



The Centre for
Volunteering

**Submission to ‘Developing
a Not-for-Profit Sector
Development Blueprint’**

SUBMISSION DATE: 19 DECEMBER 2023

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RESEARCH)

Introduction

This submission is made by The Centre for Volunteering (The Centre) to make recommendations on the development of the NFP Blueprint. As the peak body for volunteering in New South Wales, The Centre is making its own submission to the Government, alongside contributing to a submission by Volunteering Australian, to ensure that the needs of the NFP sector, volunteers and Volunteer Involving Organisations (VIOs) in NSW are adequately considered by the Government.

The health of the NFP sector is essential to a healthy Australian society and volunteering forms an important part of this sector. As with many sectors, the NFP sector is responding to the changes and challenges of the past three years in Australian and global society.

One of the key changes in this sector is the change that has occurred in volunteering practice. The Blueprint Expert Reference Group Issues paper that structures this consultation notes that there are changed patterns of volunteering and an increase in peer-to-peer mutual aid networks (what we would call “informal volunteering”). The issues paper also describes “a significant reduction in the number of people volunteering for charities”, though we will contextualise this shift with reference to research based in the sector in our submission.

While our role as the peak body for volunteering in NSW naturally lends itself to concentrating on the connections between volunteering and the NFP sector, as a NFP organisation and registered ACNC charity ourselves, this submission will also make recommendations based on our experience as a part of the broader NFP sector. Given the wide scope of the issues paper, we have focused our submission on the questions that are most relevant to our role.

Responses to focus areas and discussion questions

The not-for-profit sector in Australia: questions for consideration

- What core values and considerations should guide a 10 year vision for Australia’s NFP sector?

We recommend that a whole-of-government approach is considered rather than siloing responsibility for the NFP sector into a single department or portfolio. NFP organisations cover the full spectrum of community needs and thus cover the full spectrum of government responsibility including state and local levels.

We recommend that the full costs of running a NFP be considered when the government allocates funding and designs grants. An organisation not seeking to make a profit does not mean that there are no costs or that they operate at a loss. Indeed, a surplus is needed for a NFP to effectively carry out its role and thus increased funding may be needed to support the sector’s activities.

Policy, Advocacy, Communications, and Engagement

NFP organisations play a vital role in making recommendations to Government and advocating for their community. Initiatives and consultations such as the NFP Blueprint are commendable, but the sector reports a feeling of ‘over consultation’ over the past 30 years

with little concrete action as evidence of effective advocacy. While successive Governments cannot be held personally responsible for changes instituted by previous governments, there is nevertheless a perception that the Government “does not listen”. We recommend that this message be heeded and that community consultation, provided through NFPs, be implemented.

Questions for consideration

- How can the role of advocacy by NFP organisations be better embedded and preserved in policy and legislation?

NFP organisations often report that government consultation does not result in meaningful change or acknowledgement of difficulties faced in the day-to-day activities of these organisations. A strong commitment to incorporating the perspectives of NFP organisations is needed from the government.

- What mechanisms are needed so that the expertise of the NFP sector is better used in designing policy and services?

Groups such as CSAG and the BERG are useful when consulting with Government and various departments, their membership should be more varied. A clearer mechanism for state-level NFPs to consult with the Federal government (and be involved in shaping issues papers and consultations) is also needed. We recommend a review of CSAG membership and more frequent changing of members to include a wider variety of organisations of a wider variety of sizes.

- How could the assets of the sector, for example, the research expertise of larger organisations, including public universities, be better used to build the evidence base for systemic advocacy and reform?

One notable barrier for conducting research is the cost of obtaining ethics approval from a university as a NFP. Given the stretched resources of many NFPs, even those who have staff that are capable of conducting the research needed to build an evidence base for advocacy and reform are restricted by the additional cost of these ethics approvals, or the research projects must be changed to meet the requirements and needs of university researchers rather than the community to achieve funding. The Blueprint should propose a means for NFPs to apply for an exemption from the cost of ethics approvals in order to assist in the development of an independent research base that works alongside existing research to support advocacy and reform.

Philanthropy and Volunteering

There is a general conflation in the issues paper between philanthropy and volunteering as very similar acts. Additionally, the issues paper implies a reliance on philanthropic giving to address funding and resourcing issues in the NFP sector, particularly with relation to volunteering. We strongly reject both assertions. Feedback from across the volunteering and philanthropic sector is that philanthropic giving is exhausted in response to the challenges over the past three years. We recommend that the solution to this problem not simply be centred on increasing giving, but that the Government at all levels increase its support for VIOs and volunteers involved in the sector.

There is also a discussion of informal volunteering in the research paper that provides an incomplete picture of how the sector operates. We suggest that the ratio of informal to formal

volunteer is significantly smaller than five to one figure cited in the issues paper with our most recent data showing it at approximately 2:3 in NSW.¹ There is also a proportion of the volunteering population that volunteers both formally and informally (36.2% in NSW in 2023).²

The ratio has evened out since our data collected in 2020, with the extremely high rate of informal volunteering over the past three years perhaps reflecting the conditions of the COVID-19 pandemic. As we only have two data points at this stage, we are unable to predict definitive trends (and other research on the volunteering sector is in a similar position with their research), but as other aspects of the sector are gradually returning to pre-pandemic rates and conditions, we have a reasonable expectation that this may also occur.

Questions for considerations

- How can philanthropic and volunteering resources be effectively targeted to community needs?

We suggest that government funding, at State and Federal levels, is needed to support community needs. Philanthropic resources cannot be relied on solely to support volunteers. More information on this can be seen in The Centre's submission to *A Stronger, more developed, and independent Community Sector* that will be considered by BERG.

Ease of access for NFPs and charities to achieve DGR status is also needed. The current requirements to achieve DGR status are onerous to the point that exclude smaller and under-resourced NFPs from obtaining it. In turn, this reduces their ability to secure funding, especially through direct and philanthropic giving. DGR requirements need to be made more achievable and consideration given to helping smaller organisations achieve it if the government wishes for philanthropic giving and direct giving to continue to fund the sector.

- How might the sector adapt to more direct forms of giving and volunteering?

Informal volunteering is an essential part of the volunteering ecosystem, but by its nature does not directly link to the NFP sector. The blueprint should acknowledge this and recognise the changing practices of volunteering. Rather than seek to convert informal volunteers into formal volunteers, a portion of support and resources should be made available to informal volunteers to support the work that they do in their communities directly, through the form of small Government grants etc. This means that NFPs and charities are not expected to resource activity that is happening outside their remit while informal volunteering is recognised and supported as a key piece of the volunteering ecosystem.

- How should the NFP Blueprint support the goals and required reforms for the National Strategy for Volunteering.

While we commend the support shown to the volunteering sector through the Government's support of the National Strategy, we also recommend that State-based frameworks (e.g. the NSW Volunteering Strategy and NSW Volunteering Charter) are

¹ As of 2023 our percentage of formal to informal volunteers is 47.7% to 65.7%. See *2023 NSW State of Volunteering Report*.

² Muller, P. Hillier, B., Ijaz, M., and Morris D. (2023) *NSW State of Volunteering Report 2023*. The Centre for Volunteering, Sydney.

considered by the Blueprint. These state-based strategies work in concert with the National Strategy and a federal blueprint should still be considered in its design.

Summary of key recommendations

In summary, these are our key recommendations to the BERG to consider when developing their blueprint:

- The blueprint should consider the barriers to NFPs achieving DGR status and the load placed on smaller NFP organisations by current requirements.
- A “whole of government” approach is needed when engaging with the NFP sector. Many organisations straddle several departments and portfolios and cannot be siloed as the responsibility of a single department or Minister.
- The philanthropic sector cannot be relied on to meet the shortfall in funding for volunteers. The government at all levels must act to support the volunteering sector and the NFPs it services. Furthermore, it should be considered that support for charities and the charity sector does not inherently equal support for volunteers and the volunteering sector (and vice versa).
- The duplication in the NFP sector must be reduced, particularly with funding requirements, and alternatives to place-based systems must be considered where appropriate.

Conclusion

The Centre for Volunteering welcomes this opportunity to contribute to the development of the NFP blueprint. We commend the vital work done by volunteers in this sector and recommend that the Government thoroughly consider the mutual integration and reliance of the NFP sector and the volunteering sector.

Authorisation



This submission has been authorised by the Chief Executive Officer of The Centre for Volunteering, Gemma Rygate.

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.

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