



The Centre for
Volunteering

**Response to the “Future
foundations for giving”
draft report**

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Introduction

The Centre for Volunteering welcomes the opportunity to provide feedback to the Productivity Commission on the draft report investigating philanthropy and giving. As the volunteering peak body for NSW, most of our commentary will relate to volunteering. We are glad to see that volunteering is considered as a core aspect of the draft report and that its importance is recognised at all levels of government.

We will begin by providing feedback on the most relevant draft findings and recommendations from the report. We will then provide feedback on some of the research and information about volunteering presented in the report.

The Centre for Volunteering has also provided advice to Volunteering Australia on their submission to the Productivity Commission.

Feedback on draft findings and recommendations

Draft Finding 3.2

We recognise the finding that formal volunteering has declined and welcome the recognition that the data used in this report is likely underreporting volunteering rates. However, we also provide alternative data.

We recommend that the government broaden the data sources used to consider volunteering. Only using “official data sources” (p. 35) about volunteering is an inconsistent practice when private sector data is used in almost every other area of government consultation. Using other data sources, such as the State of Volunteering Reports produced by the volunteering peak bodies, would provide a counterpoint to the issue of underreporting, as can be seen below where we discuss the information presented about volunteering in greater detail.

We strongly recommend that the data relating to finding 3.2 (pp. 106-111) is reassessed with a wider range of sources and cross-analysis of state data.

Draft Finding 4.2

We support the finding that government grants to Volunteer Involving Organisations to resource volunteering would likely generate greater net benefits than a tax incentive. However, we make two recommendations. Firstly, we strongly recommend that these grants are administered by the state volunteering peak bodies who have the expertise in the needs of the sector and the activities of volunteer-involving organisations needed to judge grant recipients effectively. We strongly recommend that these grants are not administered by Members of Parliament to avoid any suggestion of bias.

We suggest that a tax incentive would still be very effective in supporting volunteering, especially given the rising costs to volunteering in Australia¹. Notably, it would also avoid disincentivising participation in volunteering, as is noted to be a purpose of tax incentives in the draft report. We support the need for such a tax incentive for volunteers and argue that the onus is on the government to further explore the way that such an incentive could work. Alternatively, the government needs to fund research by the volunteering peak bodies to investigate in more detail the potential of volunteering tax incentives.

¹ For example, the average annual cost for volunteers in NSW rose from \$1924 in 2020 to \$3115.80 in 2023. See Muller, P., Hillier, B., Ijaz, M., and Morris, D., (2023) NSW State of Volunteering Report 2023. The Centre for Volunteering, Sydney. <https://www.volunteering.com.au/2023-state-of-volunteering-report/>.

Draft Recommendation 7.5

We strongly support the recommendation that policy and program changes, at all levels of government, consider the impact on volunteers and volunteering. This is an essential part of developing a strong regulatory framework for philanthropy and broader Australian society. It is important that this extends to reporting and other regulations on volunteers, where the current process is onerous and duplicates requirements at different levels of government. We welcome the work being done to develop a national standard for checks (such as Working With Children Checks) relevant to volunteers and charities.

Draft Recommendation 9.5

In principle, we support the recommendation to improve the usefulness of public information sources on volunteering. We recommend a more detailed discussion takes place regarding the research landscape relating to volunteering considering the draft report acknowledges the issues with the current data and its underreporting (pp. 35, 106-111).

We recommend the use of data produced by the volunteering peak bodies, such as the State of Volunteering Reports (which have been produced since 2014 in some states), including the nation-wide data sample produced in 2023. With regard to research into other communities, such as culturally and linguistically diverse communities, reports such as the NSW Multicultural Volunteering Report,² produced by The Centre for Volunteering, provide current research and appropriate methodologies for understanding volunteering in these spaces.

We recommend that the Commission, and all levels of government, explore and support other methodologies for understanding volunteering, including consulting with the state volunteering peak bodies and making use of their expertise and research.

Responses to information on volunteering

While many of the comments about volunteering in the report are appropriate, we are concerned about some of the ways that volunteering is presented in the report and some of the data being used to characterise the sector.

Firstly, a trend is presented that formal volunteering has declined over the past decade (e.g. pp. 10, 24). The report notes that the formal volunteering rate had dropped from 36% in 2010 to 25% in 2020 (p. 24). We reject this narrative and note that this is contradicted by more recent, detailed data.

The 2021 NSW State of Volunteering report notes that 59.5% of volunteers volunteered both formally and informally, while 10.2% only volunteered formally; together, this is a formal volunteering rate of 69.2%. When compared with the demographic data in the wider report and ABS population data, this equals approximately 41% of the total adult population of NSW.³ The 2021 Queensland State of Volunteering report notes that 55.5% volunteer both formally and informally while 14.1% exclusively volunteer formally; together this is a rate of 69.6%.⁴ When compared with the demographic data in the wider report and ABS population data, this equals approximately 40% of the total adult Queensland population. Though these reports examine one state alone, it can be seen that there are very close connections

² Muller, P. and Kling, R. (2022). *NSW Multicultural Volunteering Report*. The Centre for Volunteering. <https://www.volunteering.com.au/resources-tools/nsw-multicultural-volunteering-report/>

³ Muller, P., Ellis, C. & Xu, E. (2021). *State of Volunteering in New South Wales*. The Centre for Volunteering. <https://www.volunteering.com.au/resources-tools/nsw-state-of-volunteering-report/>; data for this report was collected in 2020 where COVID-19 regulations are noted to have impacted formal volunteering.

⁴ Muller, P., Ellis, C. & Xu, E. (2021). *State of Volunteering in Queensland*. Volunteering Queensland. <https://volunteeringqld.org.au/state-of-volunteering-in-queensland-2021-report/>; data for this report was collected in 2020.

between the volunteering rates in each state. The reports also highlight just how drastically the “official” data underreports on the sector in the same period of time. Other areas of the report that compare formal and informal volunteering (p. 106) reflect the same gaps in data and significantly overestimate the gap between rates of formal and informal volunteering.

In the same section, the claim is made that “Volunteering is predominantly influenced by people’s capacity to donate their time, so it is affected by long-term trends including increasing real wages, increasing labour force participation and an ageing population” (p.10). We reject such a simplified rationale for motivations in volunteering and argue that volunteering is influenced by a complex set of factors with both positive and negative drivers. Data consistently shows that people’s top motivations to volunteer are to help others, to use skills and/or experience, and to develop a connection to their community. Barriers to volunteering for people who do not currently volunteer include time, being unsure of how to volunteer or not being asked, health, a lack of interest, and a lack of confidence. Barriers for increasing their volunteering for people who do volunteer, include time, cost, health, burnout, and not being sure or not having been asked.⁵

A later section of the report (p. 107) also discusses the financial impact and benefit of volunteering in Australia, citing an estimate of \$290 billion from Volunteering Victoria in 2018 and an estimate of \$17.3 billion in 2012-13 from the ABS. We contend that that this data is outdated and likely to also be underreporting the true economic impact of volunteering. In 2023, the value of volunteering to the NSW economy alone was calculated at \$178 billion.⁶ Following NSW Treasury’s advice from January 2023 that the NSW economy accounts for approximately one third of the national economy, we can calculate an approximate value of volunteering to the Australian economy as \$534 billion.

Elsewhere, the report (p. 151) discusses out-of-pocket expenses for volunteers claiming “...over half of volunteers incurred out-of-pocket expenses associated with their volunteering role in the previous 12 months, which averaged almost \$600, among those who reported out-of-pocket expenses.”⁷ This data is also outdated and a major underestimate of costs. In NSW, the average annual cost to volunteers was \$1924 in 2020, rising to \$3115.50 in 2023.⁸ On average, only 18.2% of these expenses were reimbursed in 2023, with a total cost of \$11.1 billion across NSW when applied to the whole population of volunteers.⁹

Volunteer expenses are only part of the cost of volunteering. In 2023, the direct costs to volunteer-involving organisations in NSW was \$4.6 billion. Within this, a significant amount of the cost of volunteering is also absorbed by volunteer managers, some of whom are themselves unpaid volunteers. For paid volunteer managers, 13.1% of costs that they pay up-front are reimbursed to them, but 11% of expenses are not reimbursed at all and simply absorbed by the volunteer managers. This becomes even more stark for unpaid volunteer managers, for whom 18.1% of costs are paid up-front and later reimbursed while a staggering 24.7% of costs are not reimbursed at all. This brief economic analysis highlights both the value of volunteering to the Australian economy and the need for significant financial support for the sector.

The final part of the report that we refute relates to the demographic characteristics presented on page 107 and in Figure 3.10. For ease of presentation, our responses are

⁵ Muller, Ellis, & Xu. (2021) *State of Volunteering in NSW*. Muller et al. (2023). *NSW State of Volunteering Report 2023*.

⁶ Muller et al. (2023). *NSW State of Volunteering Report 2023*. Please see the report for a detailed discussion of its economic methodology and the calculations used to reach this figure.

⁷ A Volunteering Australia submission is cited as support for this claim, but no date has been given.

⁸ Muller, Ellis, & Xu. (2021) *State of Volunteering in NSW*. Muller et al. (2023). *NSW State of Volunteering Report 2023*.

⁹ Muller et al. (2023). *NSW State of Volunteering Report 2023*.

summarised in the table below, based on relevant NSW data that can be extended to the nation overall.

| Claim in Fig 3.10/p 107 | Our Response |
|---|---|
| p. 107 - Volunteering rates are highest among people aged 35-44 and lowest among people aged 25-34; individuals that are older (aged 65 and older) volunteered the most hours on average, while people aged between 25 to 35 volunteered the least hours. | Volunteering rates are highest among people aged 15-25 (70.7%) and lowest among people aged over 75 (51.6%). ¹⁰ |
| p. 107 - Volunteering rates are highest among people earning over \$156,000 and lowest among people earning less than \$15,600. | Volunteering rates are roughly equal across each income quintile, with slightly more (22%) people in the top 20% of earners volunteering. The lowest rates of volunteering occur among people who are in the second highest income bracket (18.4%), though there is little variation between income brackets. The second highest rates of volunteering are seen in people who work 0 hours for pay each week (26.6%). ¹¹ |
| Fig 3.10 – ¼ people over 15 volunteered formally in 2020. | Approx 2/3 people volunteered formally in 2020. ¹² |
| Fig 3.10 – 596.2 million hours were contributed in 2020. | 1.5 billion hours were contributed in 2020. ¹³ |
| Fig 3.10 - In 2020, people aged 40-54 had the highest volunteer rate (30%). | In 2020, people aged 18-24 had the highest volunteer rate (87.6%). ¹⁴ |

As noted throughout, this highlights the inaccurate and outdated data used in forming opinions on volunteering, as well as how drastically the sector is underreported. We strongly recommend that the government invest in funding for volunteering research that goes beyond the Census and academic surveys, and consults directly with the sector and engages the state peak bodies for volunteering.

Conclusion

The Centre for Volunteering recognises the importance of this review into Philanthropy and again welcomes the opportunity to comment. While this submission has focused on volunteering in detail, given the remit of our organisation, we broadly support the other recommendations in the report.

With regard to the findings and recommendations about volunteering, we support finding 3.2 and recommendation 7.5. We offer critique on finding 3.2 regarding formal volunteering, and also suggest a different method of funding volunteering research proposed in recommendation 9.5.

¹⁰ Muller et al. (2023). *NSW State of Volunteering Report 2023*.

¹¹ Ibid.

¹² Muller, Ellis and Xu. (2020) *NSW State of Volunteering Report*

¹³ Ibid.

¹⁴ Ibid.

We also offer significant critique of the research and information pertaining to volunteering presented in the report. There are serious issues with the currency and accuracy of the data used by the Productivity Commission to discuss and analyse volunteering.

We thank the Commission for their consideration of this submission.

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 over 50 years' experience providing leadership on volunteering in NSW. This involves playing a key role in advocacy, support services and sector development.

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