 2003). Stakeholders include employees, customers and investors. CR can encompass making safe products, ensuring responsible practice through the supply chain, as well as contributing more generally, beyond what might be considered core business, to community wellbeing. Since the mid-1990s, corporate responsibility has been seen by many Fortune 500 corporations globally as a model of doing business and embedded in how the company makes decisions and manages itself from day-to-day.

Corporation: for the purposes of this report, a business with 1,000 or more employees.

Corpus: the original gift and ongoing principal that forms the asset base from which a foundation operates.

Deductible gift recipient (DGR): entity endorsed by the Australian Taxation Office as eligible to receive tax-deductible gifts.

DGR1: DGR endorsed under a category in Item 1 of the table in section 30.15 of the *Income Tax Assessment Act 1997* (Cth), rather than Item 2. DGR1s are often referred to as 'doing DGRs' - organisations that carry out charitable works and use tax-deductible donations to fund these activities. DGR2s are 'giving DGRs' - ancillary funds (such as PAFs and PuAFs) which distribute funds to DGR1 organisations to support them in carrying out their charitable purpose.

Distribution: a generic term for assets transferred from an estate to a beneficiary of a Will. Also used for grants made by a foundation.

Donations: unconditional voluntary transfers of money, goods or services to community organisations, institutions, government entities, or individuals, in which the donating organisation is not obliged to receive anything in return. These transfers would not form part of the commercial operations of the donor.

Formal employee volunteering: also known as workplace volunteering, allows employees to engage in unpaid work for a community organisation during work hours. Employees do volunteer work for a wider societal benefit, and for the possible benefit of the volunteer and for the company.

Foundation: 'foundation' has no precise legal meaning, but in philanthropic terms, 'foundation' usually refers to a trust designed to make grants to charities or to carry out charitable purposes. It may also be used to refer to a charitable organisation, or to a fund that exists to provide ongoing support to a particular organisation.

Fund: a legal vehicle which manages and/or holds trust property to make distributions to other entities or persons.



Generation X: the generation born after the Western post-World War II baby boom. Generally agreed to be those born from the early 1960s to the early 1980s.

Generation Y: the generation following Generation X (see above), also known as Millennials. Generally agreed to be those born from 1980 to 1995.

Goods: goods include all new or used products or property. These may include an insurance company providing a public liability insurance policy for a community event free of charge, or a solar panel manufacturing enterprise providing panels for schools in remote communities free of charge.

In-kind giving: the giving of goods and services in support of a charitable purpose.

Informal volunteering: time willingly given for the common good and without financial gain, taking place outside the context of a formal organisation (Volunteering Australia 2015, 2).

Large business: businesses employing 200 or more people. Can be further broken down as:

- mid-tier businesses—businesses employing 200–999 people, and
- corporations —businesses employing 1,000 or more people.

Millennials: people born between 1980 and 1995 (also known as Generation Y).

Nonprofit organisation: an organisation that does not operate for the profit, personal gain or another benefit of particular people. This can include people such as its members, the people who run it or their friends or relatives (note that nonprofit is referred to in different ways such as ‘not-for-profit’ and ‘third sector’).

Payroll giving: regular donations in the workplace by employees from pre-tax salary to charities and other NPOs (The Australian Charities Fund 2010).

Philanthropy: defined by Philanthropy Australia (2012) as: ‘The planned and structured giving of money, time, information, goods and services, influence and voice to improve the wellbeing of humanity and the community.’ The term is derived from the Ancient Greek *philanthrōpía*: love of mankind.

Private Ancillary Fund (PAF): a form of private charitable trust to which a close group of individuals (often a family) and other Australian taxable entities can make tax-deductible donations. PAFs can only make distributions to organisations designated as ‘DGR1’ (see DGR1, above). PAFs need to have a formal investment plan and to distribute at least 5% of their corpus value each year. PAFs superseded Prescribed Private Funds in 2009.

Pro bono: is defined by the Law Council of Australia to include situations where:

- a lawyer, without fee or without expectation of a fee or at a reduced fee, advises and/or represents a client in cases where:
 - a client has no other access to the courts and the legal system; and/or
 - the client’s case raises a wider issue of public interest;
- or, the lawyer is involved in free community legal education and/or law reform;
- or, the lawyer is involved in the giving of free legal advice and/or representation to charitable and community organisations (Law Council of Australia 1992, 1).



Professional advisers: includes lawyers, accountants, stock brokers, insurance agents and financial advisers.

Public Ancillary Fund (PuAF): the name given to a form of charitable trust to which the public are able and invited to contribute tax-deductible donations. A PuAF is required to be operated in a public manner for public benefit and must make distributions only to other entities endorsed as 'DGR1' (see DGR1, above).

Professional development: the advancement of an employee's skills and capabilities relating to a particular profession through continued education and training.

Public affairs: engagement by an organisation with the wider community, including government, media, communications, and corporate social responsibility.

Services: services include access to business or organisational resources such as employee time or resources, providing employees opportunities to volunteer while still being paid by the company, or training and mentoring provided by the business to a community organisation. Examples include a professional architect donating time for the design of a purpose-built venue to accommodate people with disabilities; or a convention centre making its centre available for a charitable organisation to host a conference or fundraising event.

Shared value: the ability to identify and collaborate profit and nonprofit boundaries for mutually beneficial outcomes (Porter and Kramer 2011).

Skill-based volunteering: the volunteering of skills that involve using individual or collective corporate expertise to support the work of a community group. It typically involves applying or transferring individual or organisational skills.

Small and medium-sized enterprises (SMEs): Businesses with less than 200 employees. Can be further broken down as:

- Micro-businesses – businesses employing less than five people including non-employing businesses.
- Small businesses – businesses employing five or more people but less than 20 people.
- Medium businesses – businesses employing 20 or more people but less than 200 people.

Social capital: a concept based on the idea that social networks (relationships) have value and that the collective value of social networks informs inclinations towards reciprocal giving (Harvard Kennedy School n.d.).

Social enterprise: organisations that are led by an economic, social, cultural or environmental mission consistent with a public or community benefit; trade to fulfil their mission; derive a substantial portion of their income from trade; and reinvest the majority of their profits/surplus to the fulfilment of their mission (Barraket et al 2010).

Social impact: the net effect of an activity on a community and the wellbeing of individuals and families (CSI 2016).

Social impact investing: 'the provision of finance to organisations addressing social needs with the explicit expectation of a measurable social and financial return' (OECD 2015).

Social media: technology-based tools that allow people and organisations to create, share or exchange information in a highly interactive, online environment.



Sponsorship: a direct marketing activity (e.g. signage, branding, logo) involving the transfer of money, goods or services to non-related community organisations, institutions, government bodies or individuals in exchange for advertising or promotional benefits. Any such arrangements would form part of the commercial operations of the business. This includes cause-related marketing (encouraging customers to buy a product or service, which results in a company donation to a charity or cause).

Strategic philanthropy: giving that is focused on a tightly defined program of grants, defined also by exclusion (what not to fund). Grants typically address the causes not the symptoms of problems (Katz 2005).

Transparency: (behaviour) the practice of openness and accountability through the intentional communication and sharing of information.

Volunteering: time willingly given for the common good and without financial gain (Volunteering Australia 2015).

Volunteering infrastructure: a network of local, state and national volunteer centres dedicated to promoting volunteering (Volunteering Australia 2008).

Workplace giving: philanthropic contributions of money (payroll giving, employer matching donations, workplace fundraising, employer grants), time, skills and in-kind support by employees and their employers (Australian Charities Fund 2013).

Workplace volunteering: Formal arrangements and infrastructure developed by an employer to enable its employees to volunteer their time and skills to a community service organisation.

See also Philanthropy Australia's Glossary at <http://www.philanthropy.org.au/tools-resources/glossary/>



2.0 Acronyms

ABS:	Australian Bureau of Statistics
ACCC:	Australian Competition and Consumer Commission
ACT:	Australian Capital Territory
CCI:	Corporate community investment
CR:	Corporate Responsibility
DGR:	Deductible Gift Recipient
LBG:	London Benchmarking Group
NSW:	New South Wales
NT:	Northern Territory
PAF:	Private Ancillary Fund
PG:	Payroll giving
PuAF:	Public Ancillary Fund
QLD:	Queensland
QUT:	Queensland University of Technology
SA:	South Australia
SME:	Small and medium enterprises
TAS:	Tasmania
UK:	United Kingdom
US:	United States
VIC:	Victoria
WA:	Western Australia



3.0 Executive summary

3.1 Business giving and volunteering

Giving by small, medium and large businesses reached \$17.5 billion in 2015–2016, representing a significant input to the nonprofit sector in Australia.

Giving has become more embedded in how most Australian enterprises do business. Partnerships with nonprofit organisations (NPOs) to generate positive social impacts emerged as the preferred way that the largest businesses give in the community. Small and medium enterprises (SMEs) were also becoming interested in giving through partnerships.

3.2 This report

This report presents the findings of *Giving Australia 2016* on giving and volunteering by business. It draws upon:

- a review of previous research, and
- primary research of SMEs (<200) and large businesses (200+ employees), namely:
 - data from 59 one-to-one interviews with CEOs, corporate community investment (CCI) managers in large companies, corporate foundation heads and senior peak body executives
 - an online survey of 220 businesses with 200 or more employees conducted July–September 2016 based on the business' last financial year
 - six focus groups of SME owners/managers, and
 - an online survey of 583 businesses with less than 200 employees conducted August–September 2016 based on the business' last financial year.

Reference is made to SMEs (less than 200 employees), mid-tier businesses (200 up to 999 employees) and corporations (1,000 or more employees). Mid-tier businesses and corporations when combined are referred to as large businesses.

While comparisons have been made to *Giving Australia 2005*, caution is needed with these due to differences in methodology.¹

¹ For more information, see section [5.0](#).

3.3 Key insights

The qualitative data indicates that giving by business has evolved since 2005 to be embedded in the strategies of the largest businesses in Australia and that most businesses of all sizes were seeking to generate a positive social impact from what they gave.²

In 2015–16, large businesses (200 or more employees) represented only 0.2% of all businesses, yet gave \$9 billion in their last financial year (51% of total business giving) (see Figure 1). On average, large business gave \$2.5 million per organisation. SMEs, which comprise 99.8% of all businesses in Australia, gave \$8.5 billion in their last financial year (see Figure 1).

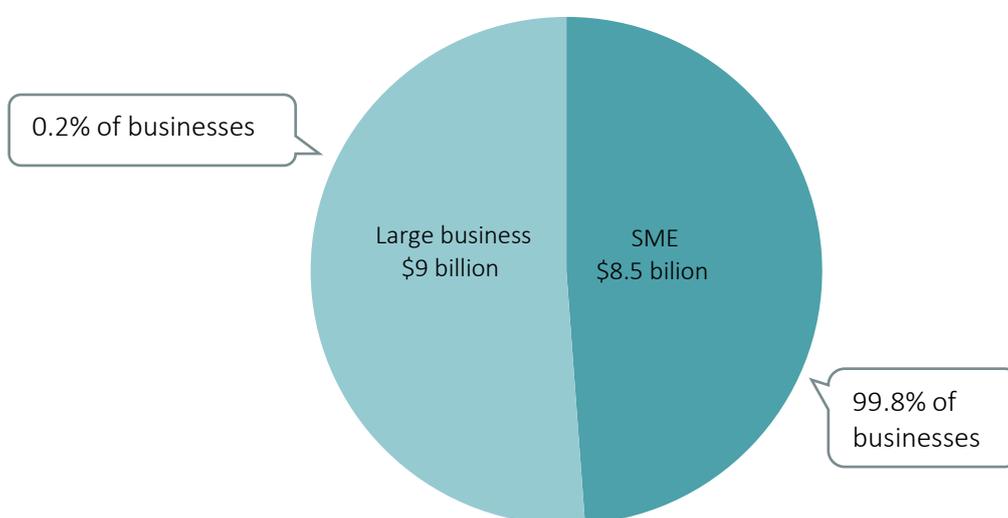


Figure 1 Business giving in 2015–16

Corporations, the largest businesses in the nation, gave \$7.9 billion (88% of large business giving: see Figure 2).

² Social impact is the net effect of an activity on a community and the wellbeing of individuals and families [CSI 2016]. A social impact can be positive or negative. In 2015–2016, one of the objectives driving business giving was to generate an impact in the community that improved or strengthened the well-being of individuals, households, or communities.

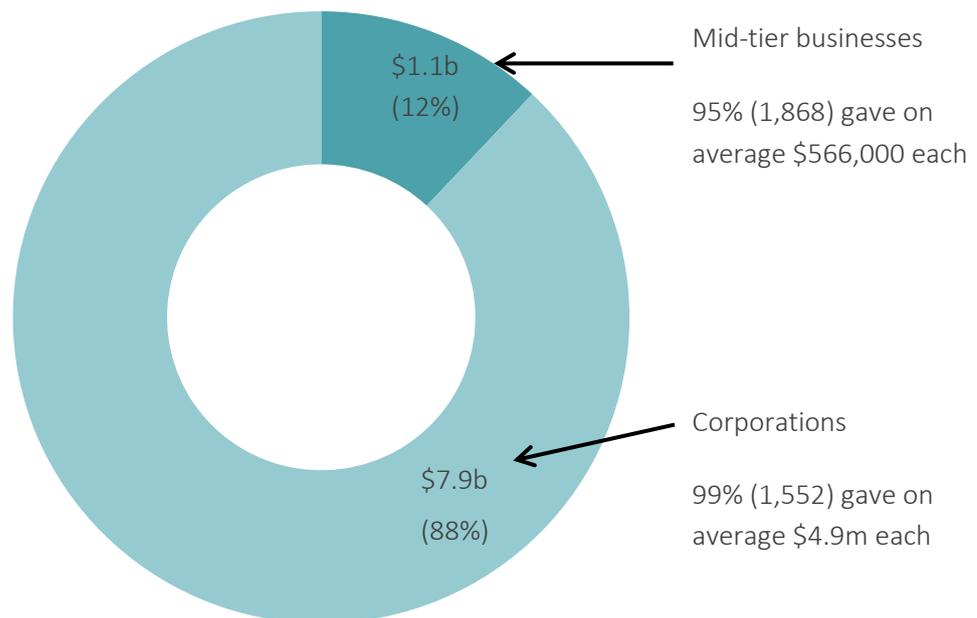


Figure 2 Large business giving in 2015–16

3.3.1 Recipients of giving

The education and research sector benefited the most, receiving 22% of total business giving.

SMEs gave most to culture and recreation (\$2.6 billion, 34% of all SME giving), social services (\$1.2 billion, 14% of all SME giving) and health (\$960 million and 11% of all SME giving). Much of the giving to culture and recreational organisations was in the form of sponsorship with the focus groups suggesting that SMEs often give to local sporting and recreational clubs where they have a personal connection to the club, for example, a child on the team (see section [6.5.7](#)).

Large businesses gave most to education and research (\$3 billion), health (\$1 billion) and social services (\$990 million).

In comparison, the *Individual giving and volunteering* survey found that individuals were most likely to give to social services, health, international and religious organisations.³ Meanwhile, the *Philanthropy and philanthropists* survey found that the most common areas to which giving was directed were social services, education and research, health and culture and recreation.⁴

Business leaders interviewed for the qualitative research suggested that community investment in education and research was a ‘natural fit’ for many large businesses because they had the financial scale to fund researchers and research programs (‘research is very expensive, and can take a long time’ according to one CEO interviewed), and they were large consumers of graduates of tertiary education.

³ For more information on giving by individuals, see [Giving Australia 2016: Individual giving and volunteering](#)

⁴ For more information on giving by philanthropists, see [Giving Australia 2016: Philanthropy and philanthropists](#)



Skewing community investment to research and education would be aligned to the immediate and long-term sustainability of many large businesses.

SMEs, on the other hand, are more plentiful in most communities than large businesses and as a sector, are more likely to have frequent contact with the community members involved directly in community recreation organisations (sporting groups especially) and arts organisations.

SME owners and managers that participated in the research focus groups indicated they were approached frequently and directly by community sports, recreation and arts groups for small sponsorship and donations, and felt that giving to these organisations helped embed their businesses in their communities.

3.3.2 Shift in the rationale for business giving

This research found that the embrace of CCI as core business by the boards and senior management teams of corporations, in particular, has had the greatest influence on business giving since 2005.

High profile management attention to giving as an input to social licence to operate, employee engagement and the employee value proposition, and stakeholder engagement has seen giving by large business and corporations embraced as core business. It is subject to the disciplines of corporate strategy, planning and performance measurement.

Businesses of all sizes participating in this research saw their giving, especially if guided by strategy, to be a potential source of competitive advantage for employee engagement, social licence and stakeholder engagement.

While applying contemporary management disciplines has influenced business giving evolution, so too has community expectations and business perceptions of its role in the community.

The research found leaders of businesses of all sizes perceived that the community expected that businesses should invest in the communities in which they operate above and beyond the economic impact they have by complying with laws and regulations while generating revenue and profit.

As well, those leaders perceived that giving by business was 'the right thing to do' not only because of community expectations but because giving was one of the attributes of 'good', 'smart', 'responsible' companies.

The qualitative research found that leaders of businesses of all sizes perceived giving to the community was an element of good business.

A lot of CEOs and business owners today have spent all their working lives in communities where CCI has been desirable, or the norm, and where social licence to operate issues, just as much as financial and economic issues, can make or break business models, big projects, M&As [mergers and acquisitions], and annual profits. So, CCI is just the way business is done for many leaders, especially in big outfits.

- Interview, senior manager



Australian businesses, especially large businesses, were transparent about wanting their giving to generate a social as well as a business benefit, hence giving was woven into the business strategy of most corporations.

Two main drivers emerged across businesses of all sizes:

- seeking to do good by making a positive contribution to the community, and
- generating social impact.

Other motivations reported by large businesses were:

- employee expectations
- a business desire to attract and retain the best people (employee engagement), and
- a strategy for the community to allow the business to operate and implement its plans.

This contrasts with previous research in 2007 (Centre for Corporate Public Affairs/Business Council of Australia) which found the impact of giving on corporate reputation was one of the top three indicators of giving success. In 2015–16, reputation was not in the top five indicators for businesses self-measuring success.

Further motivations for SMEs were building goodwill to support business success and personal links that SME managers had with their local communities.

Giving by SMEs was driven less by a strategy, and more in response to ad hoc requests from NPOs in their communities. In 2015–16, most SMEs gave in some way during their last financial year, including 60% of sole traders (see Figure 3).

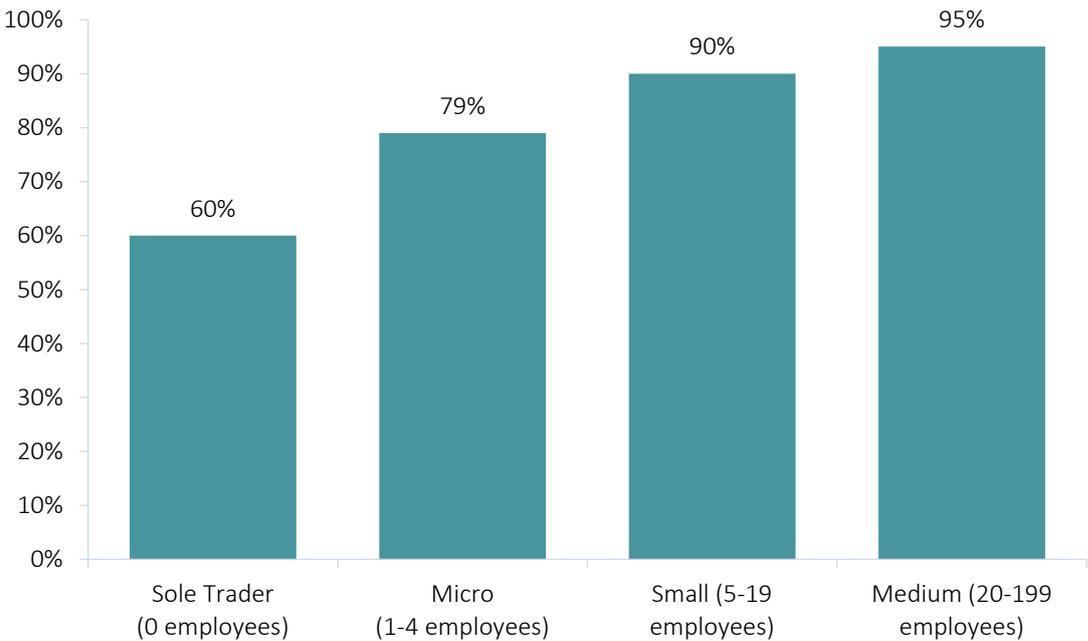


Figure 3 Percentage of SMEs giving in last financial by employee size



3.3.3 The rise of community partnerships

Large business giving through philanthropy and strategic philanthropy has moved more towards allocating money, management time, workplace volunteers and other resources to community partnerships. Community partnerships accounted for 69% of the total value of large business giving (\$6.2 billion).

Community partnerships are agreements (most frequently formal) between a business and an NPO for the business to give either funds, management time and capability, workplace volunteers (or all of these) to support the NPO realise its objectives or to deliver a jointly agreed objective.

Partnerships of this nature require mutual obligation and most frequently require the business and the NPO to apply formal protocols and organisational capability to steward the relationship between the two parties.

Business executives interviewed for this research indicated that most community partnerships included performance targets and indicators to assess if partnership investment and activity were making progress towards a partnership's agreed objectives.

This research also found that in corporations (where community partnerships are the preferred focus of CCI), considerable effort is applied to aligning workplace volunteering and some of the focus of workplace giving to corporate community partnerships. The rationale for this is to provide partnerships with more resources to maximise the opportunities to generate social impact (to 'make a difference').

Business executives interviewed for this research stated that formal partnerships with NPOs tended to enjoy longevity in large businesses and corporations, and were more readily positioned inside the business as an obligation and responsibility demanding management time and organisational resources. All the senior business managers interviewed for this research reported their partnership agreements with NPOs included an end date – either a specific date to renew or end the partnership or a separation determined if a stated objective or outcome was achieved (e.g. achievement of an agreed percentage of Indigenous students entering tertiary education from high schools in a defined region that was the focus of partnership work and funding).

The larger the business, the more community partnerships the enterprise tended to enter and manage. CEOs and senior managers reported that they undertook a smaller number of partnerships, each operating over a longer period and to which they allocated more resources. The strategic rationale for this was that such partnerships maximised the potential to generate beneficial social impact.

SMEs did most of their giving through donations and community sponsorships, which tended to be transactional and demanded minimal management time. Some 18% of SME giving was through community partnerships (\$1.6 billion), which typically sought to generate a social impact and required more management time and resources.

While SMEs were broadening their giving to support community partnerships, most mid-tier businesses and almost all corporations were seeking to manage a portfolio of giving vehicles as part of their corporate strategy.



3.3.4 Workplace volunteering

Workplace volunteering was on the rise.

The focus groups revealed that many SMEs were seeking more opportunities to enable their employees to volunteer through their workplace. However, this was largely an aspirational goal with only 6% reporting that they managed a formal volunteering program.

Almost 90% of large businesses reported allocating more resources to volunteering compared to 10 years ago and wanted to see more of their workforce participating in workplace volunteering (the average participation rate was 21%).

About one-third of mid-tier companies and 63% of corporations managed a formal volunteering program. Half of all corporations managing a formal program sought to integrate workplace volunteering in their community partnerships.

For example, large businesses such as banks involved in financial literacy community partnerships, involved employees in mentoring young and financially vulnerable people on how to manage their money or access community and social services. Senior executives working in a partnership with a leading charity to alleviate childhood poverty might volunteer to assist with business strategy or sit on a governance advisory board.

Almost three-quarters of large businesses (72%) indicated they encouraged employee giving by giving paid time away to volunteer.

3.3.5 Payroll giving

The Australian Taxation Office data shows that in 2013–14, the number of people employed in workplaces with workplace giving programs increased to 3,173,802 (McGregor-Lowndes and Crittall 2016). Just under 5% of all employees in 2013–14 donated through workplace giving and the total amount donated using workplace giving was \$31 million.

Given the size of most SMEs, establishing and managing opportunities for payroll giving by employees remained challenging. Less than one-third (28%) of SMEs offered payroll giving. Of this group, 26% of businesses matched employee donations (e.g. dollar for dollar).

Eighty-five per cent of large businesses allowed employees to make pre-tax regular donations to NPOs through their pay. Of this group, 56% matched employee giving.

The main ways large businesses encouraged employee giving included circulating information about local NPOs (73%).



Large businesses were seeking to increase payroll giving. The CEOs and senior managers of companies that managed payroll giving who were interviewed held strong views about giving in the workplace:

- provided employees with an employment benefit of being able to give from their pre-tax salary and wages, and provided documentation that was income tax statement ready
- strengthened the employee value proposition of the business in the labour market, especially among Millennial, Generation Y and Baby Boomer employees, and
- matched giving in businesses provided employees with the opportunity to, in most cases, double the contribution they made to a charity.

If a business holds that philanthropic giving is a good thing for the community, offering its people the opportunity to give at work in a way that can double their giving impact, is tax effective, and requires minimum logistics effort from them is a benefit of employment that the company can offer. We have found it makes the employee feel better about themselves, and about the company. This is a win, win, and we'd like to see more of it.

- Interview, CEO

Our employees who are part of our workplace giving program tend to be more engaged than employees who are not, regardless of how much or how little they are able to give. The business case, then, is open and shut for the company, and terrific for the charities who receive contributions from our people.

- Interview, senior manager

A small number of companies reported that they were moving to 'opt-out' workplace giving arrangements, whereby all employees would automatically contribute a small amount from their monthly wages/salaries to the company's foundation or general giving fund (\$5 was cited) unless they chose to opt-out.

3.3.6 Community sponsorships

Most SMEs regarded commercial marketing sponsorships as giving. Many SME managers and owners reported that frequently their motivation to fund a commercial marketing sponsorship was altruistic. Large businesses did not share this view, generally regarding sponsorships as commercial activity ('cause-related marketing').

While large businesses did not account for, report or manage marketing sponsorships as giving, they did support many NPOs through non-commercial community sponsorships.

Community sponsorships are characterised by business support of an NPO or community group to enable them to sustain their operations, stage an event, support fundraising or achieve a specific objective (e.g. send an exchange student from a local community overseas). Unlike commercial marketing sponsorships, the business is not motivated by and does not seek to position its brand proposition through the sponsorship nor position the sale of its products or services.

In arrangements such as these, the business may be offered public recognition of its sponsorship. However, marketing of its brand and leveraging its financial or in-kind support for commercial brand or marketing advantage, is not a motivation for the business.



Our community sponsorships are limited to where we financially underwrite or contribute to a not-for-profit so it can keep its doors open, or undertake a specific [activity/service] in the community, such as a Meals-on-Wheels fundraising night, travel expenses for a junior sports team in a town where we have operations or meeting the venue costs of the annual conference of one of our community partners. These community sponsorships are not about us seeking commercial marketing value or leverage, and is not a marketing agreement in any sense. This is what distinguishes this type of arrangement from commercial sponsorship of a team in the AFL, the Melbourne Cup, or a television series.

- Interview, senior manager

Large businesses contributed \$1.8 billion to community sponsorships of NPOs in 2015–16.

3.3.7 Corporate foundations

Very few SMEs and only 12% of large businesses had a corporate foundation. Some corporate foundations were not necessarily incorporated as formal foundation entities. Instead, they were cost centres inside businesses, branded as a business foundation.

Most large businesses that did not manage a foundation (and this was the vast majority) had no immediate plans to establish a foundation and saw no strategic necessity to do so.

As well as strategic considerations, there were few tax advantages of establishing corporate foundations in Australia unless such foundations accepted external, tax-deductible contributions (some did; however, these were rare).

Most businesses that managed a foundation did so as part of a broad portfolio of giving vehicles and used the foundation to funnel and manage grants programs in lieu of not accepting unsolicited donations.

A smaller number of businesses managed all of their giving—partnerships, donations, volunteering, payroll giving—through their foundation.

3.3.8 Innovation in business giving

The main innovation in business giving since 2005 has been in the thinking behind business giving.

Business leaders interviewed and participating in focus groups identified that contemporary good practice management disciplines had been applied to business giving since 2005, renovating approaches by large businesses and corporations in particular.

This concurs with the finding that giving by some large business and most corporations is driven by strategy, and therefore giving was a considered element of business. Giving by most larger businesses was not a haphazard ‘bolt-on’ to core business but had *become* core business.

The manifestation of this includes CCI performance being an accountability of the CEO and her/his senior management team and in some corporations (e.g. Unilever, GE, Westpac, Crown, Diageo, Telstra) the board.



That CCI has been normalised as core business was evident in the CEOs and senior managers of corporations and large businesses interviewed during this research who see CCI performance as potential or existing competitive advantage: in its contribution to the employee value contribution and employee engagement; capability to engage stakeholders, including those in the supply chain and the enabling environment (related to social licence to operate); and contributing to social licence.

The shift detected in this research for corporations incorporating generation of positive social impact in their CCI was another innovation that has been gradual and deliberative.

Corporations, the smallest category of business that gives the most in Australia, have decided that a focus of funds, management capability, and workplace volunteer hours on a social issue (including environmental sustainability) in partnership with an NPO with experience, skills and commitment, maximises the opportunity to generate positive social impact 'to do good'. Despite this evolution, many senior managers involved in giving were still seeking better application of innovation and replicable results from improved management processes.

They tended to be seeking 'big bang' innovation, that is, innovation in processes and tools to render more efficient the often laborious tasks of managing giving, so that there could be more time to engage with strategy, as well as with giving-related stakeholders.

This research found also that the revolution in the extent and use of social media in business and the broader community since 2005 has not had a discernible effect on business giving.

Senior managers responsible for CCI indicated that social media platforms offered businesses more opportunities to have conversations with stakeholders about business giving (and community partnerships especially). However, they perceived business was still investigating how engagement with social media could generate value for their CCIs, and how they are managed.



4.0 Introduction

4.1 Overview

4.1.1 Businesses operating in Australia in 2015–16

Since the mid-2000s, the Australian economy has become larger and weathered a global financial crisis, the effects of which are still crueing economies in Europe in particular.

The interaction of businesses, large and small, with the communities in which they operate has also changed.

Businesses can be categorised by size based on the number of people they employ (see Figure 4).

- **SMEs** employ less than 200 people and can be further be broken down into micro business (0–4 employees), including non-employing businesses (‘sole traders’), small businesses (5–19 employees), and medium businesses (20–199 employees).
- **Large businesses** employ 200 or more people and can be broken down into mid-tier businesses (200–999 employees), and corporations (more than 1,000 employees).

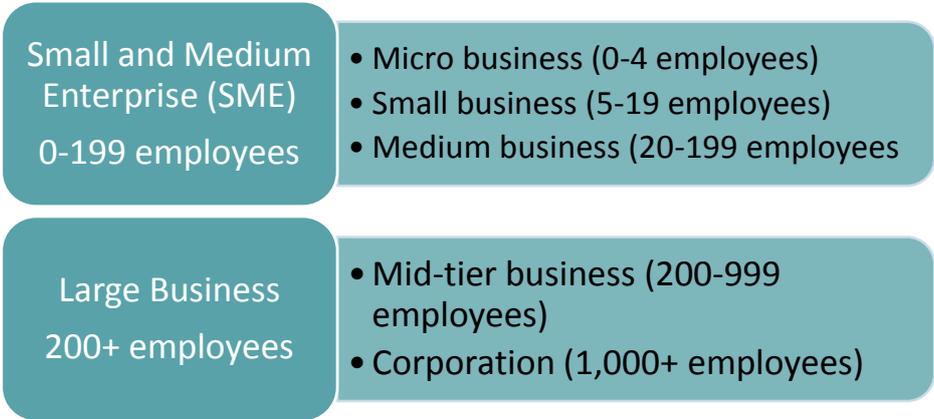


Figure 4 Business categories by number of employees

At June 2015, there were 2,121,235 businesses operating in Australia (ABS 2016). Small and medium businesses accounted for 99% of actively trading businesses. Less than one per cent (0.2%) of business employed 200 or more employees in 2014–15.

A breakdown of the business population by employee size is provided in Table 1.



Table 1 Breakdown of business population in Australia 2015

Type of business	Number of employees	Percentage of population	Total number
Non-employing	0	61%	1,284,615
Micro business (SME survey)	1-4	28%	584,744
Small business (SME survey)	5-19	9%	197,164
Medium business (SME survey)	20-199	2%	50,995
Large business (Large business survey)	200 or more	<1% (0.2)	3,717
		TOTAL	2,121,235

Large business contributed more to gross domestic product (GDP) than the 99% of small and medium-sized businesses combined. In 2014–15, large business contributed \$1,066 billion industry value added,⁵ while SMEs contributed \$608 billion (ABS 2015).

In October 2016, the Australian Competition and Consumer Commission (ACCC) noted the revenue of Australia’s largest 100 listed companies increased from 27% of GDP in 1993 to 47% of GDP in 2015 – a growth rate that has outpaced the US, where the top companies grew their revenue from 33% to 46% in the same period (ACCC 2016).

The economic significance of large business and their increasing concentration in the Australian economy indicates the ‘bigger end of town’ has the greatest capacity to support corporate giving in 2016.

4.1.2 Business giving in 2015–16

Survey respondents, along with focus group and interview participants reported a significant evolution in the manner and quantum of giving by businesses in Australia since the *Giving Australia 2005* report, and the 2007 research study by the Centre for Corporate Public Affairs and the Business Council of Australia on corporate community involvement.

For all businesses, small and large, giving in 2015–16 was driven by an ethical and social as well as a business imperative. More so than in the mid-2000s, giving was reported as embedded in the business models of most corporations, no longer an optional bolt-on that can be jettisoned when macro-economic or trading conditions sour.

Driven by a business imperative to attract, engage and keep the best employees, and maintain social permission from the community to realise their business strategy (social licence to operate), corporations, in particular, were focused on active giving, shying from donating money only (termed as ‘philanthropy’ in most large businesses), and engaging in giving that requires involvement of management or employees and that requires some deliberate efforts.

Most SME owners and managers saw giving as part of their business model also but managed less formal arrangements for their giving, approaching giving to the communities in which they operate on

⁵ Industry value added (IVA) is the measure of the contribution by businesses in each industry to Gross Domestic Product.



an opportunistic or ad hoc basis. The manner in which business was doing this, how, and why, is analysed in detail in the following pages.

4.2 Structure of the report

This report adopts the following structure:

The introduction provides an overview of business in 2015–16; highlights the key findings from previous research, including key concepts captured in the literature review for the business giving component of *Giving Australia 2016* – business giving, workplace volunteering and workplace giving; and outlines the research questions addressed in this report.⁶

The methodology section outlines the data collection and analysis approach used for the business component of the 2016 *Giving Australia* study as follows:

- overview and comparison with 2005 research (section [5.1](#))
- literature review (section [5.2](#))
- the qualitative components: interviews on large business giving (section [5.3](#)) and focus groups on SME giving (section [5.4](#)), and
- the quantitative components: survey of large business (section [5.5](#)) and survey of SMEs (section [5.6](#)), and notes and limitations of the methodology (section [5.7](#)).

The findings of the study are then presented. This section begins with an overview of the state of business giving in Australia in 2016 (section [6.2](#)), including what is business giving (section [6.1](#)), and the drivers of giving by SME and large business (section [6.3](#)). It then provides detailed findings on large business giving (section [6.4](#)) and SME giving (section [6.5](#)).

The findings section is followed by the analysis of the findings. This includes:

- a summary of key themes and possible future trends observed (section [7.1](#))
- a comparison where possible with *Giving Australia 2005* findings (section [7.2](#))
- a comparison with overseas trends (section [7.3](#)), and
- implications for policy and practice to encourage and strengthen giving by business (section [7.4](#)).

Finally, the conclusion provides a brief summary of the research and is followed by the reference list and appendices.

⁶ The *Giving Australia 2016 Literature review summary* and *Giving Australia 2016 Literature review* are available to download at <http://www.communitybusinesspartnership.gov.au/about/research-projects/giving-australia-2016/>



4.3 Key findings from previous research

The key findings identified in the *Giving Australia 2016 Literature review* are summarised below.

4.3.1 Business giving

Business giving entails a range of concepts describing the giving of money, goods or services by business to nonprofit organisations (NPOs). Broadly, the terms: CSR, corporate citizenship and CCI are commonly used to bundle together a range of activities including:

- corporate philanthropy (unconditional donations)
- corporate volunteering
- workplace giving
- community partnership, and
- corporate foundations.

The literature indicates that business is moving away from one-way giving to a ‘shared value’ approach that is centred on strategic investments aimed at generating beneficial outcomes for both the business and the community (Porter and Kramer 2011, Centre for Corporate Public Affairs and Business Council of Australia 2007).

Interviews with business owners, CEOs and senior business managers, suggest that a primary element of what they see in the shared value equation for the community (that can be generated by their giving) is social impact – strengthening the wellbeing, quality of life, and life circumstances of specific individuals, households and communities.

This was reflected particularly in large business’ increasing use of CCI to express their giving – defined as a long-term strategic involvement in the community to address social issues and generate social impact, chosen by the company, to protect corporate interests and enhance reputation. (We note CCI is the term used most commonly in corporations and many other large companies to describe the full spectrum of giving to the community).

The components of business giving are presented in Figure 5.

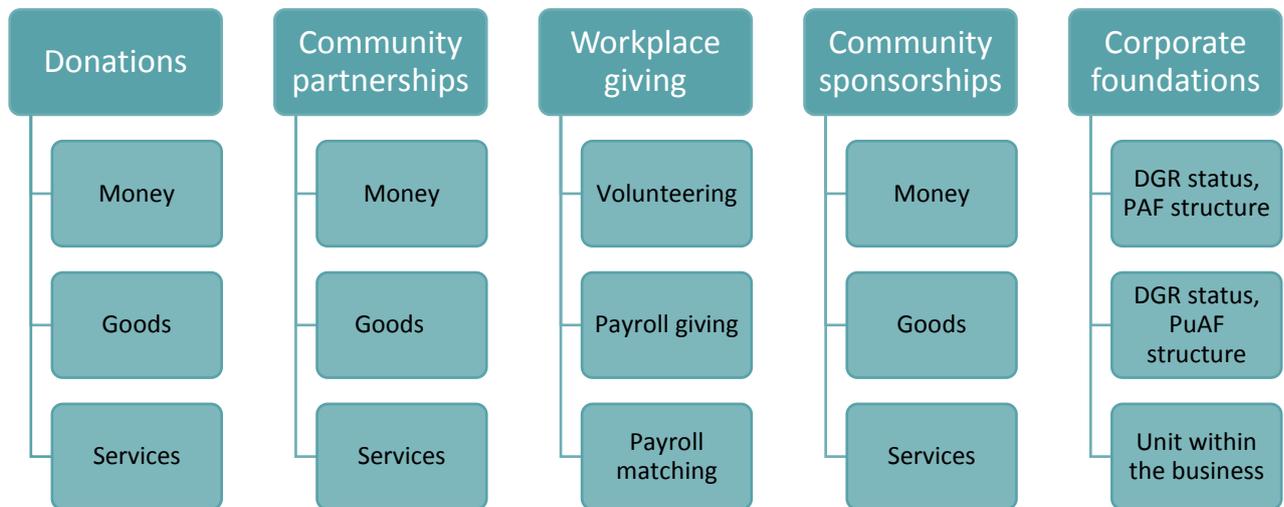


Figure 5 Components of business giving

4.3.2 Workplace volunteering

Also known as ‘corporate volunteering’ or ‘employee volunteering’, workplace volunteering is defined as ‘allowing staff to engage in unpaid work for a community organisation during work hours for a wider societal benefit, and for the possible benefit of the volunteer and for the corporation’ (The Allen Consulting Group 2007, 1).

The literature suggests that businesses commonly regard workplace volunteering as an important component within a suite of activities under the umbrella of CCI. Most employees now want to volunteer time as well as money (Bailey 2014; Harder 2010).

Comprehensive data on volunteering remains scarce, however anecdotal observations support the view that employee volunteering programs are on the rise (*The State of Volunteering in Australia* 2016). Skills-based volunteering, the application of individual or collective corporate expertise, is identified as potentially offering increased mutual benefit to NPOs and corporations (The Allen Consulting Group 2007; Bocalandro 2009; Hills and Mahmud 2007).



Thought leaders (Centre for Corporate Public Affairs 2007; Boccasandro 2009; London Benchmarking Group 2014) forecast that workplace volunteering will, over the next decade, move in a direction that seeks to maximise the social impact of volunteering, which can be measured against six drivers of effectiveness:

1. cause-effective configuration
2. strategic business positioning
3. sufficient investment
4. culture of engagement
5. strong participation, and
6. evaluation that can be used to inform strategy and ongoing management of workplace volunteering.

4.3.3 Payroll giving

Payroll giving (PG) involves employees making regular donations from their pre-tax pay. Matching programs, where an employer will match the giving of their employees, sits at the more advanced end of the PG spectrum. Communities and enterprises stand to gain significantly from continued growth of PG, with the following benefits highlighted by Charities Aid Foundation (2015a):

- It creates a positive community spirit within a company
- It enables donors in the workplace to give to charities pre-tax and make a real difference
- It is the most efficient way to connect donors, employers and charities
- It is the most cost effective means for charities to raise funds
- It makes it easy for companies to be good corporate citizens
- Employers can supercharge company giving by matching staff donations
- Donors receive an automatic tax deduction and don't have to retain receipts, and
- Donations can be one-off for special events or ongoing to support a chosen charity.

The literature suggests that participation rates and the total amount donated through PG are being impeded by a lack of awareness of PG and negative perceptions of giving arrangements in the workplace (Australian Charities Fund 2010; Low et al. 2007).

The arrival of Millennials, with expectations of being more involved in their organisation's decision making, and evolution of enabling technology in the workplace, are identified as possible drivers of PG (Australian Charities Fund 2010; Bailey 2014; Feldman et al. 2015; Osili, Hirt and Raghavan 2011; Wilson 2015).



4.3.4 *Giving Australia 2005*

Key findings on business giving (2003–04) from the *Giving Australia 2005* research include the following:

- Overall, 67% of all Australian businesses gave in 2003–04, totalling \$3.3 billion
- Monetary donations were the most common form of business giving (68%), followed by the giving of goods (16%) and services (16%)
- Some 30% of businesses allowed employees to make pre-tax regular donations to NPOs through their pay. Of this group, only four per cent offered a company matching scheme (e.g. dollar for dollar) for payroll deductions
- Some 39% of businesses encouraged their employees to give their money, time or services to NPOs or charities in some way
- Seventeen per cent of all business giving was given to business community projects, and
- Large businesses with more than 501 employees gave a relatively large amount (20% of all business giving) for a group accounting for less than 1% of the total businesses population.⁷

It was estimated that Australian businesses contributed 29% of total giving in 2004, which was higher than in the US (at 7%) and the UK (at 3%) (Sargeant and Crissman 2006).

⁷ There was a low response from large business with 501 or more employees to the Giving Australia 2005 survey. This data should be viewed with caution in relation to larger business giving.



4.4 Research questions addressed in this report

This report addresses the *Giving Australia 2016* research questions as they relate to business giving and volunteering.

- What are the rates and patterns of (business) giving and volunteering in 2016?
- How are (business) giving and volunteering behaviours changing over time including the use of innovative giving and volunteering platforms?
- How are innovations in social media and technological development influencing (business) giving and volunteering?
- What factors influence people (business) to utilise methods of giving, such as bequests, workplace giving and collectives (e.g. giving circles) and foundations?
- How do Australian patterns of (business) giving and volunteering compare with other like countries and what factors contribute to these differences?
- What are the critical factors that motivate (business) giving and volunteering behaviours in 2016?
- What are the opportunities to grow levels of (business) giving and volunteering among individuals and business?
- What are the current trends in levels of corporate social responsibility including participation in workplace giving and corporate volunteering programs and is this changing over time?
- What factors contribute to differences between businesses' approaches to corporate social responsibility according to their size, industry sector and location?
- What does information about changing patterns of (business) giving and volunteering in 2016 tell us about the future of philanthropy in Australia?
- How do philanthropists (businesses) select a charity?
- How do performance and outcomes reporting influence philanthropists' (businesses') decisions about donations?



5.0 Methodology

5.1 Overview and comparison with 2005

The methodology for the business component of the *Giving Australia 2016* project was revised from the 2005 research. Care should be taken therefore when making direct comparisons with *Giving Australia 2005*. Although the 2015–16 methodology seeks comparability with the 2005 study, changes were introduced to strengthen research engagement with SMEs, mid-tier businesses and corporations, and to capture business thinking, behaviours and approaches across enterprises of all sizes.

In particular, large business (businesses with more than 200 employees) and SMEs (businesses with less than 200 employees, including non-employed ‘sole traders’) were studied as two separate group streams in both quantitative and qualitative research components:

- research on SME giving: six focus groups and a survey of 583 SMEs, and
- research on large business giving: 59 interviews and a quantitative survey of 220 large businesses.

The 2015–16 research methodology recognised fundamental differences (including scale of resources available to manage giving) between large businesses and SMEs in business strategy, management decisions, social and economic impact and modus operandi; including the behaviour of corporations, which contribute so significantly to GDP in Australia; and which very often develop and operationalise approaches to management that are emulated by small enterprises.

The 2005 survey of business reported weighted data to 780,000 businesses. In 2015–16, survey data was weighted to the *total known business population* based on the latest ABS counts (3,522 large businesses⁸ and 2,108,966 SMEs).

An initial literature review indicated that the drivers of business giving have also changed. Business in Australia recognises that a wide range of external and internal stakeholders in the community are changing their expectations about the role and value of companies in society (social licence to operate) and that social expectations of business are continuing to evolve and become more demanding.

Therefore, the 2015–16 methodology incorporated a broader qualitative component, involving six focus groups of 56 SME owners, and 59 in-depth interviews with large business and peak bodies, to seek the nuances behind business thinking on giving of SMEs, large businesses and corporations.

⁸ The ABS catalogue did not have the total business population (3,717) segmented by industry group. To ensure correct weighting by industry group, the number of 3,522 businesses, segmented by industry group, was used.



The last occasion that giving (in all its manifestations) by corporations in Australia was investigated in any depth was in 2007, in the Centre for Corporate Public Affairs and Business Council of Australia report on corporate community involvement, for the Prime Minister's Community Business Partnership.

5.2 Literature review

A detailed review of available literature was conducted to establish key themes and emerging trends and practices. This analysis informed also the design and approach of the qualitative and quantitative research.

As mentioned earlier, three distinct literature reviews were conducted:

- business giving (including corporate foundations)
- workplace volunteering, and
- workplace/payroll giving.

The review included literature from business leaders, academics, thought leaders and journalists to capture divergent opinions, sectors and approaches. Various databases were used to identify and source relevant literature (Research Gate, Google Scholar, Google, and JSTOR).

Keywords used to search business giving included:

- business giving
- social responsibility
- shared value, and
- community partnerships.

Keywords used to search workplace giving included:

- workplace giving
- payroll giving
- volunteering
- donations, and
- charity.

Keywords used to search workplace volunteering included:

- workplace volunteering
- not-for-profits (and variants)
- community partnerships
- employee volunteering
- employee engagement, and
- giving programs.



5.3 Interviews: large business giving

Fifty-nine one-to-one interviews were conducted between October 2015 and May 2016. Participants were grouped into four categories: 20 CEOs and business leaders in corporations; 10 CCI managers in large companies and corporations; 20 heads of corporate foundations; and nine heads or senior executives of peak bodies.

The interviews were conducted by senior managers from the Centre for Corporate Public Affairs. Most interviews were conducted via telephone (48) with some face-to-face conducted in Melbourne (2), Sydney (9) and Perth (2). Each in-depth interview lasted about 60 minutes; some interviews lasted up to two hours.

Interview discussion guides were developed for each group. They were focused on investigating interviewee attitudes on corporate giving and CCI.

Key themes in the discussion guides were:

- business drivers of giving
- perceptions about new and evolving business models and how they may affect giving
- perceived community expectations about business giving
- management of corporate giving, and
- possible future trends in corporate giving.

All interviewees received an advance copy of the discussion guide.

5.4 Focus groups: SME giving

Six focus groups of SMEs were facilitated in November 2015. Fifty-six SME owners participated.

All respondents were owners or managers of small and medium businesses. Participants were recruited from a combination of a public database of small and medium business owners and a panel of small and medium business owners. Participants were given a market rate by the research sub-contractor for attending.

The groups were facilitated by professionally trained interviewers (McNair Ingenuity Research or Stable Research) and lasted approximately 90 minutes each. Participants were given a voucher of \$120 each for attending.

Six focus groups were conducted (four in capital cities and two non-capital cities). Each focus group comprised:

- between eight and ten participants
- equal representation of male and female participants
- a mix of age groups, and
- a mix of employee size: 0-4 (micro business); 5-19 (small business); 20-199 (medium business).



The focus groups sought to investigate the giving behaviour and attitudes of small and medium business owners. The specific objectives of facilitating each group were to:

- investigate methods of giving by small and medium business owners
- investigate specific differences between donating, partnerships and sponsorships in supporting community and charitable organisations, and
- guide the survey development.

The discussion guide was in four sections: (1) general giving behaviour and attitude; (2) donation activity; (3) community partnerships; and (4) sponsorship of community service organisations.

5.5 Survey of large business

5.5.1 Survey design and pilot survey

The survey was based on the *Giving Australia 2005* business survey to ensure that a similar range of topics was examined, to allow some comparison, despite the different 2016 data collection approach. The 2005 sample was heavily skewed towards smaller organisations. Some 97.9% of the businesses surveyed had 50 or fewer employees. Only one business surveyed would have been considered a corporation (1,000 or more employees). A separate survey was therefore deemed necessary to specifically target businesses of greater size.

In 2005, sampled businesses were mailed a self-completion questionnaire. Many businesses requested replacement documentation because original letters were mislaid.

To increase efficiency and ease of completing the survey in 2016, and in keeping with the prevalence of email as an accepted main mode of business communication for large business, the 2016 large business survey was conducted online.

The 2005 questionnaire instrument was revised for 2016 based on the literature review and preliminary insights obtained from the 2016 qualitative data, which captured new developments in giving by large businesses over the last decade.

The revised questionnaire also sought to capture emerging trends likely to shape business giving decisions in the future, including:

- alignment between giving and business strategy, and
- the growth in community partnerships, social enterprise, workplace volunteering, new technologies and social media.

Ten cognitive tests were conducted on the draft questionnaire. Results of the testing were reviewed by the research team, The Australian Centre for Philanthropy and Nonprofit Studies (ACPNS), and in consultation with the Australian Bureau of Statistics (ABS) Statistical Clearing House. The draft survey was amended accordingly.



Questions relating to large businesses' sponsorship of NPOs particularly were revised.

The SCH provided input into the methodology for sample selection, survey design and testing. The final survey was approved by the SCH before distribution

A copy of the large business survey forms section [10.1](#).

5.5.2 Sample

A representative sample of 2,500 large businesses was drawn randomly from a commercial database. The database purchased from a commercial list broker contained more than 3,000 large businesses (representing about 93% of the population). The random sample was drawn with quotas set in proportion to 2016 ABS business counts, stratified by industry (ANZSIC 2006 industry classification code) and state jurisdiction.

The frame was checked to confirm that the top 200 Australian Stock Exchange (ASX) (2015) businesses were included to ensure that the largest companies (by market valuation) were represented.

The frame was also cleaned by removing duplicates, charities, government agencies and other non-relevant organisations (to avoid overlap with the nonprofit component of *Giving Australia 2016*).⁹

5.5.3 Distribution and response rates

The survey was open for 10 weeks from July to September 2016. Two thousand invitations were sent in the first week, and an additional 500 invitations despatched in week eight to reach the target. Each business that had not yet completed the survey was sent up to two reminder emails, followed by a computer-assisted telephone interview (CATI) reminder (excluding those businesses who declined to participate). Given the time constraints, businesses sent an invitation as part of the second release of the additional 500 sample received only reminder emails, and no CATI reminder before the survey closed.

The online survey generated a unique ID and link for each participant. Invited participants could pause their survey and return to complete it at any time. Some 29 participants requested a generic link to the survey to forward to a delegate to complete.

⁹ See [Giving Australia 2016: Giving and volunteering – the nonprofit perspective](#)



The data collection timing:

- Week 1 (19 July 2016): survey open – 2,000 businesses emailed invitation to participate (first sample release)
- Week 2 (25 July 2016): first reminder email sent to the 1,898 businesses
- Week 3 (1 August 2016): second reminder email sent to the 1,794 businesses
- Week 4 (8 August 2016): telephone reminders made to 200 businesses
- Week 5 (15 August 2016): telephone reminders made to 250 businesses
- Week 8 (5 September 2016): 500 businesses emailed invitation to participate (second sample release)
- Week 9 (12 September 2016): first reminder email sent to 463 businesses, and
- Week 10 (19 September 2016): second reminder emails sent to 230 businesses; survey close.

In total, 220 completed responses were received from large businesses, representing 6.7% of those sampled.

5.5.4 Weighting and analysis

Back coding was undertaken on questions where open-ended responses were allowed. Non-response analysis and validation procedures were performed on all completed surveys to verify the data. Any completed surveys with apparent self-completion errors or illogical responses (e.g. dollar amounts inconsistent with revenue nominated) were removed from the final sample.

Results were weighted to the known population size businesses that employed more than 200 people and by location (state or territory).

5.5.5 Time period

Survey responses were based on the financial year 1 July 2014 to 30 June 2015 for 56% of businesses. For the remaining 44% of businesses, responses were based on the 'last financial year' for each business.

5.5.6 Issues to note—shortcomings of the methodology

We note that participants were asked to answer for all operations reporting under one head office. There may be circumstances when several businesses share the same ABN.¹⁰

¹⁰ This approach is in line with the ABS' views that 'for a relatively small number of businesses, the ABN unit is not suitable for ABS economic statistics purposes'. Its profiled population is comprised of units as defined by the ABS, which consists typically of large, complex and diverse groups of businesses (See ABS, explanatory note for '8165.0 - Counts of Australian Businesses'). Note also that the list used to draw the sample for the Giving Australia 2005 survey acknowledged the same issue: 'For larger organisations, the ABS advised that their counts are based on Australian Business Numbers (ABNs) and that there could be some duplication for businesses with more than one ABN. However, for these organisations, the list broker Incnet claims to have a comprehensive listing, so between the two sources, it was believed that a definitive count of the number of businesses was achieved' (Giving Australia 2005 business survey codebook page iv).



Readers should also note the risk of non-response bias given the response rate (6.7%). Although weighting has been undertaken (as described above) care must also be taken when making generalisations based on the findings from this survey.

5.6 Survey of SMEs

5.6.1 Questionnaire design and pilot

As with the 2016 large business survey, the 2016 SME survey was based on the *Giving Australia 2005* business survey to ensure that data collected in 2016 had content akin to the 2005 research.

The method for data collection was revised to improve ease of survey completion and efficiency of collecting responses from SMEs. The sampled businesses were sent an invitation letter with a link to the online survey, followed by reminder telephone calls to each SME.

The SME questionnaire was revised based on insights gained from the literature review and focus groups conducted at the earlier stages of the research, as well as feedback from the ACPNS and the ABS Statistical Clearing House. The final survey sought to capture issues of particular significance to SMEs, including new developments in giving by SMEs over the last decade and emerging trends likely to shape their decisions in the future. New considerations factored into the 2016 questionnaire design included the impact of new technologies and social media, locality (metropolitan versus non-metropolitan), type of business and customers serviced.

Cognitive tests of the draft questionnaire were undertaken with 20 SMEs to assess question design and logic. Following this, a pilot of 100 SMEs was conducted to test the proposed distribution methodology. The piloted sample participants were each mailed a copy of the proposed invitation letter with a link to the test survey, with reminder calls made to all non-responders after one week. Five completed surveys were obtained from the pilot. Results of the testing and pilot indicated that while the questionnaire itself was understood, the likely response rate would be less than 1 in 10 without a rigorous reminder call system.

A copy of the SME survey forms section [10.2](#).

5.6.2 Sample

A representative sample of over 7,000 SMEs was randomly drawn from a commercial database of businesses which covered 360,000 Australian companies encompassing SMEs to large corporations.¹¹

¹¹ In order to verify what proportion of the population of businesses was represented by the incomplete components of the ReachDM database, estimates of the number of business units by location and industry for businesses with less than 200 employees were obtained from the ABS June 2015 database.



The frame was also cleaned by removing duplicates, charities, government agencies and other non-relevant organisations (to avoid overlap with the nonprofit component of the *Giving Australia* project).

5.6.3 Distribution and response rate

The survey was open from 19 August to 18 September 2016. Invitation letters were mailed to 7,158 businesses in two waves, 5,158 in the first week and 2,000 in the third week. The letter contained a link to an online self-completion survey and a unique survey completion log-in code.

After approximately ten days from the first mail out, a reminder phone call was placed with all businesses that had not completed and returned their questionnaires at that time. In practice, a call was made to every business that had been sent the first letter.

The data collection timing was:

- 19–22 August 2016: initial personalised letter sent, with instructions and unique ID code, to 5,158 businesses
- 29 August – 11 September 2016: reminder phone calls placed with 5,306 businesses that had not responded. Personal contacts were established, and invitations were re-mailed to correct contacts or emailed if they had not arrived
- 9 September 2016: new invitations to a further 2,000 businesses were sent
- 12–16 September 2016: the second wave of reminder phone calls placed with businesses that had not responded, and
- 18–30 September 2016: data collation and processing.

In total, 583 completed online surveys were received, a response rate at 8.1%.

5.6.4 Weighting and analysis

As with the large business survey, back coding was performed on variables where open-ended responses were allowed. Non-response analysis and validation procedures were performed to verify the data. Any completed responses with apparent self-completion errors or illogical answers were removed from the final sample used for analysis.

Results were weighted to the known population size (2,108,966) businesses that employed less than 200 people, and by size (number of employees) and state/territory. Results were also weighted to the known number of businesses by industry.

5.6.5 Time period

The SME survey was based on the financial year 1 July 2014 to 30 June 2015 for 75% of businesses. For the remaining 25% of businesses, it was based on each business's 'last financial year'.



5.6.6 Issues to note

In 2015, there were over two million SMEs operating in Australia (ABS 2015). Although the frame used was identified as the best available list to source participants for this SME survey, the list comprised only 300,000 businesses and did not cover the full Australian SME population.

While the sample provided reasonable Australian level estimates, care must be taken when making generalisations on the results obtained from the resulting 583 responses, especially for detailed industry level comparisons.

The results from the SME survey should be read alongside the large business survey.

Readers should also note the risk of non-response bias given the response rate (8%). Although weighting has been undertaken (as described above) to produce representative data, care must also be taken when drawing conclusions based on the findings extrapolated from respondents representing 0.025% of the population.

The contractor's sample was drawn from a frame that categorises industry groupings using 1993 ANZSIC classifications. To correct this, 2006 ANZSIC code classifications were included as a screener question within the online survey, where all respondents were asked to confirm their current business categorisation early in the survey.

5.7 Notes on the overall methodology

A number of qualifications should be noted when reading the 2015–16 findings on business giving, particularly in making comparisons with previous studies on business giving in Australia (see also discussion in section [5.1](#)).

The 2015–16 study used a different methodology than *Giving Australia 2005*. As noted, in 2016 the quantitative survey covered the full business population, while the 2005 sample was heavily skewed to smaller businesses (97.9% of the sample had 50 or fewer employees). The only other broad-scale study of business giving in Australia was by the ABS in 2000–01 and was limited to employing businesses only (ABS 2002), thereby discounting sole traders, which account for more than half (61%) of businesses currently active in Australia.

Methodological differences aside, both *Giving Australia 2005* and the ABS (2002) study are now dated. The business environment has changed over the past ten years. The numbers of SMEs are growing, yet large businesses now account for an increasingly large proportion of the GDP (ACCC 2016). The size of a business impacts on the way it approaches, manages and responds to giving. For this reason, a different methodology was applied in 2015–16 to research SME and large business as two separate cohorts.

It should also be noted that the 2015–16 data collection on business giving may include a bias towards businesses that gave. Both the SME and large business surveys were non-compulsory and self-completed. Given that the invitation to participate specifies that the surveys seek to capture data on their giving, it is likely that businesses that give, and have readily available data, were more likely to complete the survey than those that do not. This is supported by feedback and enquiries the



researchers received from businesses selected to participate in both surveys, with some noting that they have declined to participate because of a lack of activity or ready data to report.

The qualitative research component of the 2015–16 research in particular, which included 59 interviews with large businesses, favours large business givers. The researchers note that as a group, the CEOs and business leaders, CCI managers and heads of corporate foundations who were willing to be interviewed represent the view of the largest companies; those that gave, those that were driven by whole-of-organisation business strategy, and that had senior managers and teams dedicated to managing giving.



6.0 Findings

6.1 What is business giving?

Giving by business in Australia encompasses the following:

- **Philanthropy:**¹² the unconditional transfer of money, goods and services (such as donations).
- **Strategic philanthropy:** donation of funds related to an area that intersects with business operations or impacts on the industry.
- **Workplace giving:** includes payroll giving and payroll matching.
- **Workplace volunteering:** giving employees time off work to volunteer with an NPO.
- **Corporate foundations:** funding and management of an entity that donates money to NPOs.
- **Sponsorship:** (non-marketing) of NPOs.
- **Corporate community partnerships:** a formal agreement between the business entity and the NPO to achieve a social impact, and/or further the work of the NPO.¹³

6.2 The state of business giving in Australia

Due to the changed method of data collection to better understand giving by SMEs and large business (mid-tiers and corporations) (see sections [5.1](#) and [5.7](#)), a complete comparison with 2005 is not possible. However, significant trends and developments have been identified.

In 2015–16, most businesses in Australia reported giving to the community in some way during their last financial year. More businesses reported giving than a decade ago, driven primarily by a sense that ‘it is a good thing to do’ as well as a belief that business has a responsibility to give.

This is the case for the smallest of enterprises as well as the largest corporations.

The data showed Australian business gave \$17.5 billion during their last financial year. This comprised:

- \$7.7 billion in community partnerships (80% of which came from large business)
- \$6.2 billion in donations, and
- \$3.6 billion in (non-commercial) sponsorships.

Despite the lack of directly comparable data, the 2015–16 research does suggest that the quantum of giving by business is markedly larger than recorded in 2005 or other past smaller business studies (Downes 2012). *Giving Australia 2005* estimated that business giving totalled \$3.3 billion. The ABS’ latest estimate on business giving, to a total of \$1.4 billion in 2000-01, was 15 years ago (ABS 2002).

¹² Note that the business component of Giving Australia 2016 adopts a specific business-oriented view of the term ‘philanthropy’ to allow for detailed differentiation of the various giving approaches.

¹³ For the full definitions of these terms, see section [1.0](#).



Neither *Giving Australia 2005* nor the ABS (2002) estimates covered the entire business population, as discussed.

At 51% of total business giving, large business contributed more than SMEs. Although they only represent 0.2% of the nation's entire business cohort, 97% of large businesses contributed \$9 billion. Some 70% of SMEs gave \$8.5 billion (see Figure 6).

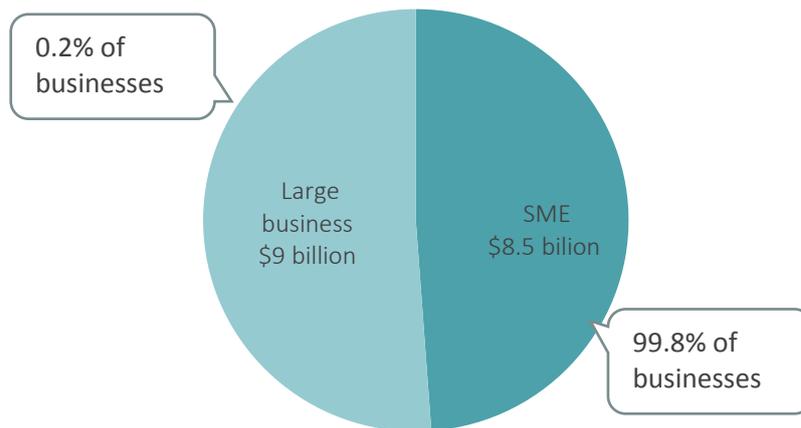


Figure 6 Business giving by size (SMEs versus large business)

Figure 7 illustrates that larger businesses were more likely to give and in greater amounts. Of the businesses that gave, the averages given per organisation were: \$5,800 for SMEs, \$598,000 for mid-tier businesses and \$5 million for corporations.

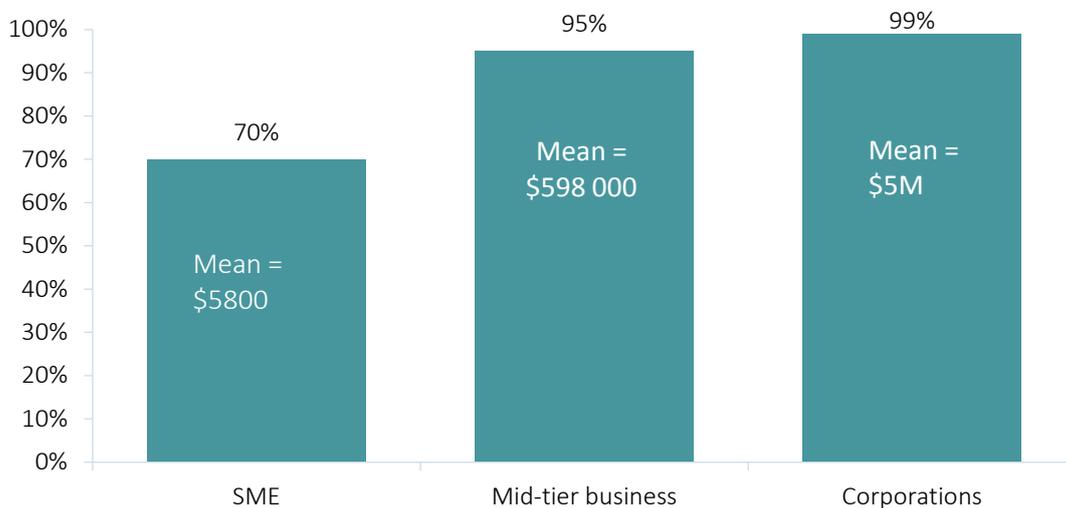


Figure 7 Percentage of businesses that gave



The size and scale of a business dictated what it gave to NPOs and community causes. Within the large business cohort, the size of the organisation was proportionate to the size of their giving:

- Five businesses surveyed gave more than \$20 million each; employed more than 5,000 people (four employed over 20,000 people), and reported revenues of more than \$100 billion
- Some 88% of the total value of business giving (or \$7.9 billion out of the total \$9 billion given by large business) was expended by businesses employing more than 1,000 people (corporations), and
- Some 12% of the total value of large business giving (\$1.1 billion of \$9 billion) was given by mid-tier businesses with 200–1,000 employees.

The lion’s share of giving by large businesses was invested in partnerships with NPOs to achieve agreed objectives for the community, including generating positive social impact. Partnerships received \$6.2 billion from 69% of all large businesses (86% in money, 8% in goods and 5% in services).

More than three-quarters (79%) of large businesses gave \$1 billion in donations (50% in money, 23% in goods and 27% in services), and 65% gave \$1.6 billion in community (non-marketing) sponsorships of NPOs (see Table 2).

Table 2 Large business survey – giving by type (value)

	Donations	Partnerships	Sponsorships	Total
Money	\$521,986,261	\$5,322,178,386	n/a	\$5,844,164,647
Goods	\$235,291,713	\$496,539,514	n/a	\$731,831,227
Services	\$286,602,225	\$334,321,658	n/a	\$620,923,883
Total	\$1,043,880,199	\$6,153,039,558	\$1,757,163,400	\$8,954,083,157

SMEs focused on giving via donations, which accounted for 60% of all SME giving (\$5.2 billion donated by 67% of SMEs). Sponsorships by SMEs accounted for 22% of SME giving (to the value of \$1.8 billion, given by 23% of SMEs). In contrast to giving by large business, SMEs least preferred partnerships with NPOs. Funding community partnerships accounted for only 18% of SME giving (\$1.55 billion) (see Table 3).

Table 3 SME survey – giving by type (value)

	Donations	Partnerships	Sponsorships	Total
Money	\$2,998,871,477	\$342,318,618	\$1,149,390,945	\$4,490,581,040
Goods	\$890,311,774	\$559,442,574	\$455,355,880	\$1,905,110,228
Services	\$1,264,298,538	\$649,573,740	\$237,244,240	\$2,151,116,518
Total	\$5,153,481,789	\$1,551,334,932	\$1,841,991,065	\$8,546,807,786

Compared to the largest businesses that employed more than 1,000 people (corporations), SMEs and mid-tier businesses tended to give money on an ad hoc basis. Typically, a decision on whether to give and how to give was made following an approach by an NPO.

Corporations, on the other hand, were more likely to see giving as a component of business strategy, beyond what many business leaders interviewed termed ‘the right thing to do’. Corporations managed their giving to generate deliberate (business) outcomes for themselves as well as benefits for the community, and especially generating positive social impact.



As noted earlier, positive social impact is the result of policy or action that strengthens or improves the wellbeing, life chances or quality of life for individuals and communities, and the environments in which they live. A social impact or progress towards it, can frequently be measured.

Understanding progress towards achieving social impact was in line with how many businesses (large enterprises and corporations in particular), managed progress towards achieving other business outcomes, and aligned with a managerialism focus on being able to track and understand the investment outcomes of business inputs and outputs.

The research concluded that outcomes from giving pursued by business included:

- more engaged employees
- an attractive employee value proposition, and
- stakeholders that were more engaged with company strategy and its role in the community.

Community benefits of business giving included:

- positive social impact
- stronger communities in which the business operates, and
- more resilient and sustainable NPOs.

A significant development since *Giving Australia 2005* was the belief that giving is a core obligation of doing business in Australia—either because it was a social obligation, because it was good for the business or both.

Consistent with *Giving Australia 2005*, in 2015–16, businesses of all sizes reported they donate primarily because it was seen as ‘a good thing to do, irrespective of the return for us’ (79% of large companies and 62% of SMEs). This development is investigated further in the following pages.

6.3 Why do Australian businesses give?

While there were some commonalities in the drivers and channels for giving among businesses of all sizes, the nature, governance, interaction with communities and formal management approaches to giving between SMEs, mid-tier businesses with between 200 and 1,000 employees, and corporations of more than 1,000 employees was very different.

Previous 2007 research on corporate community involvement in Australia (Centre for Corporate Public Affairs and Business Council of Australia) found that large businesses and corporations in particular, had developed a business case for their giving; and that business case comprised expected benefits for the business, as well as a social dividend for the community.

The 2007 research indicated that large businesses perceived the business case was needed to generate a ‘win-win’ outcome that delivered benefits for the business (corporate self-interest), and benefits for the community (otherwise known as ‘shared value’, Porter and Kramer 2011). This ‘win-win’ or ‘sweet spot’ represents the intersection of CCI and its business and social objectives with



the interests and welfare of the broader community. It has been embedded in how some corporations have operated for many years (Porter and Kramer 2011).

Internationally, corporations such as Unilever, Johnson & Johnson, and Cadbury were founded on a social purpose embedded in their mission and value statements.

In Australia, mining and resource businesses such as BHP Billiton and Rio Tinto, facing social licence to operate pressures in the 1970s and 1980s, embedded CR and CCI in business strategy, to ensure they could sustain their operations in communities less in favour of extractive industries, and to manage their environmental and social impact (Centre for Corporate Public Affairs and Business Council of Australia, 2007).

As noted in *Giving Australia 2005*, SMEs have also been engaged in community-based donations and sponsorships for many decades, driven by a sense of responsibility to support their local communities.

A significant development since the 2005 research has been that most senior managers in businesses of all sizes now embrace the business motivations for giving (corporate reputation, more engaged stakeholders, including employees) and the ethical driver for giving (because giving 'is a good thing to do') as the top motivations for businesses to give.

The ethical motivation to give by business was affirmed in the quantitative and qualitative research. Business expressed a clear altruistic motivation behind their giving, reporting that it 'is the good thing to do' irrespective of returns to the business, and giving was also increasingly embedded in the business cases and strategies of thousands of businesses across Australia, including in the nation's largest corporations.

Generating a positive social impact was cited by most businesses participating in the research – referred to frequently by many research participants as 'making a difference'. Generating a positive social impact through their giving was a primary consideration also when businesses were considering the objectives of their community partnerships and with which NPOs they would partner.

One out the outcomes we want from our CCI is creating social impact - making sure our work with our community partners generates outcomes that make our societies a better place, a more sustainable place. That's the most desirable dividend for the company, our employees, our shareholders, and the community.

- Interview, CEO

For some years now you'll find that our company (corporation) and other Fortune and ASX 100 companies are wanting to see their CCI 'move the needle' – create a social impact. That means making progress on a social problem or desired social outcome to improve the lives of people, to make communities more resilient, to make our environment more sustainable ...the days are over of corporates being involved in CCI just to make them and governments feel good about the company. If a particular CCI doesn't render progress towards a social impact, we look for another community investment that does.

- Interview, senior business executive



6.3.1 Drivers of SME giving

In 2015–16, SMEs saw ‘giving back’ or ‘giving to’ the communities in which they operated as an important part of business. The decision to give, how to give, when to give and to whom was driven by a range of community, personal, circumstantial and financial factors.

On a broad level, SMEs valued the opportunity to demonstrate, and be seen by staff, customers and their communities as more than just a profit-seeking enterprise but that they also contributed to, and were part of, the social fabric of their community.

Altruism was a foremost driver of SME giving. Focus groups revealed a prevalent belief by SME owners that they should ‘give back to the community’ because it is ‘the right thing to do’. Sixty-two per cent of SME survey respondents selected this motivation making it the top giving impetus for Australia’s small and medium businesses.

SME owners expressed the sentiment that businesses and people who were doing ‘well’ had a ‘duty’ to ‘give something back’. Half of SMEs surveyed that reported they gave in the past financial year indicated that they did so because it demonstrated their commitment to their local community.

I think it’s just about being appreciative that you have a good life and you’re OK and perhaps in being grateful for that, giving back, in whatever way you can.

- Focus group, SME owner

I just see so much good fortune—we all manage in a community and we’re all taking out of the community. I believe it’s our responsibility to put back into that community, whether that’s time, whether that’s expertise, or whether that’s money or a combination of all of the above.

- Focus group, SME owner

This view of giving as being part of businesses’ social contract with their community concurs with *Giving Australia 2005* findings, which indicated that SMEs felt a sense of obligation to their community, particularly in rural contexts.

In 2015–16, focus groups released for SMEs operating in regional areas of Australia, saw giving as an embedded component of their modus operandi. Supporting the community that supports the business was the norm.

Our business started in a small town....it’s important to be a part of that town...if you want people to support you, you must be prepared to support them back.

- Focus group, SME owner

Unlike large business, personal experiences and preferences tended to influence SME giving. The research indicated that typically SMEs were most likely to give money, volunteer time, and goods and services based on an owner’s personal connection, and/or in response to external events. The qualitative research indicated that this was the case, whether or not the SME was an enterprise physically operating among its local community or it operated virtually nationally or internationally through the internet.



Often, personal interests and those of the business were intertwined. Personal giving preferences were reflected in how SMEs gave and to which organisation. Forty-four per cent of SME survey respondents indicated that a reason behind their giving was that it demonstrated the personal and business values of the owner.

It's always to people we know.
- Focus group, SME owner

SMEs recognised that giving may also generate commercial value for the business. While not a primary motivator, SME survey respondents acknowledged that improved reputation (29%) and positive publicity (19%) were reasons to give.

I guess sometimes giving back can turn around and reward you again.
- Focus group, SME owner

It's nice to get something back.
- Focus group, SME owner

Figure 8 outlines the primary reasons behind SME giving from the *Giving Australia 2016* SME survey, as nominated by SMEs who gave in their last financial year.

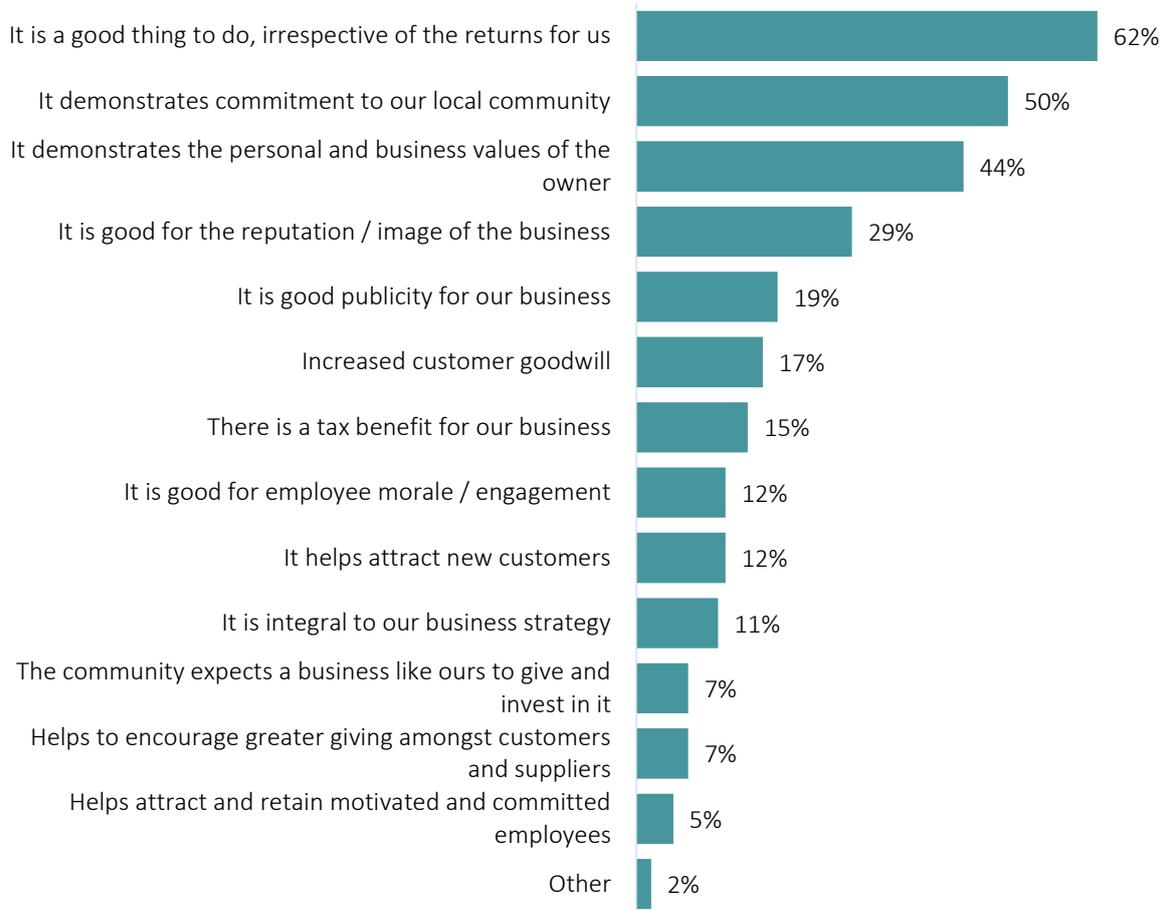


Figure 8 SME reasons for giving¹⁴

Occasionally, giving was considered an opportunity to share something that no longer had value or use to the business. This usually consisted of surplus items such as computers, mobile phones and/or expired products.

Like the computers we don't use, we donate them to charities that can use them.
- Focus group, SME owner

6.3.2 Drivers of large business giving

For large businesses that gave, the primary reason for doing so was that it was 'a good thing to do, irrespective of the returns for us' (79%), followed closely by the business driver of bolstering the employer brand (competitive employee recruitment, retention, and engagement) with 78% (see Figure 9).

¹⁴ Respondents could select more than one response to this question.

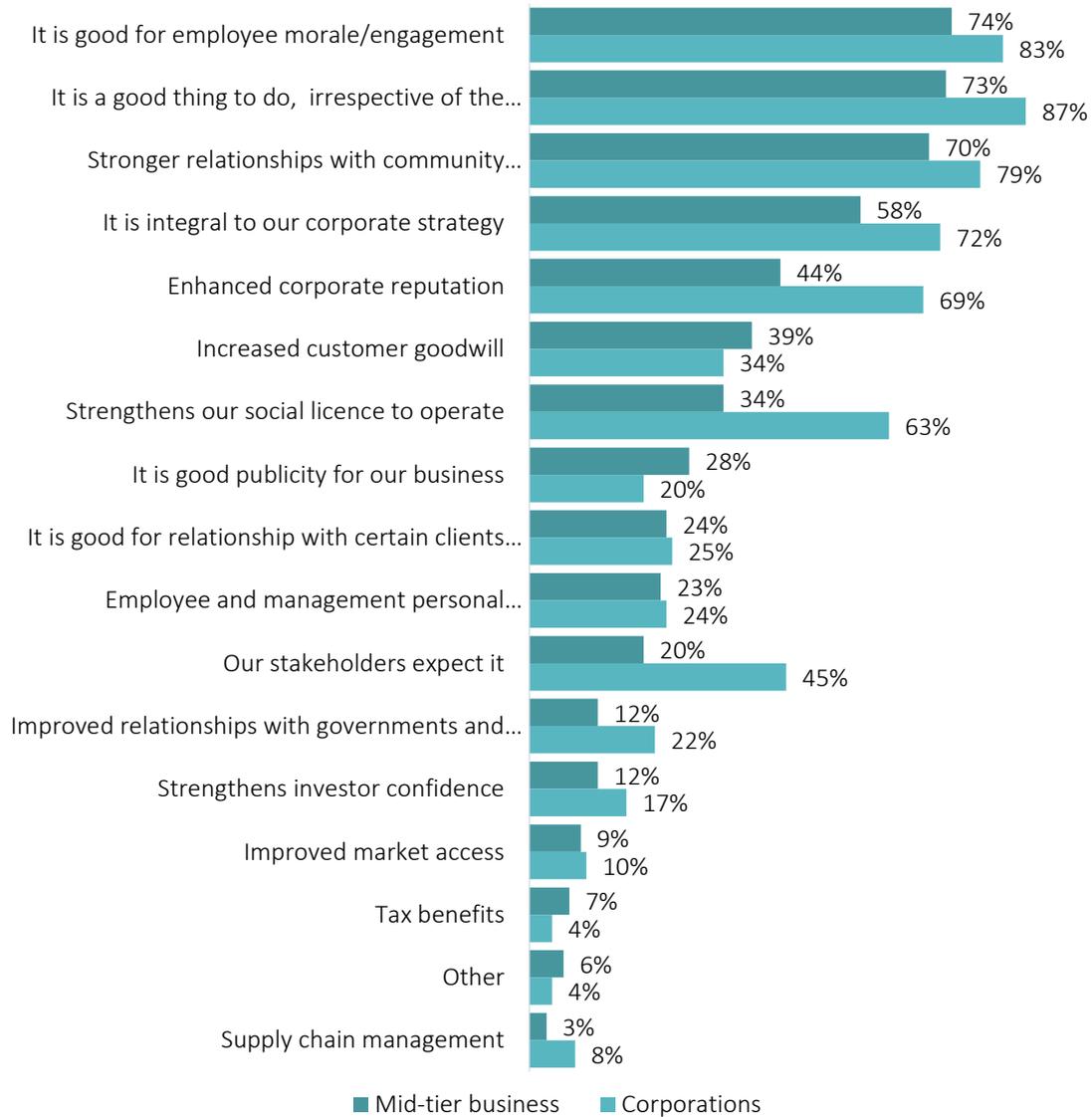


Figure 9 Benefits of making donations for large businesses

The ethical driver, ‘it’s a good thing to do regardless of the returns’ for business was not the prime motivator for large business giving in the mid-2000s (Centre for Corporate Public Affairs and Business Council of Australia 2007). At that time, corporate reputation and employee engagement were the primary drivers. Doing the ‘right thing’ or ‘the good thing’ to do was one of the top five drivers but not the primary one. Figure 10 illustrates how the most significant drivers of business giving have changed since 2005.

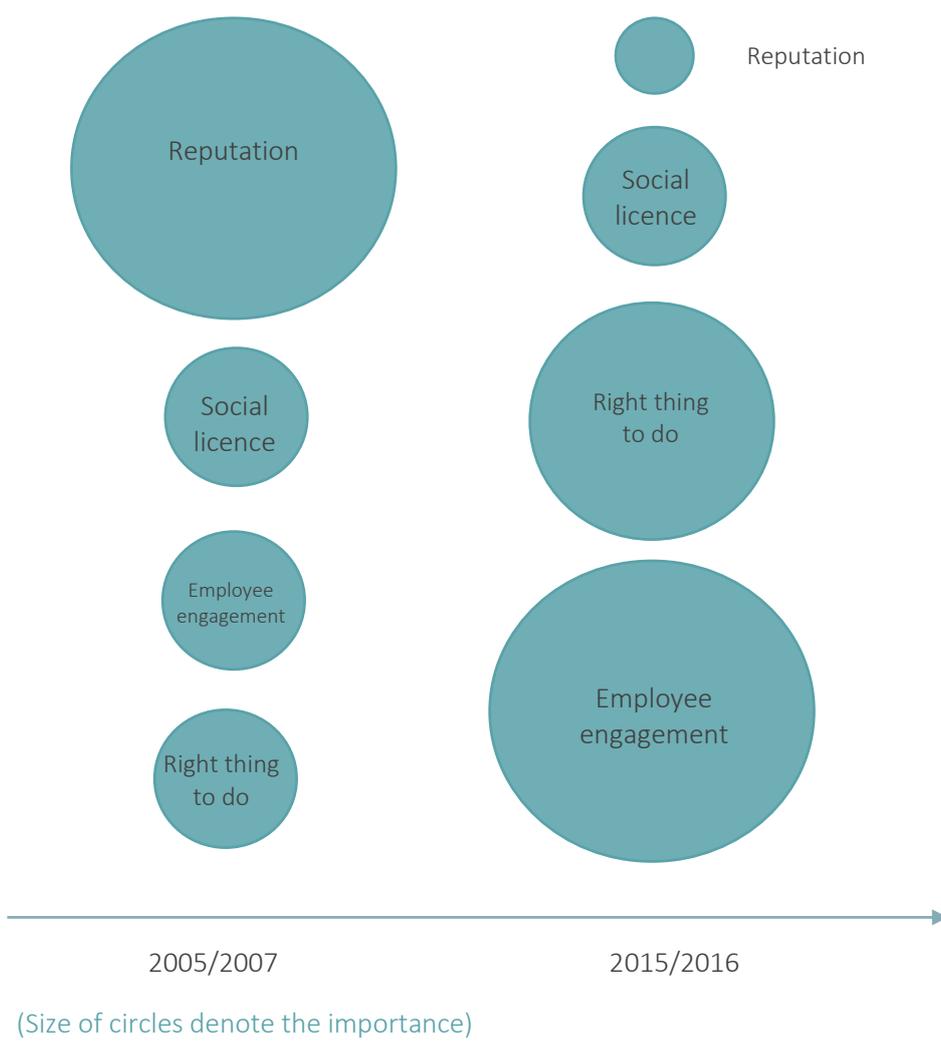


Figure 10 Drivers of large business giving over time

Most business leaders interviewed for the research were of an age where they have spent most of their careers in a society that expected businesses to be involved in the community (including giving). Many had spent most of their working life for businesses in which CCI had been a norm for a few decades.

The argument about if large companies should manage themselves and their impact on and contribution to the community in a corporately responsible manner is over—it's a non-issue. For most people working in companies, CCI is simply the right thing to do—almost hygiene for any modern organisation.
- Interview, CEO

There's no doubt that most boards and executive teams (of large companies) see their community investment as an important part of what they do—for reasons that affect the bottom line.
- Interview, CEO



Senior management including CEOs, cited employee engagement, social licence to operate, ‘the right thing to do’, and seeking to achieve a positive social impact, as some of the key drivers for why they gave.

Figure 9 presents the top benefits of making donations as nominated by large businesses that participated in giving.

The large business case for giving

Interviews reinforced that large businesses in Australia, including corporations, were increasingly embedding giving—most commonly referred to as ‘corporate community investment’—into business strategy and applying management discipline to their approach to community investment.

Our CCI has been part of our business strategy for many years now and is just part of the way we do business. And that’s what it is—it’s a business imperative for us and many other companies, and it’s an imperative also for the community that business contributes to the community’s aspirations and objectives ... So there’s a business driver, and a social driver also.
- Interview, CEO of corporation

Our partnerships, workplace giving and volunteering is driven by a business case, and by our strategy. We are part of the community [and]...need to invest in it where we can see we can make a difference. And we can garner benefits for the business from our CCI as well. The opportunity is obvious.
- Interview, CEO of corporation

Giving by corporations was often driven by a range of objectives that sought to embed their CCI into their competitive positioning to attract, engage and retain employees.

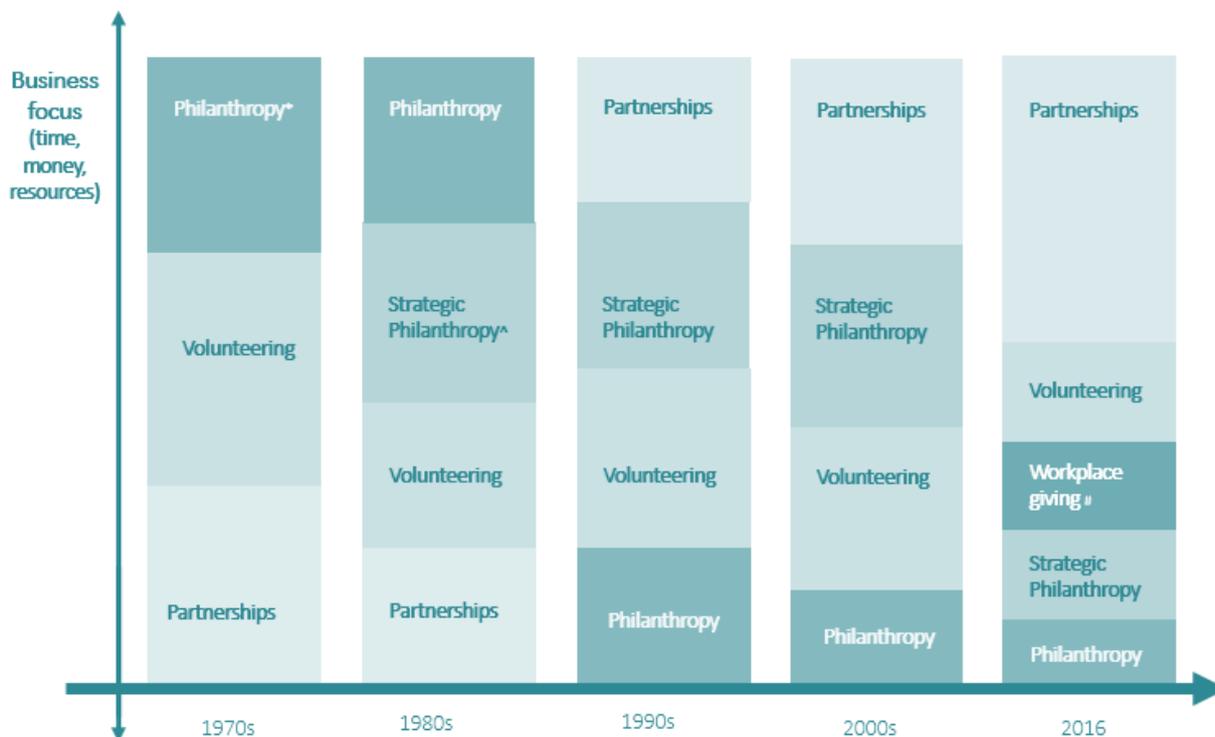
The qualitative research and literature review established that the evolution of giving over time had been driven by the outcomes that large business was seeking from its giving (business drivers). Some of those desired objectives are illustrated in Figure 10.

As this research has revealed, and consistent with the literature, the focus of large business is moving towards partnerships with NPOs and away from pure altruistic ‘philanthropy’ (such as donations or grants).

According to business leaders interviewed, the desire to generate positive social impact and engage business stakeholders (including employees) had, in 2015–16, almost inverted the business focus on the modes of giving from what it was in the 1970s and 1980s: from philanthropy being most important and partnerships being afforded the least focus in the 1970s and 1980s, to partnerships being the most important and traditional philanthropy being afforded the least focus in 2015–16.



Figure 11 illustrates the continuum of business giving in Australia since the 1970s.



* 'Philanthropy': unconditional transfers of money, goods or services (such as donations)
 ^ 'Strategic philanthropy': donation of funds related to an area that intersects with business operations or industry impact.
 # Workplace giving includes payroll giving (but not workplace volunteering, which is tabled as a separate item above.
 Source: Centre for Corporate Public Affairs, 2016

Figure 11 Importance of components of large business giving as perceived by senior management interviewees over time

Entities with a long history of giving through formal and structured CCI had further honed their approach to ensure the business case for any cause or social issue that is the focus of their giving was clearly aligned with their business operations.

These corporations wanted to actively seek opportunities to apply their products and services to generate a stated objective, in a similar manner that business objectives are achieved.

For all businesses – and for corporations in particular – applying business resources and know-how to generate positive social impact was an important element of their giving.

This entailed bringing about social change as a result of giving (for example, insurance companies investing in home and motor vehicle safety awareness to minimise accidents; mining companies investing in Indigenous schooling to strengthen the education and employment trajectory of Indigenous Australians).



Giving and social licence to operate

Corporations placed far more emphasis on giving as part of generating and maintaining their social licence to operate — possibly because of their size as major employers and their economic impact (and depending on the manner in which they operate and their line of business, their environmental and social impact).

As figure 9 indicates, 63% of corporations indicated that strengthening their social licence was a reason for giving, compared to 34% of companies employing 200–1,000 people. This is a large differential (the figure for all large businesses is 47%).

The qualitative research indicated that CEOs and other senior managers and business leaders frequently discussed social licence and how to earn and maintain it, including at the senior management team and board levels. As well as formal stakeholder engagement and broader outcomes of CR, giving was considered a strategic and effective input to managing social licence.

Our community investment, including our partnerships, volunteering and payroll giving, is embedded in the way we do business, and which in turn earns our social licence to operate. And that's a nice sweet spot—doing what's right, and sustaining our business.

- Interview, senior manager

Our social licence to operate is a core company asset that must be thought about very seriously and is embedded in strategy. Our community investment is one of the cornerstones of managing and keeping our social licence.

- Interview, CEO

It's obvious to my team and to the Board, and also to most of our people (employees) that business conditions have changed markedly over the last 20 years. The community expects of big business to play its part to make our society stronger and more resilient. If we do not do that, along with doing what we do in a sustainable way, we will have our social licence withdrawn, and we will be either out of business or find it increasingly difficult to do business.

- Interview, CEO

Most of the business leaders participating in interviews for this research were of the strong view that social licence in 2015–16 remains a core component of the market environment.

The Board and the management team spend considerable time deliberating about socio-political risk and opportunity, not because it's interesting, but because it's intrinsic to business performance and delivering the strategy. Our approach to giving is very much part of that.

- Interview, business leader

Giving and corporate (social) responsibility

The concept of managing a business in a manner that is corporately responsible intersects with concepts such as good stakeholder engagement, strong employee engagement, business 'doing the right thing', corporate sustainability, social licence, and corporate strategy.



The qualitative research confirmed that most large businesses with a formal and strategic approach to giving perceived that giving (CCI) comprises part of their CR, the components of which included minimising environmental impact, stakeholder engagement, good corporate governance, fair, safe and diverse workplaces.

The interviews confirmed that many corporations in particular embedded CR objectives in company strategy. This also included capturing data to measure performance against company objectives.

Most corporations participating in the qualitative research reported that their giving performance (including inputs, outputs, and outcomes) was captured in their CR reporting, either in their annual corporate responsibility report, on their corporate website or over both these channels.

6.4 Large business giving

As noted earlier, the 2015–16 data may include a bias, particularly in the qualitative research towards large business that gave, those that were driven by whole-of-organisation business strategy, and that had senior managers and teams dedicated to managing giving (see section [5.0](#)).

Although large businesses represent less than one per cent of the business population in Australia, they contribute more economic value than the 99% of small and medium-sized businesses combined. Data collected in 2015–16 supported the view that the ‘bigger end of town’ had the greatest capacity to support business giving.

In 2015–16, 97% of large businesses gave in some way during their last financial year, giving an average of \$2.5 million per organisation.

In total, large business giving totalled \$9 billion, comprising:

- \$6.2 billion to fund partnerships with NPOs
- \$1.0 billion in donations, and
- \$1.8 billion to community sponsorships of NPOs.

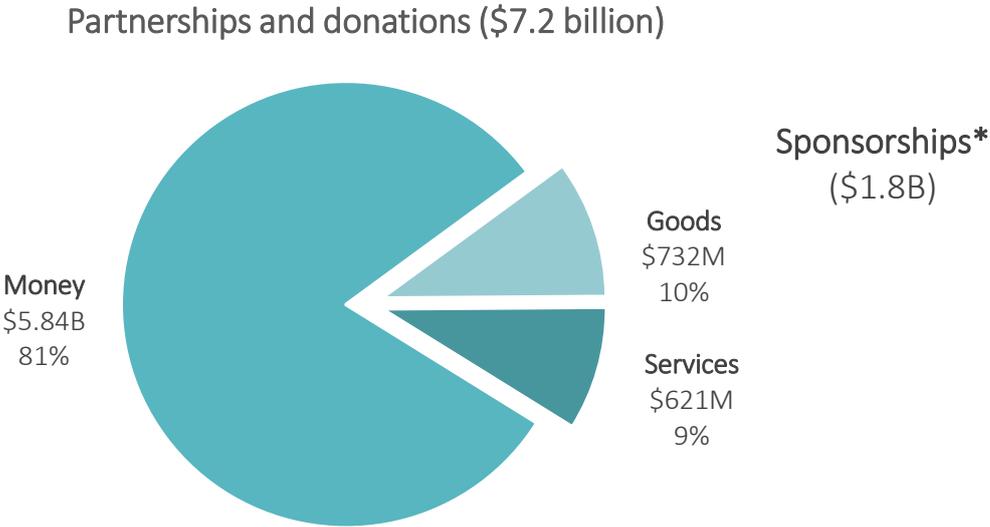
Large business generally did not regard marketing sponsorships as a form of giving because they represented commercial activity. However, they supported many NPOs via non-marketing community sponsorships, which was included as a type of giving in the *Giving Australia* research.

Money remained the preferred means of giving, accounting for 81% (\$5.8 billion) of all partnerships and giving via donations, followed by goods at 10% (\$732 million) and services at 9% (\$621 million).¹⁵

¹⁵ Breakdown does not include sponsorship contributions, which were not broken down into money/goods/services in the 2016 research.



Figure 12 illustrates the large business giving by donations, partnerships and sponsorships.



** Note: sponsorship contributions were not broken down by money, goods and services*

Figure 12 Large business giving

6.4.1 Giving by size

As outlined earlier, large businesses were categorised by the number of employees into:

- mid-tier businesses: employing 200 - 999 people, and
- corporations employing more than 1,000 people.

As Figure 13 illustrates, corporations were more likely to give and in substantially greater amounts.

Giving by 99% of corporations (1,522) accounted for 88% of total large business giving, with each corporation giving \$4.9 million on average. Some 95% of mid-tier businesses (1,868) contributed 12% of all large business giving, expending an average \$566,000 per business.

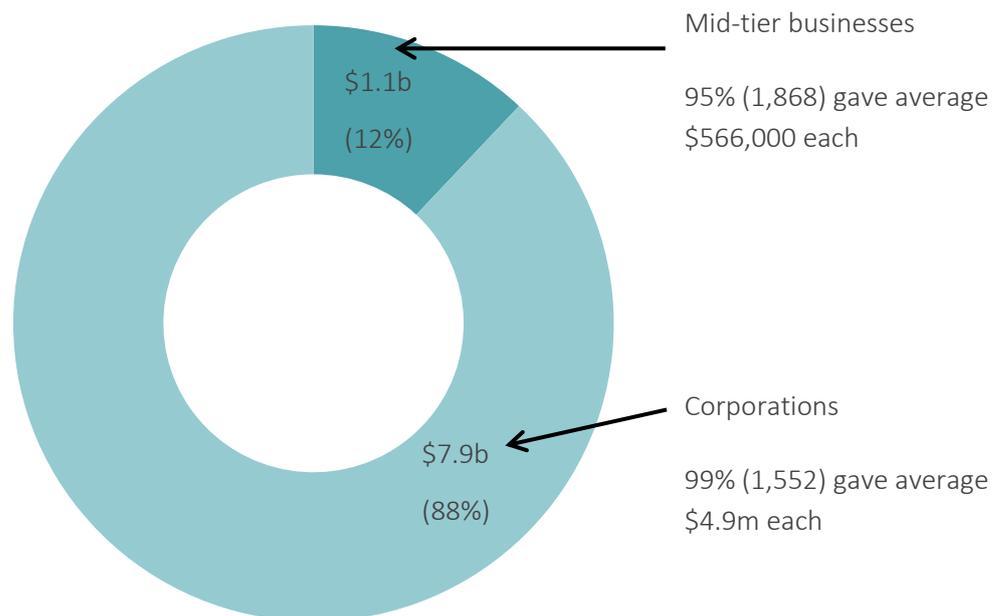


Figure 13 Giving by large business, by size

By their very nature (scale, economic and socio-political visibility), corporations were more able to allocate resources to manage a strategic approach to giving. This included a significant focus on community partnerships, as well as managing workplace volunteering, payroll giving, and in some instances, a corporate foundation.

Mid-tier businesses were less likely to allocate the resources to manage giving in the strategic manner in which many corporations did. This finding will be further discussed in the following sections on giving vehicles.

6.4.2 Giving by industry

Industries that gave the most were:

- retail trade: \$1 billion (57% in partnerships)
- transport/postal/warehousing: \$992 million (96% in partnerships), and
- manufacturing: \$960 million (59% in partnerships).

Table 4 outlines the value of giving by industry, broken down by type of giving (donation, partnerships, and sponsorships).

Table 4 Value of giving by type by industry

Industry ¹⁶	Donations	Partnerships	Sponsorships	Total	% of total
Retail trade	\$208,654,053	\$584,388,543	\$229,192,380	\$1,022,234,976	15%
Transport/postal/warehousing	\$15,567,031	\$956,878,236	\$19,672,547	\$992,117,814	14%
Manufacturing	\$98,303,667	\$563,400,888	\$296,887,194	\$958,591,749	14%
Health care/social assist	\$75,253,207	\$444,125,297	\$247,711,667	\$767,090,171	11%
Wholesale trade	\$34,515,354	\$722,470,782	\$7,344,000	\$764,330,136	11%
Construction	\$96,207,236	\$568,151,500	\$14,237,500	\$678,596,236	10%
Electricity/gas/water/waste	\$23,004,035	\$158,552,741	\$282,123,034	\$463,679,810	7%
Mining	\$79,559,584	\$328,616,418	\$50,025,792	\$458,201,794	7%
Information media/telecom	\$32,118,932	\$207,368,533	\$9,933,000	\$249,420,465	4%
Accommodation/food	\$87,319,354	\$51,605,454	\$28,172,200	\$167,097,008	2%
Arts/recreation	\$100,686,016	\$160,000	\$46,398,557	\$147,244,573	2%
Professional/scientific/technical	\$87,116,654	\$23,105,561	\$33,021,000	\$143,243,215	2%
Education/training	\$32,677,780	\$20,964,841	\$29,646,912	\$83,289,533	1%
Other	\$9,137,681	\$14,259,472	\$8,627,973	\$32,025,126	0%
Agriculture/forestry/fishing	\$12,818,747	\$6,124,596	\$3,349,168	\$22,292,511	0%
Financial/insurance	\$12,818,747	\$6,124,596	\$3,349,168	\$22,292,511	0%
Rental/hiring/real estate	\$7,500,000	\$3,750,000	\$3,750,000	\$15,000,000	0%
Public administration and safety	\$0	\$4,185,000	\$0	\$4,185,000	0%
Administrative/support	\$0	\$0	\$0	\$0	0%

6.4.3 Recipients of giving

Large business giving was concentrated in three NPO areas.

Collectively, education and research, health, and social services received 81% of all large business giving. This was followed by environment and animal protection and culture and recreation, receiving 15% of the total giving.

Table 5 illustrates the destination of giving by all Australia's large businesses.

¹⁶ Not all givers nominated their industry.

Table 5 Value and destination of giving by all large businesses

NPO activity of benefit¹⁷	Donations	Partnerships	Total	% of total
Education and research	\$69,852,502	\$2,898,812,799	\$2,968,665,301	48%
Health	\$122,852,187	\$957,157,837	\$1,080,010,024	17%
Social services	\$181,725,167	\$812,885,682	\$994,610,849	16%
Environment and animal protection	\$11,022,800	\$578,055,035	\$589,077,835	9%
Culture and recreation	\$29,878,773	\$363,653,944	\$393,532,717	6%
Philanthropic intermediaries and voluntarism	\$53,964,297	\$21,992,745	\$75,957,042	1%
International development	\$35,047,691	\$19,288,368	\$54,336,059	1%
Business and professional associations, trade	\$3,817,976	\$49,196,331	\$53,014,307	1%
Development and housing	\$11,887,354	\$23,299,969	\$35,187,323	1%
Law, advocacy and politics	\$85,466	\$160,930	\$246,396	0%
Religion	\$3,230	\$0	\$3,230	0%
Total	\$520,139,649	\$5,723,176,036	\$6,243,315,685	100%

Table 6 summarises giving by the largest of businesses (corporations). Employee size did not appear to significantly influence the areas that large business preferred to support.

Table 6 Value and destination of giving by corporations¹⁸

NPO activity of benefit	Donations	Partnerships	Total	% of total
Education and research	\$44,306,432	\$2,827,777,329	\$2,872,083,761	52%
Social services	\$115,418,112	\$749,876,142	\$865,294,254	16%
Health	\$45,453,312	\$759,673,737	\$805,127,049	15%
Environment and animal protection	\$8,878,080	\$547,444,455	\$556,322,535	10%
Culture and recreation	\$4,046,848	\$314,789,304	\$318,836,152	6%
Philanthropic intermediaries and voluntarism	\$19,172,352	\$8,717,835	\$27,890,187	1%
Business and professional associations, trade	\$290,816	\$21,844,281	\$22,135,097	0%
International development	\$10,853,376	\$9,501,888	\$20,355,264	0%
Development and housing	\$1,593,344	\$15,211,119	\$16,804,463	0%
Law, advocacy and politics	\$75,776	\$0	\$75,776	0%
Religion	\$0	\$0	\$0	0%
Total	\$250,087,424	\$5,254,207,866	\$5,504,295,290	100%

¹⁷ The above dollar amounts for individual activities of benefit are understated because some businesses did not state an activity of benefit for their giving.

¹⁸ The above dollar amounts for individual activities of benefit are understated because some businesses did not state an activity of benefit for their giving.



The qualitative research suggested that most large businesses focused their giving in areas that aligned in some manner with the nature of their business or industry; and in areas of activity most likely to have some impact on their stakeholders.

This included corporations focusing community investments to generate social impact or progress towards an outcome in a fence line community next to a plant or facility (mining and resources businesses, manufacturers); to an issue or challenge such as Indigenous disadvantage (financial services, mining and resources), climate change (insurance, extractive resources), education and training outcomes (financial services, telecommunications) or health outcomes (health insurers, pharmaceuticals).

There has been a change over time [in Australia] for more corporate community investment in areas that make sense to employees and our stakeholders. In fact, we have the chance of making the most difference in community investments in areas or around issues where we have insights or knowledge which we can apply.

- Interview, senior manager

Our work in the community needs to resonate and make sense to our stakeholders. That's how we get them most involved in working with us to achieve outcomes.

- Interview, CEO

In corporations, giving was most commonly driven by strategy. Leaders of some multinational corporations operating in Australia indicated that the focus of giving for their business was determined on a global basis; and while the NPOs they gave to varied from market to market, the general focus (for instance child health, protection of waterways, or digital literacy for older people) was determined by the global management team, and applied internationally.

6.4.4 How large businesses decide how much to give

There was no single, standard formula or methodology that large businesses used to set their annual budget for giving, and though this report indicates the average and mean annual giving expenditure for large businesses, budgets varied widely. One corporation participating in the qualitative phase of the research spent more than \$65 million on its giving in 2015-2016. Another expended \$2 million.

One development that influenced the quantum of annual giving spend for corporations in particular since 2015, was that giving strategy that was embedded in whole-of-company strategy was often a fixed amount, allocated over a fixed period. The advent of more large businesses funding community partnerships had also seen fixed partnership funding embedded in recurrent and out-year business budgets.¹⁹

¹⁹ I.e. the fiscal year following a year covered by a budget.



Our giving budget for matched workplace giving, volunteering, partnerships and community sponsorship is set for three years. That means that funding is quarantined. We set our budgets based on what funding we have committed to in our partnership agreements, and where we are in our business cycle. We have not reduced our CCI spend in real terms over the past five years, and if we have a particularly good year profit-wise, we'll increase our spend above the one per cent of pre-tax profit that we allocate for CCI. Our philanthropic donations to natural disaster appeals are ad hoc and come from a general revenue allocation.

- Interview, corporate community investment manager

Many large businesses, most of them corporations, used business sector benchmarks as a guide as to what they spend annually on giving.²⁰ Other large businesses reported using a formula of 1 per cent of pre-tax profit for CCI allocation.²¹

Some large businesses developed their giving budgets based on existing commitments, analysis of new opportunities, and on the health of the financial bottom line.

We look at our existing commitments, and any new partnership proposals, as well as areas where we want to be doing more, like getting our volunteering numbers up, which we really want to see happen. I'm not saying there is a bottomless pit of money available for our community investments, but if a case can be made, and our revenue and profit lines look okay, we're more prone than not to make the budget available.

- Interview, CEO

Our community investment budget is set between \$7 million and \$10 million a year, and we tend to not dip below an average of about \$9 million in any one year ... We've arrived at that budget range over the years based on what we feel a company of our scale and community footprint should be spending. Every few years we ask our main stakeholders and small groups of our employees across different parts of the business if what we spend is appropriate, and of course, our Board is consulted also.

- Interview, CEO

Most CCI managers interviewed as part of the qualitative research indicated that at least meeting community expectations about the quantum of the giving budgets for large businesses and understanding giving budgets of competitor or peer companies, were considerations also when giving budgets are developed.

²⁰ One of these benchmarks is produced annually by London Benchmarking Groups (Australia & New Zealand). LBG members in Australia and New Zealand spent 0.56 per cent of their pre-tax revenue on CCI in 2016 (LBG, 2016).

²¹ This benchmark for CCI spending has been applied globally by many large businesses in the mining and resources sector. This formula saw a corporation such as BHP Billiton spending many hundreds of millions of dollars on CCI in years such as 2010–2011 when the company reported a net profit of \$22.5 billion.



Our company discusses our CCI focus and budget with our tier one (most important stakeholders), so that is one reality check on if we are allocating a budget that is in the ballpark. We also have a good understanding of what our competitors spend. Also, our CCI strategy and execution sits in corporate public affairs (in the business), and the job of public affairs is to understand community and stakeholder expectations – so, you kind of know you’ve got it wrong if you are company posting \$2 billion or \$3 billion profits and you’re only spending \$5 million on CCI.

- Interview, corporate community investment manager

6.4.5 Forms of large business giving

Overall, there had been a significant shift towards community partnerships with NPOs as the preferred vehicle for business giving over the past decade.

This was most evident with corporations, which overwhelmingly allocated the bulk (73%) of their giving in money, in-kind products and services and management time to community partnerships (see section [6.4.7](#)).

By area of benefit, corporations applied resources for community partnerships to education and research (\$2.9 billion), social services (\$865 million), health (\$805 million), and the environment (\$556 million). It should be noted that costing of employee volunteering hours was not included in these figures.

Corporate sponsorships of NPOs accounted for 20% and donations only seven per cent of their total giving during the last financial year.

For mid-tier business, donations remained an important component of their giving (44% cent of total contributions), slightly ahead of partnerships (at 39%) and followed by sponsorships (at 17%).

These results complement findings from the qualitative research, indicating that giving by mid-tier businesses tended to be more ad hoc, opportunistic, and reactive, compared to corporations’ approach to proactive and strategic giving.

Figure 14 outlines the percentage mid-tier businesses, corporations and total large business gave through different vehicles of giving.

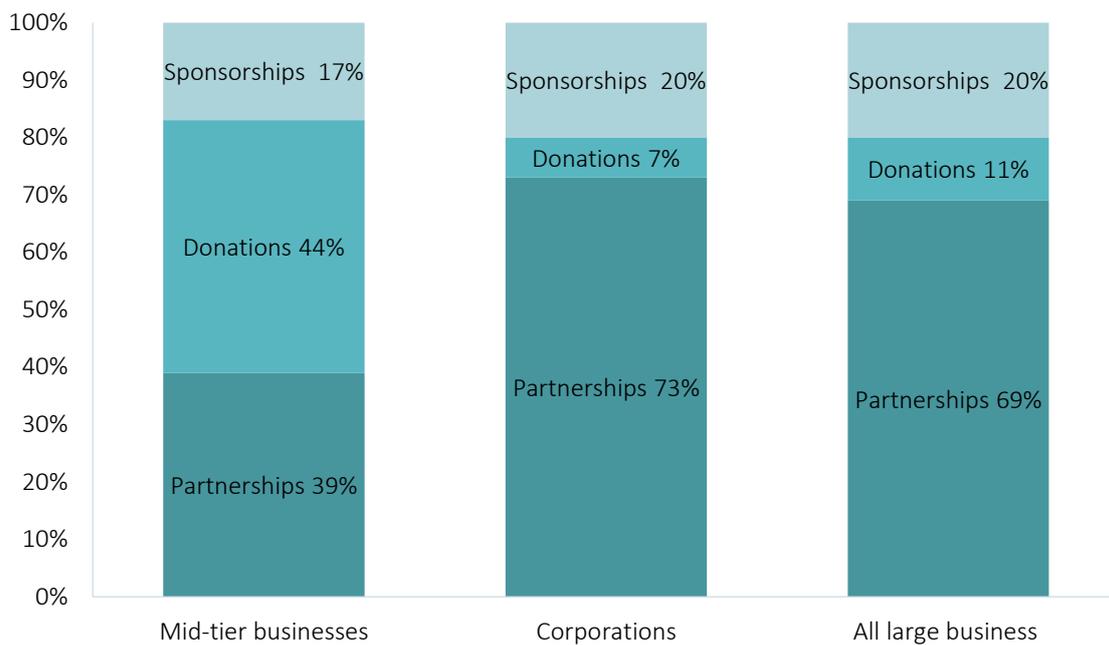


Figure 14 Allocation of giving by mid-tier businesses and corporations

6.4.6 Vehicles for giving by large business

Both the quantitative and qualitative research concluded that the larger the business, the less likely that business was to respond to requests for unsolicited donations, except for donations it may make in response to natural disaster relief.

Fifty-two per cent of mid-tier businesses reported they did not make donations (giving money unconditionally) because it did not align with business strategy and 9% did not donate to unplanned responses.

For corporations, 73% indicated that they did not donate because making donations did not align with the business strategy. Only 4% of corporation giving budgets were allocated to unplanned or ad hoc requests.

Almost all large businesses that gave did so through multiple modes and vehicles, either via community partnerships, community sponsorships, donations, workplace giving or volunteering.

Large business giving in their last financial year comprised:

- 69% in partnerships
- 20% sponsoring NPOs
- 11% through a donation
- 85% facilitating payroll giving, and of those, 56% providing payroll matching, and
- 46% providing a formal volunteering program, of those approximately 21% of the workforce were involved in the program.

The spread of giving across modes and vehicles suggested that in 2015–16, large businesses were applying a ‘portfolio’ approach to the vehicles through which they gave.



This was supported by the qualitative data. Many business managers interviewed referred to a ‘portfolio’ or ‘blended’ approach to giving via various modes that best met the needs of NPOs, employees and the business. This is a contrast to the predominance of what these managers indicated was a focus on philanthropy and strategic philanthropy (giving of monies unconditionally by businesses) in the 1970s and 1980s.

6.4.7 Giving vehicles—community partnerships

Even more so than in 2005–07, in 2015 corporations preferred to apply their giving resources—funds, in-kind goods and services, management time, and volunteering hours—via corporate community partnerships.

The shift in giving from an emphasis on philanthropy and strategic philanthropy in the early 2000s to community partnerships in 2015–16, was reported as one of the most significant developments in Australia in giving by large businesses.

About \$6.2 billion (69%) of all giving by large business was allocated to partnerships in 2015. Of this amount:

- \$5.3 billion was allocated in the form of money, and
- \$5.7 billion was spent by corporations.

In 2015–16, 69% of large businesses in Australia were involved in one or more community partnerships during their last financial year. As Figure 15 shows, more than eight out of 10 businesses were involved in more than one partnership and 41% were involved in more than five partnerships. Half of all corporations were involved in five or more partnerships.

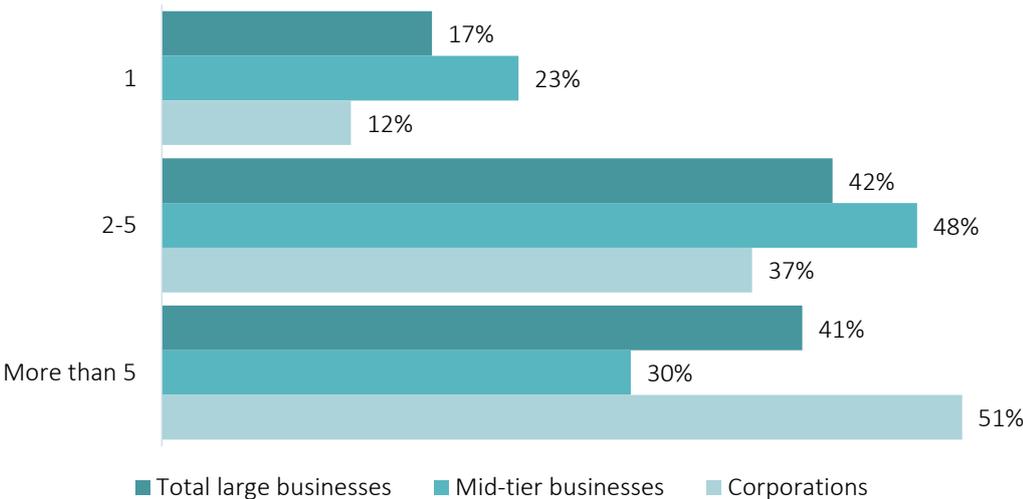


Figure 15 Number of partnerships in which large businesses were involved



The business case for community partnerships

In the qualitative research, senior business people indicated that while establishing and managing partnerships required more business resources, they offered considerably more opportunities to achieve social and business benefits.

Indeed, 99% of all large businesses (and 27% of corporations) that do not manage community partnerships indicated they did not do so because they were ‘too difficult to organise’.

Establishing and managing a community partnership is a lot harder for us and our partner than the company just signing a cheque and walking away. But we can make a bigger difference via a partnership, and there are more opportunities to generate community and business benefits, especially if we can sustain the relationship over a decent period of time.

- Interview, senior manager

We’re spending more time and funds on partnerships as the flagships of our community investment than we ever have. But that’s because they can return higher social dividends, and better engage our stakeholders with our partnership efforts.

- Interview, CEO

When managing corporate community investment, you always need to have a portfolio of vehicles and activities. But partnerships remain the biggest focus because they make the most sense if you are wanting to shift the needle and make a difference.

- Interview, CEO

The emphasis that many large businesses (and most corporations) were affording community partnerships in their approach to giving was linked to levels of confidence that corporations had in the social impact generated by their community partnerships.

More than three-quarters of large businesses were very or extremely confident that their partnerships with NPOs were having a social impact.

Three-quarters of all large businesses that managed partnerships were very or extremely confident that their partnerships with NPOs were generating a social impact (see Figure 16). Corporations were more confident than other large businesses that their partnerships were achieving a social impact (86% compared to 59%).

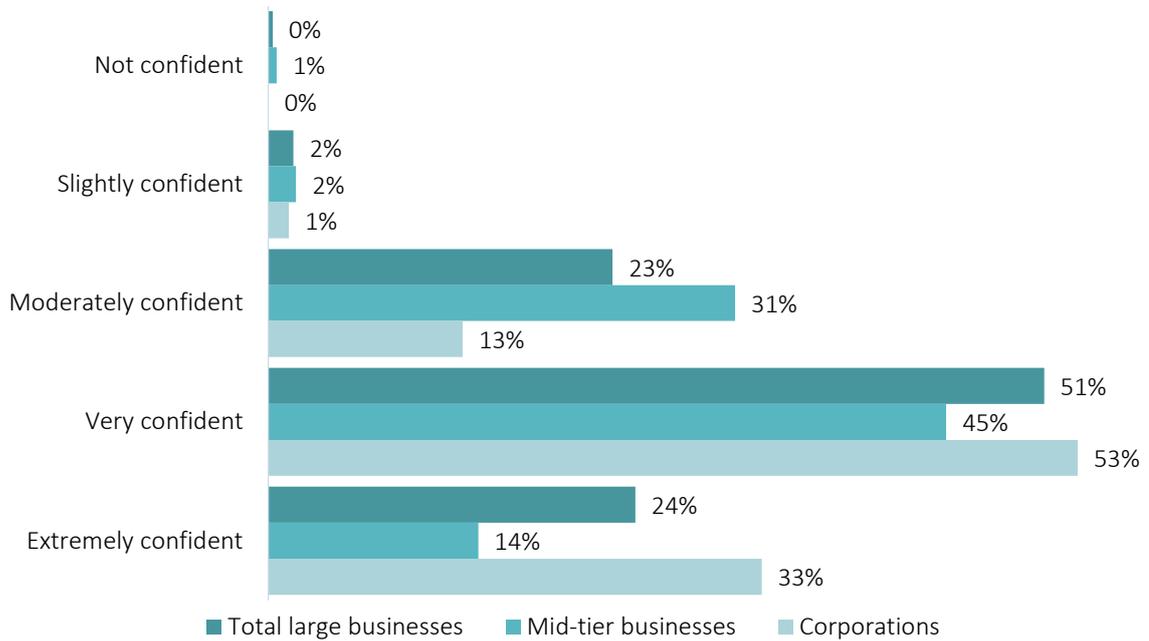


Figure 16 Confidence in the social impact of community partnerships

As noted earlier, community partnerships were favoured by large businesses, and corporations in particular, because they provided a platform and various opportunities for businesses and their employees to give in a manner that can involve employees, include senior management and engage stakeholders important to the business. Ideally, a community partnership contributed to building or maintaining the capability of the community partner via a transfer of business and management skills.²²

The nature of such skills transfer or building capability also included many large businesses being involved in some way in the governance of the partnership. The survey indicated that of large business involved with community partnerships (see Table 7):

- 44% were involved in their governance
- 83% managed their partnerships via a formalised agreement, and
- 73% employed a manager to oversee the transfer of goods, services and funds to their community partner.

Table 7 Management of community partnerships by large business

How partnerships were managed	Mid-tier business		Corporations		Total large business	
Formalised partnerships with NPOs	973	82%	111	85%	2,083	83%
Actively involved in the governance of partnership organisations	369	31%	734	56%	1,102	44%
Had a manager to oversee transfer of money, goods and services to NPOs	753	63%	1,082	83%	1,835	73%

²² For example, the partnerships that Woodside Petroleum and Westpac Corporation have with the Cape York Partnership.



As shown in Table 7, corporations were more likely than mid-tier businesses to be actively involved in the governance of their partnership organisations. They were also more likely to have a manager to oversee the transfer of money, goods and services to NPOs.

The search for fewer, longer and better-resourced partnerships

Large business approaches to giving via community partnerships were evolving. CEOs and senior managers reported their businesses were seeking to enter and cooperatively manage fewer, quality partnerships, and over a longer time. The rationale offered for this was that it allowed the business to:

- focus and corral substantial giving resources to partnerships most likely to achieve social impact or make progress towards agreed outcomes
- better engage employees—including available workplace volunteer hours—with the partnership and its objectives
- be in a better position to cement relationships with the community partner to facilitate transfer of skills and capability to the partner, and for the partner to transfer skills and capability to the business, and
- engage external stakeholders so that they better understood the focus of the organisation's giving.

Fewer and better-resourced (community) partnerships make sense. This allows us (the corporation) and our partner to really focus on an outcome with management time and resources over a longer timeframe.

- Interview, CEO

For sure there's been a movement across the corporate sector for involvement in fewer, better-funded and longer, partnerships. For us, this means we can place more focus, time and money on making our partnerships work and generate the outcomes, and provides more security of funding for our partner.

- Interview, senior manager

The preference for fewer, longer and better-funded community partnerships being the flagship of large business giving was evident in both the qualitative and quantitative data. Figure 17 shows that 63% of all large businesses, and 72% of corporations, reported managing a partnership for more than five years. In fact, 89% of the largest corporations (those with more than 5,000 employees) noted they have managed a partnership for more than five years.

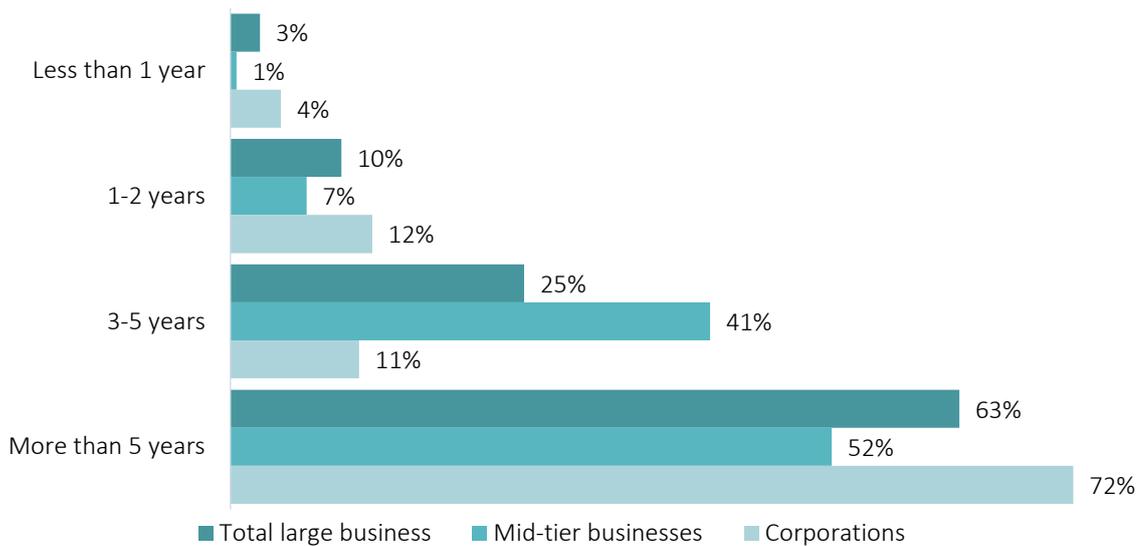


Figure 17 Number of years involved in a partnership – large business

Trends in partnership selection—and ending relationships

During the interviews, CEOs and other business leaders indicated the common criteria they applied when considering a community partner comprised:

- compatibility of ‘values’ and ‘mission’, and
- the capacity of the NPO to generate social impact/partnership outcomes.

In addition, potential partners and their mission needed to align with the CR approach and corporate strategy of the business.

We spend a lot of time making sure there is the right fit between our partner and the company because we hope the relationship will be long. There needs to be common values and a joint vision of what will be achieved.

- Interview, CEO

Figure 18 captures the main reasons offered by large businesses as to why they selected an NPO with which to partner. Strategy was a common element.

A growing trend reported by large business was NPOs conducting their own due diligence on businesses that want to partner with them.

Our community partners conducted as much due diligence on us (corporation) as we did on them.

- Interview, senior manager

Today, many charities and not-for-profits are super brands in their own right. They have their own reputations to manage and defend. It makes sense that they are very careful about what companies they partner with. It's true that we are under the microscope about our suitability as a partner as much as they are for us.

- Interview, CEO

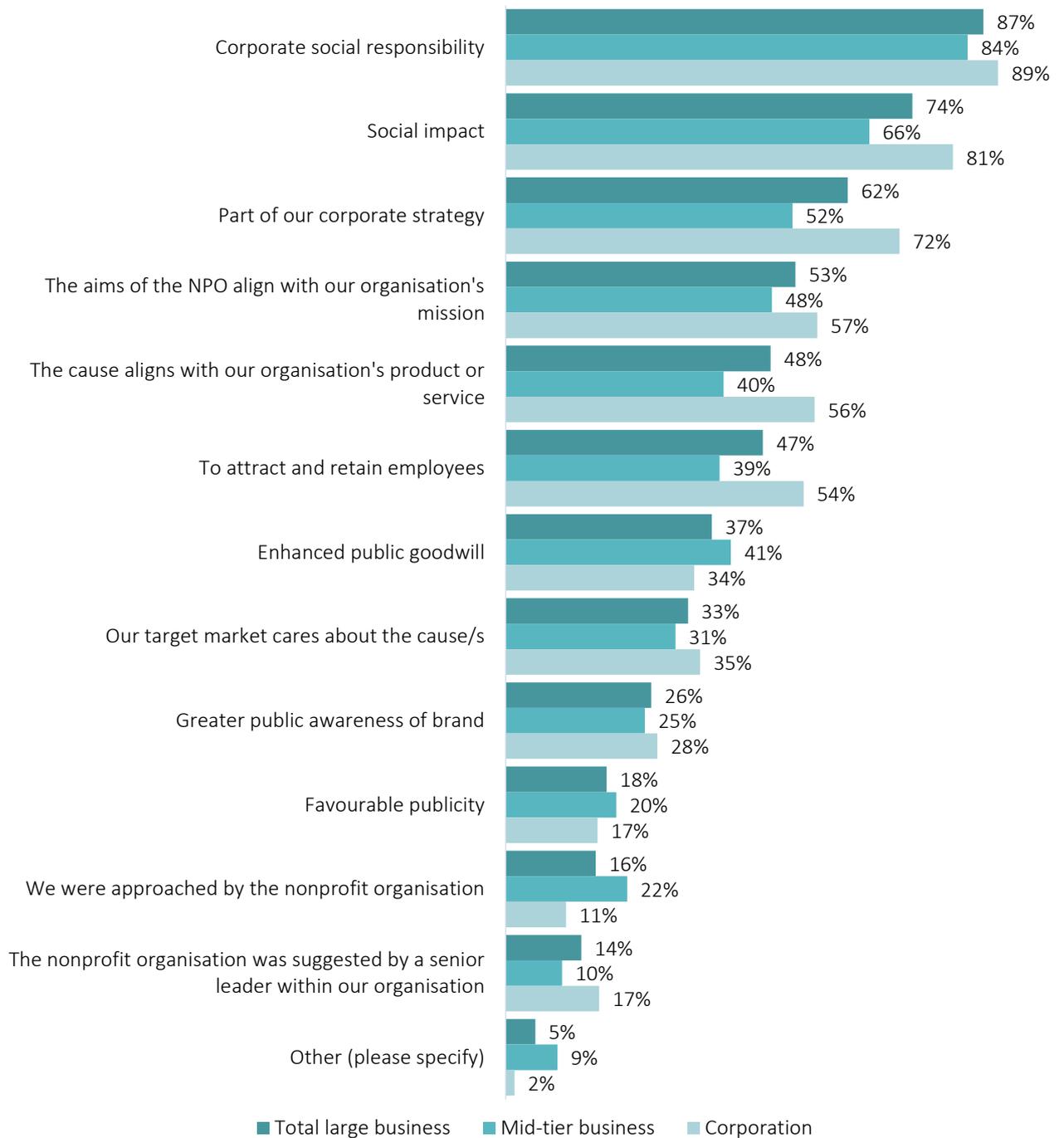


Figure 18 Reasons large businesses select a community partner

We note that the prime rationales for giving in 2015–2016 were related to business strategy and social objectives and not to the personal preferences or predilections of board members or senior executives (referred to by many senior managers interviewed for our 2007 report for the Prime Minister’s Community Business Partnership as ‘the chairman’s wife syndrome’).

The ‘Other’ rationale for mid-tier businesses (9%) included ‘the enterprise has existing relationships with community partners’, or ‘the partnership was the focus of joint local or industry cooperation’.



Business leaders interviewed as part of the qualitative research reported that ending a community partnership had become ‘more businesslike’ and ‘less traumatic for both partners’ during the last decade because NPOs and their corporate partners were more prepared to discuss and agree on how the partnership would end at its inception.

It’s pretty well accepted as common practice when negotiating a partnership that both parties agree how it will end—either after an agreed timeframe, or when agreed outcomes have been achieved. This makes it easier for both parties to manage the partnership, and then end it in good faith.

- Interview, senior manager

Because there are far more agreements around partnerships, and because they are far more common now than 15 to 20 years ago, it’s commonly accepted that how it will end has to be agreed before it begins. This is also really important for the sustainability of the community partner—knowing when the partnership is going to finish so it can make other arrangements.

- Interview, senior manager

The main reasons reported by large businesses for exiting a community partnership in Australia were strategic or tactical:

- the term of the partnership expired (44%), and
- purpose of the partnership was achieved (36%).

Only 4% indicated that partnerships ended because objectives were not being achieved.

Of special note is that 43% of large businesses indicated that insufficient budget ended a community partnership, with 63% of mid-tier businesses identifying this reason, compared to only one per cent of corporations who offered the same reason.

This correlates somewhat with the quantitative data on budget planning for giving. Mid-tier businesses were less likely to allocate a fixed or notional budget for giving than corporations (44% and 18%, respectively, did not have a planned budget for giving). Mid-tier businesses more readily withdrew budget support for giving activities when financial circumstance became difficult.

6.4.8 Giving vehicles—community sponsorships

Community-based sponsorships—a shift in strategy

The literature since 2005 indicates that marketing-based sponsorships of NPOs and other community-based organisations by large businesses were not considered to be giving; rather, such sponsorship was seen as commercially-oriented (for instance, formal large business sponsorship of professional sport) (Centre for Corporate Public Affairs and Business Council of Australia 2007).

Since 2005, however, sponsorship by large businesses of community organisations has evolved towards non-marketing approaches, arrangements and agreements.



A pharmaceutical company sponsoring a medical convention is a marketing sponsorship—it is an arrangement with a not-for-profit, but it certainly isn't a community sponsorship. A pharmaceutical company sponsoring a research project into childhood cancer prevention at a medical institute is a community partnership. There is a world of difference.

- Interview, senior manager

In 2015–16, the \$1.8 billion allocated to community sponsorships by 65% of corporations was the second largest giving allocation after community partnerships.

Large business sponsorship arrangements with NPOs in 2015–16 was most likely to include the allocation of monies and in-kind products and services for defined events or processes or activities that have a set time period.

Examples of defined events included:

- conferences
- community fêtes, and
- fundraising events.

Examples of events with a defined time period included:

- research programs
- a season of a community sporting team, and
- an international exchange program for high school students.

The qualitative research concluded that large businesses take a very different approach to community sponsorship arrangements than marketing sponsorships. Since 2005, the approach has increasingly been guided by whole-of-business strategy and giving strategy embedded within business strategy.

Our community sponsorships are not marketing-based—we are not seeking a commercial outcome like corporate brand health positioning or marketing campaign support associated with brand marketing sponsorships. They (community sponsorships) are managed completely separately from our marketing sponsorships, are funded from our giving budget, and are driven by a community investment strategy, not a marketing strategy.

- Interview, senior manager

We are involved in some community sponsorships because they meet a need for the not-for-profit, and do not involve the resources and focus of a community partnership. Like most corporations these days, any community sponsorship must align with our CCI strategy. We do not do marketing sponsorships with nonprofits.

- Interview, senior manager

Although qualitative research respondents acknowledged that there appeared to be more demand for community partnerships from NPOs, large businesses were not seeking to commit more than the allocated budget for sponsorships. The main reason cited for not supporting more sponsorships despite demand was that it did not align to strategy.



Among the large businesses not sponsoring any NPOs, a quarter reported that it ‘does not align with business strategy’.

A lot of community sponsorships are about supporting an NPO or group of NPOs to complete a task. This can indeed be a worthy objective, especially if it is about social inclusion. But our main focus is—and I think you will find this with most other big corporates—making our CCI budget and effort work as hard as it can to generate a social impact. So that is why we place more emphasis, backed by our resources, on partnerships and volunteering.

- Interview, CEO

Our observation is that sponsorship as part of giving is seen as a little old fashioned by many large companies as part of community investment unless it is part of a wider set of relationships the company can have, such as partnerships and volunteering, and especially senior business mentoring. There is a need for community sponsorships, especially in regional and rural areas. But we’ve observed it’s a smaller part of the mix these days, and it’s driven by strategy and is rarely ad hoc.

- Interview, CEO

6.4.9 Giving vehicles—workplace volunteering

The international literature suggests that in nations such as the UK, the US and Australia, higher rates of community volunteering are a desirable public policy objective, though while rates of community volunteering appear to be rising in Australia, they have declined in the US (Eisner et al. 2009).

The 2015–16 research on workplace volunteering suggested there is a significant opportunity for higher rates of workplace volunteering in Australia, particularly in corporations that have large workforces and the corresponding management infrastructure to more readily manage the complexities of workplace volunteering on a large scale.

The 2015–16 quantitative data indicated that:

- just under half of Australian large businesses managed a formal workplace volunteering program (46%)
- in large businesses that provided formal workplace volunteering, about one-fifth of their workforce (21%) were involved in their program
- almost 90% of those reported that their enterprise was allocating more time and resources to workplace volunteering than 10 years ago
- nearly three-quarters (72%) of large businesses provided paid time away from the workplace for their employees to volunteer, and
- overall, 10% of the annual giving budget was allocated to volunteering (formal and informal).

The nature of workplace volunteering in large businesses included ‘loaning’ executives to NPOs, providing employee volunteers (for general duties), seconding employees to work in an NPO and employees being part of an NPO’s governance by serving on a board or advisory group.



Most senior managers in large businesses responsible for workplace volunteering strategy and administration indicated that volunteering had become a 'very important' part of the employee value proposition for their enterprise.²³

We hear all the time that when Baby Boomer and Gen Y applicants are interviewed for positions here, one of the things they ask is what is our approach to corporate responsibility, and as part of that, what volunteering opportunities exist. This in some part validates the effort we put into making sure we have a volunteering program that is meaningful and relevant.

- Interview, senior manager

Most large businesses interviewed reported offering one volunteer day to each employee annually and opportunities for more days on an ad hoc and negotiated basis. The qualitative research also suggested that corporations had been steadily increasing the proportion of their employees who take up volunteering opportunities through their workplace. A rate of one in five employees using allocated volunteer days annually was considered high participation by most large businesses. Some corporations interviewed reported workplace volunteer rates of more than 35%.

Although many large businesses did not (and found it difficult) to place a monetary value on workplace volunteering, they estimated committing 10% of their giving resources to volunteering in 2015–16.

The qualitative research supported the view that large businesses were interested in realising higher rates of workplace volunteering. Corporations, in particular, were looking for more opportunities for skilled volunteering placements.

Our community partners are wanting volunteers with specific skills they apply at work—accounting, marketing, project management, IT, general management. We have those volunteers, so matching supply with demand is one of the challenges we need to address if we are to increase our volunteering participation.

- Interview, senior manager

Most CEOs and senior managers interviewed also expressed a desire for workplace volunteering to be driven by strategy, including objectives to generate social impact in the community, strengthen employee engagement with the business, and strengthen skills and capability transfer between the NPO and the corporation.

We have volunteering rates of about 20%, which is pretty good internationally. We encourage our colleagues to volunteer within the community partnerships we have where there is a skills need, or with an organisation of their choice. We'd like to see higher rates of volunteering in the future, because of the benefits that accrue to our partners and the community, our people, and the business.

- Interview, CEO

²³ This view on Generation Y employees was also reflected in [Giving Australia 2016: Individual giving and volunteering](#)



Volunteering is a terrific way to really get involved in our communities and facilitate our people to do work to strengthen the communities where they live and work. We place a lot of emphasis on this, and it generates some very valuable social capital for the community, pride among our people, and is also good for employee engagement and our employer brand.

- Interview, CEO

Business executives responsible for managing workplace volunteer programs reported that they faced significant challenges in delivering programs that were effective and efficient. First, the business needed to ensure that volunteering placements generated value for both NPOs and employee volunteers. Second, despite the development of human resource management software to assist program management (such as automating applications to volunteer, matching, workplace insurance cover for volunteers, and record keeping and reporting), it remained labour intensive and required significant resources.

After negotiating and managing community partnerships, managing workplace volunteering is the most complex component of our corporate community investment, though it can be the most rewarding component for employees. Innovation in this area is slow, but we are looking for it all the time.

- Interview, senior manager

A small number of large businesses that participated in our qualitative research indicated they employed the services of volunteering matching consultants and volunteering service providers to supplement internal resources available to coordinate workplace volunteering.

Most large businesses interviewed indicated they only employ the services of third party volunteer brokers and consultants when:

- establishing their workplace volunteering program
- reviewing workplace volunteering performance, or
- managing a rapid expansion of workplace volunteering.

I think a lot of companies find that they need a lot of help up front when they are starting their workplace volunteering program, when they are wanting to ramp it up but can't work out the best way to do it, or when they need an independent review of performance. Most businesses I interact with prefer to get help from volunteering intermediaries when they need it, but to manage the day-to-day themselves, so that management becomes an enterprise capability.

- Interview, senior manager.

Large businesses also reported looking for opportunities to integrate more of their workplace volunteering effort into their community partnerships. However, the extent to which this can be achieved depended greatly on the nature of their partnership, and the capacity of the partner to host volunteers. The following statement by one senior business manager (qualitative research) was indicative of the comments of many others.



We're now seeing many not-for-profits charging on a per head basis for each corporate volunteer so that they can resource up to offer meaningful opportunities for businesses. There's still a bit of painting the school fence 20 times a year to keep business volunteers busy, but not as much as what there has been in the past. The challenge is to make sure we send not-for-profits people who can generate some value.

- Interview, senior manager

6.4.10 Giving vehicles—payroll giving

Most large businesses (85%) had arrangements that allowed their employees to make donations to NPOs via their wages and salaries. More than half of large businesses (56%) matched the payroll giving made by their employees.

According to CEOs and senior managers, their organisations had seen increases in the percentage of their workforces participating in payroll giving since 2005.²⁴ They were also more actively encouraging employees to participate in giving via their wages and salaries.

We are very keen to both see a big increase in the number of our people (employees) involved in volunteering through work, and involved in giving through their wages and salaries, which the company matches dollar for dollar. We see this with our other community investment activities, as balancing the opportunities we provide to our people to give to the community, especially via their pre-tax salary.

- Interview, CEO

For some of Australia's biggest businesses, creating a culture in which payroll giving was a larger component of business giving was a pillar of CCI strategy.

There has been rapid change in payroll giving, especially in companies such as JB Hi-Fi, PwC and Westpac, who are leaders. Those companies have been working actively to engender a culture in which giving within the means of each employee is encouraged actively, and that the most senior people in those organisations lead by example.

- Interview, senior manager

One of the most significant and practical management tools used by many large businesses (including corporations) to encourage payroll giving has been to match payroll donations, either in part or in full. Large businesses reported that 4% of their annual giving budget for the previous financial year was allocated for matching the payroll giving of their employees (7% for corporations and 3% for mid-tier businesses).

²⁴ Research by the Australian Charities Fund (2015) suggested the proportion of employees in corporations giving through their payroll has levelled out during recent years; and while there have been notable increases in individual businesses, the overall proportion of employees involved in payroll giving is static.



We put our money where our mouth is and match what our employees give through their wages dollar for dollar—and the most senior managers lead the way by being full participants in payroll giving as well.

- Interview, CEO

Most CEOs and senior managers indicated payroll giving, including employee giving being matched by the business, would continue to be a core component of large business giving for the foreseeable future.

Many of our employees—and especially the younger ones—really like the convenience of giving at work through their payroll, and having it supported by and facilitated with the company's infrastructure.

- Interview, CEO

CEOs and senior managers interviewed reported that organisations' workplace giving intermediaries continue to play a constructive and relevant role working with businesses of all sizes to establish and calibrate their workplace giving programs.²⁵

Consultants and firms that can provide advice and the IT platforms and systems to link our employees and their giving appetites and salary payments with charities are very valuable when embarking on and gearing up payroll giving. And they can also be terrific helping to review performance and help companies reach targets for the percentage of the workforce you want to ideally be involved.

- Interview, CEO

Corporations, which comprise the greatest percentage of businesses that manage workplace giving platforms and programs, indicate they call on the advice and support regularly of specialist workplace giving consultants, and advisers (NPOs and private firms).

We can readily manage the payroll deductions from employee to the charity. Where advisers and specialist NGOs (non-government organisations) in this field offer value is helping us to match the giving preferences of our employees with suitable charities, and to inform our work to encourage more of our employees to get involved in giving.

- Interview, senior manager

²⁵ Intermediaries include Australian Charities Fund, Good2Give, Good Company etc.



Most CEOs and senior managers interviewed indicated that their businesses offer employees between five and 10 charities to which they can give.

- Two to three charities are selected by the enterprise, related to the sector in which the enterprise operates (e.g. emergency services for an insurance company, Landcare for a mining and resources company, Cancer Council for a healthcare company), and/or
- Two to three charities are selected by employees. The selection process may occur every four to five years and may comprise a company-wide survey, ballot or selection via a series of employee focus groups.

According to some CCI managers interviewed, the existence of workplace giving programs in businesses streamlines the call on employees being asked to give to charities and causes ad hoc.

In some workplaces, employees can be asked two to three times a week by other employees to donate to charities or community fundraising drives. Offering a workplace giving option to employees to structure their giving, and to steer their giving to a charity or charities to which they are committed personally...

- Interview, senior manager

6.4.11 Giving vehicles - corporate foundations

The survey suggested that a majority (69%) of large businesses in Australia did not operate a corporate foundation or formal trust. However:

- 12% managed a corporate foundation
- 7% operated a corporate trust, and
- 7% managed some other foundation-related vehicle.

The qualitative data suggested that in terms of how they structured their giving, large businesses did not make a clear distinction between one form and the other. It is also possible that many large businesses fund their giving through formal trust or foundation arrangements that were not obvious to the senior managers and CEOs interviewed.

Qualitative research with the heads or managers of most corporate foundations and trusts that have a public profile, as well as our qualitative research with CEOs and senior managers, suggested that a high number of entities perceived as corporate foundations were not in fact formal, incorporated entities. Rather, they operate as expenditure centres within company balance sheets, although they disburse grants and funds in a similar manner to many corporate foundations that do operate as PAFs and PuAFs under the Australian tax legislation.



The research supported literature (Social Ventures Australia 2015) identifying that the common structures for corporate giving include internal funds, private charitable funds, PuAFs and PAFs.

- Private Ancillary Funds (PAFs) are privately controlled trusts that can only provide donations to tax-exempt entities and Item 1 Deductible Gift Recipients (DGRs). They are exempt from income tax and entitled to receive refunds of franking credits.
- Public Ancillary Funds (PuAFs) are public charitable trusts that can only provide donations to Item 1 DGRs. They must seek gifts from the public, not just from employees and are entitled to be exempt from income tax.
- Private charitable funds are private controlled trusts established solely for charitable purposes. These trusts are entitled to be endorsed as a tax concession charity and exempt from income tax. Significant contributions to the trust by the corporate must not be of a capital nature. They provide greater flexibility in the amount of annual disbursements than PuAFs and PAFs.
- Internal funds usually operate as a branch or activity of the business. They may be responsible for all or some of the business' community or philanthropic functions. The activities of the fund are part of the expenditure of the corporate and are tax-deductible through the company. They provide a simple vehicle to achieve employee engagement objectives. They are unlikely to engage in impact investing.²⁶

The business case for establishing corporate foundations

CEOs and senior managers indicated that most large businesses that did not manage a foundation (the vast majority) had no immediate plans to establish a foundation and did not see the strategic necessity to do so.

We have a foundation, but we will soon be winding it up. There is no tax advantage in us (the company) operating a foundation and giving to it so we can the disburse money through it. We don't take donations from anybody else to our foundation, so maintaining its governance, branding, staffing and operations does not make business sense ... we're about to spend much more on our CCI, but it won't be through a foundation.

- Interview, CEO

The business case is not there for us to establish a foundation. It was all the go in the 1990s and into the early 2000s, but we can't see any advantage to managing one. All of our CCI funding and spending is managed through a cost centre, which is transparent to all of our senior management, as is the governance of our CCI.

- Interview, CEO

With a few exceptions, large businesses that did manage a foundation did so as part of a portfolio of giving vehicles, which included community partnerships, payroll giving, community sponsorships and planned donations.

²⁶ Social impact investing is 'the provision of finance to organisations addressing social needs with the explicit expectation of a measurable social and financial return' (OECD 2015).



Many businesses that managed a foundation in this way indicated their foundation was used primarily to handle requests for unsolicited donations, by corralling all such requests through a grants process funded, managed and disbursed by the foundation.

Our foundation is more than 20 years old. We see it as the main vehicle to make grants to not-for-profits and other organisations that may otherwise approach us in an unsolicited way during the year. With the foundation and its grants process, we can make it clear we are not able to manage unsolicited requests, and that there is an application and grants arrangement for not-for-profits who are not already our community partners.

- Interview, senior manager

Most large businesses that managed their foundations to streamline all their giving activity had long experience in doing so. Some of these foundations had been operating for more than three decades. They typically managed all giving—volunteering, payroll giving, community partnerships, and donations via a grants process through the foundation.

These entities were often governed by a melded board of directors from within and external to the business who developed strategy and reported as an entity nominally independent from the incorporated business. These entities also had different taxation and governance reporting requirements, requiring the requisite skills of the business executives who led and managed them.

We are part of the rest of the business, but we also manage our own strategy and need to manage our own governance structure. It is a dual role, which is challenging to manage. We remain accountable to all of our stakeholders—including the company—but we don't have the same governance accountability as corporate foundations that accept public monies.

- Interview, corporate foundation head

Corporate foundations are not well understood in Australia, as they are very different from how company foundations are run in the US, which is a total arm's length from the corporate entity. Though I head the foundation, most of the foundation funding, including my salary and that of my team, comes from the company. There are not many corporate foundations that vie for external funding.

- Interview, corporate foundation head

The corporate foundations that did accept external sources of funding (such as from other companies, supply chain partners, and members of the public) indicated they have needed to apply marketing expertise and capability, which were not necessary for corporate foundations that did not accept external funds.

These foundations tended to raise external monies from public or industry fundraising events—galas, balls, harbour races, major events staging and management. Companies managing foundations of this nature encouraged their employees to engage with giving by being part of those fundraising activities and events.



We raise most of our money to fund our grants and giving from our industry and the people who work in it, including the companies that work with us. This requires all the traditional skills to manage and govern an ancillary fund. And as well, we have to be very well skilled in marketing, event management and corporate communications to position our fundraising events and make sure they are successful.

- Interview, corporate foundation head

The qualitative research with foundation heads and CEOs and business managers revealed no pressing demand for consideration of changes to the tax system in Australia to encourage the establishment of more corporate foundations or make it more advantageous for corporate foundations to operate.

6.4.12 How large businesses govern and manage their giving

This section examines how large businesses in Australia plan and manage their giving.

As noted earlier in this report, most large businesses, and especially corporations, develop and apply a strategy that determines why they give, how they give, and what they give.

Research on large businesses' governance and management of giving in 2015–16 offered insights that extend the emerging developments seen in previous research (ACOSS 2005; Centre for Corporate Public Affairs and Business Council of Australia 2007). As shown in Figure 19, decisions about the focus on giving were made at the senior levels of large business.

- In about one-third (29%) of all large businesses, the CEO and senior management team made decisions about the areas of focus for giving (43% of corporations, 17% of mid-tier businesses).
- In about 80% of large businesses, the heads of business divisions and their senior management teams made decisions about the areas of focus for giving. The qualitative data suggested that the heads of business divisions were very frequently members also of the CEO's management team.
- Some 38% of large businesses reported the board was involved in decisions about the focus of company giving. This was supported by the qualitative data that indicated boards were far more interested and focused on giving as a component of social licence to operate and were wanting to be more involved in where the enterprise is focusing its giving efforts and resources.

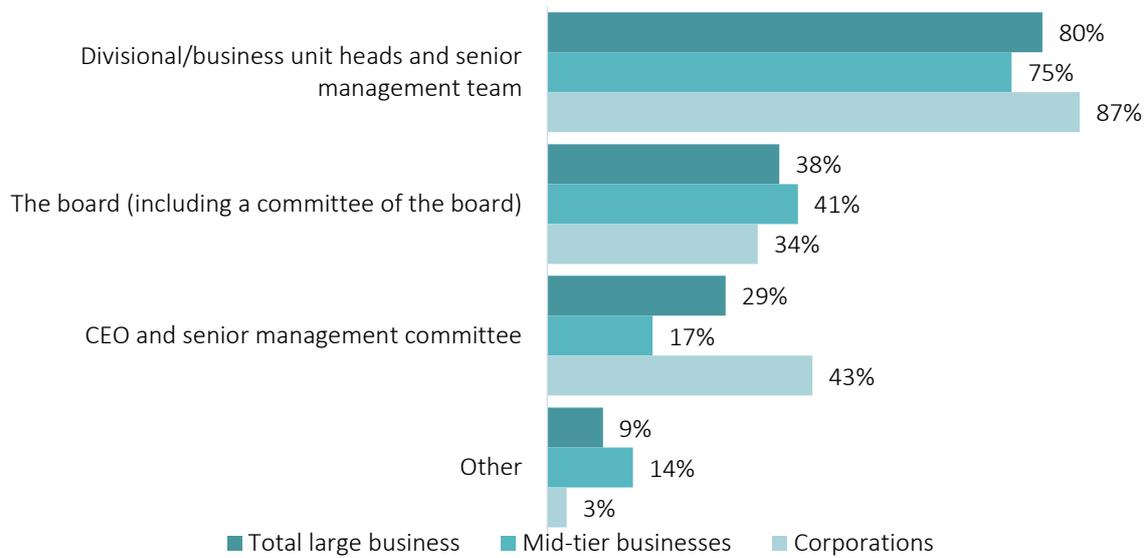


Figure 19 Decision makers on focus of large business giving

The Board is very involved in understanding where management is focusing the company's giving; why; and how that aligns with strategy. These are robust conversations and good ones. They are not conversations that I noticed boards were interested in 10 or 15 years ago.
- Interview, CEO

It's a sea change on how boards and governance advisory bodies are all over social licence and our community investment as part of that. There are many more boards who get the importance of that now. They don't direct, but they want to know and want to be in a position to endorse why and where we give and be supportive of that.
- Interview, CEO

The quantitative data concluded that government policy influenced the giving focus and priorities of only a small number (14%) of large businesses. Corporations were slightly more likely (17%) to be influenced by government policy than other large businesses.

This validated the benefits of imposing a division between boards and management teams about operational decisions on giving (as indicated in Figure 19). Boards in best practice governance models had, what were described as, 'sticky beaks' but not 'sticky fingers' – they had an obligation to know, understand and guide, but not manage.

About one-third of boards played a role in decisions about the value or amount of giving by large businesses (32%), 83% of CEOs and their senior management team also played a role.



The qualitative research data indicated that all CEOs and senior managers (most from corporations) reported that in their businesses, boards were more active in discussions about where the business should focus its giving and less active 'making decisions' about what resources were allocated to giving. Our Board—and I know from peers this is also the case with their boards—that directors are more interested in understanding if our CCI strategy is being implemented effectively, and if it is generating outcomes. These directors may endorse CCI allocation decisions by management, but are not making those decisions.

- Interview, CEO

All business executives interviewed who were responsible for managing giving in large businesses agreed the following.

- Boards were more engaged with giving strategy and outcomes than at any time in the past 20 years.
- Boards were focused more on advising on strategy and ensuring giving contributed to social impact; they were focused rarely on operational detail.
- Boards were holding management to account for progress (or a lack of it) to achieve giving performance targets.

Interview data suggested shareholders were rarely (if ever) consulted on giving strategy or how it is managed. As noted elsewhere in this report, employees in some businesses provided inputs to some decisions about what charities are the focus of payroll giving contributions, and what NPOs will receive their volunteer hours. Senior managers of corporations interviewed indicated also that employee research about their engagement with aspects of CCI, including community partnerships, was frequently an input to decisions about in which sectors, and with which organisations, the business should focus its giving.

Figure 20 illustrates that 64% of large businesses allocated their giving budget in a formal manner, either at head office; at the business division level; at head office in cooperation with business divisions; or via a fixed formula of revenue or profit (and most frequently profit before tax) (see 6.4.4 for discussion about how large businesses determine giving budgets).

Mid-tier businesses were more likely (44%) than corporations (18%) to have an ad hoc approach to their giving budget and allocate funds as opportunities and needs arose.

Insights from the literature (Centre for Corporate Public Affairs/Business Council of Australia 2007) suggest that giving is less likely to be embedded in business strategy if there is an ad hoc approach to allocating specific budgets to giving decisions. This was confirmed during interviews for the *Giving Australia 2016* research. CEOs and senior managers indicated that for giving to be strategic, effective and sustainable, giving had to be costed and embedded in budgets. Otherwise, the hoped-for social and business benefits would not be realised.



The reality in most big organisations is that if line items are not in the balance sheet, it's going to be perceived as some type of slush fund, or discretionary allocation. If it's not on the balance sheet in detail, it's a signal to the company and our external stakeholders that it's not been able to muster a business case.

- Interview, CEO

Most business executives interviewed felt that the social and business objectives of giving were very difficult to achieve if a discrete and clear budget, guided by strategy, was not allocated. More corporations (36%) than mid-tier businesses (25%) had a fixed amount allocated for giving by corporate headquarters and supplemented by business units. Conversely, 18% of corporations and 44% of mid-tier businesses did not have a planned giving budget (see Figure 20).

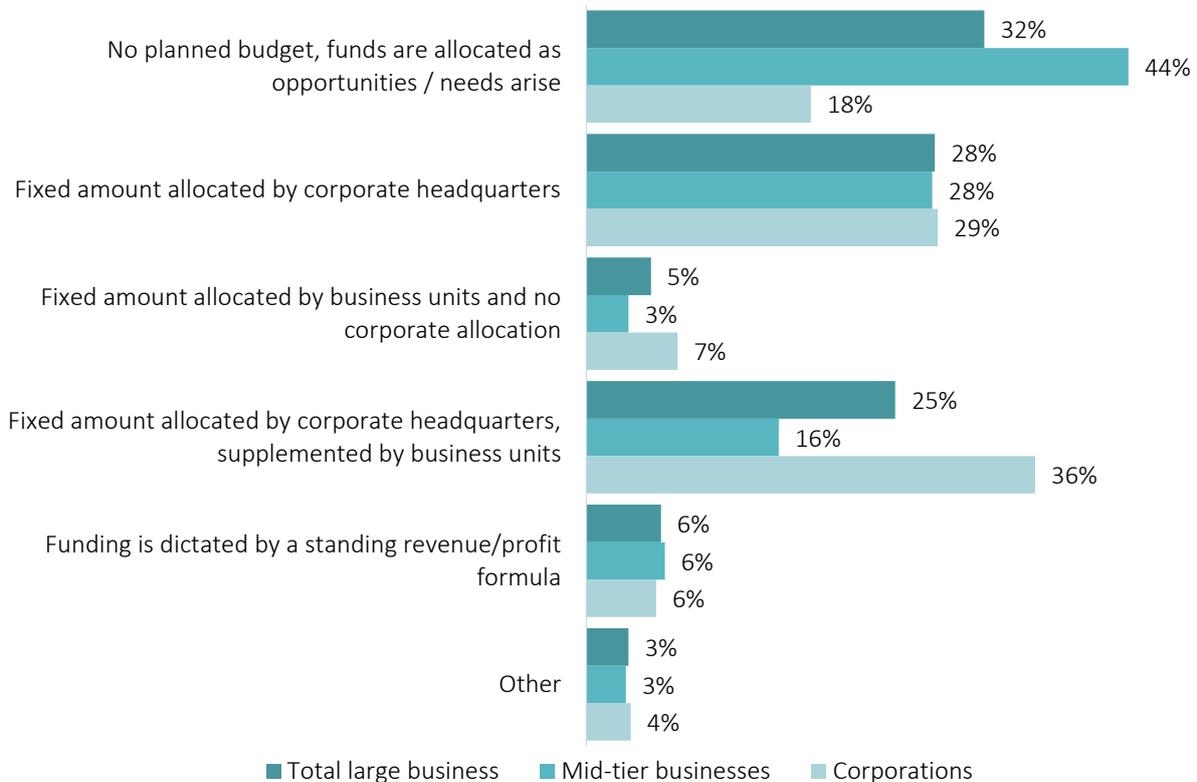


Figure 20 How large businesses develop their giving budget

The quantitative and qualitative data suggested that fewer companies were allocating giving funds based on a fixed formula related to revenue or profit compared to the 1990s and early 2000s. Globally, London Benchmarking Group members now contribute a little over one per cent of pre-tax profit to their CCI activities (London Benchmarking Group 2015). In *Giving Australia 2016*, only 6% of large businesses in Australia allocated their giving budget in this manner in their last financial year.



6.4.13 The strategy behind giving modes and vehicles

While the evolution of business community partnerships in nature, number, and focus has been a significant development in how all large businesses give in Australia, there have also been major developments in strategy, management and quantum of workplace volunteering, payroll giving, and community sponsorships in large businesses, and especially corporations.

The interviews revealed that deliberate strategy was driving what vehicles and modes that all businesses, including corporations, used to give.

Qualitative and quantitative research suggested that giving vehicles and channels that enabled some involvement by employees and made progress towards a social impact tended to have most preferred status in large business and in particular, corporations' strategy. These included payroll giving, volunteering, and community partnerships.

In 2015–16, community sponsorships received the second largest giving bucket from large businesses. These sponsorships had evolved to have very different objectives than corporate marketing sponsorships. Community sponsorships were guided by giving strategy, not marketing strategy.

Corporations (more so than mid-tier businesses) indicated that they currently did not offer the same level of opportunities for employee involvement as other giving vehicles. However, employee involvement was perceived to be a desired, if not aspirational, piece within the wider giving jigsaw managed by many corporations.

The 2015–16 research suggests that among large businesses, unconditional giving ('traditional philanthropy') represented a smaller proportion of giving, especially as businesses were increasingly driven by strategic objectives such as generating social impact, engaging employees, and securing a social licence for the business.

CEOs and senior business leaders participating in the qualitative research confirmed this. Most perceived that shared cross-sector outcomes for NPOs, the community and the business, had the highest chance of success when the business involved took the lead in generating those outcomes. For these business leaders, their lived business experience was a proof point:

There are outcomes that NPOs can achieve alone. And there are outcomes that can be best achieved by business and NPOs working together. Our strategy is to look for those opportunities where the business can learn and build capability from its partnership and relationship with our (community) partner. We also want to be able to build the capability and sustainability of our community partner if they want that and if that is possible. That's why we look for and prefer the cooperative approach over simply signing a cheque and walking away.
- Interview, senior manager



6.4.14 Measuring giving performance

In contrast to qualitative data captured in the 2007 research on CCI in Australia (Centre for Corporate Public Affairs/Business Council 2007), CEOs and business executives in 2015–16 were less focused on measuring giving to ‘justify’ the business resources allocated to it.

Measuring the inputs, outputs, and outcomes of CCI remains important for large businesses and corporations in 2015, but for different reasons than in 2005.

In 2005, large businesses and corporations were focused on measurement, in large part, to account for or justify monies, management time, and business products and services, allocated to giving.

In 2015, large businesses and corporations measured CCI to understand if progress against objectives was being made; and to inform CCI strategy and tactics. It’s important that we measure (our CCI) so we can assess if our investments and partnerships are making a difference, especially our partnerships and volunteering, which involve our employees ... our measurement includes understanding if our investments are having a good social impact and if our community partners are benefitting from our collaborations, including if we need to provide more resources to achieve joint objectives. This is just good business practice.

- Interview, CEO

Most CEOs and senior executives interviewed for the qualitative research indicated that because the drivers of giving were dominated by businesses ‘doing the right thing’, engaging employees, and generating social impact, there was less emphasis in 2015–16 on counting giving inputs and outputs. Instead, more value was placed on understanding outcomes such as social impact, the degree to which business employees understood, participated in, and supported giving by the enterprise, and stakeholder engagement with business giving.

Figure 21 provides an overview of how large businesses in Australia sought to understand the benefits of their giving. Employee engagement was one of the most important measures large businesses used to understand the value of their giving.

Large businesses cited that as well as employee engagement, they were seeking to measure and assess the social impact and stakeholder and community partner attitudes of their giving (40 per cent of all large businesses indicated via the quantitative survey that they measured social impact; 56 per cent of corporations indicated they measured social impact).

What large businesses were seeking to measure aligned closely with the outcomes they were seeking from their giving. These outcomes are:

- the ‘good thing to do’ to regardless of business returns
- employee engagement, and
- generating a social impact.



We've worked with our three main community partners to track the progress of what we are trying to achieve by every three years funding independent reviews by a team of academics and consultants. These reviews - which we make available to other NPOs – let us know if we are on track, or if we need to do things differently to generate the type of social impact that each partnership has been established to achieve.

- Interview, CEO

How social impact was measured varied from business to business.

Getting a grip on social impact is difficult unless you are prepared to do the hard yards to measure over time. We don't seek to understand if our ad hoc disaster relief donations or if some of our smaller workplace giving cash donations creates social impact, and rely on the feedback of recipient entities to understand if we have helped them. But for our volunteering, and all our partnerships that we manage over a long time, we do want to understand, as we always make commitments upfront as to what the CCI wants to achieve, and over what time. This involves us making sure our community partner has the resources to capture data and report, and that we provide funds or company skills to analyse the data with our partner to see if over time we are still on strategy, and to see if there is the positive shift we set out to achieve.

- Interview, corporate community investment manager

An academic centre of study in one of the big universities conducts our social impact assessment every five years. In between then, we are counting inputs and outputs against an agreed (with the CCI partner) timetable.

- Interview, corporate community investment manager

Because what we want to achieve with (that) CCI partnership is environmental impact – which is a small part of the larger environmental sustainability picture in Australia – we work with consulting scientists to understand if biodiversity and water quality in the partnership project area is improving over time. So we are dealing with data and evidence, not just the great response we get from our people who volunteer, or smiling pictures with our partners, who of course are glad of our support.

- Interview, CEO

Corporations that viewed their CCI partnerships as longer term were more likely to seek partnerships that generate positive social impact, and that measure progress towards achieving impact.

One of the advantages that very large companies have is that they can use their scale to allocate resources to sustain (community) partnerships over time, and stick with them long enough to make a difference, and realise positive progress and change in an area of social challenge. We (the corporation) only look for partnerships where we have a good chance of making a real difference, so we have to be able to measure to understand if we are shifting the needle.

- Interview, CEO



The following statement by a CCI manager in a Top 20 ASX corporation reflected the tone and sentiment of many other senior executives interviewed for this research.

Because we want our CCI to deliver results for the community, for our partners, and for the company, we apply the same rigours of management to it as we do to any other business activity – and that can mean the same processes and procedures for accountability that can drive our (community) partners a bit crazy, because they are able to make decisions more quickly than we can. Applying KPIs (key performance indicators) that are measurable is part of that. Measuring helps the partnership understand if we are on the right track and what we have achieved, and gaps that we need to bridge. It's not about keeping tabs on our partner. It's about making sure the partnership is progressing, and if it's not, we have an evidence base to fix that ... we also report on all of our CCI to our stakeholders, including shareholders, in our annual sustainability report, and on our website, as data becomes available.

- Interview, corporate community investment manager

Qualitative work with senior managers and CEOs indicated that typically, corporations measured their giving as summarised below. Mid-tier businesses, which the data indicated do not as frequently apply a strategic approach to their giving, did not measure attributes of their giving to the same degree as corporations.

Corporations or ASX-listed mid-tier businesses were more likely to report their CCI in annual or CR reports and publish further details of CCI performance on their websites than all other businesses. In this sense, measurement informed reporting to stakeholders and met the requirement of good practice CR (transparency to stakeholders).

The following emerged across the different giving and volunteering activities:

- Workplace volunteering – via online tracking features of employee self-service payroll and human resources software and systems. Volunteer day requests, authorisations and completions were captured and reported to a manager responsible for workplace volunteering. This data represented inputs and outputs. The NPO recipient of workplace volunteering days (if a large organisation that has a relationship with the business) most frequently reported annually on the impact of the volunteer days on it and its work. If the NPO is in a community partnership with the corporation, the outcomes of volunteering may be measured also in broader research and analysis to track the overall social impact of the partnership, of which volunteering may be one element.
- Workplace giving by employees – most corporations that managed a workplace giving program did so via their payroll system. The amount that each employee gives on an annual basis was provided to employees for verification and personal taxation purposes. Individual data was aggregated for the whole business. If the corporation matched giving by employees, that amount was remitted and recorded also. The percentage of employees who gave funds via the workplace giving vehicle, the amount given, and any matched funds provided by the business, were most frequently reported. Some corporations set targets for their workplace giving, often comparing performance to benchmarks provided by organisations such as workplace giving intermediaries, and the London Benchmarking Group (Australia & New Zealand).



- Community partnerships – the business executives interviewed for this research indicated that almost all of their formal community partnerships included performance indicators in the agreement establishing the relationship. Typically, the performance of the partnership was measured via counting inputs and outputs (agreed activity against timeframes), and against measuring indicators such as partner satisfaction, employee engagement, stakeholder awareness, and social impact.
- Community sponsorships - these non-marketing sponsorships were generally not measured. CCI managers interviewed indicated that the rationale for sponsorship of NPO events, community sport and the arts was to ensure those activities could occur; and that they did occur was a measure of if the sponsorship delivered value.
- Philanthropic donations of funds, products, and services – the qualitative and quantitative research suggests these donations by large businesses were counted and reported.

Figure 21 illustrates the benefits of giving that large businesses sought to understand via some mode of measurement.

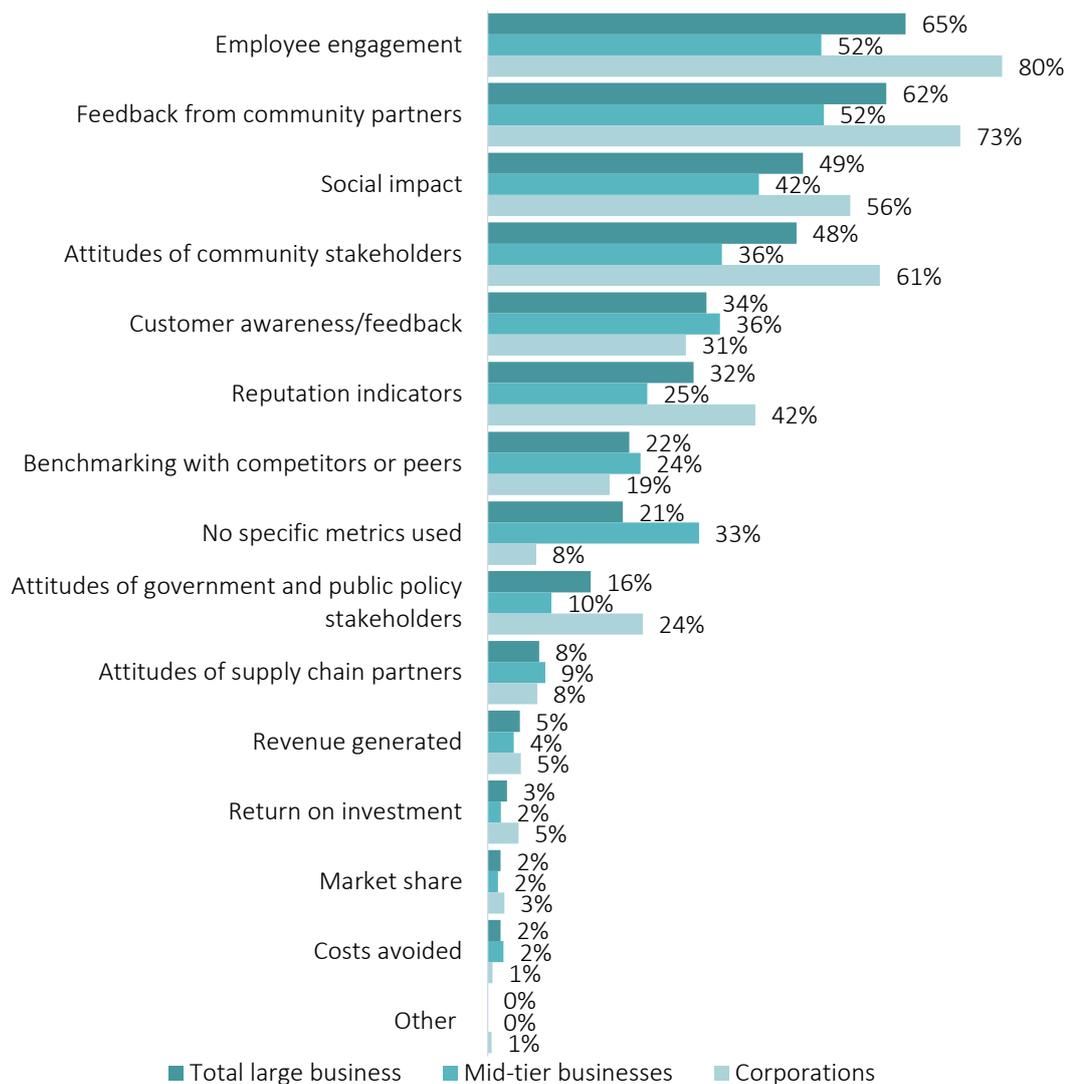


Figure 21 How large businesses measured the benefits of giving



Based on the qualitative data, establishing social impact as an objective of giving, and seeking to understand that social impact (including progress towards it, or lack of progress), was one of the most significant developments in CCI in Australia over the past decade.

6.4.15 Innovation in large business giving

As noted in previous sections, there has been innovation in strategic thinking on business giving in Australia since the 2000s. Of note was the shift by large businesses towards generating social impact and embedding giving in corporate strategy. This innovation has been gradual and deliberative.

Many senior managers involved in giving tended to be seeking innovation of the ‘big bang’ variety—innovation in processes and tools that would render the often laborious tasks of managing giving more efficient, so that there was more management time to engage with strategy, as well as with giving-related stakeholders.

Different information needs emerged around innovation.

One of the big gaps in CCI management is insight to what steps and innovation is occurring. CCI management areas are normally small, and as partnerships become the primary vehicle for CCI, along with labour intensive workplace giving and volunteering, it is very difficult for CCI practitioners to get out of the trenches and see what good stuff may be occurring elsewhere. One of the most valuable things for our CCI management unit would be easy access to evolving and good practice.

- Interview, senior manager

I have to say that all the boats in the harbour lift when businesses can have conversations based on the lived experience – evidence – about what is hot, and what is not, in community investment. Evidence is king in the boardroom, and around my senior team table. Timely information about how business is performing in its social investments in the community, and case studies on what is working best, would be very beneficial for all companies wanting to do better in their community investment.

- Interview, CEO

Most senior managers interviewed responsible for community investment indicated that they maintained informal networks to stay abreast of CCI innovation, and particular professional groups and entities provided platforms for an exchange of CCI practice and its development.

However, most of these managers, as well as heads of industry associations interviewed, indicated there was a market gap in collating and disseminating data on CCI evolution and good practice in Australia that was not being met by academia, business or governments.

Sure, if government wants more CCI innovation and evolution, it could address pre-competitive information asymmetry across the business community. But business and its peak groups have an opportunity also, and so does the uni’s (higher education sector). I’m just saying there is a good practice case study gap out there. The market hasn’t filled it yet.

- Interview, CEO



Innovation in business giving remained an area in which many managers found themselves challenged because as well as reporting difficulties getting access to and understanding emerging and good practice, finding quality management time to innovate in giving management teams can be difficult, given such teams typically comprise between two and four employees.

Senior business executives reported that since 2005, most innovation in business giving occurred by applying general management and business software innovation to how giving, including managing partnerships, payroll giving and workplace volunteering was managed. This has included using human resources and payroll software to more efficiently manage workplace volunteering and payroll giving processes, including with matching employees to volunteering opportunities and generating payroll giving reports for company and employee taxation purposes.

The evolution of social media, according to senior managers responsible for managing giving, has raised awareness by employees, partners and the community about business giving. This had assisted to further cement relationships, with NPO recipient partners and other giving partners, by offering new channels of communication and dialogue.

However, large businesses report that social media platforms had yet to offer easily identifiable opportunities to render managing business giving more efficient or effective.

There have definitely been innovations on how we engage employees with our CCI via new and mobile employee dialogue channels—Facebook, Yammer, Snapchat and Instagram. These may or may not be around or relevant in a few years' time, but they are helping with engaging employees. But they are not making a huge difference to our overall CCI management process at the moment.

- Interview, senior manager

We are always looking to learn new ways of doing what we do better in CCI strategy and execution. Enterprise-wide digitisation of many business processes has helped the general CCI management effort. But big innovations in managing CCI remain elusive.

- Interview, CEO

Senior executives responsible for giving in large businesses, and heads of corporate foundations identified getting ready and real-time access to new and best practice developments and thinking in business giving as 'ripe' for innovation.

Technological innovations do not appear to have influenced large business' preferred means of receiving unsolicited applications. As with the 2005 research, the most successful channel to influence business giving was through existing relationships (see Table 8).

Some 97% of businesses gave a donation after being contacted by an organisation with whom they had an existing relationship. This was on par with a request from a Board member, senior executive or employee from the business, with 97% of those who were approached in this way making a donation in response.



Email was the top preferred way of being approached for donations (as nominated by 37% of large businesses). A letter with supporting material making the case for the giving opportunity was the second most preferred approach by large businesses (21%), even in the digital age.

Table 8 How large business is approached, and prefers to be approached for giving

Method of approach ²⁷	% approached	% gave a donation as a result	Preferred method of contact
Telephone call	32%	39%	4%
Form or letter	38%	55%	11%
Form or letter with additional materials such as cards or booklets	19%	39%	21%
Email	37%	60%	37%
Social media	9%	16%	2%
Request from a customer or supplier that you already deal with	28%	81%	N/A
Request from an employee or Board member involved with the beneficiary organisation	41%	88%	N/A
From an existing relationship with an NPO	68%	97%	N/A
Request from a Board member, senior executive or employee of your organisation	28%	97%	N/A
Not approached last financial year/Do not accept unsolicited requests for donations	8%		26%
Other	7%		N/A

6.5 SME giving

In 2015–16, most SMEs in Australia gave in some way during their last financial year. Commonly giving took the form of monetary donations, time (such as volunteering and mentoring) and unused products, although data on the last two forms were rarely systematically captured and reported by SMEs.

The 2015–16 research estimated that 1,470,873 businesses participated in some form of giving during their last financial year. Figure 22 shows the proportion of SME giving. In dollar value:

- donations totalled \$5.2 billion (60% of total giving), 60% in the form of money (\$3 billion), 22% in goods (\$890 million) and 25% in services (\$1.3 billion)
- sponsorships totalled \$1.8 billion (22% of total giving), 62% in the form of money (\$1.1 billion), 25% in goods (\$455 million) and 13% in services (\$237 million), and
- partnerships totalled \$1.6 billion (18% total giving), 22% in the form of money (\$342 million), 36% in goods (\$559 million) and 42% in services (\$650 million).

²⁷ Some businesses were approached in more than one way to make a donation, and responded in more than one way with a donation.



Money was the favoured means of giving by SMEs (although to a lesser extent than large business giving). Of the total SME giving, 53% (\$4.5 billion) occurred in the form of giving money, 22% (\$1.9 billion) comprised the giving of goods and 25% (\$2.1 billion) was given as services.

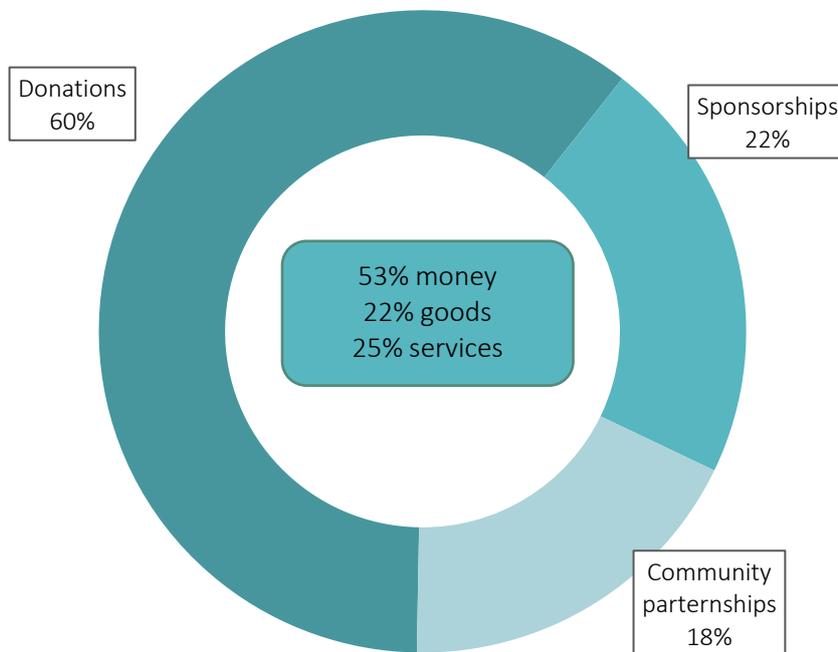


Figure 22 Total SME giving

Money remains the favoured means of giving for donations, partnerships and sponsorship.

- Of the 1,404,391 SMEs giving donations, 90% gave money, 22% company products and 7% promotional merchandise.
- Of the 244,978 SMEs who give to partnerships, 60% gave money and were also likely to contribute company products (32%) or equipment (17%).
- Among the 484,087 businesses involved in sponsorship, 76% gave money, with company products (24%) being the next most popular choice.

6.5.1 Giving by size

SMEs with more employees were more likely to participate in some form of giving. The proportion of giving was 84% of SMEs with 5–19 employees and 98% of SMEs with 20–199 employees participating in some form of giving (see Table 9).

Table 9 Numbers of SMEs giving, by type of giving, by employee number

Number of employees	Donations		Partnerships		Sponsorships		Total	
	Number	%	Number	%	Number	%	Number	%
0–sole trader	746,641	62%	9,638	8%	161,356	13%	775,404	60%
1–4 employees	366,357	78%	5,979	9%	145,519	31%	382,876	79%
5–9 employees	162,136	86%	11,377	38%	10,717	57%	170,713	90%
10–19 employees	94,996	87%	12,698	54%	46,645	43%	100,687	92%
20–49 employees	23,075	87%	1,080	24%	14,507	55%	25,255	95%
50–99 employees	6,532	58%	2,701	51%	6,337	56%	10,408	90%
100–199 employees	4,654	84%	606	33%	2,706	49%	5,530	100%

In terms of the total amount donated by the number of employees:

- non-employed businesses (61% of the business population) contributed \$1.4 billion, or 16%
- micro-businesses (28% of the business population) contributed \$2.2 billion, or 25%
- small businesses (9% of the business population) contributed \$3.3 billion, or 39%, and
- medium businesses (2% of the business population) contributed \$1.4 billion, or 16% (see Table 10).

Table 10 Value of SME giving, by type of giving, by employee size

Number of employees	Donations	Partnerships	Sponsorships	Total
0–sole trader	\$1,113,829,312	\$147,231,183	\$140,649,025	\$1,401,709,520
1–4 employees	\$1,599,902,484	\$351,457,218	\$214,805,400	\$2,166,165,102
5–9 employees	\$932,968,400	\$252,035,232	\$354,343,968	\$1,539,347,600
10–19 employees	\$866,930,202	\$520,612,426	\$409,713,012	\$1,797,255,640
20–49 employees	\$399,293,664	\$143,742,039	\$131,957,420	\$674,993,123
50–99 employees	\$91,866,372	\$123,991,560	\$542,272,922	\$758,130,854
100–199 employees	\$148,932,095	\$12,146,929	\$48,090,845	\$209,169,869

6.5.2 Giving by location

Three-quarters of NSW SMEs participated in some form of giving, closely followed by SMEs in South Australia (74%) and Western Australia (72%). Relatively large proportions of NSW businesses gave in the form of donations and partnerships, while a relatively large proportion of South Australian businesses gave through sponsorships (see Table 11).

Table 11 SME giving by location (number and percentage)

State	Donations		Partnerships		Sponsorships		Total	
	Number	%	Number	%	Number	%	Number	%
NSW	506,186	78%	20,217	27%	163,226	25%	526,505	75%
QLD	242,916	60%	6,634	11%	85,419	21%	260,541	63%
SA	96,256	67%	345	1%	51,228	36%	106,380	74%
VIC	363,227	68%	12,312	27%	113,527	21%	372,610	68%
WA	150,376	68%	4,114	19%	46,181	21%	159,408	72%
Total*	1,404,391	70%	44,079	18%	484,087	24%	14,70,873	70%

*Includes ACT, TAS, and NT.

6.5.3 Giving by industry

The most generous industries in terms of the proportion of SME giving were education and training (100%^{††}), mining (96%), construction (86%) and wholesale trade (86%) (see Table 12).

Table 12 SME giving by industry (number and percentage)²⁸

Industry	Donations		Partnerships		Sponsorships		Total	
	No.	%	No.	%	No.	%	No.	%
Agriculture/forestry/fishing	153,369	85%	3,897	10%	67,096	37%	153,369	85%
Mining	5,978	79%	2,989	50%	7,596	100%	7,596	96%
Manufacturing	41,352	54%	974	48%	12,815	17%	42,132	51%
Electricity/gas/water/waste ^{††}	832	15%	-	-	616	10%	832	14%
Construction	284,284	83%	-	-	53,464	15%	296,251	86%
Wholesale trade	62,628	82%	5,077	55%	30,408	40%	65,127	86%
Retail trade	93,768	71%	2,417	11%	47,928	37%	102,736	78%
Accommodation/food	49,133	57%	1,387	12%	18,606	22%	57,507	66%
Transport/postal/warehousing	71,727	57%	-	-	34,355	28%	73,996	58%
Information media/telecom ^{††}	8,404	43%	-	-	5,517	28%	8,997	46%
Financial/insurance	145,294	82%	2,679	14%	58,809	32%	149,291	81%
Rental/hiring/real estate	153,967	66%	-	-	30,483	13%	153,967	66%
Professional/scientific/technical	109,570	52%	12,260	64%	52,400	25%	126,465	50%
Administrative/support	27,081	41%	-	-	7,688	12%	29,453	37%
Education/training ^{††}	27,101	100%	10,291	100%	16,012	59%	27,101	100%
Health care/social assist	86,258	78%	1,484	12%	19,351	16%	87,942	75%
Arts/recreation ^{††}	16,201	67%	-	-	273	1%	16,201	62%
Other	54,807	62%	623	7%	8,036	9%	59,277	66%

The industries that gave the largest amounts overall were construction (\$1.3 billion), wholesale trade (\$1.5 billion), finance and insurance (\$1.3 billion) and professional, scientific and technical (\$688 million) (see Table 13).

The proportion of businesses giving from these industries was greater than average. Greater giving by these industries reflected their size being some of the biggest industries in terms of business numbers.

The most generous SME industries by the value of donations were education and training (\$366 million^{††}), agriculture (\$731 million) and construction (\$1.3 billion).

Education and training (100%^{††}) and professional, scientific and technical (64%) sector SMEs were most likely to contribute to partnerships. Sponsorships were most likely supported by education and training (59%) and mining (100%) sector SMEs.

²⁸ Where ^{††} appears, the sample size was less than 10. Caution must be used when interpreting these figures.

Professional, scientific and technical SMEs tended to support partnerships and sponsorships (\$82 million and \$188 million were given respectively in these two modes).

Table 13 SME survey giving by industry (value)²⁹

Industry	Donations	Partnerships	Sponsorships	Total
Agriculture/forestry/fishing	\$419,867,672	\$214,383,624	\$96,376,320	\$730,627,616
Mining	\$4,155,200	\$14,840,000	\$18,133,344	\$37,128,544
Manufacturing	\$56,599,125	\$6,440,864	\$28,069,244	\$91,109,233
Electricity/gas/water/waste ^{**}	\$12,747,780	N/A	\$928,800	\$13,676,580
Construction	\$988,682,810	\$161,663,406	\$156,302,496	\$1,306,648,712
Wholesale trade	\$368,275,740	\$461,158,101	\$692,387,850	\$1,521,821,691
Retail trade	\$303,510,912	\$104,708,328	\$80,719,604	\$488,938,844
Accommodation/food	\$129,910,948	\$58,010,742	\$67,230,525	\$255,152,215
Transport/postal/warehousing	\$119,828,634	\$4,017,024	\$22,449,944	\$146,295,602
Information media/telecom ^{**}	\$71,368,508	\$56,780,017	\$2,996,817	\$131,145,342
Financial/insurance	\$879,355,260	\$145,816,650	\$260,618,796	\$1,285,790,706
Rental/hiring/real estate	\$654,956,632	\$74,067,000	\$24,094,400	\$753,118,032
Professional/scientific/technical	\$418,309,962	\$81,688,984	\$188,046,054	\$688,045,000
Administrative/support ^{**}	\$75,069,675	N/A	\$13,258,665	\$88,328,340
Education/training ^{**}	\$194,666,483	\$82,136,670	\$89,667,720	\$366,470,873
Health care/social assist	\$220,930,600	\$68,899,167	\$71,827,376	\$361,657,143
Arts/recreation	\$25,886,400	N/A	\$3,276,000	\$29,162,400
Other	\$59,387,910	\$10,403,854	\$17,990,532	\$87,782,296
Total		\$214,383,624	\$96,376,320	\$730,627,616

6.5.4 Recipients of giving

As Table 14 shows, SMEs most favoured giving to the culture and recreation sector (45% of givers), followed by health (40%), social services (30%) and education and research (29%). Less than 10% of givers gave to development and housing (5%), business and professional associations, trade unions (6%), and law, advocacy and politics (9%).

²⁹ Where ^{**} appears, the sample size was less than 10. Caution must be used when interpreting these figures.

Table 14 SME giving by activity (number and percentage)

Activity of benefit	Donations		Partnerships		Sponsorships		Total	
Culture and recreation	448,635	32%	144,283	59%	351,986	71%	944,904	45%
Education and research	467,211	33%	67,589	27%	76,403	15%	611,203	29%
Health	669,960	48%	81,851	33%	74,515	15%	826,326	40%
Social services	459,403	34%	79,206	33%	95,514	19%	634,123	30%
Environment and animal protection	182,682	12%	30,185	12%	36,381	6%	249,248	12%
Development and housing	35,634	3%	29,888	12%	30,291	6%	95,813	5%
Law, advocacy and politics	122,997	9%	30,292	12%	35,556	7%	188,845	9%
Philanthropic intermediaries and voluntarism promotion	201,899	13%	36,295	14%	29,888	6%	268,082	13%
International	224,269	15%	49,656	20%	41,791	8%	315,716	15%
Religion	167,533	11%	34,325	14%	46,991	9%	248,849	12%
Business and professional associations, trade unions	74,176	5%	26,332	10%	34,087	6%	134,595	6%
Not elsewhere classified	285,745	20%	46,492	19%	77,185	15%	409,422	20%

In dollar value, culture and recreation benefited most from overall SME giving, receiving \$2.9 billion, with the vast majority (over \$1.1 billion) in the form of sponsorships (see Table 15). Health received over \$960 million in total, and social services received over \$1.1 billion (largely from donations). Development and housing received one of the least—just \$6 million. It should be noted however that many SME respondents did not state the beneficiary of their giving.

Table 15 SME giving by activity (value)³⁰

Activity of benefit ³¹	Donations	Partnerships	Sponsorship	Total
Culture and recreation	\$1,114,982,927	\$671,600,808	\$1,132,649,920	\$2,919,233,655
Education and research	\$549,816,362	\$167,225,904	\$93,271,425	\$810,313,691
Health	\$759,137,312	\$115,979,256	\$87,053,330	\$962,169,898
Social services	\$770,301,096	\$295,342,524	\$90,879,850	\$1,156,523,470
Environment and animal protection	\$71,169,123	\$674,298	\$15,784,395	\$87,627,816
Development and housing	\$4,186,419	\$674,298	\$1,434,945	\$6,295,662
Law, advocacy and politics	\$57,214,393	\$13,261,194	\$1,434,945	\$71,910,532
Philanthropic intermediaries and voluntarism promotion	\$267,930,816	\$85,860,612	\$478,315	\$354,269,743
International	\$196,761,693	\$15,284,088	\$9,566,300	\$221,612,081
Religion	\$396,314,332	\$45,627,498	\$14,827,765	\$456,769,595
Business and professional associations, trade unions	\$213,507,369	\$74,397,546	\$71,268,935	\$359,173,850
Not elsewhere classified	\$530,279,740	\$458,522,640	\$159,757,210	\$1,148,559,590

³⁰ Some businesses gave to more than one category.

³¹ The above dollar amounts for individual activities of benefit are understated because some businesses did not state an activity of benefit for their giving.



6.5.5 Barriers to unconditional donations

The largest barrier to making donations, or making more donations, was a lack of available funds. Over 50% of SMEs who did not make a donation cited this as their reason for not donating (see Figure 23).

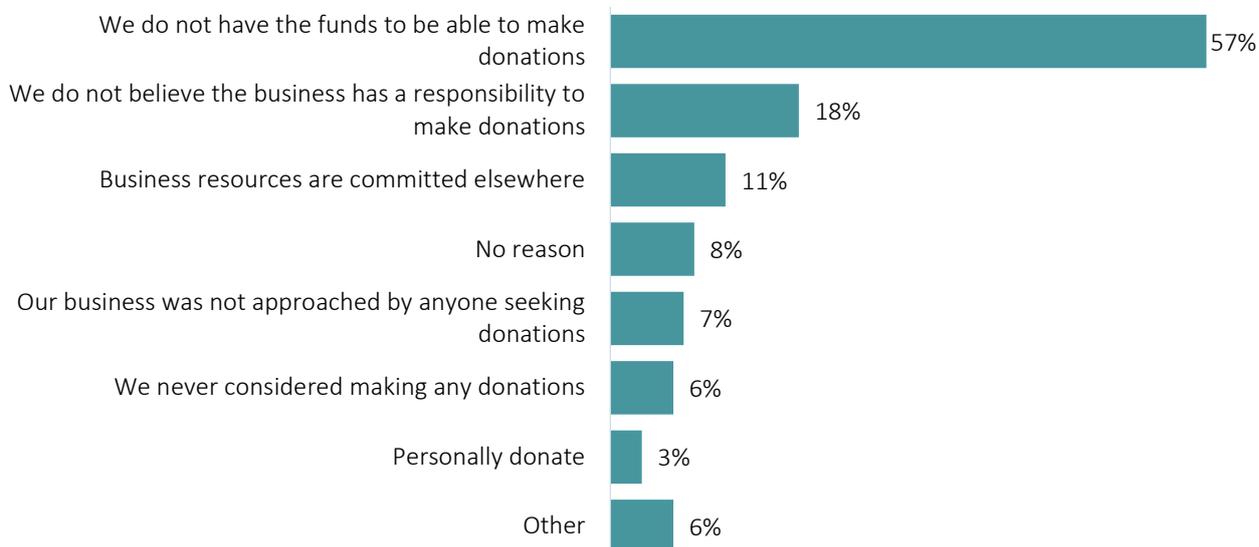


Figure 23 Barriers to SMEs making donations³²

SMEs that did give have normalised the activity in the belief that it is their responsibility, or obligation, to give back to the community. However, 18% of SMEs believed that it was not the business' responsibility to make donations. A further 6% had not considered whether or not to make donations.

6.5.6 Giving vehicles

Sponsorships

Both the qualitative and quantitative research revealed that SMEs were quite involved in sponsorships as part of their giving. Some 22% of SMEs undertook a sponsorship in their last financial year. Of these, 17% were as part of a community partnership – indicating that there was a crossover between these two modes of giving.

While SME owners understood the commercial nature of sponsorships, in thinking about 'giving', they universally reported that there was no distinction for them between sponsorships and more altruistic means of giving. This is in contrast to the prevailing large business approach to sponsorships as purely a commercial activity. This finding was highlighted in the 2005 research report and persists today.

SMEs regarded sponsorship to be a formal arrangement whereby advertising benefits were obtained in return for support, in the form of signage or receiving recognition through publicity. While altruism appeared to be an element of sponsoring, all SMEs that participated in sponsoring acknowledged that a desire to enhance consumer awareness, and subsequently increase revenue, was a motivation for engaging in this behaviour.

³² Some businesses mentioned more than one barrier to making any (more) donations.



Examples of SME sponsorship arrangements often revolved around sporting clubs. In many cases, the local business owner or manager had a child involved with the club. There was always the hope (but not the certainty) that sponsoring a club would bring in extra customers from that club. Sponsorship also included sponsoring staff members to raise money for their preferred charities (e.g. fun run).

The quotes below are prompted responses from SME owners as to what their giving practices entailed.

We do sponsorship. We do quite a lot of sponsorship with youth groups and Little Athletics.
- SME Owner

Normally I think of large businesses doing it, but we sponsor local sports teams.
- SME Owner

Yeah, sponsorship of sports teams and sponsorship of festivals, that sort of thing.
- SME Owner

Barriers to SME community sponsorships

The greatest barriers to SMEs entering into sponsorship arrangements were financial constraints and the existence of 'more immediate pressures' restricting the ability of SMEs to engage in sponsorship. Among the 623,600 SMEs not sponsoring any organisation or individual, the most common barriers included 'business resources committed elsewhere' and SMEs 'had not considered undertaking any sponsorship'.

Figure 24 provides a further breakdown of the reasons for not giving sponsorships.

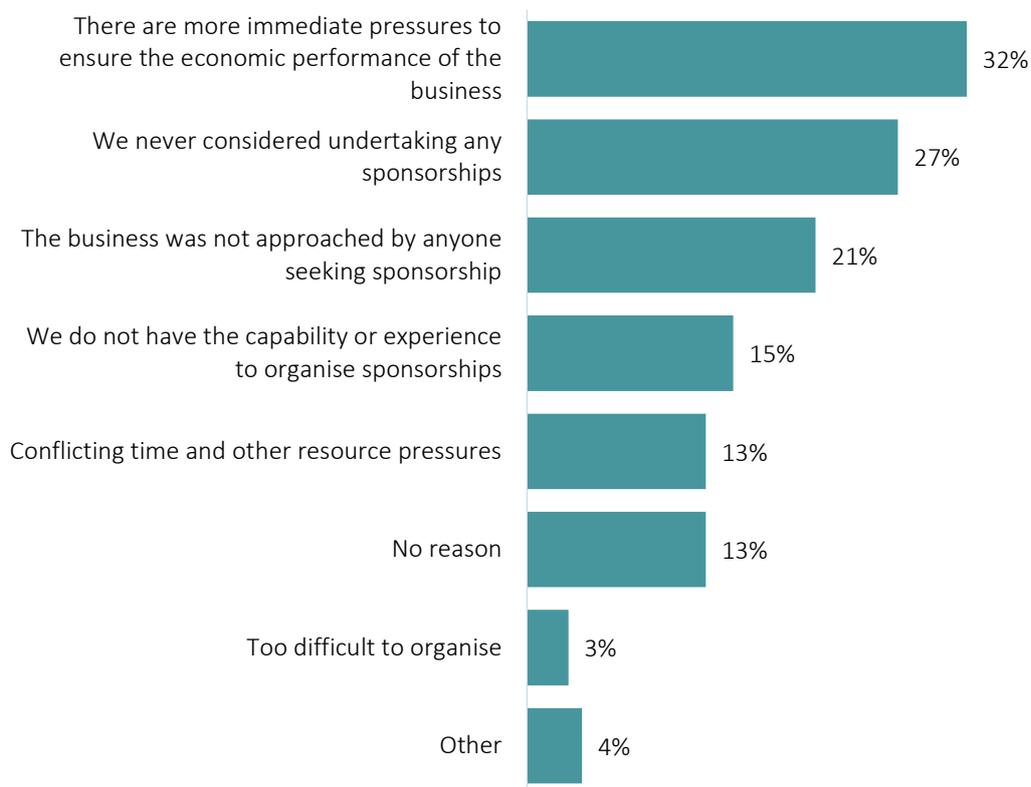


Figure 24 SME survey responses – barriers to sponsorships³³

Community partnerships

Community partnerships were often not well understood, and most SMEs did not participate in such activities. Survey results found that only 18% of SME givers did so in the form of partnerships. The following emerged about SMEs who undertook a partnership.

- Two-thirds (66%) were partnered with one NPO, with another third (34%) currently partnering with two to five NPOs.
- Just over half (52%) of these partnerships had been going for five or more years, around a quarter (26%) for 3–5 years and over one-fifth for less than two years (21%).
- The majority did not have formalised agreements with the NPO (89%).

SMEs that participated in community partnerships most often did so as a consequence of a personal connection with the partnering organisation. Many SMEs had never been approached by a community organisation proposing partnership arrangements; many said they were not aware of opportunities or that they did not have the impetus to be involved.

This finding was supported by the quantitative results, which show that of the businesses who had not entered into a partnership, approximately one-third had insufficient funds to do so. Some 31% of SMEs who had not entered into a partnership said that they had not even considered it. Just under

³³ Some businesses mentioned more than one barrier.



one in five reported that a reason for not contributing to community partnerships was that they had not been approached by anyone wishing to enter into such arrangements.

Focus group participants generally held a positive view of community partnerships, agreeing that they provided potentially mutual benefits for both parties. They expressed interest in community partnerships, with the proviso that such commitments should not result in an arduous and time-consuming effort on the part of the business.

It's not happenstance, it was very well thought out.
- SME Owner

We don't have time to brainstorm ideas but we'll help people who come to us.
- SME Owner

Survey results concur that time and resource commitments were regarded as the key barriers to community partnerships. Figure 25 details the reasons for SMEs not entering into a partnership.

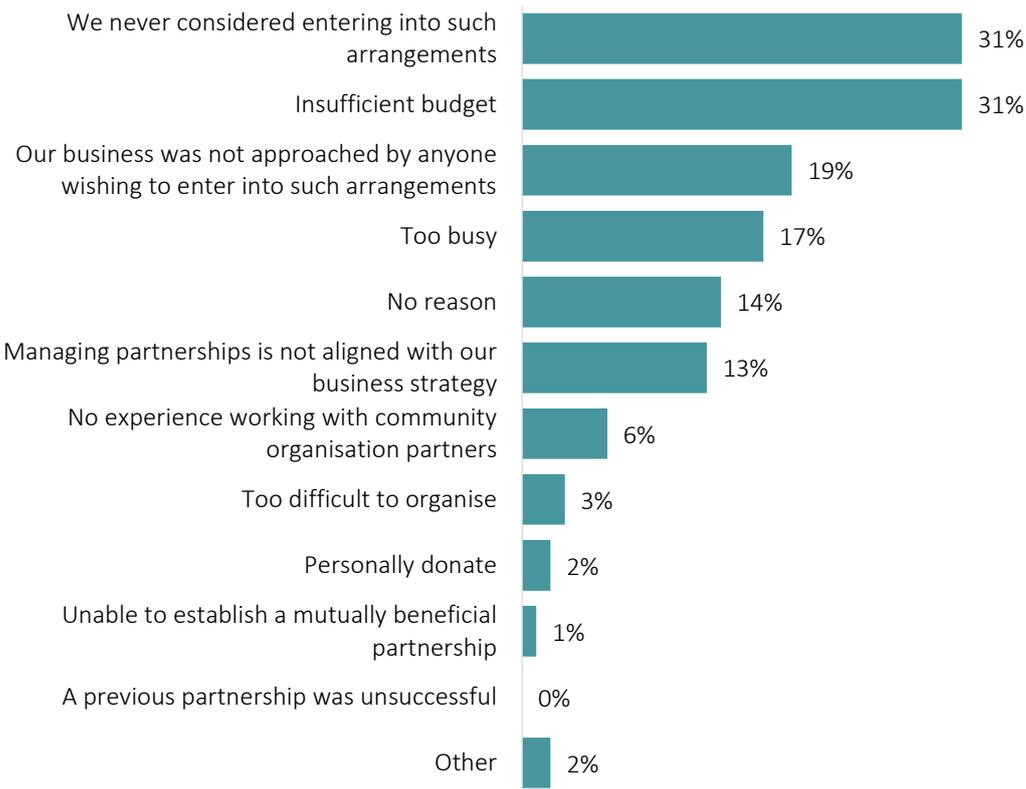


Figure 25 SME reasons for not entering into community partnerships³⁴

³⁴ Some businesses mentioned more than one barrier to making any (more) donations.



Workplace giving

Twenty-eight per cent of SMEs allowed employees to make pre-tax regular donations to NPOs through their pay. One-quarter of these organisations matched employee contributions (e.g. dollar for dollar) for payroll deductions to NPOs (see Figure 26).

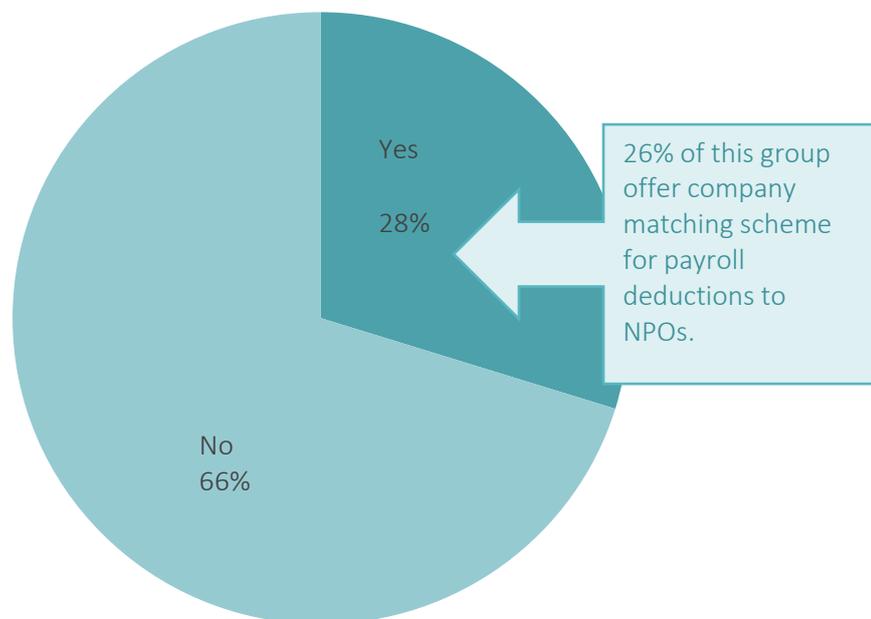


Figure 26 SME survey – payroll giving

The proportion of businesses allowing employees to make donations through their pay was above average in the education and health/community services industries, and below average in transport/storage, utilities and retail trade businesses.

Despite a high proportion of businesses in education and health/community services allowing employees to make donations through their pay, very few of these businesses offered a company matching scheme. Company matching of donations was above average among construction businesses.

The main way SMEs encouraged employee giving was allowing flexible working hours to accommodate volunteering (offered by nearly two-thirds of businesses who said that they encourage employee giving).

One-third of businesses encouraged employees to circulate information in the workplace about charities and NPOs, while 26% encouraged employees to serve on a nonprofit board.

Figure 27 details the methods used by SMEs to encourage employee giving.

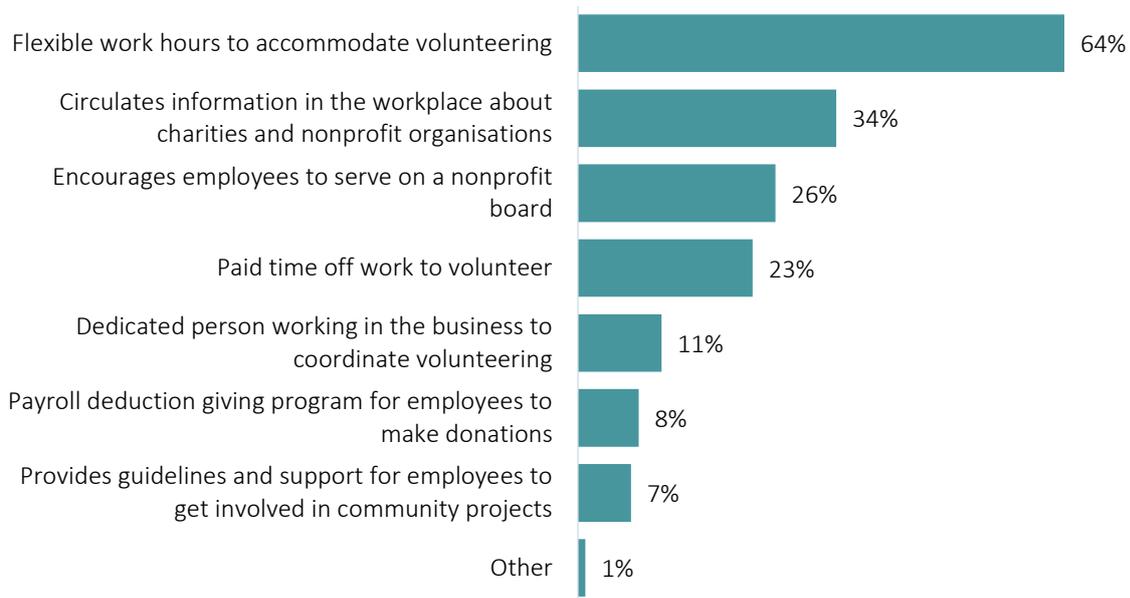


Figure 27 Ways that SMEs encourage employee giving

Workplace volunteering

Workplace volunteering was a popular means of giving and was encouraged by most SMEs, with mentoring and the volunteering of time commonly cited by SMEs.

We work with a few refugee groups and we work with some youth hostels in the Valley.
- Focus group, SME Owner

We give our employees five days off a year to work for any of the major charities.
- Focus group, SME Owner

However, focus group research discussion indicated that SME owners commonly did not formally record or report on employee volunteering time.

The SME survey indicated that nearly two-thirds of SMEs that encouraged employee giving provided flexible working hours to accommodate volunteering. However, only 6% of SMEs maintained a formal employee volunteer program. Of those which had formal programs, around 30% of their workforce was involved in the program.

The lack of formal structures within SMEs to facilitate volunteering, and the gap between the positive attitudes towards volunteering and the actual incidence of volunteering, suggests an opportunity to boost this mode of giving in the future, especially for small businesses that operate with constrained infrastructure, and that are time-poor.

6.5.7 How SMEs make decisions about giving

Strategy

SME giving was largely ad hoc, reactive and typically unstructured. In line with findings from *Giving Australia 2005*, if a suitable opportunity arose and was brought to the attention of the SME, a contribution may have been made, if the business could afford the money or resources at the time.

The *Giving Australia 2005* research determined that businesses, especially smaller businesses in regional areas, gave primarily to local causes. This trend continued in 2015–16, with giving by SMEs typically confined to their community and networks.

Some SMEs budgeted specifically for giving to the same organisations each year, while others gave a percentage of their profit or revenue. The majority of SMEs, however, had not allocated a set amount for giving each year, and typically gave to charities or NPOs on an ad hoc basis. Availability of resources constrained giving, and generally more was donated during ‘good’ years than in ‘lean’ years.

Focus groups highlighted the varied and ad hoc approaches to SME giving.

More so when we're approached and at certain times of the year. Just certain things that we do every year so they kind of come through for that company every year.

- Focus group, SME owner

We have the amount but not a percentage.

- Focus group, SME owner

We raised so much for that... then you have that as a goal for next year. So now we raised this much this year, let's try for a bit more next year.

- Focus group, SME owner

Additionally, most SME owners made a distinction between their business and individual giving. The distinction between business and personal giving for sole traders was less clear.

Measurement

SMEs typically had not reported on or systematically captured data on their giving beyond monetary donations. Financial donations were reported in financial accounts, while volunteering of time and the giving of used goods were typically not reported.

Survey results indicated that only 13% of SMEs measured the benefits of their giving and community initiatives, while the majority (87%) did not. Of the SMEs that reportedly measured their giving, feedback from the community (72%) was rated as the top measure, followed by feedback from customers/suppliers (19%) and their own employees (17%). Just under a third (30%) measured the benefit as a return on investment (see Figure 28).



Figure 28 How SMEs measured giving

Management

More than one-third (35%) of budgeting decisions were at the discretion of the owner. This reflected a common theme expressed in focus groups of SME owners that the decision to give often emanated from individual personal experiences or connection to a cause—a typical example being where an SME owner donated to a cancer organisation because a friend, relative, or employee had been affected. Preferred recipients usually had some form of connection with the SME. For these reasons, local organisations such as RSL or Rotary clubs typically fared well.

Well, I had cancer, so I'm a cancer supporter.

- Focus group, SME owner

I think giving is emotion based and so there needs to be an emotional connection somewhere.

- Focus group, SME owner

We give to 10-12 groups every year and we have different staff members involved in different clubs and societies.

- Focus group, SME owner

Most effective approaches for unsolicited donations

SMEs surveyed for *Giving Australia 2005* expressed frustration and annoyance with NPOs soliciting contributions through cold calling by telephone. In 2015–16 research participants continued to mirror these concerns, expressing negative sentiments towards cold calling approaches.

Email (preferred by 26% of SME survey respondents), and form or letter (preferred by 23% of survey respondents) were two favoured means of approach for unsolicited donations. While person to person contact was highly effective it was less frequently applied (see Table 16).



SMEs were most commonly approached for donations by a telephone call (47%) or a form or letter (44%); a third made a donation after a telephone approach and over one-quarter after being approached by a form or letter.

The most effective approach appeared to be a request from a Board member, senior executive or employee of the organisation. Although only five per cent of businesses were approached this way, 97% made a donation as a result. Requests from an organisation with an existing relationship with the SME was the next most effective approach – 40% of SMEs were approached in this way, with a 90% success rate.

The least effective way of approaching businesses for a donation was through a form or letter with additional materials such as cards or booklets (although 58% of SMEs that gave, made a donation in response to this approach).

Table 16 Approach methods for unsolicited donations from SMEs

Approach method ³⁵	% approached	% gave donation as a result	Preferred method of contact
Telephone call	47%	64%	10%
Form or letter	30%	80%	23%
Form or letter with additional materials such as cards or booklets	14%	58%	10%
Email	22%	76%	26%
Social media	2%	71%	2%
Request from a customer or supplier that you already deal with	15%	85%	N/A
Request from an employee or director involved with the beneficiary organisation	13%	71%	N/A
From an existing relationship with an NPO	40%	90%	N/A
Request from a Board member, senior executive or employee of your organisation	5%	97%	N/A
Not approached last financial year	11%	N/A	N/A

Awareness of tax concessions for donations

More than half of SMEs were not aware that there were tax advantages for payroll giving by their staff to DGR organisations (47% of all businesses were aware).

Awareness of these tax concessions was greater among larger SMEs (77% by those with more than 100 employees) compared to smaller businesses (lowest amount those with 6-10 employees at 39%).

SMEs in the mining and information media and telecommunication sectors had the highest awareness of tax concessions available (100% and 90%, respectively), and those in the electricity/gas/water/waste and administrative/support sectors had the lowest (15% and 17%, respectively).

³⁵ Some businesses were approached in more than one way to make a donation, and responded in more than one way with a donation.



Focus group responses indicated that tax offsets encouraged SME giving. Many SME owners identified that they donate more towards the end of the financial year to receive a tax deduction. However, only 15% of givers selected this reason in the survey.

When quizzed specifically on incentives for giving, some SMEs said that more tax concessions would encourage them to give more. This finding indicates that greater tax incentives, and promoting awareness of existing tax incentives, would further increase the frequency of SME giving.

Well, you have to report to the tax man.

- Focus group, SME owner

[Giving] would depend on, well, the tax man doesn't it?

- Focus group, SME owner

6.5.8 Innovation in SME giving

The research suggested that SMEs were responding to new technologies. In their last financial year, 2% of SMEs were approached for a donation through social media. Although low in a proportion of total giving approaches received, social media requests achieved a 71% success rate; higher than a telephone call and equal to a request from an employee or director involved with the beneficiary organisation.

Increasingly, various third party organisations are playing a role in encouraging and facilitating workplace giving, volunteering and in-kind giving. Such organisations link businesses with charities or other organisations to facilitate general volunteering, skilled volunteering and donations, and through helping businesses initiate and operate workplace giving programs. These organisations are mostly geared towards large business and use of such organisations was not raised in SME focus group deliberations yet such platforms encourage smaller business participation also.

I do direct debit and I set up programs. And then I try and forget about it.

- Focus group, SME owner



7.0 Analysis

7.1 Key themes and future trends

A synthesis of the findings presented in the previous chapter highlights key themes, and well as possible future trends on business giving in Australia. These are summarised below.

7.1.1 The drivers and evolving community expectations

The role of culture in business giving in Australia, including perceptions of business in the community, social licence to operate, and employee expectations were having a big impact on deliberations and decisions of large businesses to give. Giving by business was expected by employees and the community.

Giving was perceived by businesses as an opportunity to do good and to achieve business outcomes. While the motivation for giving by businesses in Australia arguably could be seen as less altruistic than in other societies, it could also be viewed as more strategic, and skewed to creating 'shared value'. The largest businesses, corporations, in particular, wanted to give in a manner that achieved a social impact, as well as business outcomes, including employee engagement, extending social licence, and engaging critical stakeholders. Reputation was less of a driver for CCI than it was in the mid-2000s. Large corporations, in particular, saw innovation in their giving flowing from an internal commitment to innovation generally, as well as CCI being managed as a competitive advantage. SME giving, however, tended to be driven by their personal connections with the particular NPO or cause.

7.1.2 Giving is growing and is likely to continue

The quantum of giving by business in Australia since the mid-2000s had increased markedly and more businesses were engaged in giving (see section [6.2](#)).

7.1.3 Vehicles and means of giving

The vehicles for giving have changed significantly in the last decade. Large businesses, in particular corporations, are investing less management time and resources (including money) in philanthropy and strategic philanthropy, and more in community partnerships. Payroll giving appears to be on the rise and actively encouraged by corporations in particular (see section [6.2](#)).

SMEs and mid-tier businesses are opportunistic in their giving, and potentially more prone to ebbs and flows in macro-economic conditions. Giving by corporations (CCI) tended to be driven more by business strategy (and may, therefore, be more sustainable). All companies were seeking opportunities from the evolution of technology to facilitate giving. For corporations, innovations in online payroll systems had helped facilitate payroll giving and better coordination of workplace volunteering.



7.2 Comparison with 2005 findings

As discussed in the previous sections of this report (see section [5.0](#)), *Giving Australia 2016* results cannot directly be compared to *Giving Australia 2005* findings. The 2015–16 study covers the full business population; while the 2005 data was heavily skewed towards smaller respondents (97.9% had 50 or fewer employees).

The business environment has also changed significantly over the past ten years. The number of SMEs has grown, yet large business now accounts for an increasingly large proportion of GDP (ACCC 2016). The size of a business impacts on the way it approaches, manages and responds to giving. For this reason, a different methodology was applied in 2015–16 to research SME and large business as two separate cohorts (see section [5.0](#)).

Notwithstanding these qualifications, the 2015–16 data indicates that business giving has increased markedly since 2005. In 2005, 67% of all businesses gave. In 2015–16, 70% of SMEs and 97% of large business gave. Furthermore, the estimated \$3.3 billion given in 2005 was much smaller than the \$17.5 billion total giving estimated in 2015–16, leaving little doubt that corporate giving has increased.

Qualitative data supported this finding. CEO and business leaders of large companies interviewed all indicated that their giving budgets had increased in real terms over the last 10 years, particularly for community partnerships. SME owners also indicated that they were giving more in donations than 10 years ago.

Large businesses also reported allocating more resources to giving compared to ten years ago: 89% reported allocating more resources to volunteering compared to ten years ago and 54% reported allocating more resources to unconditional donations compared to ten years ago.

An increase in payroll giving by large business was a driving growth in business giving. In *Giving Australia 2005*, 30% of all businesses allowed employees to make pre-tax regular donations through their pay. Of this group, only 4% offered payroll matching. In 2015–16, 85% of large business reported that they facilitated payroll giving; with 28% of this group offering payroll matching.

Workplace volunteering also appeared to be on the rise. This was largely nascent in 2005, with only 19% of businesses responding to *Giving Australia 2005* reporting that they allowed flexible work hours to accommodate volunteering, and 4% giving paid time off. While in-kind giving of services was relatively common, workplace volunteering was not, though interest was growing, particularly for large businesses.

In 2015–16, 46% of large businesses and 6% of SMEs reported having a formal workplace volunteering program. Of large businesses that encouraged employee giving, 72% reported providing paid time away from work to volunteer. Of SMEs that encouraged employee giving, 64% reported providing flexible work hours to accommodate volunteering.



7.3 Comparison with overseas trends

As noted in the *Giving Australia 2016: Literature review*, studies from around the world that seek to capture business giving on an annual basis are non-systematic and incomplete. Methodologies and metrics used range widely and are not comparable. Most large studies attempting to quantify business giving focus on the largest companies and current knowledge of business giving is extremely general and predictable.

In all countries, bigger companies tended to give more, arguably because they came under greater scrutiny from both the government and the public and must meet higher expectations (Gautier and Pache 2015).

This aligns with the *Giving Australia 2016* research, which has found that larger businesses tended to give more often and in greater amounts. This was true when comparing SMEs and large businesses broadly, as well as when comparing the subgroups by employee size.

Some 70% of SMEs gave, with larger SMEs giving more:

- 60% of non-employing businesses gave \$1.4 billion, or 16% of total SME giving
- 79% of micro-businesses (0–4 employees) gave \$2.2 billion, or 25% of total SME giving
- 90% of small businesses (5–19 employees) gave \$3.3 billion, or 39% of total SME giving, and
- 95% of medium businesses (20–199 employees) gave \$1.4 billion, or 16% of total SME giving.

Some 97% of large businesses gave, with the corporations giving more:

- 95% of mid-tier businesses (200–1,000 employees) gave \$1.1 billion, or 12% of total large business giving, and
- 99% of corporations (1,000+ employees) gave \$7.9 billion, or 88% of total large business giving.

Business giving is rarely representative of the entire population and usually, the focus is only on the biggest corporations within a population. There is a lack of data on SME giving overseas.

Depending on the methods used and scope of the study, research focusing on even the largest companies did not set a comparable baseline on business giving. For example, 2014 and 2015 research suggests the largest businesses each contribute anywhere between \$2.5 million (US study of top 400 businesses, Directory of Social Change 2015) to \$4.8 million (UK study of top 100 businesses; Charities Aid Foundation 2014) to over \$27 million (global study of 170 businesses, London Benchmarking Group 2015). *Giving Australia 2016* findings on large business appeared to be within the same ballpark of overseas studies, finding that the average giving per mid-tier business was \$566,000 and per corporation was \$4.9 million. (See Table 17 on key findings from latest research on the quantum of large business giving around the world.)

Table 17 Key findings from international research of large business giving

Source	Region	Scope/methodology	Findings
<p>'The Guide to UK Company Giving'</p> <p>(Lillya, Zagnojute and Reynolds 2015)</p>	UK	<ul style="list-style-type: none"> Top 400 companies and 114 associated corporate charities Data based on publically available information on a company's CSR activities (annual reports, accounts, CSR reports) Data collected primarily on financial support given to NPOs; but also other types of support, such as in-kind donations, community-related initiatives 	<ul style="list-style-type: none"> Financial years 2013 or 2013–14 Cash donations by the top 400 companies total £658 (\$1.06 B), including £369M cash donations Mean per company \$2.64M
<p>'Corporate Giving by the FTSE 100'</p> <p>(Charities Aid Foundation 2014)</p>	UK	<ul style="list-style-type: none"> FTSE 100 companies Based on figures publically reported by the FTSE 100 companies in their Annual Reports or CR reports from 2007 to 2012 Captures donations made by companies to charitable causes: cash and in-kind donations; monetary value of work hours given through employee volunteering schemes; any management costs incurred in implementing community investment initiatives 	<ul style="list-style-type: none"> At least 98 of the 100 companies reported making a charitable donation Total corporate giving by top 100 companies in 2012= £2.5B (\$4B) Median donation by top 100 companies: £3M (\$4.8 M) 20% supported payroll giving (reported by employees) 15% had payroll matching (reported by employees)
<p>'Giving USA 2016'</p> <p>(Lilly Family School of Philanthropy 2016)</p>	US	<ul style="list-style-type: none"> Estimates of the entire population Estimates based on econometric analyses and tabulations of tax data, economic indicators and demographics Data for giving by foundations come from the Foundation Center 	<ul style="list-style-type: none"> Corporate giving totalled US\$18.45B, increased 3.9% (3.8% when inflation-adjusted) over 2014 giving Business giving equated to 5% total giving (\$373B) Corporate giving as a percentage of corporate pre-tax profits was at 0.8% in 2015 Note in this period corporate pre-tax profits rose 3.3%, and GDP increased 3.5% in 2015. Both of these factors influenced the 3.9% rise in corporate giving in 2015



Source	Region	Scope/methodology	Findings
10th Annual review of community investment (London Benchmarking Group 2015)	GL	<ul style="list-style-type: none"> ▪ 170 global reporting members ▪ Measurement framework that provides a global standard for measuring and benchmarking CCI ▪ Forms of contribution measured: cash; in-kind (pro bono included); time management costs 	<ul style="list-style-type: none"> ▪ The UK market suggests large companies there are moving to strategic and long-term community investments. Giving has remained steady at around £1.1B per annum. ▪ Government policy influenced 40% of companies when it came to community investment decision making. ▪ Workplace giving was alive and well with over 60% of respondents seeking to increase participation. ▪ Almost 65% of respondents were pursuing higher levels of participation in their corporate volunteering programs, with 50% planning to focus on skilled volunteering opportunities. ▪ 60% of boards had responsibility for community investment. ▪ AU&NZ: ▪ The value of cash as a percentage of the total increased to the highest proportion since 2008. ▪ Volunteer time as a percentage of the total remained the same; however, the number of volunteer hours contributed by employees in work time was 40% higher than in 2014. ▪ Globally (170 reporting members): ▪ The total contribution of reporting members was US\$3.63B with an average contribution of US\$21M [\$27.5M] per member. ▪ Average giving 1.1% of pre-tax profit. ▪ 65% provided workplace giving. ▪ In 2015 total contributions by LBG members increased to over \$222M. When looking at like-for-like reporters over the last three years, this represented an increase in the total contribution of nearly 15%.



7.4 Practical implications

Responses to the study of business giving in Australia have highlighted several areas where the potential to encourage the quantum and quality of giving of various types seems evident, as captured in the following points.

7.4.1 Workplace volunteering

1. Most corporations in this study were managing a workplace volunteering program and with some success. Cases and tips may assist more SMEs and mid-tier businesses to overcome perceived barriers to being involved in workplace volunteering.
2. 'Group' or 'network' workplace volunteering programs may be able to be established, potentially with guidance from corporations or private foundations.

7.4.2 Community partnerships

3. In the interests of promoting ongoing best practice in corporate community partnership operation and maximising the potential social impact of this growing area of business giving, it would be useful to conduct a semi-regular (e.g. five years) ongoing benchmarking study in cooperation with large businesses (and corporations in particular) and SMEs managing partnerships. Government involvement in such a study would ensure the findings would be freely available to all businesses in Australia.

7.4.3 Taxation arrangements and incentives to encourage business giving

4. Given findings in this report that more than half of SMEs were not aware of the tax arrangements that encourage or support their employees to give via their pre-tax wages and salaries, consideration could be given to liaison with the peak small business and professional accountancy bodies, to consider an awareness campaign to flag and strengthen interest in more SMEs and SME owners to consider giving, and payroll giving in particular, as part of their business and individual giving plans.

7.4.4 Awareness of best practice in business giving

5. Given that managers working in management functions (the corporate public affairs management function in most large businesses) identified little engagement with international best practice in business giving, that consideration be afforded to working with scholarship trusts (such as The Churchill Trust, the Fulbright Commission) to investigate options for business (via its peak bodies) and government to fund or encourage more SME owner/managers/employees, and large business managers and executives, to travel overseas and research and study trends and developments useful to Australia.



6. As business giving topics featured little in business degree programs according to senior managers in large businesses and SME owners and managers, consideration might be given via Universities Australia to investigating the proposal of including more core CCI and CR strategy and management as a component of undergraduate and masters-level business and commerce curricula in higher education offerings.

7.4.5 Other public policy settings

7. Senior managers in large businesses felt public policy in this area worked best as a benignly non-interventionist approach that neither compelled businesses to give nor regulated how they give. This was especially so in corporations where there has been a concerted focus on giving as a core business activity, in some cases, for more than two decades. *Giving Australia 2016* found that a competitive market exists in how businesses establish and manage giving in Australia; that the quantum levels of giving by business compare well with economically developed nations globally; and that innovation in why companies give (business benefits, social impact, ethical imperative), and the manner in which they give (the evolution of corporate community partnerships as a favoured giving vehicle) has occurred without regulation or prescriptive policy.
8. Appropriate arrangements and funding to enable the ABS to every two years measure the quantum of giving by business across the nation were considered desirable. This exercise would provide data to inform the actions of business and policy deliberations by governments.
9. The best role of government was seen as focusing proactive policy and convening efforts towards facilitating a free flow of information on good and best practice in business giving.



8.0 Conclusion

This research establishes separate baselines of giving for SMEs and large business (mid-tier businesses and corporations). The amount business gives in the community—and the manner in which it gives—has evolved and changed markedly over the last decade.

The approach of many SMEs and mid-tier business, as well as most corporations, to embed giving in strategy and its execution augurs well for giving to potentially evolve into a ‘business as usual’ activity also.

As has been the case in past decades, corporations will most likely lead the way in how large businesses give over the coming decades, in a manner similar to how corporations were early innovators establishing and managing community partnerships to the extent that they represent the largest category of business giving in the nation.

In addition, if SMEs and large business follow through on their stated objective of increasing the time and resources they allocate to workplace volunteering, that segment of giving is set to increase the number of volunteering hours Australians expend via their place of work.

If it is desirable, how can Australia engage more businesses of all sizes to give, and give to create positive social impacts?

In an operating environment in which giving is seen by many businesses as the right thing to do, but also a potential source of competitive advantage, information and intelligence about the market and developments within it, is very valuable indeed.

More ready access to data and information for business about emerging and good and best practice in business giving (especially SMEs and mid-tier businesses) is one of the best policy elixirs to realise a further expansion of giving by business to 2025.

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10.0 Appendix

10.1 Appendix 1: Large business online survey questions

Part 1 — General Information

1. How many people are employed full time and part time in this business, throughout Australia? (TICK ONE)
 - Less than 200 employees
 - 200-500
 - 501-1,000
 - 1001-5,000
 - 5001-20,000
 - More than 20,000
2. Was the last financial year for your business for which you have complete records the period 1 July 2014 to 30 June 2015?
 - Yes
 - No
3. What was the end date of the last year for which you have complete records ended? (e.g. for a calendar year, enter 31/12/2015)
Financial year end date _____
4. What was the total revenue for this business before tax from all sources for the period nominated above? (TICK ONE)
 - Under \$20 million
 - More than \$20 million - \$100 million
 - More than \$100 million - \$500 million
 - More than \$500 million - \$2 billion
 - More than \$2 billion - \$10 billion
 - More than \$10 billion

5. In which of these industry groups is this business? (TICK ONE)

NB: Industry groups are based on the Australia Bureau of Statistics' Australian and New Zealand Standard Industrial Classification (ABS ANZSIC) divisions. Division definitions can be found at <http://www.abs.gov.au/ausstats/abs@.nsf/Previousproducts/AF04F89CEE4E54D6CA25711F00146D76?opendocument>.

- Agriculture, Forestry and Fishing (ANZSIC Division A)
- Mining (ANZSIC Division B)
- Manufacturing (ANZSIC Division C)
- Electricity, Gas, Water and Waste Services (ANZSIC Division D)
- Construction (ANZSIC Division E)
- Wholesale Trade (ANZSIC Division F)
- Retail Trade (ANZSIC Division G)
- Accommodation and Food Services (ANZSIC Division H)
- Transport, Postal and Warehousing (ANZSIC Division I)
- Information Media and Telecommunications (ANZSIC Division J)
- Financial and Insurance Services (ANZSIC Division K)
- Rental, Hiring, Real Estate (ANZSIC Division L)
- Professional, Scientific and Technical Services (ANZSIC Division M)
- Administrative and Support Services (ANZSIC Division N)
- Public Administration and Safety (ANZSIC Division O)
- Education and Training (ANZSIC Division P)
- Health Care and Social Assistance (ANZSIC Division Q)
- Arts and Recreational Services (ANZSIC Division R)
- Other Services (ANZSIC Division S)
- If unsure, please specify the nature of your primary business activity:

6. . Which of the following best describes your role in this business? (TICK ONE)

- Chief Financial Officer/ Company Secretary / Accountant
- Public Affairs / Corporate Responsibility/ Sustainability Manager/Coordinator
- Other (Please specify): _____

Part 2 — General information about your business' corporate giving and community investment

This section asks you about corporate giving and community investment.

Corporate giving or community investment is where a business gives money, time, goods or services to nonprofit organisations or charities.

Goods include all new or used products or property. These may include an insurance company providing a public liability insurance policy for a community event free of charge, or a solar panel manufacturing enterprise providing panels for schools in remote communities free of charge.



Services include access to company or organisational resources such as employee time or resources, providing employees opportunities to volunteer while still being paid by the company, or training and mentoring provided by the enterprise to a community organisation. Examples include a professional architect donating time for the design of a purpose-built venue to accommodate people with disabilities; or a convention centre making its centre available for a charitable organisation to host a conference or fundraising event.

7. Did your business engage in any giving or community investment during your last financial year? (select one)

- Yes— go to question 9
- No

8. Why did your business not engage in any giving or community investment during your last financial year? (select all that apply)

- Giving does not align with our business strategy
- Our business does not consider that the role of business involves giving to the community
- Our business was not in a financial position to engage in giving/community investment
- Our business was not approached for giving/donations or community investment
- No reason
- Other (Please specify) _____

— go to question 13

9. What are the most important reasons/drivers behind corporate giving or community investment for your business? (select all that apply)

- It is integral to our corporate strategy
- Enhanced corporate reputation
- It is a good thing to do, irrespective of the returns for us
- It is good publicity for our business
- Our stakeholders expect it
- Stronger relationships with community stakeholders
- It is good for employee morale/engagement
- Employee and management personal development
- Supply chain management
- Increased customer goodwill
- It is good for our relationship with certain clients or suppliers
- Improved market access
- Tax benefits
- Improved relationships with governments and policy makers
- Strengthens our social licence to operate/business sustainability
- Strengthens investor confidence
- Other (please specify): _____



10. How does your business measure the benefits of corporate giving and community investment initiatives? (select all that apply)

- Revenue generated
- Costs avoided
- Return on investment
- Reputation indicators
- Feedback from community partners
- Market share
- Employee engagement
- Customer awareness/feedback
- Attitudes of supply chain partners
- Attitudes of community stakeholders
- Attitudes of government and public policy stakeholders
- Benchmarking with competitors or peers
- Social impact
- No specific metrics used
- Other (please specify): _____

11. Has your business established any of the following to manage your giving or community investment objectives? (Select all that apply)

- Corporate foundation (Nonprofit grantmaking entity established and controlled by the business partner) – go to q.13
- Joint venture (Nonprofit entity established by the partnering organisations) – go to q.13
- Private foundation/trust
- None of the above – go to q.13
- Other (please specify): _____ – go to q.13

12. Why was the foundation/trust established?

13. Did your business sponsor any nonprofit organisations as part of its corporate community investment during your last financial year?

- Yes
- No – go to q16
- Not sure – go to q16

14. Please briefly describe the nature of the sponsorship/s.

15. If possible, provide an estimate of the total value of the sponsorship/s in \$AUD
\$AUD _____

— go to question 17



16. Why did your business not sponsor any nonprofit organisations? (Select all that apply)
- Had not considered undertaking sponsorship
 - Business resources are committed elsewhere
 - The business was not approached by anyone seeking sponsorship
 - Other (please specify): _____
- [If respondent answered no in q. 7, go to q. 68, all other respondents continue to q. 17]

17. Do you use a vendor or specialist community investment entity to measure/assess some or all of the benefits/impacts of your corporate community investment? (select one)
- Yes
 - No

18. Which one of the following approaches best describes how your business develops its giving and community investment budget? (select one)
- No planned budget, funds are allocated as opportunities / needs arise
 - Fixed amount allocated by corporate headquarters
 - Fixed amount allocated by business units and no corporate allocation
 - Fixed amount allocated by corporate headquarters, supplemented by business units
 - Funding is dictated by a standing revenue/profit formula (e.g. percentage of revenue, pre-tax revenue or profit before tax)
 - Other (please specify): _____

19. What percentage of your annual corporate giving and community investment budget is allocated to the following areas? (Please assign percentages as a whole number only and ensure they total 100%)

%	Unplanned responses to national /international disasters
%	Unplanned discretionary funds for local managers to allocate to local community giving
%	Other unplanned or ad hoc requests
%	Planned donations
%	Volunteering, including formal programs
%	Projects/partnerships with nonprofit organisations/charities/social enterprises
%	Matched funding of employee payroll giving donations
%	Community-based sponsorships (non-marketing sponsorships)
%	Programs delivered at industry level, in cooperation with an industry body, or other companies in the industry or sector in which your company operates
%	Programs developed or delivered with a consortium or collaboration of companies/entities across industries
%	Other
100 %	TOTAL

20. How important is it for the following stakeholders to recognise your corporate giving and community investment initiatives? (RATE 5 POINT SCALE: 1 = NOT IMPORTANT and 5 = VERY IMPORTANT) (PLEASE CIRCLE ONE NUMBER IN EACH LINE)

	Not important	Slightly important	Moderately important	Very important	Extremely important
Employees	1	2	3	4	5
Media	1	2	3	4	5
Local community	1	2	3	4	5
National community	1	2	3	4	5
Customers	1	2	3	4	5
Competitors	1	2	3	4	5
Government	1	2	3	4	5
Nonprofit organisations	1	2	3	4	5
Investors	1	2	3	4	5
Potential business/alliance partners	1	2	3	4	5

Please answer the follow questions (tick appropriate box)	The Board (including a committee of the Board)	CEO and senior management committee	Divisional/business unit heads and the senior management team	Other
21. Which levels of your business' governance and management are involved in decision making about the amount of annual giving and community investment expenditure?				
22. Which levels of governance and management are involved in decisions about the areas of focus where your business will direct its giving and community investment?(including specifying which nonprofit organisations receive support)				

23. Does government policy influence your business decisions about where you focus your giving and community investment? (select one)

- Yes
- No

Part 3 — Employee giving in the workplace

This section of the survey asks you about employee giving in your workplace.

Please do not include any information on sponsorship arrangements, corporate donations, or donations made through partnerships with community organisations as you will be asked about these in other sections of the survey.

24. Does your business encourage employees to give money, time or services to nonprofit organisations or charities? (select one)

- Yes — go to question 26
- No

25. Is your business considering providing opportunities for workplace giving in the next 1-5 years? (select one)

- Yes
- No
- Unsure

— go to question 35

26. How does your business encourage or support employees to give money, time or services to nonprofit organisations or charities? (select all that apply)

- Paid time away from work to volunteer
- Flexible work hours to accommodate volunteering
- Dedicated capability in the company that coordinates a volunteer program
- Payroll deduction giving program for employees to make donations
- Provides guidelines and support for employees to get involved in community projects
- Circulates information within the company about charities and nonprofit organisations
- Encourages employees to serve on a nonprofit board
- Other (Please specify) _____

27. What percentage of your workforce was involved in your payroll giving program during your last financial year? (Please enter a whole number)

Percentage of workforce (%) _____

28. Did your business use an intermediary to facilitate or support your payroll giving program? (e.g. Australian Charities Fund, Corporate Citizen, Good2Give/Charities Aid Foundation, Good Company)

- Yes
- No
- Unsure



29. Does your business offer company matching (e.g. dollar for dollar) for donations to a nonprofit organisation made through employee payroll deductions?
- Yes
 - No
 - Unsure
30. Compared to 10 years ago, is your business allocating more resources to employee giving via payroll deductions?
- Yes
 - No
 - Unsure
31. Does your business manage a formal employee volunteering program? (includes corporate volunteering programs that allow staff to engage in unpaid work for a nonprofit organisation for social impact)
- Yes
 - No
 - Unsure
32. What percentage of your workforce was involved in your employee volunteering program during your last financial year? (Please enter a whole number)
- Percentage of workforce (%) _____
33. Does your business work with external nonprofit partners to coordinate its volunteering program?
- Yes
 - No
 - Unsure
34. Compared to 10 years ago, is your business allocating more resources (including funding and management time) to workplace volunteering?
- Yes
 - No
 - Unsure

Part 4 — Donations

This section asks you about donations made by your business.

Donations are the unconditional voluntary transfers of money, goods or services to community organisations, institutions, government entities, or individuals, in which the donating organisation is not obliged to receive anything in return. These transfers would not form part of the commercial operations of the donor.

Please do not include any donations made as part of business and community partnerships or



sponsorship arrangements as you will be asked about these in other sections of the survey. In this survey, sponsorship relates to the direct marketing of a business, whereby the sponsor pays a fee for the right to associate itself with the activity sponsored (e.g. signage, branding, and logo) and the marketing of the association by the sponsor.

35. Did this business make any **unconditional donations** to organisations or individuals during your last financial year? (select one)

- Yes— Go to question 37
- No

36. Why did your business not make any unconditional donations in your last financial year? (select all that apply)

- Making donations does not align with our corporate strategy
- We do not believe that the business has a responsibility to make donations
- Our business' approach to giving does not include making donations
- Our business' policy specifies that we don't accept unsolicited requests for donations
- Business resources are committed elsewhere
- We did not consider making any donations
- Our business was not approached by anyone seeking donations
- No reason
- Other (Please specify)_____

37. How was your business approached to make unconditional donations of money, goods or services in any of the following ways in your last financial year? (select all that apply)

- Unsolicited
- Telephone call
- Form or letter
- Form or letter with additional materials such as cards or booklets
- Email
- Social media
- Invited
- Request from a client or supplier that you already deal with
- Request from an employee or Board member of the beneficiary organisation
- From an existing relationship with a nonprofit organisation
- Request from a Board member, senior executive or employee of your organisation
- Not approached
- Not approached last financial year
- Other
- Other (please specify)_____

— Respondents that answered No in q. 35, Go to question 48. All other respondents continue to q.38.



38. What types of unconditional donations did your business make during your last financial year?
(select all that apply)

- Money
- Goods
 - Company products
 - Promotional merchandise
 - Equipment
 - Office space
 - Land
 - Motor vehicles
 - Media/ advertising space/ time
 - Travel
 - Accommodation
- Services
 - Administrative support (e.g. printing)
 - Public relations/marketing/market research support
 - IT advice/support
 - Strategic planning/management advice
 - Financial advice
 - Legal advice
 - Staff training
 - Graphics and media production
 - Loaned executives
 - Employees seconded to a charity or nonprofit organisation
 - People to serve on a nonprofit board
 - Other (please specify) : _____

What was the total value of unconditional donations made by your business during the last financial year? Please provide an estimate of the total amount of money donated and the market value any goods or services (including labour) donated. (Whole dollars only)

	Government entities	Non-government organisations	Total
Money			\$
Goods (market value)			\$
Services (market value)			\$
Total			\$



39. Please provide an estimate of the value of unconditional donations provided to the following types of nonprofit organisations during your last financial year (whole dollars only). Click here for category definitions. If you are unsure of the specific category, you may enter the specific nonprofit organisation in the following question.

	Money (\$)	Market value of goods (\$)	Market value of services (including labour) (\$)
Culture and recreation			
Education and research			
Health			
Social services			
Environment			
Development and housing			
Law, advocacy and politics			
Philanthropic intermediaries and voluntarism promotion			
International development			
Religious agencies			
Business and professional associations, trade unions			
Total			

40. Only if you are unsure of the type of nonprofit organisation in the previous question, please specify the organisation below and provide an estimate of the total amount donated and the market value of any goods or services (including labour) donated. (Whole dollars only)

	Organisation name	Money (\$)	Money value of goods (\$)	Market value of services (including labour) (\$)
Organisation 1				\$
Organisation 2				\$
Organisation 3				\$
Organisation 4				\$
Organisation 5				



41. How was your business approached to make unconditional donations of money, goods or services in any of the following ways in your last financial year? (select all that apply)

- Unsolicited
 - Telephone call
 - Form or letter
 - Form or letter with additional materials such as cards or booklets
 - Email
 - Social media
- Invited
 - Request from a client or supplier that you already deal with
 - Request from an employee or Board member of the beneficiary organisation
 - From an existing relationship with a nonprofit organisation
 - Request from a Board member, senior executive or employee of your organisation
- Not approached
 - Not approached last financial year
- Other
 - Other (please specify) _____

42. Did your organisation make an unconditional donation after being approached by?

	Yes	No
Unsolicited		
Telephone call		
Form or letter		
Form or letter with additional materials such as cards or booklets		
Email		
Social media		
Invited		
Request from a client or supplier that you already deal with		
Request from an employee or Board member of the beneficiary organisation		
From an existing relationship with a nonprofit organisation		
Request from a Board member, senior executive or employee of your organisation		

43. What is your organisation's preferred method of contact for unsolicited donations? (select one)

- Telephone call
- Form or letter
- Form or letter with additional materials such as cards or booklet
- Email
- Social media
- We do not accept unsolicited requests for donations
- Other (Please specify) _____



Are you aware that there are tax concessions for the following?	Yes	No
44. Payroll deductions by staff to Deductible Gift Recipient (DGR) organisations		
45. Establishing a private foundation/trust for the purpose of making donations		

46. Compared to 10 years ago, is your business allocating more resources (including funding and management time) to unconditional donations? (select one)

- Yes
- No
- Unsure

Part 5— Business and community partnerships

This section asks you about the business and community partnerships your business undertakes. A business and community partnership is a collaborative arrangement (formal or informal) between a business and non-related community organisations, institutions, government bodies or individuals for mutually beneficial outcomes and social impact. Such an arrangement involves the voluntary transfer of money, goods or services in exchange for strategic business benefits, such as improved staff expertise, wider networking, enhanced community reputation and/or other quantifiable benefits.

Sponsorship information related to the direct marketing of your business via a nonprofit organisation is not to be included in Part 5 of this survey. Sponsorship is where the sponsor pays a fee for the right to associate itself with the activity sponsored (e.g. signage, branding, logo) and the marketing of the association by the sponsor.

47. Was your business involved in any partnerships with nonprofit organisations during your last financial (Select one)

- Yes – Go to question 50
- No

48. Why was your business not involved in partnerships with nonprofit organisations during your last financial year? (select all that apply)

- Managing partnerships is not aligned to our corporate strategy
- Too difficult to organise
- Too busy
- Insufficient budget
- Unable to establish a mutually beneficial partnership
- No experience working with nonprofit organisations
- A previous partnership was unsuccessful
- We did not consider entering into such arrangements
- The business was not approached by anyone wishing to enter into such arrangements
- No reason
- Other (Please specify) _____

– Go to question 66



49. How many partnerships does your business currently have with nonprofit organisations?

- 1
- 2-5
- More than 5

50. How long has your business had partnerships with any nonprofit organisation?

- Less than 1 year
- 1-2 years
- 3-5 years
- More than 5 years

51. Why has your business chosen to partner with your selected nonprofit organisation/s? (select all that apply)

- Corporate social responsibility
- Part of our corporate strategy
- Social impact
- Favourable publicity
- Enhanced public goodwill
- Greater public awareness of brand
- To attract and retain employees
- Our target market cares about the cause/s
- The cause aligns with our organisation's product or service
- The aims of the nonprofit organisation align with our organisation's mission
- The nonprofit organisation was suggested by a senior leader within our organisation
- We were approached by the nonprofit organisation
- Other (please specify) _____

52. Does your business have formalised partnerships with nonprofit organisations?

- Yes
- No
- Unsure

53. Is your business actively involved in the governance of the partnership/s with nonprofit organisations?

- Yes
- No
- Unsure

54. Do you have a manager to oversee the transfer of money, goods, and services to your partner nonprofit organisation/s?

- Yes
- No
- Unsure



55. In your last financial year, what type of resources did your business contribute as part of partnerships with nonprofit organisations? (Select all that apply)

- Money
- Goods
- Company products
- Promotional merchandise
- Equipment
- Office space
- Land
- Motor vehicles
- Media/advertising space/time
- Travel
- Accommodation
- Services
- Administrative support (e.g. printing)
- Public relations/communications/marketing/market research support
- IT advice/support
- Strategic planning/management advice
- Financial advice
- Legal advice
- Staff training
- Graphics and media production
- Loaned executives
- People to serve on nonprofit board
- Employee volunteers
- Employees seconded to a charity or nonprofit organisation
- Other (Please specify)_____

56. What was the total value of your business’ partnerships with nonprofit organisations in the last financial year? Please provide an estimate of the total amount of money and the market value of any goods or services (including salaries) contributed as part of partnerships with nonprofit organisations. Please include money and services (including salaries) if your business has a foundation. (Whole dollars only)

Money	\$
Goods (market value)	\$
Services (market value)	\$
Total	\$



57. Please provide an estimate of the value of your business' partnerships provided to the following types of nonprofit organisations (whole dollars only). Click here for category definitions. If you are unsure of the specific category, you may enter the specific nonprofit organisation in the following question.

	Money (\$)	Market value of goods (\$)	Market value of services (including labour) (\$)
Culture and recreation			
Education and research			
Health			
Social services			
Environment			
Development and housing			
Law, advocacy and politics			
Philanthropic intermediaries and voluntarism promotion			
International development			
Religion			
Business and professional associations, trade unions			
Total			

58. Only if you are unsure of the type of nonprofit organisation in the previous question, please specify the organisation below and provide an estimate of the total amount donated and the market value of any goods or services (including labour) donated. (Whole dollars only)

	Organisation name	Money (\$)	Money value of goods (\$)	Market value of services (including labour) (\$)
Organisation 11				\$
Organisation 2				\$
Organisation 3				\$
Organisation 4				\$
Organisation 5				

59. How effective is the collaboration between your business and nonprofit community partners? (If there is variance in collaboration effectiveness across your partnerships please choose an average across them)

| Not effective
Slightly effective |
|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | | | | |



60. How confident are you that your partnership/s with nonprofit organisations are having a social impact on the community? (If there is variance in social impact across your partnerships please choose an average across them)

Not confident	Slightly confident	Moderately confident	Very confident	Extremely confident

61. How committed is your business to partnerships with nonprofit organisations?

Not committed	Slightly committed	Moderately committed	Very committed	Extremely committed

62. Has your business ever exited a partnership/s with a nonprofit organisation?

- Yes
- No

63. Why did your business exit a partnership/s with a nonprofit organisation?

- Purpose of the partnership was achieved
- Term of the partnership expired
- Insufficient budget
- Insufficient human resources
- Too busy
- Could not maintain a shared vision for the partnership
- Change of personnel leading the partnership
- Objectives of the partnership were not being achieved
- Other _____

64. To what extent do you believe the following groups are responsible to invest in community projects and partnerships? (tick)

	Not responsible at all	Slightly responsible	Moderately responsible	Very responsible	Extremely responsible
Government					
Large businesses					
Small and medium businesses					
High-net-worth individuals					



Part 6 —Future developments and final comments

65. Compared to ten years ago, is your business allocating more resources (including funding and management time) to social enterprises?

- Yes
- No
- Unsure

66. . What do you see as the three most important corporate giving and community investment issues in the mid to long-term for your company?

67. Please provide any comments on the allocated space below

- On any of the information you have supplied on this form
- On any questions which caused problems
- If you would like to suggest improvements to this form

Thank you for taking part in this important research.



10.2 Appendix 2: SME online survey questions

Part 1 — General Information

We would first like to ask you some general questions about your business, to help with our analysis

1. How many people are employed full time and part time in your business in Australia? *(Select one)*
 - a) One—just yourself
 - b) 2-5 employees
 - c) 6-10 employees
 - d) 11-20 employees
 - e) 21-50 employees
 - f) 51-100 employees
 - g) 101-200 employees
 - h) More than 200 employees **[End survey]**

End of survey message for these respondents: Thank you for your participation in the Giving Australia 2016 project. Unfortunately, you do not meet requirements for this particular survey. Please click next to end the survey.

2. Was the last financial year for your business for which you have complete records 1 July 2014 to 30 June 2015?
 - a) Yes (go to Q4)
 - b) No (go to Q3)

3. What was the end date of the last year for which you have complete records? (e.g. for a calendar year, enter 31/12/2015)

4. What was the total revenue in \$AUD for your business before tax, from all sources for your last financial year? *(Select one)*
 - a) Less than \$50,000
 - b) \$50,000 - \$100,000
 - c) More than \$100,000 - \$250,000
 - d) More than \$250,000 - \$500,000
 - e) More than \$500,000 - \$1 million
 - f) More than \$1 million - \$5 million
 - g) More than \$5 million - \$10 million
 - h) More than \$10 million - \$25 million
 - i) More than \$25 million - \$50 million
 - j) More than \$50 million - \$100 million
 - k) More than \$100 million

- 
5. Where are your business operations located primarily?
 - a) Capital City
 - b) Non-Capital City

 6. Which of the following best describes how your business operates? (*Select one*)
 - a) Is focused on domestic markets and national value chains
 - b) Is focused on international markets
 - c) Is focused on being a sub-contractor to companies operating in international markets

 7. In which of these industry groups does the business operate? (*Select one*)

NB: Industry groups are based on the Australia Bureau of Statistics' Australian and New Zealand Standard Industrial Classification (ABS ANZSIC) divisions. Division definitions can be found at http://www.abs.gov.au/ausstats/abs@.nsf/Previousproducts/AF04F89CEE4E54D6CA25711F00146D76?opendocument_

- a) Agriculture, Forestry and Fishing (ANZSIC Division A)
 - b) Mining (ANZSIC Division B)
 - c) Manufacturing (ANZSIC Division C)
 - d) Electricity, Gas, Water and Waste Services (ANZSIC Division D)
 - e) Construction (ANZSIC Division E)
 - f) Wholesale Trade (ANZSIC Division F)
 - g) Retail Trade (ANZSIC Division G)
 - h) Accommodation and Food Services (ANZSIC Division H)
 - i) Transport, Postal and Warehousing (ANZSIC Division I)
 - j) Information Media and Telecommunications (ANZSIC Division J)
 - k) Financial and Insurance Services (ANZSIC Division K)
 - l) Rental, Hiring, Real Estate (ANZSIC Division L)
 - m) Professional, Scientific and Technical Services (ANZSIC Division M)
 - n) Administrative and Support Services (ANZSIC Division N)
 - o) Public Administration and Safety (ANZSIC Division O)
 - p) Education and Training (ANZSIC Division P)
 - q) Health Care and Social Assistance (ANZSIC Division Q)
 - r) Arts and Recreational Services (ANZSIC Division R)
 - s) Other Services (ANZSIC Division S)
-
8. If Q7s is selected or Q7 is left blank, ask: Please specify the nature of your primary business activity: _____

 9. Which of the following best describes your role in this business? (*Select one*)
 - a) Owner
 - b) The most senior manager in the business
 - c) Chief Financial Officer/ Company Secretary / Accountant
 - d) Other (Please specify): _____



Part 2: General information about business giving and community investment by your business

This section asks you about business giving and community investment.

Business giving or community investment is where a business gives money, time, goods or services to nonprofit organisations or charities.

Goods include all new or used products or property. These may include an insurance company providing a public liability insurance policy for a community event free of charge, or a solar panel manufacturing enterprise providing panels for schools in remote communities free of charge.

Services include access to business or organisational resources such as employee time or resources, providing employees opportunities to volunteer while still being paid by the company, or training and mentoring provided by the business to a community organisation. Examples include a professional architect donating time for the design of a purpose-built venue to accommodate people with disabilities; or a convention centre making its centre available for a charitable organisation to host a conference or fundraising event.

10. Did your business engage in any giving or community investment during your last financial year?

- a) Yes - go to Question 11
- b) No

11. Why did your business **not** engage in any giving or community investment during your last financial year? *(Select all that apply)*

- a) We do not consider that the role of business involves giving to the community
- b) Our business has a policy of not getting involved in giving or community investment
- c) Budget constraints (a lack of funds for giving or community investment)
- d) Given all the priorities running the business, there was not enough management time to focus on giving or community investment
- e) Our business was not approached for giving/donations or community investment
- f) No reason
- g) Other (please specify) _____

[End survey]



12. What are the most important reasons/drivers behind giving or community investment for your business? *(Select all that apply)*

- a) It is integral to our business strategy
- b) It is good for the reputation/image of the business
- c) It is a good thing to do, irrespective of the returns for us
- d) The community expects a business like ours to give and invest in it
- e) It demonstrates commitment to our local community
- f) It is good for employee morale /engagement
- g) Helps attract and retain motivated and committed employees
- h) Helps to encourage greater giving amongst customers and suppliers
- i) Increased customer good will
- j) It helps attract new customers
- k) It demonstrates the personal and business values of the owner
- l) It is good publicity for our business
- m) There is a tax benefit for our business
- n) Other (please specify) : _____

13. Does your business measure the benefits of your giving and community investment initiatives?

- a) Yes
- b) No – go to question 15

14. How does your business measure the benefits of giving and business community investment? *(Select all that apply)*

- a) Return on investment (including profits and savings for the business)
- b) Feedback from employees
- c) Feedback from the community
- d) Customer/supplier feedback
- e) Other (Please specify) : _____

15. Which of the following approaches best describes how your business budgets for giving or community investment? *(Select all that apply)*

- a) No planned budget, funds are allocated as opportunities/needs arise
- b) We set aside a fixed budget each year for giving and community investment
- c) A budget is set as a percentage of profit or revenue
- d) Decisions about giving and community investment are at the discretion of the owner
- e) Other (please specify) _____

Part 3 — Employee giving in the workplace

This section of the survey asks you about employee giving in your workplace.

Please do not include any information on sponsorship arrangements, business donations, or donations made partnerships with community organisations as you will be asked about these in other sections of the survey.



16. Does your business encourage your employees to give money, time or services to nonprofit organisations or charities?

- Yes
- No — Go to question 22

17. How does your business encourage or support employees to give money, time or services to nonprofit organisations or charities? *(Select all that apply)*

- a) Paid time off work to volunteer
- b) Flexible work hours to accommodate volunteering
- c) Dedicated person working in the business to coordinate volunteering
- d) Payroll deduction giving program for employees to make donations
- e) Provides guidelines and support for employees to get involved in community projects
- f) Circulates information in the workplace about charities and nonprofit organisations
- g) Encourages employees to serve on a nonprofit board
- h) Other (please specify): _____

If Q17d is NOT selected, skip to Q20

18. Did your business use an intermediary to facilitate or support your payroll giving program? (E.g. Australian Charities Fun, Good2Give/Charities Aid Foundation, Good Company, Corporate Citizen etc.)?

- a) Yes
- b) No
- c) Unsure

19. Does your business offer company matching (e.g. dollar for dollar) for donations to nonprofit organisations made through employee payroll deductions?

- a) Yes
- b) No

20. Does your business maintain a formal employee volunteer program?

[Hover definition: Formal employee volunteering, also known as workplace volunteering, allows employees to engage in unpaid work for a community organisation during work hours. Employees do volunteer work for a wider societal benefit, and for the possible benefit of the volunteer and for the company].

- a) Yes
- b) No — Go to question 22

21. What percentage of your workforce was involved in your employee volunteering program during your last financial year? *(Please enter a whole number)*

_____ %.



Part 4 — Donations

This section asks you about donations made by your business.

Donations are the unconditional voluntary transfers of money, goods or services to community organisations, institutions, government entities, or individuals, in which the donating organisation is not obliged to receive anything in return. These transfers would not form part of the commercial operations of the donor.

Please do not include any donations made as part of business and community partnerships or sponsorship arrangements as you will be asked about these in other sections of the survey. In this survey, sponsorship relates to the direct marketing of a business, whereby the sponsor pays a fee for the right to associate itself with the activity sponsored (e.g. signage, branding, logo) and the marketing of the association by the sponsor.

22. Did your business make any donations to organisations or individuals during your last financial year? *(Select one)*

- a) Yes— Go to question 24
- b) No

23. Why did your business **not** make any donations in your last financial year? *(Select all that apply)*

- a) We do not believe the business has a responsibility to make donations
- b) We never considered making any donations
- c) We do not have the funds to be able to make donations
- d) Business resources are committed elsewhere
- e) Our business was not approached by anyone seeking donations
- f) Other (please specify) : _____
- g) No reason

Go to question 26

24. What types of donations did your business make during your last financial year? *(Select all that apply)*

Money

- a) Money

Goods

- b) Company products
- c) Promotional merchandise
- d) Equipment
- e) Office space
- f) Land
- g) Motor vehicles
- h) Media/ advertising space/ time



- i) Travel
- j) Accommodation

Services

- k) Administrative support (e.g. printing)
- l) Public relations/marketing/market research support
- m) IT advice/support
- n) Strategic planning/ management advice
- o) Financial advice
- p) Legal advice
- q) Staff training
- r) Graphics and media production
- s) Loaned executives
- t) Employees seconded to a charity or nonprofit organisation
- u) People to serve on a nonprofit board

Other

- v) Other (please specify) : _____

25. What is the total value of donations made by your business during the last financial year?
 Please provide an estimate of the total amount of money donated and the market value of any goods or services (including labour) donated (*whole dollars only*)

	Government entities	Non-government organisations	Total
Money	\$_____	\$_____	\$_____
Goods (market value)	\$_____	\$_____	\$_____
Services (market value)	\$_____	\$_____	\$_____
Total	\$_____	\$_____	\$_____



26. Please provide an estimate of the value of donations made to the following types of nonprofit organisations during your last financial year (whole dollars only). [Click here for category definitions](#). If you are unsure of the specific category, you may enter the specific nonprofit organisation in the following question.

Nonprofit organisation type	Money (\$)	Market value of goods (\$)	Market value of services (including labour) (\$)
a) Culture and recreation			
b) Education and research			
c) Health			
d) Social services			
e) Environment			
f) Development and housing			
g) Law, advocacy and politics			
h) Philanthropic intermediaries and voluntarism promotion			
i) International			
j) Religion			
k) Business and professional associations, trade unions			
l) Not elsewhere classified			
Total			

27. Only if you are unsure of the type of organisation in the previous question, please specify the organisation below and provide an estimate of the total amount of money donated and the market value of any goods or services (including labour) donated (*whole dollars only*)

	Organisation name	Money (\$)	Money value of goods (\$)	Market value of services (including labour) (\$)
Organisation 1	_____	\$_____	\$_____	\$_____
Organisation 2	_____	\$_____	\$_____	\$_____
Organisation 3	_____	\$_____	\$_____	\$_____
Organisation 4	_____	\$_____	\$_____	\$_____
Organisation 5	_____	\$_____	\$_____	\$_____

28. How was your business approached to make donations of money, goods or services in your last financial year? *(select all that apply)*

Unsolicited

- a) Telephone call
- b) Form or letter
- c) Form or letter with additional materials such as cards or booklets
- d) Email
- e) Social media

Invited

- f) Request from a customer or supplier that you already deal with
- g) Request from an employee or director involved with the beneficiary organisation
- h) From an existing relationship with a nonprofit organisation
- i) Request from a Board member, senior executive or employee of your organisation

Not approached

- j) Not approached last financial year

29. Did your business make a donation after being approached by?

	Yes	No
Unsolicited		
a) Telephone call	<input type="radio"/>	<input type="radio"/>
b) Form or letter	<input type="radio"/>	<input type="radio"/>
c) Form or letter with additional materials such as cards or booklets	<input type="radio"/>	<input type="radio"/>
d) Email	<input type="radio"/>	<input type="radio"/>
e) Social media	<input type="radio"/>	<input type="radio"/>
Invited		
f) Request from a customer or supplier that you already deal with	<input type="radio"/>	<input type="radio"/>
g) Personal request from an employee or director involved with the beneficiary organisation	<input type="radio"/>	<input type="radio"/>
h) From an existing relationship with a nonprofit organisation	<input type="radio"/>	<input type="radio"/>
i) Request from a Board member, senior executive or employee of your organisation	<input type="radio"/>	<input type="radio"/>

30. What is your organisation's preferred method of contact for unsolicited donations? *(select one only)*

- a) Telephone call
- b) Form or letter
- c) Form or letter with additional materials such as cards or booklets
- d) Email
- e) Social media
- f) None of the above



31. Are you aware that there are tax concessions for the following?

	Yes	No
a) Payroll deductions by staff to Deductible Gift Recipient (DGR) organisations	<input type="radio"/>	<input type="radio"/>
b) Establishing a private foundation/trust for the purpose of making donations	<input type="radio"/>	<input type="radio"/>

32. Does your business operate a foundation/trust for the purpose of making donations? (*Select one*)

- a) Yes
- b) No — go to question 31

33. Why was the foundation/trust established?

Part 5 — Business and community partnerships

This section asks you about the business and community partnerships your business undertakes. A business and community partnership is a collaborative arrangement (formal or informal) between a business and non-related community organisations, institutions, government bodies or individuals for mutually beneficial outcomes and social impact. Such an arrangement involves the voluntary transfer of money, goods or services in exchange for strategic business benefits, such as improved staff expertise, wider networking, enhanced community reputation and/or other quantifiable benefits.

*NB: please do **not include sponsorship information** in this part of the survey. Sponsorship information related to the direct marketing of a business via a nonprofit organisation is to be included in another section of this survey. Sponsorship is where the sponsor pays a fee for the right to associate itself with the activity sponsored (e.g. signage, branding, logo) and the marketing of the association by the sponsor.*

34. Was your business involved in any partnerships with nonprofit organisations during your last financial year? (*Select one*)

- a) Yes – Go to question 36
- b) No



35. Why was your business not involved in partnerships with nonprofit organisations during your last financial year? *(Select all that apply)*

- a) Managing partnerships is not aligned with our business strategy
- b) We never considered entering into such arrangements
- c) Too difficult to organise
- d) Insufficient budget
- e) Too busy
- f) Unable to establish a mutually beneficial partnership
- g) No experience working with community organisation partners
- h) A previous partnership was unsuccessful
- i) Our business was not approached by anyone wishing to enter into such arrangements
- j) No reason
- k) Other (please specify) : _____

Go to question 50

36. How many partnerships does your business currently have with any nonprofit organisation?

- a) 1
- b) 2-5
- c) More than 5

37. How long has your business had partnerships with nonprofit organisations?

- a) Less than 1 year
- b) 1-2 years
- c) 3-5 years
- d) More than 5 years

38. Why has your business chosen to partner with your selected nonprofit organisation/s?
(Select all that apply)

- a) Social responsibility
- b) Part of our business strategy
- c) Social impact
- d) Favourable publicity
- e) Enhanced public goodwill
- f) Greater public awareness of brand
- g) To help attract and retain employees
- h) Our target market cares about the cause/s
- i) The cause aligns with our organisation's product or service
- j) The aims of the nonprofit organisation align with our mission and values
- k) The nonprofit organisation was suggested by a senior leader within our business
- l) We were approached by the nonprofit organisation
- m) Other (please specify) _____



39. Does your business have formalised agreements with nonprofit organisations?

- a) Yes
- b) No
- c) Unsure

40. In your last financial year what type of resources did your business contribute as part of partnerships with nonprofit organisations? *(Select all that apply)*

Money

- a) Money

Goods

- b) Company products
- c) Promotional merchandise
- d) Equipment
- e) Office space
- f) Land
- g) Motor vehicles
- h) Media/ advertising space/ time
- i) Travel
- j) Accommodation
- k) Other (please specify) : _____

Services

- l) Administrative support (e.g. printing)
- m) Public relations/communications/marketing/ market research support
- n) IT advice/support
- o) Strategic planning/ management advice
- p) Financial advice
- q) Legal advice
- r) Staff training
- s) Graphics and media production
- t) Loaned executives
- u) People to serve on nonprofit board
- v) Employee volunteers
- w) Employees seconded to a charity or nonprofit organisation
- x) Other (please specify) : _____



41. What was the total value of your business' partnerships with nonprofit organisations in the last financial year? Please provide an estimate of the total amount of money and the market value of any goods or services (including labour) contributed as part of **partnerships** with nonprofit organisations. Please include money and services (including salaries) if your business has a foundation. *(Whole dollars only)*

Money	\$
Goods (market value)	\$
Services (market value)	\$
Total	\$

42. Please provide an estimate of the value of your business' partnerships provided to the following types of nonprofit organisations *(whole dollars only)*. [Click here for category definitions](#). If you are unsure of the specific category, you may enter the specific nonprofit organisation in the following question.

Nonprofit organisation type	Money (\$)	Market value of goods (\$)	Market value of services (including labour) (\$)
a) Culture and Recreation			
b) Education and Research			
c) Health			
d) Social Services			
e) Environment			
f) Development and Housing			
g) Law, Advocacy and Politics			
h) Philanthropic Intermediaries and Voluntarism Promotion			
i) International			
j) Religion			
k) Business and Professional Associations, Unions			
l) Not Elsewhere Classified			
Total			



Only if you are unsure of the type of nonprofit organisation in the previous question, please specify the organisation below and provide an estimate of the value of the partnerships in terms of money and the market value of any goods or services (including labour) (*whole dollars only*)

	Organisation name	Money (\$)	Money value of goods (\$)	Market value of services (including labour) (\$)
Organisation 1	_____	\$_____	\$_____	\$_____
Organisation 2	_____	\$_____	\$_____	\$_____
Organisation 3	_____	\$_____	\$_____	\$_____
Organisation 4	_____	\$_____	\$_____	\$_____
Organisation 5	_____	\$_____	\$_____	\$_____

43. How effective is the collaboration between your business and nonprofit community partners (If there is a variance in collaboration effectiveness across your partnerships please choose an average across all of them) (*select one*)

- a) Not effective
- b) Slightly effective
- c) Moderately effective
- d) Very effective
- e) Extremely effective

44. How confident are you that your partnership/s with nonprofit organisations are having social impact on the community? (If there is a variance in social impact across your partnerships please choose an average across all of them) (*select one*)

- a) Not confident
- b) Slightly confident
- c) Moderately confident
- d) Very confident
- e) Extremely confident

45. How committed is your business to partnerships with nonprofit organisations? (*select one*)

- a) Not committed
- b) Slightly committed
- c) Moderately committed
- d) Very committed
- e) Extremely committed

46. Has your business exited a partnership/s with a nonprofit organisation?

- a) Yes
- b) No – Go to question 49



47. Why did your business exit a partnership/s with a nonprofit organisation?

- a) Purpose of the partnership was achieved
- b) Term of the partnership expired
- c) Insufficient budget
- d) Insufficient human resources
- e) Too busy
- f) Could not maintain a shared vision for the partnership
- g) Change of personnel leading the partnership
- h) Objectives of the partnership were not being achieved
- i) Other (please specify): _____

48. To what extent are the following groups responsible to invest in community projects and partnerships?

	Not responsible at all	Slightly responsible	Moderately responsible	Very responsible	Extremely responsible
Government	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Large business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Small and Medium business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
High-net-worth individuals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Part 6 — Sponsorship

This section asks you about sponsorship activities undertaken by your business.

Sponsorship is a direct marketing activity (e.g. signage, branding, logo) involving the transfer of money, goods or services to non-related community organisations, institutions, government bodies or individuals in exchange for advertising or promotional benefits. Any such arrangements would form part of the commercial operations of the business. This includes cause-related marketing (encouraging customers to buy a product of service, which results in a company donation to a charity or cause).

49. Did the business sponsor any organisations or individuals during your last financial year?

(Select one)

- a) Yes — Go to question 52
- b) No



50. Why did your business not engage in sponsorships during your last financial year? *(Select all that apply)*

- a) We never considered undertaking any sponsorships
- b) Too difficult to organise
- c) We do not have the capability or experience to organise sponsorships
- d) There are more immediate pressures to ensure the economic performance of the business
- e) Conflicting time and other resource pressures
- f) The business was not approached by anyone seeking sponsorship
- g) Other (please specify) : _____
- h) No reason

Go to question 53

51. Were any of these sponsorships part of a business and community partnership arrangement?

- a) Yes
- b) No
- c) Unsure

52. What types of sponsorship did your business provide? *(Select all that apply)*

Money

- Money

Goods

- Company products
- Promotional merchandise
- Equipment
- Office space
- Land
- Motor vehicles
- Media/ advertising space/ time
- Travel
- Accommodation
- Other (please specify) : _____

Services

- a) Administrative support (e.g. printing)
- b) Public relations/communications/marketing/market research support
- c) IT advice/support
- d) Strategic planning/management advice
- e) Financial advice
- f) Legal advice
- g) Staff training
- h) Graphics and media production
- i) Other (please specify) : _____

53. What was the total value of sponsorship undertaken by your business in your last financial year? Please provide an estimate of the total value of sponsorship undertaken in the form of money and the market value of any sponsorship provided in the form of goods or services. *(Whole dollars only)*

Money	\$
Goods (market value)	\$
Services (market value)	\$
Total	\$

54. Please provide an estimate of the value of sponsorship provided to the following types of nonprofit organisations. *(Whole dollars only)* [Click here for category definitions.](#) If you are unsure of the specific category, you may enter the specific nonprofit organisation in the following question.

Nonprofit organisation type	Money (\$)	Market value of goods (\$)	Market value of services (including labour) (\$)
a) Culture and recreation			
b) Education and research			
c) Health			
d) Social services			
e) Environment			
f) Development and housing			
g) Law, advocacy and politics			
h) Philanthropic intermediaries and voluntarism promotion			
i) International			
j) Religion			
k) Business and professional associations, trade unions			
Total			



55. Only if you are unsure of the type of nonprofit organisation/s in the previous question, please specify the organisation below and provide an estimate of the value of the sponsorship in terms of money and the market value of any goods or services (including labour) (*whole dollars only*)

	Organisation name	Money (\$)	Money value of goods (\$)	Market value of services (including labour) (\$)
Organisation 1	_____	\$_____	\$_____	\$_____
Organisation 2	_____	\$_____	\$_____	\$_____
Organisation 3	_____	\$_____	\$_____	\$_____
Organisation 4	_____	\$_____	\$_____	\$_____
Organisation 5	_____	\$_____	\$_____	\$_____

56. Were there any barriers to this business being involved in more sponsorships? (*select all that apply*)

- Our sponsorship activity met our business needs
- Too difficult to organise
- We do not have the capability or experience to manage more sponsorships
- There are more immediate pressures to ensure the economic performance of the business
- Conflicting time and other resource pressures
- The business was not approached by another entity wanting the business to sponsor them
- Other (please specify) : _____
- None/no barriers

Part 7 —Final comments

57. What do you see are the three most important business giving and community investment issues in the mid- to long-term for your business?

58. Please provide any comments on the allocated space below

- On any of the information you have supplied on this form
- On any questions which caused problems
- If you would like to suggest improvements to this form

Thank you for taking part in this important research.



10.3 Appendix 3: About the authors

10.3.1 The Australian Centre for Philanthropy and Nonprofit Studies, QUT

The Australian Centre for Philanthropy and Nonprofit Studies is a specialist research and teaching unit within the QUT Business School in Brisbane, Australia.

It seeks to promote the understanding of philanthropy and nonprofit issues by drawing upon academics from many disciplines and working closely with nonprofit practitioners, intermediaries and government departments. The mission of the Centre is ‘to bring to the community the benefits of teaching, research, technology and service relevant to the philanthropic and nonprofit communities’, with a theme of ‘for the common good.’

A list of the Centre’s publications is available from <https://www.qut.edu.au/business/about/research-centres/australian-centre-for-philanthropy-and-nonprofit-studies> and free digital downloads are available via QUT ePrints at <http://eprints.qut.edu.au/>.

10.3.2 The Centre for Social Impact, Swinburne University of Technology

CSI Swinburne, as part of the CSI network, works towards a stronger society for all, through engaged research and scholarship. CSI Swinburne’s areas of research focus are: social investment and philanthropy, social enterprise, social innovation and measuring and communicating social impacts. Our multidisciplinary team includes experts in public policy, sociology, history, organisational studies, management, public health, evaluation and impact measurement and information systems. Our researchers have particular expertise in: social enterprise, foundations and bequests, social investment, diversity issues pertaining to philanthropy and giving and volunteering.

Established in April 2014, CSI Swinburne builds on the foundations of the Asia-Pacific Centre for Social Investment and Philanthropy, with extensive networks with philanthropy and nonprofit organisations, both locally and internationally. For more information about CSI Swinburne, please visit <http://www.swinburne.edu.au/research/social-impact/>.

CSI Swinburne is part of the CSI national network, which is a collaboration of three universities: the University of New South Wales, Swinburne University of Technology and The University of Western Australia. For more information about the CSI national network, please visit <http://www.csi.edu.au/>.



10.3.3 The Centre for Corporate Public Affairs

Public affairs is the management function responsible for interpreting the future political, social and regulatory environment of an organisation, continuously integrating these assessments into the strategic planning process, and undertaking and supporting consequent organisational action.

The Centre for Corporate Public Affairs was established in 1990 in response to demand from corporate and public affairs professionals for a support organisation for their activities.

The Centre now has more than 100 members from the ranks of corporate Australia, industry associations and government business enterprises. The Centre aims to provide mutual exchange within the profession's leadership, excellent professional development programs and information resources that allow senior public affairs practitioners, senior executives and line managers to:

- better interpret their social, political and economic environment
- contribute significantly to the way their organisation relates to its internal/external stakeholders, and
- strengthen the role of corporate affairs staff as key advisers to management.

These aims are achieved by providing:

- professional development and training
- research and information resources
- international affiliations, and
- peer group dialogue and mutual learning.

For further information about the Centre please visit <http://www.accpa.com.au>.

For more information:

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