



The Centre for  
**Volunteering**

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

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## Introduction

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 submissions is focused on the particular needs of volunteers, Volunteer-Involving Organisations (VIOs), and the wider volunteering sector, as a subset of the community sector. In preparing this submission, we have consulted with several of our member organisations and will incorporate their perspectives and examples where relevant.

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.

Recent data from the ACT<sup>1</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>2</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.

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<sup>1</sup> ACTCOSS *Counting the Cost Report*, Feb 2022.

<sup>2</sup> TASCOS Index report, Dec 2022.

- 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.

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>3</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 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 inclusive 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.
- Programs that are funded by state and territory governments should be eligible for support through Federal grants through joint funding arrangements.
- Government funding needs to recognise that building social engagement, mobilising resources, and onboarding people takes time, skills, and other resources. Compliance with government requirements and best practice in volunteer management requires a significant investment of time and resources that is not adequately accounted for in current government funding, especially as it is often not eligible for use in relation to volunteering activity. This burden can be further compounded for VIOs that need to find volunteers to manage the grants and reporting themselves, as they do not have dedicated staff and their team composition shifts due to volunteer availability.
- Funding should be outcomes-focused with less prescription as to the exact ways in which those outcomes are met, in order to reduce administration costs.

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

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

- 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>4</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>5</sup>

How are rising operational costs impacting the delivery of services?

- Recent data from NSW suggests that the costs of volunteering have increased significantly with the total annual cost of volunteering rising from \$1924 in 2021 to \$3115.80 in 2023<sup>6</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>7</sup>
- The rising cost of administration, compliance, and training requirements are reported by our members.

### 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.
- Several of our members echo the call for longer grant periods of at least 5 years. In calling for extended grant periods, it is acknowledged that this itself will not solve the issues of the community sector and that care is needed to ensure that longer grant requirements do not produce more onerous reporting and administration requirements.

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

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<sup>4</sup> NSW State of Volunteering Report, 2023 (In pub.)

<sup>5</sup> NSW State of Volunteering Report, 2023.

<sup>6</sup> NSW State of Volunteering Report, 2021; NSW State of Volunteering Report, 2023 (in pub.)

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

Funding needs to be provided to a diverse range of Community Service Organisations. As we have noted above, volunteering is not a free activity for organisations.

**Questions to consider:**

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.
- Provide different amounts and tiers of funding (with matching levels of compliance reporting) that address the needs and requirements of different sizes of organisations.

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

- The Centre for Volunteering offers a range of training and resources to support CSOs of all sizes that work towards building the sector's capacity. The range from handbooks and templates to bespoke training sessions to meet the needs of specific types of CSO.
- 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?

- One of our member organisations, COTA NSW, notes that their experience with a place-based model of funding for their Community Speaker and Peer Supporter Program was hampered by the time constraints of the grant in building relationships with local community centres to effectively execute their collaborations.

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 volunteer grant 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.

## Summary of key recommendations

Our general recommendations are as follows:

- 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.

## Feedback and Endorsement

We are grateful to the following member organisations for providing their feedback and support to this submission:

- COTA (Council on the Aging) NSW
- National Trust of Australia (NSW)
- CWA Maclean Branch
- Sydney Anglicans (Anglican Church Property Trust – Diocese of Sydney)
- raefConsulting

## Authorisation

This submission has been authorised 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

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