



Submission: Productivity Commission Inquiry Future Foundations for Giving Draft Report

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About VolunteeringACT

Volunteering and Contact ACT Ltd (trading as VolunteeringACT) is the peak body for volunteering and provides community information services in the Canberra region. We also deliver programs for people experiencing disadvantage and isolation, people with disability, and people needing support for mental wellness. VolunteeringACT has a vision of an inclusive Canberra, and a mission to foster inclusion by enabling participation and connection.

VolunteeringACT values collaboration, diversity, equity, innovation, integrity, and participation. VolunteeringACT is a people driven, service-focused organisation that represents the interests of 189 members, advocates for and supports volunteers, and engages with the broader Canberra community. Through our activities, we improve inclusivity, enable sustainable volunteering, and create a more resilient Canberra community.

VolunteeringACT is part of the National Network of Volunteering Peak Bodies in Australia.

VolunteeringACT acknowledges the Ngunnawal people as the traditional custodians of the Canberra region and recognises any other peoples or families with connection to this Country. VolunteeringACT is committed to reconciliation and will continue to walk alongside First Nations Peoples and embrace the traditions, stories and wisdoms of the oldest continuing cultures in the world.

VolunteeringACT acknowledges volunteers of all genders and sexualities, with all abilities and from all cultures. Their skills, expertise, and time are critical to delivering services and programs, and in making Canberra a better place to live. We also acknowledge the contribution of the volunteer involving organisations that contribute to the health and happiness of our community.

This submission has been made as part of our commitment to ensuring the perspectives and expertise of volunteers, volunteer involving organisations and volunteer leaders informs development of public policy and contributes to achievement of positive social, economic, and environmental outcomes. The content has been informed by the experiences of organisations in our membership and networks, and our experiences of engaging with and delivering services to people living with mental ill health, people with multiple/complex needs including those with a dual diagnosis of substance misuse and mental health, and people with disability, including psychosocial conditions.

Introduction

VolunteeringACT welcomes the opportunity to provide a response to the draft 'Future Foundations for Giving' report (the Draft Report) as part of the Productivity Commission's Inquiry into philanthropy in Australia.

We note it is important that the Philanthropy Inquiry is informed by and aligned with other relevant consultations currently underway including the Not-for-Profit Sector Development Blueprint (Department of Social Services) and the 'A stronger, more diverse and independent community sector' consultation (Department of Social Services). Please refer to submissions to these consultations from the volunteering sector below:

- [Volunteering ACT submission to the Not-for-Profit Sector Development Blueprint](#)
- [Volunteering Australia submission to the Not-for-Profit Sector Development Blueprint](#)
- [Volunteering Australia submission to the 'A stronger, more diverse and independent community sector' consultation.](#)

We have provided a list of key recommendations for strengthening the Draft Report below, with further details provided on the following pages. VolunteeringACT also supports and endorses the national submission being made to this consultation by Volunteering Australia.

Recommendations

- 1. That all recommendations in the Report consider the impact on volunteers and volunteer involving organisations and specify whether volunteering would be affected or included.**
- 2. That the Report emphasises that critical services, including emergency relief, must receive adequate government funding and not be expected to rely on philanthropic funding.**
- 3. That the Report recommends greater government investment in volunteer program funding/grants to enable safe, ethical, and inclusive volunteering to grow.**
- 4. That the Productivity Commission specifically considers making out-of-pocket expenses incurred while volunteering tax deductible.**
- 5. That the Report includes a revised and strengthened draft recommendation 7.5: *Explicitly consider and respond to the effects on volunteers when designing policies and programs* and calls for meaningful and regular engagement with the volunteering sector to achieve this.**

6. That the Report includes draft recommendation 9.5: *Improve the usefulness of public information sources on volunteering*, but that the recommendation is amended to include the collection of official data on volunteering through a more suitable survey, which provides more accurate data on formal and informal volunteering.

Philanthropy and volunteering

Volunteers are an often-invisible workforce supporting a wide range of services and activities across society and contributing to building healthier and more resilient individuals, communities, and natural environments. Volunteering is an activity that cuts across numerous government portfolios including (but not limited to) disability, social services, health, environment, mental health, education, and employment. There is great potential for the Productivity Commission's Inquiry into philanthropy to recognise, emphasise, support, and strengthen the contribution of volunteering to Australian society.

VolunteeringACT supports the Draft Report's definition of volunteering and the delineation of philanthropy and volunteering. As recognised in the Draft Report, the giving of time through volunteering is distinct to what is commonly regarded as 'philanthropy' and it is important, therefore, to ensure that the Final Report clearly distinguishes the two and considers how all recommendations might impact on volunteer involving organisations. Recommendations relevant to volunteering must consider the particular motivations, barriers, policy challenges, and the current lack of strategic and financial investment facing the volunteering sector in Australia. These issues are often quite different from those affecting the giving of money and assets to charities and not for profit (NFP) organisations.

Recommendation 1: That all recommendations in the Report consider the impact on volunteers and volunteer involving organisations and specify whether volunteering would be affected or included.

Philanthropic donations are a significant source of funding for many not-for-profit volunteer involving organisations, particularly smaller organisations. However, it is important to emphasise that philanthropy cannot and should not be expected to fully fund essential and critical core services to the Australian population that many volunteer involving organisations are involved in providing - these *must* be the responsibility of government. Philanthropic funds are not a sustainable or reliable source of core funding and, as stated in the Draft Report,

“pursuing philanthropic funding can mean that limited resources (including staff) must be diverted away from other activities, such as service provision.”¹

For example, only a handful of the 49 organisations in the ACT providing regular food relief services (i.e. food pantries, meal distributors etc.) receive any government funding - most are totally reliant on donations, volunteers, and the wider community to run their operations. As cost-of-living pressures continue to impact on communities, these are the frontline, neighbourhood-based services that people are turning to for support first, and in ever increasing numbers. Further as recognised in the Draft Report, *“philanthropy may be unable to generate adequate resources to provide charities with a reliable source of stable income (referred to as philanthropic insufficiency). This issue may be exacerbated during times of economic hardship – donors may have less disposable income to give during downturns, which may coincide with increased demand for services provided by charities, such as food or housing support.”²*

Many ACT food relief services, including those who provide emergency food relief, are wholly volunteer run. The lack of government core funding to support ongoing delivery of such services is simply not sustainable and needs to be highlighted and addressed as a matter of urgency. VolunteeringACT has also heard reports of some philanthropic foundations stating that they will not provide funding for activities they consider to be the responsibility of government, further reducing the options many volunteer involving organisations would usually seek to fund or top up their core community service delivery.

Recommendation 2: That the Report emphasises that critical services, including emergency relief, must receive adequate government funding and not be expected to rely on philanthropic funding.

While volunteers offer their time for free, there are costs associated with running volunteer programs and they require adequate funding to ensure their viability. Volunteers require ongoing line management to ensure their volunteering experience is ethical, safe, inclusive, and in line with the National Standards for Volunteer Involvement (currently being refreshed).¹² It is vital that programs are run in this way, as this ensures they are sustainable and deliver high quality outcomes, without compromising volunteer safety and wellbeing. Further, many programs run by volunteer involving organisations provide services for people with complex

¹ Productivity Commission (2023) [Future Foundations for Giving - Draft Report](#), p113

² Productivity Commission (2023) [Future Foundations for Giving - Draft Report](#), p82

needs, which requires significant resourcing to ensure safety and quality (for example, programs for people with complex mental health needs).

A report commissioned by ACTCOSS in 2021 found that only 25% of 88 surveyed community sector organisations were adequately funded to manage volunteers.³ One survey participant commented: *“The costs of managing volunteers is high and completely unfunded. These costs are not just in management of people, they also need access to professional development, supervision, workplace health and safety etc.”*⁴

If the government goal of “doubling giving by 2030” is to be realised in relation to volunteering, it is essential that there is a significant increase in the government resourcing channelled to volunteer programs and core volunteer management functions/staffing. While demand for these activities is rising, funding levels are not. For example, over the last decade, there has been an ongoing reduction to the amount of funding allocated to Volunteer Grants. In 2010, \$21 million of Volunteer Grants was distributed, however the 2021 Budget allocated only \$10 million per annum in the forward estimates. The Draft Report states, *“Government grants for volunteering where there is a clearly identified need would likely generate greater net benefits to the community, if properly targeted and evaluated”*.⁵ However, it does not currently make any recommendations in relation to volunteering grants. VolunteeringACT’s [submission to the Not-for-Profit Sector Development Blueprint](#) consultation provides further recommendations on how volunteer grants may be strengthened and improved.⁶

Recommendation 3: That the Report recommends greater government investment in volunteer program funding/grants to enable safe, ethical, and inclusive volunteering to grow.

How governments can incentivise giving

Financial strain is a significant barrier to volunteering in Australia and one that is currently compounded by rising cost of living challenges. Recent research undertaken by Volunteering Australia to inform the development of the new National Strategy for Volunteering, found that 16.6% of people did not volunteer in the past 12 months for financial reasons.⁷ Financial barriers were particularly significant for young people, with 25.5% of those aged 18 to 34 years

³ ACTCOSS (2022) [Counting the costs – Sustainable funding for the ACT community services sector](#), p1

⁴ ACTCOSS (2022) [Counting the costs – Sustainable funding for the ACT community services sector](#), p21

⁵ Productivity Commission (2023) [Future Foundations for Giving - Draft Report](#), p14

⁶ VolunteeringACT (2023) [Submission to the Not-for-Profit Sector Development consultation](#), p7

⁷ Volunteering Australia (2022) [Volunteering in Australia – the Volunteer Perspective](#), p36

indicating that they did not volunteer for financial reasons.⁸ Further, when current volunteers in the ACT were asked about barriers to volunteering more in 2023, 19% reported cost as an inhibitor.⁹

Whilst volunteers do not expect to be rewarded or remunerated for their contribution, ensuring that volunteers are not out-of-pocket for contributing their time is essential to protecting the interests of volunteers. This is a key element of Strategic Objective 1.3: Ensuring Volunteering is Not Exploitative, outlined in the National Strategy for Volunteering (2023-2033). The soon to be released ACT 2023 'State of Volunteering' research report found that volunteers in the ACT reported spending an average of \$243 per month or \$12.76 per hour they volunteered of their own money, which equated to 64.6% of the financial burden associated with volunteering.¹⁰ It follows that the Australian Government must consider ways to reduce out-of-pocket expenses for volunteers.

The Draft Report does not adequately explore the potential benefits of making expenses incurred while volunteering tax-deductible. This could make a tangible difference to reducing costs associated with volunteering and provide a much-needed boost to levels of volunteer participation across Australia.

In the interests of ensuring volunteers are supported and not left out-of-pocket, we strongly recommend that the Productivity Commission prioritises exploring the potential of offering tax deductions for expenses incurred during volunteering.

Recommendation 4: That the Productivity Commission specifically considers making out-of-pocket expenses incurred while volunteering tax deductible.

A sound regulatory framework

VolunteeringACT strongly supports draft recommendation 7.5: "*Explicitly consider the effects on volunteers when designing policies and programs*".¹¹ However, given the importance of this recommendation we would suggest stronger wording here. Government should not only 'consider' the effects on volunteers, but should ensure that, wherever relevant, policy and program design responds directly to and reflects the needs of the volunteering sector. To ensure this the volunteering sector must be meaningfully consulted in all relevant strategic planning discussions and forums, as standard practice.

⁸ Volunteering Australia (2022) [Volunteering in Australia – the Volunteer Perspective](#), p38

⁹ ACT State of Volunteering Research 2023 – report due for publication March 2024.

¹⁰ ACT State of Volunteering Research 2023 – report due for publication March 2024.

¹¹ Productivity Commission (2023) [Future Foundations for Giving - Draft Report](#), p44 and p238

For example, the Child Safety agenda is a national mandatory reform with significant funding attached to implement it at a national level. The reform is currently lacking specifics, however, on the volunteering-context in relation to implementing Child Safe Standards and does not provide enough detail to aid practical implementation at the frontline operational level.

Volunteer involving organisations and volunteering peak bodies cannot easily respond to these reform responsibilities in addition to their existing work without the resourcing to accompany it, but often find themselves doing so because the unique needs of the volunteering sector haven't been considered strategically and factored into the overall funding envelopes allocated to national capability building approaches, resource design and/or implementation budgets. Further, there are often significant differences in how such national agendas need to be implemented jurisdictionally where the relevant governing State/Territory legislation differs across the country.

Recommendation 5: That the Report includes a revised and strengthened draft recommendation 7.5: *Explicitly consider and respond to the effects on volunteers when designing policies and programs* and calls for meaningful and regular engagement with the volunteering sector to achieve this.

Public information about charities and giving

VolunteeringACT supports draft recommendation 9.5 – “*Improve the usefulness of public information sources on volunteering*”, however, we do not support this being done by the Australian Bureau of Statistics (ABS) through the Census. The ABS has previously collected volunteering data through the Census and the General Social Survey (GSS) and while the GSS provides more accurate data related to volunteering¹², neither of these mechanisms are sufficient. A stand-alone, fit-for-purpose survey is required to adequately capture useful, high-quality data on volunteering.

To better enable data-driven policy and program design, data is required on volunteering both nationally and for each state and territory. Data should also be collected on the type of organisation people volunteer for, the kinds of activities undertaken, motivations for volunteering, barriers to volunteering, time spent volunteering, informal volunteering activity, costs of volunteering, mode of volunteering activities, who people volunteer with, and other data as needed to inform policy and program design.¹³ High-quality data on volunteering that

¹² Australian Bureau of Statistics (2012) [A Comparison of Volunteering Rates from the 2006 Census of Population and Housing and the 2006 General Social Survey](#)

¹³ Australian Bureau of Statistics (2018) [Collection of Volunteering Data in the ABS](#).

responds to these needs has recently been collected through the State of Volunteering surveys led by most of the state and territory Volunteering Peak Bodies. When combined, the survey data provides an Australia wide sample of over 6,800 volunteers and over 3,900 volunteer managers and presents valuable data on the economic and social value of volunteering and the characteristics of and challenges faced by volunteers and volunteer managers. This is highly useful and current data for both the volunteering sector and policy makers. To ensure adequate sharing of data between jurisdictions, a partnership between the ABS and all of the Volunteering Peak Bodies focused on volunteering data collection should be explored. Mechanisms such as the Intergovernmental Agreement on Data Sharing¹⁴ should also consider opportunities to share volunteering data across jurisdictions.

Draft recommendation 9.5 also suggests that following engagement with communities, the ABS should develop methodologies that enable better measurement of volunteering by Aboriginal and Torres Strait Islander communities and culturally and linguistically diverse communities. We welcome this recommendation and suggest that the Productivity Commission should also recommend additional funding to the ABS to collect data on volunteering with a larger sample size that ensures better representation of Aboriginal and Torres Strait Islander communities.¹⁵

Recommendation 6: That the Report includes draft recommendation 9.5: *Improve the usefulness of public information sources on volunteering*, but that the recommendation is amended to include the collection of official data on volunteering through a more suitable survey, which provides more accurate data on formal and informal volunteering.

Authorisation

This submission has been authorised by the Chief Executive Officer of VolunteeringACT.

Jean Giese
Chief Executive Officer

¹⁴ Department of Finance (2024) [Intergovernmental Agreement on Data Sharing](#).

¹⁵ The sample size of the GSS was not considered large enough to represent characteristics of smaller populations, see: <https://www.abs.gov.au/statistics/research/collection-volunteering-data-abs>