

Environment and climate change giving trends **2024**





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The Australian Environmental Grantmakers Network is focused on growing effective philanthropy to protect nature and secure a safe climate.

Our offices are on the lands of the Kulin Nation and Eora Nation. Acknowledging the Traditional Owners of Country throughout Australia, we recognise their continuing connection to land, waters and community. And we pay our respects to the Traditional Owners, Custodians and Elders both past and present.

Acknowledgement

The AEGN extends its gratitude to John McLeod, AEGN member and co-founder of JBWere Philanthropic Services, for his review and insights that have informed and enhanced this work.

Executive summary

This report offers a comprehensive assessment of national and global philanthropic giving to climate and environment, summarising the megatrends influencing best practices in climate and environmental philanthropy.

Its findings show a pivotal shift towards greater climate and environmental giving in recent years, prompted by a global awakening to the urgency of the climate and biodiversity crises. This growing philanthropic focus is observed in global and local giving trends, with public and private donors becoming increasingly committed to funding a more just, sustainable and resilient future.

While this is a promising development, there are signs that funding growth is plateauing despite the quantum of philanthropy directed toward climate and environment remaining small compared to other funding areas.

In this critical decade for action, we must continue to strengthen climate and environmental philanthropy commensurate with the scale and urgency of the challenges we face. This includes providing ongoing support for small and medium entities at the forefront of climate action and First Nations organisations caring for Country.

Internationally, the headline findings are:

- Global foundation giving to climate change mitigation has tripled in recent years, growing from US\$900 million in 2015 to more than US\$3 billion in 2021, before plateauing from 2021 to 2022.
- Global individual and foundation giving to climate change mitigation still represents less than 2 per cent of overall philanthropic giving. This will need to scale rapidly to meet the urgency of the climate crisis.

- Between 2018 and 2020, giving to environmental protection accounted for around 5 per cent of private philanthropy, with around half of this going towards biodiversity conservation.
- The ocean covers around 70 per cent of the planet, but its protection receives less than 1 per cent of global philanthropic funding; a threefold increase in philanthropic funding is needed to protect 30 per cent of the ocean by 2030 in line with global targets.

While it remains difficult to obtain clear data on all aspects of philanthropic giving in Australia, particularly as it relates to climate and environmental giving, our analysis indicates a sharp increase in giving in recent years.¹ The headline findings are:

- Private ancillary fund (PAF) and public ancillary fund (PuAF) climate and environmental giving has increased at ten times the rate of overall giving; PuAF giving soared from \$4 million in 2020 to \$33 million in 2021.
- Australian donations and bequests to charities have also surged in recent years and giving to charities working on climate and environment grew 82 per cent (around \$122 million) from 2018 to 2021.
- Australia's 50 biggest givers have topped \$1 billion in donations for the first time, with more than one-third of this list giving to climate and environmental causes as one of their main causes.
- Australian Environmental Grantmakers Network (AEGN) members gave more than \$138 million to climate and the environment in 2021/22, and almost half of them increased their giving to environmental causes on the previous year, indicating that the AEGN's giving goal of \$2.5 billion by 2030 is within reach.

- While Australian PAF and PuAF giving to climate and environment now represents 5 per cent of broader giving, there is a need to continue strengthening climate and environmental philanthropy in this critical decade for action.

Recent growth in Australian climate and environmental giving can most likely be attributed to the 2019–20 Black Summer bushfires, combined with an increasing awareness of the climate and biodiversity crises more broadly. However, giving to climate and environmental causes still represents a small fraction of overall philanthropy. Despite significant growth, only around 5 per cent of PAF and PuAF giving goes to climate and environment. Donations and bequests to Australian environmental charities also represent just 2 per cent of overall donations and bequests. Moreover, the release of the latest Australian data lags behind the release of international figures, indicating that the recent global trend of plateauing climate and environmental philanthropy may be reflected in Australian trends in the foreseeable future.

Growth in climate and environmental giving is a trend we'd like to see continue at pace given the urgent and escalating challenges posed by the dual climate and biodiversity crises. The complexity of these crises means that systemic change is needed to restore planetary health. **Philanthropy can catalyse this transformation, but we need all hands on deck.**

Global giving trends

Global philanthropy continues to grow, and although philanthropy dedicated to environment and climate change remains small, it's growing more rapidly than overall philanthropy.

Global philanthropic trends indicate a general increase in philanthropic giving. Depicted in Figure 1, global philanthropic giving reached US\$811 billion in 2022, an increase on the previous three years. There was little change in philanthropic giving between 2021 and 2022, which can be attributed to challenging global economic conditions.

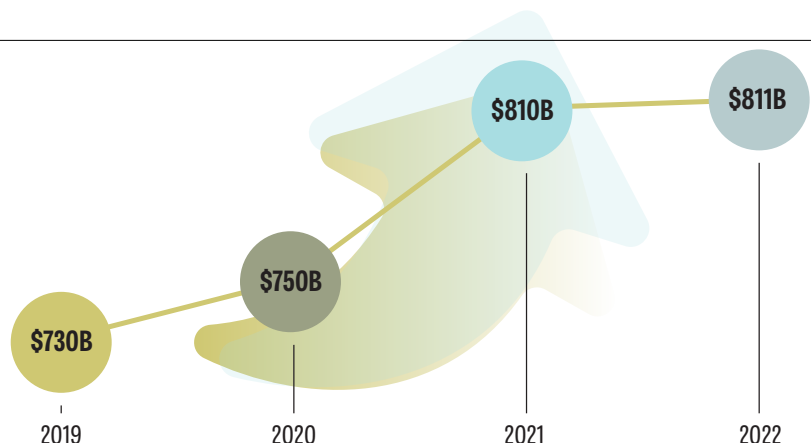
Global climate and environmental giving trends

Despite being a small slice of the bigger pie, climate and environmental philanthropy is gaining momentum and, globally, philanthropy for climate change mitigation is growing at a faster rate than overall philanthropy.

In recent years, foundation giving to climate change mitigation has tripled, growing from US\$900 million in 2015 to more than US\$3 billion in 2021, and the number of grantees receiving climate change mitigation funding in this timeframe has also doubled. However, from 2021 to 2022, foundation giving to climate mitigation slowed to just a 12 per cent increase, which is significantly less growth than the 45 per cent observed in the previous year. Notably, there was also a 20 per cent decline in grant commitments.

Depicted in Figure 2, from 2020 to 2021, climate change mitigation giving by foundations and individuals increased at three times the rate of broader philanthropy, reflecting a global awakening to the urgency of the climate crisis. However, like overall global philanthropic trends, this figure plateaued from 2021 to 2022, growing by just 2 per cent.

FIGURE 1 Global philanthropic giving trends

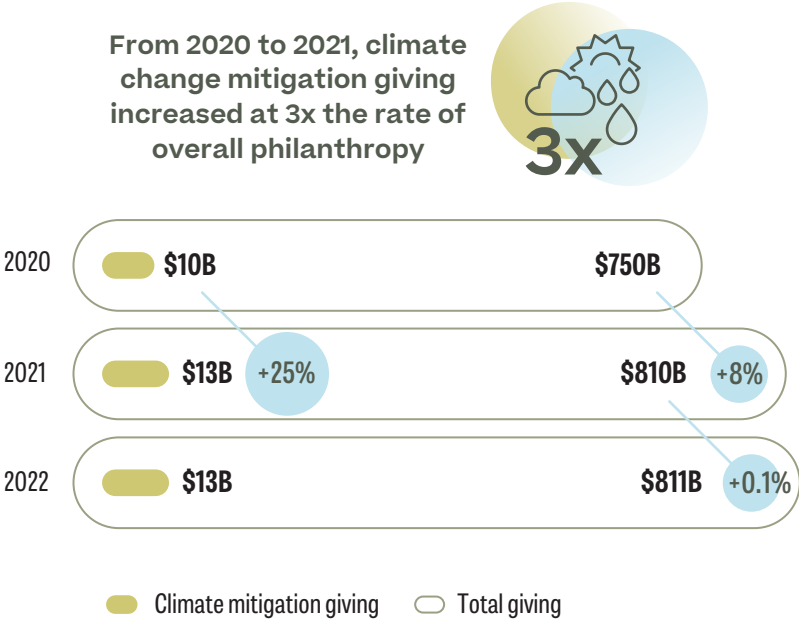


source ClimateWorks Global Intelligence 2023

Global individual and foundation giving to climate change mitigation still represents less than 2 per cent of overall philanthropic giving globally, and this will need to scale rapidly to meet the urgency of the climate crisis.

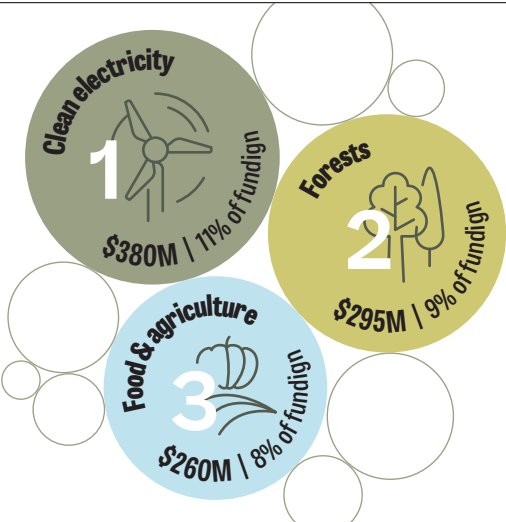
A closer look at the specific sectors within climate change mitigation reveals that clean energy received the largest share of the funding in 2022, amounting to US\$380 million. This was followed closely by giving to the forestry and food and agriculture sectors, which received US\$295 million and US\$260 million respectively.

FIGURE 2 Climate mitigation giving trends



source ClimateWorks
Global Intelligence 2023

FIGURE 3 Top funded sectors within climate mitigation in 2022



source ClimateWorks
Global Intelligence 2023

Recent global trends in giving to climate change mitigation reflect a broader societal shift in acknowledging the urgency of climate change action. A range of significant philanthropic pledges made towards climate and environmental causes further substantiates this trend.

Several notable pledges towards climate solutions and nature protection have been made since 2021:

- **Nine organisations have pledged US\$5 billion** over the next 10 years in a major initiative that aims to conserve 30 per cent of the world's land and waters by 2030.
- **Waverley Street has committed US\$3.5 billion** towards climate and environmental causes over the next decade.
- **Patagonia founder Yvon Chouinard has given away ownership of Patagonia, worth around US\$3 billion**, to ensure that all its profits — some \$100 million a year — are used to combat climate change and protect undeveloped land around the globe.
- **Australia's Mike and Annie Cannon-Brookes pledged US\$1.1 billion in 2021** towards green technology and grants for organisations addressing the climate crisis by 2030.
- **More than 20 philanthropic organisations have pledged US\$328 million** towards the Methane Reduction Initiative, designed to support the 75+ nations that have signed on to the Global Methane Pledge launched at COP26.
- **Bloomberg Philanthropies committed US\$25 million** to boost the development of satellite and airborne methane detection technologies.

Giving to mitigation is growing at a much faster rate than that for climate adaptation. While data on adaptation giving trends is limited, globally, the private sector² has consistently financed less than 3 per cent of adaptation initiatives since 2019, of which a significant portion comes from philanthropy. The adaptation funding gap is a notable one that must be addressed given communities globally and locally are already being impacted by climate change, many disproportionately so.

Like the data on global adaptation giving, data on broader environmental giving is also limited, but indicates that philanthropy is falling short of the scale of action required. Between 2018 and 2020, giving to environmental protection accounted for around 5 per cent of private philanthropy, with around half of this going to biodiversity conservation.

A closer look at the distribution of global environmental giving provides an even starker indication of why current levels of funding are insufficient. For example, the ocean covers around 70 per cent of the planet, but its protection receives less than one per cent of global philanthropic funding. Annual philanthropic funding for marine area conservation has more than doubled, from less than US\$50 million in 2010 to US\$122 million in 2022. However, it is estimated that between \$US9 billion and US\$12 billion is needed per year to protect 30 per cent of the ocean by 2030 in line with global targets, more than a threefold increase in current funding levels.

Australian giving trends

Australia has a long history of philanthropic giving and there is evidence this giving is on the rise, particularly in relation to climate and environmental philanthropy.

“Giving to climate and the environment has now joined universities, arts and medical research as the leading areas for large-scale philanthropy in Australia as donors seek to tackle societies biggest problems.”

— John McLeod, co-founder,
JBWere Philanthropic Services

This momentum is reflected in various forms of giving, from private ancillary funds (PAFs) and public ancillary funds (PuAFs) to charitable donations and bequests, and donations from Australia's 50 biggest givers.

The analysis in this report captures data from some, but not all, giving vehicles to climate and environment. Specifically, it draws on:

- PAF and PuAF giving, based on the Australian Taxation Office's annual tax statistics;
- donations and bequests to the “Environment” subtype of charities as per the Australian Charities and Not-for-profits Commission's Annual Information Statement data and *Australian Charities Report*;
- giving by the top 50 philanthropists in Australia based on annual analysis by the *Australian Financial Review*; and
- giving by AEGN members based on the AEGN's annual member survey.

In terms of philanthropic giving beyond the analysis presented in this report, Australia's peak philanthropy body Philanthropy Australia estimates that total structured giving was approximately \$2.4 billion in 2018. Structured giving is defined as relatively large-scale planned giving and may involve using a vehicle such as PAFs, PuAFs, sub-funds, giving circles or bequests.

A NOTE ON THE AUSTRALIAN DATA

It is important to acknowledge the limitations of Australian data on giving, which are characterised by delays in data release compared to international figures, making it difficult to provide real-time analysis, and inconsistent and limited reporting formats. For example, the recent removal of a main activity classification for charities in data reported on by the Australian Charities and Not-for-profits Commission (ACNC), which was used in previous Giving Trends reports to determine the number and amount of giving to environmental charities, has introduced data complexities and inconsistencies. Furthermore, the information from a charity with more than one subtype being captured by one, all-encompassing “multiple” subtype means that the analysis of giving to the “Environment” subtype is incomplete.

Current reporting formats and timeliness fall short when compared to countries with well-developed philanthropic sectors like the United Kingdom, United States and Canada. Having a clear and reliable understanding of the Australian philanthropic sector is imperative for increasing the effectiveness of our giving, through enabling us to identify and better align philanthropic efforts with the needs on the ground and maximise the outcomes of climate and environmental giving.

Australian climate and environmental giving trends

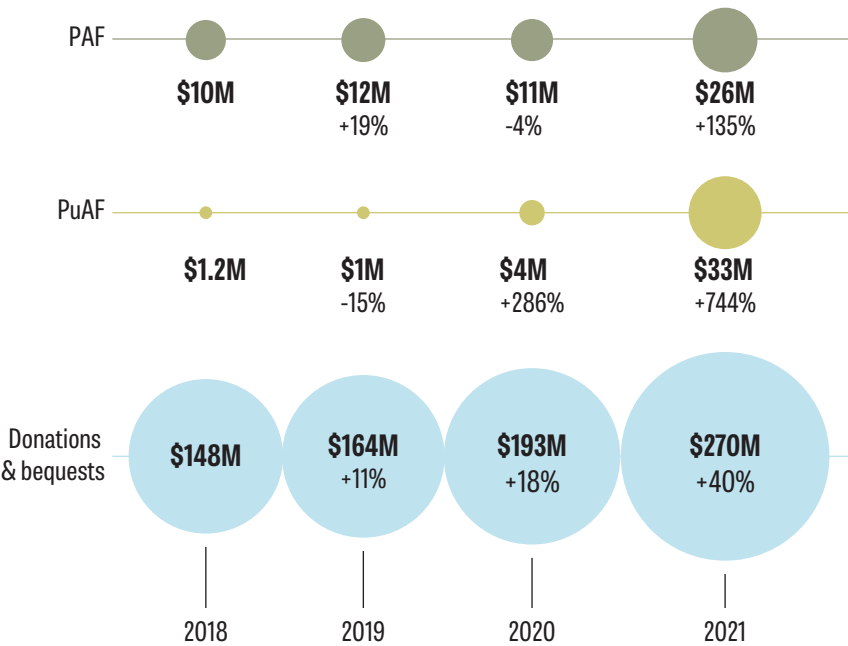
Philanthropists taking a structured giving approach use a range of giving vehicles to distribute funding, including private ancillary funds (PAFs), public ancillary funds (PuAFs) and private trusts and foundations. PAFs and PuAFs are the only giving vehicles that report on giving broken down by issue.

PAF trends

PAFs are one of the most popular giving vehicles in Australia, with more than \$500 million distributed in funding through PAFs in 2021.

There were around 2000 PAFs in Australia in 2023, a figure which has doubled over the past decade. In 2021, the latest year for which more detailed data is available, PAFs had combined assets worth more than \$11 billion, which is an increase of over 50 per cent from 2020. PAFs distributed \$26 million to climate and the environment in 2021 compared to \$11 million in 2020, an increase of 135 per cent (Figure 4). Climate and environmental giving made up 5.1 per cent of PAF distributions in 2021, more than double the previous year at 2.1 per cent.

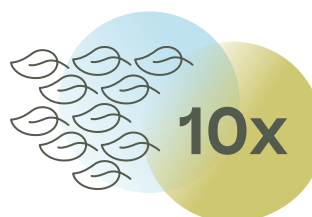
FIGURE 4 Proportion of giving that went to climate and environment for PAFs, PuAFs and broader donations & bequests



SOURCE ATO 2023; ACNC 2022

FIGURE 5 PAF & PuAF climate and environmental philanthropy

SOURCE ATO 2023



Australian climate and environmental philanthropy has increased at 10 times the rate of overall philanthropy

PuAF trends

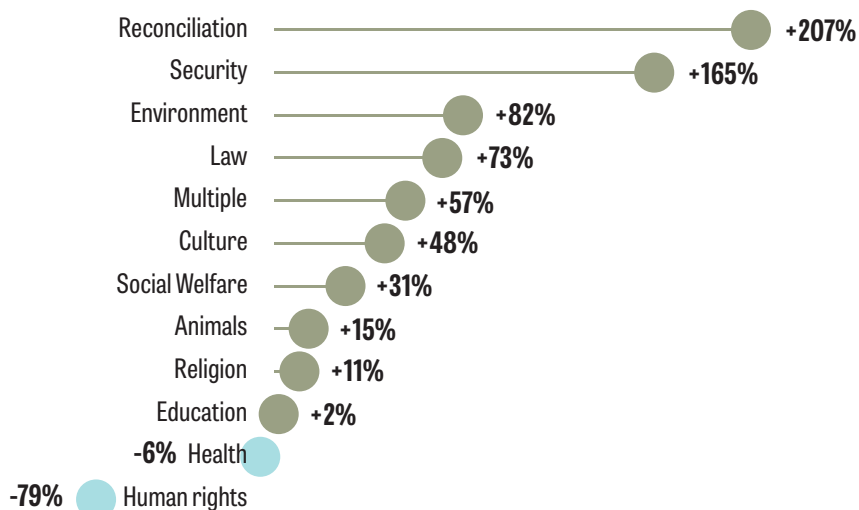
PuAFs are another type of structured philanthropy, though they operate differently to PAFs in that they receive donations from the public. Historically, PuAFs have given low amounts to climate and environment (around 1 per cent or less). However, PuAF climate and environmental giving has soared in recent years, from \$4 million in 2020 to \$33 million in 2021 (an increase of 744 per cent) (Figure 4). PuAF giving contributed 5.3 per cent of giving to climate and environment in 2021, up from 1.1 per cent the previous year.

The surge in PAF and PuAF giving is likely due in part to the 2019–20 Black Summer bushfires; in the aftermath, philanthropic and public donors gave \$640 million to fund relief and recovery efforts while others increased their climate and environmental giving, signalling perhaps an awakening to the urgency of the climate and biodiversity crises at hand. During this time, NSW Wildlife Information Rescue and Education Service (WIRES) alone received \$91 million in donations for rescue, rehabilitation and recovery of wildlife. Another factor which may have contributed to the surge in PuAF giving is the 2022 Public Ancillary Fund Guidelines, which set a minimum annual distribution rate at 4 per cent of the fund's net assets. During the COVID-19 pandemic, the Federal Government also incentivised philanthropic funds to distribute beyond the minimum requirement, offering a credit for extra distributions made in 2019/20 and 2020/21, aimed at fostering increased support to donation recipients.

It's important to note that climate and environmental giving via PAFs and PuAFs is likely to be higher than reported due to a new distribution category "multi", which comprises around 20 per cent of PAF and PuAF donations. This covers donations with multiple causes in mind, which is most likely to encompass giving to climate and environment given the intersectional nature of these issues. For example, a donation supporting an Indigenous ranger group to care for Country is likely to be categorised as "multi" given it addresses economic empowerment and social issues as well as conservation outcomes. As this covers a range of issues, it will not be reported in the environment category, reducing the environment funding figure.

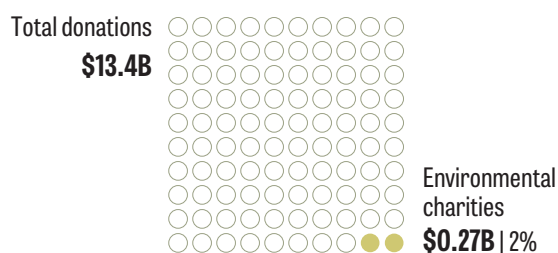
The continued growth in PAFs and PuAFs presents an opportunity for increased funding to address the climate and environmental crises, particularly given that PAF and PuAF climate and environmental giving is increasing at ten times the rate of overall giving (Figure 5).

FIGURE 6 Change in donations received 2019-2021



SOURCE ACNC 2022

FIGURE 7 Proportion of donations & bequests to eNGOs in 2021



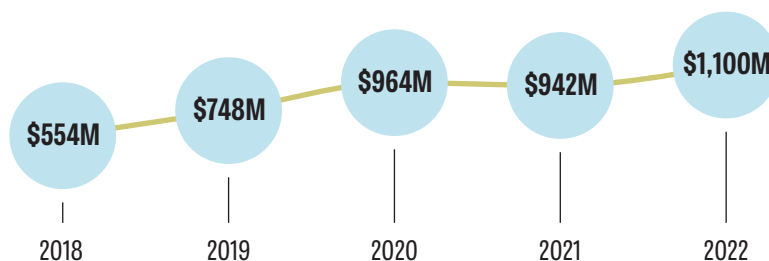
SOURCE ACNC 2022

FIGURE 9 Proportion of Australia's 50 biggest givers who give to climate and environment



SOURCE The Australian Financial Review Magazine 2023

FIGURE 8 Donations of Australia's 50 biggest givers



SOURCE The Australian Financial Review Magazine 2023 based on research conducted by John McLeod

Giving to Australian charities

The Australian giving landscape is dynamic, reflecting diverse donor preferences and beneficiary needs. The main revenue source for charities with annual revenue of more than \$1 million tends to be government grants, while smaller charities tend to rely more on donations and bequests.

There are two main types of environmental organisations for which we have data in Australia: those monitored by the Australian Charities and Not-for-profits Commission (ACNC) and “REO organisations”, which are those on the Department of Environment’s Register of Environmental Organisations. The 600 organisations on this register received around \$182 million in donations in 2018/19, the most recent year for which data is available. At the time this was reported, donation income to REO organisations was growing, but the number of donations made to REO organisations had trended downwards in the past decade. This means that growth was driven by fewer, larger donations, leading to a higher concentration of giving. We have been unable to access subsequent data from the ACNC to verify if these trends are continuing.³

The 2021 ACNC Annual Information Statement data shows the total amounts donated or bequeathed to the “Environment” subtype of charities. The data depicts 708 charities that fall under the Environment subtype of the ACNC register. For this report, we classify these as environmental charities (eNGOs).⁴

In 2020 (the most recent year for which a breakdown of donations to registered charities is available) donations made by individuals to charities were the largest source of donations (43 per cent), followed by corporate donations (39 per cent), distributions from funds and trusts (14 per cent) and bequests (4 per cent).

Donations and bequests to Australian charities totalled more than \$13 billion in 2021, and as depicted in Figure 7, just 2 per cent of these funds (around \$270 million) was distributed to eNGOs. While this is an increase from the 2020 figure of 1.5 per cent of giving distributed to eNGOs, it still represents a small fraction.

Like the trends observed in PAF and PuAF giving, broader Australian donations and bequests to charities working on environment also surged in recent years, growing 82 per cent (around \$122 million) from 2018 to 2021 (Figure 6). Environmental giving increased at the third-fastest pace after Reconciliation⁵ and Security,⁶ two funding areas that also saw significant growth.

Australia’s biggest givers

Australia’s leading donors are also giving more, both in their overall contributions as well as to environment and climate change. In 2022, Australia’s 50 biggest givers topped \$1 billion in donations for the first time, and two-thirds of them increased their giving on the previous year (Figure 8).

Corporate giving has also increased in recent years, with some of the largest corporate givers increasing their charitable donations by more than 40 per cent in 2022. However, the precise value and make up of corporate giving is highly uncertain because many businesses do not separately report it to the Australian Tax Office.

Giving to climate and the environment is also on the rise, and in 2022, more than one-third of Australia’s 50 biggest givers and almost half of the 50 biggest corporate philanthropists gave to environment as one of their main causes, indicating the increasing awareness and sense of urgency to address climate and environmental crises (Figure 9).

AEGN member giving trends

Since the AEGN was established in 2008, it has grown to a network of more than 200 funders, and member giving trends also indicate a shift towards increased climate and environmental giving.

In 2023, the AEGN conducted a survey of our membership. Seventy-three AEGN members (40 per cent) participated in the survey. Members shared that they gave more than \$138 million to climate and environment in 2021/22 and this represented 54 per cent of their giving (Figure 10).

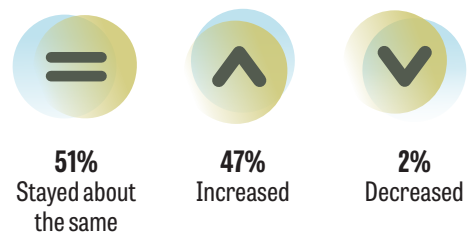
Encouragingly, as depicted in Figure 11, almost half of AEGN members increased their giving to climate and the environment in 2021/22, a trend which was also observed in the previous year.

FIGURE 10 AEGN member giving trends



SOURCE AEGN 2023 – results of member survey with 73 respondents

FIGURE 11 AEGN member giving to climate and environment



SOURCE AEGN 2023 - results of member survey with 73 respondents



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1 Difficulty in obtaining clear data on Australian giving trends arises partly from the dynamic nature of the philanthropic landscape, which involves different giving vehicles and evolving donation trends, as well as recent changes in reporting formats by entities like the ACNC, as further detailed in this report.

2 In this report, “the private sector” refers to non-governmental funding sources, including corporate and private philanthropy.

3 Previous Giving Trends reports classified environmental charities based on their nominated main activity in the ACNC’s Annual Information Statements. Charities could only choose a single main activity. As of 2020, the ACNC changed its reporting format such that charities no longer report a main activity. This means that while this year’s trends in the number of environmental charities and environmental giving amounts as per the ACNC will be accurate, they will not be consistent with figures in previous Giving Trends reports.

4 ACNC subtype analysis is limited to charities registered solely with that single subtype. Consequently, the information from a charity with more than one subtype is not included in the analysis of each of its subtypes; it is included only in the category “Multiple”. Because of this, the analysis in this report is not a complete picture of environmental charities or giving. It’s also worth noting that charities working on climate change could fall under other charity subtypes such as Human Rights, Law or Other.

5 Defined by ACNC as promoting reconciliation, mutual respect and tolerance between groups of individuals that are in Australia, e.g., through promoting restorative justice and equality.

6 Defined by ACNC as advancing the security or safety of Australia or the Australian public, e.g., through defense and national security, or safe houses and “neighborhood watch” programs.



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