From fragmentation to influence: Rebuilding Australia's democratic resilience through civil society, government and philanthropy

By Perpetual Private

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Perpetual Private, together with Tanck, are pleased to share, *From fragmentation to influence: Rebuilding Australia's democratic resilience through civil society, government and philanthropy.*

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Drawing on insights from over 150 leaders from across the Australian not-for-profit sector, this paper highlights the growing pressures facing purpose-driven organisations and explores how structured advocacy catalysed by philanthropy can help strengthen civic voice and democratic resilience.

The paper also includes practical tools for not-for-profit boards and executives to increase their influence and secure more sustainable funding, and philanthropy's role to enable this.

Key findings include:

- **Reactive engagement is the norm**: 69% of organisations engage with government reactively rather than strategically, with moderate confidence in their ability to influence outcomes.
- **Funding dependence is shaping advocacy**: 70% rely on government funding and 57% depend on recurrent arrangements, often linking advocacy efforts to securing contracts. Philanthropic support for advocacy remains minimal.
- **Capacity is under strain**: Short-term funding cycles, workforce shortages and increasing service demand are constraining organisations' ability to engage.
- **Operational fragility is rising**: 40% of organisations report being overstretched, and 15% expect imminent staff or service reductions.
- **Size matters**: Larger organisations demonstrate greater funding stability and engagement capacity, while smaller organisations face structural constraints and greater vulnerability to policy shifts.

Neil Pharaoh, Co-Founder and Director of Tanck says:

"NFPs are increasingly acting as an early warning system in a volatile world. Yet the conditions required for it to perform this function are weakening. Funding and contractual constraints, coupled with fear of reprisal, are muting civic voices at precisely the moment they are most needed."

Caitriona Fay, Managing Partner – Community, Social and ESG Investment at Perpetual Wealth comments:

"From Perpetual's perspective, this is not a call for politicisation, but for maturity: clearer intent, stronger evidence and a more deliberate role for philanthropy to enable and facilitate civil society to support advocacy, engagement and long-term change for a better Australia."

Working closely with not-for-profit organisations across the country, Perpetual Private understands the challenges facing the for-purpose sector. Our support of this paper reflects our commitment to helping organisations build the capability, confidence and systems they need to participate more fully in shaping optimal outcomes for communities across Australia.

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