



The Centre for  
**Volunteering**

**Submission to ‘A stronger,  
more diverse, and  
independent community  
sector’**

CONSULTATION DRAFT: OCTOBER 2023

PREPARED BY: DR BEN HILLIER (DIRECTOR: POLICY, ADVOCACY AND RESEARCH)

## Notes for Feedback

Dear reader,

Thank you for your interest in providing feedback on this draft submission. We have completed this policy submission based on research conducted on the community and volunteering sectors, the experiences that we have seen working in the sector and the general advice that we receive from our members.

We provide a brief summary of the background information underpinning the Government's discussion paper, followed by an outline of the areas of focus put forward by the Government. Information is given in dot-point format to reduce the amount of reading of information and communicate our key points that we will take to the government. We would greatly appreciate your feedback on our responses to the focus areas and discussion questions provided by the government, and please feel free to add your own dot points alongside ours in addition to critiquing the ones we have suggested.

In addition, we are particularly interested in examples of the following from your own experience:

- Rising costs of administration, compliance, and training requirements.
- Difficulties resourcing volunteer management under grant agreements.
- Programs delivered under longer grant agreements.
- Experiences with funding volunteering programs through place-based models
- Any other examples related to the focus areas explained below.

We value your input and appreciate the time you are taking to provide feedback on this important submission. This is a key way in which we, as your volunteering peak body, are able to advocate to the Government for meaningful change that supports the volunteering sector.

Please provide your feedback to [bhillier@volunteering.com.au](mailto:bhillier@volunteering.com.au) no later than 5pm on Thursday November 2<sup>nd</sup> 2023.

Kind Regards,

Dr Ben Hillier  
Director: Policy, Advocacy, and Research, The Centre for Volunteering

## Overview

As part of the Australian Government's election commitment for a stronger, more diverse and independent community sector, the Department of Social Services (DSS) is exploring opportunities to better support Australian communities through the design and administration of grants to the sector. The Government recognises that COVID-19, natural disasters, and the rising cost of living have had a significant impact on Community Sector Organisations' ability to continue to deliver their services. During 2023, the Government is seeking advice from the community sector (of which the volunteering sector is a part) to ensure that its frameworks for grants and funding better support the sector and meet its needs.

The commitment made by the Government is to ensure:

- Grants reflect the real cost of delivering services, with options for longer-term contracts to enable Community Service Organisations to plan for the future and have greater certainty.
- Grant funding flows to a more diverse group of Community Service Organisations and that partnering with trusted, local community organisations is made a priority.
- Community Service Organisations are treated as respected partners of the Government and have a meaningful voice in the consultation process.

To this end, the Government has identified five focus areas that organise its consultation:

1. Giving the sector the voice and respect it deserves through a meaningful working relationship
2. Providing grants that reflect the real cost of delivering quality services
3. Providing longer grant agreement terms
4. Ensuring grant funding flows to a greater diversity of Community Service Organisations
5. Partnering with trusted community organisations

The information and recommendations given in this policy submission are categorised according to these focus areas and questions for discussion drawn from the Issues Paper presented by the Government and developed in consultation with Community Services Advisory Group (CSAG)<sup>1</sup>. If you would like to read this issues paper, it can be found at <https://engage.dss.gov.au/a-stronger-more-diverse-and-independent-community-sector/>.

As the peak body for volunteering in NSW, The Centre for Volunteering wishes to make its own submission to the Government, alongside contributing to a submission by Volunteering Australian, in order to ensure that the needs of volunteers and Volunteer Involving Organisations (VIOs) in NSW are adequately considered by the Government. Your feedback on this draft submission will ensure that we are best able to represent the needs of the sector in NSW and will inform the development of recommendations and policy adopted by the Government.

Please note that while this is a policy initiative relating to the Federal Government, the needs of individual States are still important, and we encourage you to share your local perspective to ensure that this perspective is represented to Government in shaping community sector grants.

## Introduction

---

<sup>1</sup> Volunteering Australia is a member of CSAG and we have provided advice to CSAG through Volunteering Australia when consulted.

The Australian Government has acknowledged that a review of how the community sector is funded is needed in order to develop a stronger, more diverse and independent sector. While the community sector is a broad category that encompasses a range of different organisations, our submission is focused on the particular needs of volunteers, VIOs, and the wider volunteering sector, as a subset of the community sector.

Volunteering is acknowledged at several points in the issues paper put forward by DSS. A decline in volunteer numbers is noted as one of the primary reasons why change is needed in the way that Community Service Organisations are funded, with workforce shortages (including volunteering) noted as a particular challenge facing these groups.

The National Strategy for Volunteering 2023-2033 is likewise noted as one of the major commitments made by the Federal Government to contribute to the development of the community sector. Our recommendations presented in this paper will accordingly make reference to the National Strategy and its objectives where relevant.

We welcome this opportunity to respond to the Issues Paper and outline the recommendations that we have developed in consultation with our members and the wider volunteering sector in NSW. We will address each focus area in order and respond to the most pertinent discussion questions put forward in the Issues Paper. We will then provide a summary of our overall recommendations to the Government on how to best support the community sector and volunteering sector by reviewing grants and funding.

## Responses to focus areas and discussion questions

### 1. Giving the sector the voice and respect it deserves through a meaningful working partnership.

Analysis of grant agreements and their efficacy in the volunteering sector is needed in NSW specifically. Recent data from the ACT<sup>2</sup> demonstrates a marked increase in disagreement from the community services sector that funding is sufficient to meet demand (from 64% in 2016 to 81% in 2021). Recent data from Tasmania<sup>3</sup> further supports the idea that current government indexation of costs is insufficient. Comparable data is needed in all states and territories of Australia and must consider the idiosyncrasies of the volunteering sector.

#### Questions to consider:

What would a partnership between Community Service Organisations and the government that achieves outcomes for Australians being supported by the community sector look like?

- Consideration that much of the funding of Community Service Organisations comes from a range of sources (State and Federal funding, philanthropic funding, community grants etc.) which may have differing, competing, and/or redundant administrative and reporting requirements.
- Consultation with a wider range of organisations beyond CSAG and including organisations that have state and territory jurisdiction in CSAG's membership to ensure local issues are not overlooked.
- With reference to the volunteering sector in particular, this engages NSV Objective 3.3 in committing to a strategic investment in volunteering. National Strategy for Volunteering Objective 3.1, considering volunteering as a cross-portfolio issue in Government, is also relevant here, as many Ministries need to collaborate depending on the focus of a particular VIO.

<sup>2</sup> ACTCOSS *Counting the Cost Report*, Feb 2022.

<sup>3</sup> TASCOS Index report, Dec 2022.

How can the government ensure that the community sector, including service users and those not able to access services, have an opportunity to contribute to program design without imposing significant burdens?

- Community Service Organisations are time poor – engage with Volunteering Peak Bodies (VPBs) and other relevant peak bodies, giving us plenty of time to consult with our members as these processes are designed.
- The roles and responsibilities of CSAG could be increased in line with their wider range of consultations with Community Service Organisations.

## 2. Providing grants that reflect the real cost of delivering quality services.

Current measures used as proxies for costing across Australia (notably CPI and WPI) are not accurately measuring the real cost of delivering services<sup>4</sup>. New measures must be developed, in consultation with the sector, that engages peak bodies at both the national and state level. This will allow the Government to have a more accurate picture of the real costs of Community Service Organisations activity and better support these organisations in responding to the increased demand for services as well as the rising cost of living. Generally, wider research that assesses the role of volunteers and the costs/benefits to the community (such as the State of Volunteering Reports conducted in most states and territories in 2023) is needed, and should be conducted at a national level in addition to the detailed state analyses.

### Questions to consider:

What would adequate and flexible funding look like?

- Volunteering is significantly overlooked in current grant arrangements as many grants preclude the use of their funds on volunteer-related expenses. Volunteering is not free and the vital work of volunteers in this sector should be supported by flexible grant arrangements. This aligns with National Strategy for Volunteering Objective 1.2 in making volunteering exclusive and accessible and National Strategy for Volunteering Objective 1.3 in recognising that volunteering is not free labour and should not be exploited as such.
- Transparency around costs and funding at the start of an agreement, or during the application process to allow proper planning for Community Service Organisations.
- Programs that are funded by state and territory governments should be eligible for support through Federal grants through joint funding arrangements.

What administrative and overhead costs are not being considered in current grant fundings?

- A key area that is overlooked is that many federal grants are not eligible to be used to fund the work of Volunteer Managers who oversee non-paid volunteers. Volunteering is not a free activity, and recent data demonstrates that significant direct and subsidised costs are incurred in NSW by volunteer managers in the performance of their duties.<sup>5</sup> This also provides fewer opportunities for reimbursement of the personal funds invested by Volunteer Managers in their Community Service Organisation and its work. Approx 11% of paid volunteer managers and 25% of unpaid volunteer managers are not reimbursed for their volunteering-related expenses, which reduces accessibility to volunteering and services.<sup>6</sup>

How are rising operational costs impacting the delivery of services?

---

<sup>4</sup> TASCOS Index report, Dec 2022.

<sup>5</sup> NSW State of Volunteering Report, 2023 (In pub.)

<sup>6</sup> NSW State of Volunteering Report, 2023.

- Recent data from NSW suggests that the costs of volunteering have increased significantly with the total monthly cost of volunteering rising from \$1924 in 2021 to 3115.80 in 2023<sup>7</sup>. This is in parallel with a decline in volunteering across the same time period from 75.9% of the population to 69.3% of the population in NSW volunteering, with a lack of time and increased costs specifically cited as the two biggest barriers to volunteering.<sup>8</sup>

How can government streamline reporting requirements, including across multiple grants, to reduce administrative burden on Community Service Organisations?

- Better coordination between State and Federal governments around grant programs to ensure most efficient use of resources, enable pooling of funds/joint funding, and avoid duplication in reporting requirements.

### 3. Providing longer grant agreement terms.

In general, greater flexibility is needed in grant agreement terms. Longer grant agreements provide further opportunities for planning and the development of relationships that is key to effective community support. In addition, flexible options such as rollovers of funding between financial years will allow Community Service Organisations to plan and use their resources more effectively.

#### Questions to consider:

What length grant agreements are Community Service Organisations seeking to provide certainty and stability for ongoing service delivery?

- Longer agreements allow for time to understand sector, train and retain good staff (hard in short-term contracts), develop and build relationships, and develop with the sector and community's needs.
- Challenges for longer agreements include locked-in costs, costs of staff leaving after longer terms (more expensive for Community Service Organisations to replace), lead times/notification times for Community Service Organisations to adapt to acceptance/loss of a long-term agreement.

### 4. Ensuring grant funding flows to a greater diversity of Community Service Organisations.

Funding needs to be provided to a diverse range of Community Service Organisations, including VIOs; as we have noted above, volunteering is not a free activity for organisations. VPBs such as The Centre for Volunteering are best positioned to understand the diverse needs of our local communities and to consult with our peers in other states and territories, as well as Volunteering Australia to assess how these needs intersect with other areas.

However, a significant review of how funding flows from Government to Community Service Organisations is needed to identify barriers and opportunities for collaboration between the different stakeholders in this area. This should occur at both the national and state level to ensure that both a wider picture and local detail is captured, and that smaller organisations who do not have a national profile are considered. This meets National Strategy for Volunteering Objective 2.4 in enabling a community-led approach to volunteering.

#### Questions to consider:

<sup>7</sup> NSW State of Volunteering Report, 2021; NSW State of Volunteering Report, 2023 (in pub.)

<sup>8</sup> NSW State of Volunteering Report, 2023 (in pub.).

How can the government ensure opportunities are available for new and emerging organisations to access funding?

- Streamline the application process and offer training sessions and resources to make funding accessible to all sizes of Community Service Organisations.

What programs, supports, and information are already available for smaller CSOs to help build capacity of the organisations? Are these working?

- In recognising that all Community Service Organisations are likely time-poor, especially smaller ones, it is recommended the government collaborate with peak bodies in the community sector (including but not limited to CSAG) to develop resources such as templates and best practice guides for applying for funding and grants to reduce the time load in applying for this funding.

How could larger Community Service Organisations support smaller Community Service Organisations? What are the barriers to providing this support?

- VPBs act as a conduit between different VIOs, other types of Community Service Organisations, and government. This allows us to collect best practice and useful resources and disseminate them to small organisations.

## 5. Partnering with trusted community organisations with strong local links.

We understand that, per the issues paper provided by DSS, the Government and wider sector has a preference for place-based models of funding, however in practice these funding pools tend to be limited. We recommend that peak bodies and Community Service Organisations are engaged and funded at both national and state levels to best understand the funding needs of the local community. Alternatives to place-based funding models should also be considered where relevant to the needs of the sector. With regards to the volunteering sector, the volunteering peak bodies should be engaged with at the state level and national level, by both Federal and State Government Departments, to ensure that the needs of their local communities are met. The peak bodies are best positioned to identify needs and suitable organisations across the state and sector.

### Questions to consider:

What is your experience with and reflections on place-based funding approaches?

Which areas do you consider to have duplicative funding or gaps that need to be addressed, and what is the evidence?

## 6. General Questions for all focus areas

What are the problems or challenges (if any) that you think have been overlooked?

- Current funding arrangements are too reliant on discretionary funding from MPs at State and Federal levels. This funding should be made in consultation with peak bodies etc who have a better understanding of the needs of the bigger picture and of local communities across their area/State, rather than MPs who are necessarily more focused on their particular seat and portfolio.

What other solutions or changes could also be considered?

What does success look like?

## Summary of key recommendations

Our general recommendations are as follows:

- A review of grant agreements to assess how volunteering and volunteer manager activity is funded in Community Service Organisations.
- Consultations with VPBs at a state and national level when developing analytical tools and grant agreements pertinent to volunteering.
- Account for the real costs of volunteering to VIOs and Community Service Organisations and that this cost is increasing.
- Flexibility in grant agreements to allow for volunteer-related activity to be funded by Federal Grants.

## Conclusion

The Centre for Volunteering welcomes this opportunity to contribute to the revision of funding and grants for the community sector. We commend the vital work done by volunteers in this sector and recommend that the Government thoroughly consider how the volunteering ecosystem supports the community sector and how that support can be continued through funding.

## Authorisation

This is a draft submission which has been authorised to be shared for consultation purposes only by the Chief Executive Officer of the Centre for Volunteering.



Gemma Rygate

Chief Executive Officer

## About the Centre for Volunteering

The Centre for Volunteering (The Centre) is the peak body for volunteering in NSW, supporting and connecting people and organisations to enrich the community. We are a not-for-profit organisation with almost 50 years' experience providing leadership on volunteering in NSW. This involves playing a key role in advocacy, support services and sector development.

Our membership services are available to a range of primarily not-for-profit organisations of varying scale, spanning all sectors. Additionally, we work with government organisations on corporate social responsibility and employee volunteering programs.

## The Centre for Volunteering Contacts



Policy Submission: A stronger, more diverse and independent  
community sector



Gemma Rygate

Chief Executive Officer

[grygate@volunteering.com.au](mailto:grygate@volunteering.com.au)

Dr Ben Hillier

Director: Policy, Advocacy. And Research

[bhillier@volunteering.com.au](mailto:bhillier@volunteering.com.au)

(02) 8295 7043

DRAFT