

Mr Michael Brennan, Chair  
Philanthropy Inquiry  
Productivity Commission  
Australian Government  
GPO Box 1428  
Canberra City ACT 2601

5 May 2023

**Dear Mr Brennan,**

Please find attached Volunteering Victoria's Submission to the Productivity Commission's Philanthropy Inquiry.

Volunteering Victoria is the state peak body for volunteering, focusing on advocacy, sector development, and the promotion of volunteering. We are a member-based organisation with over 500 members who are community organisations and businesses from all sectors and places in Victoria. Volunteering Victoria has a singular and specialised focus on volunteering. We see our role as leading the development of a collaborative, sustainable, thriving, and inclusive volunteering community and movement in Victoria. I attach our prospectus which provides further information on our reach and impact.

Our submission outlines how volunteering is a critical and distinct form of philanthropic giving that requires consideration, planning and investment to sustain and grow voluntary contribution. We outline key barriers and issues and provide recommendations on how volunteering can be valued and supported to have greater impact for the not-for-profit sector.

The Productivity Commission has an important opportunity to review the complex issues and entrenched systemic inequities encountered by volunteer-led community organisations and the volunteers that contribute extensively to philanthropic giving in Australia, and to provide clear recommendations to redress the underserved and underappreciated community voluntary contribution in the giving landscape.

We welcome the opportunity to discuss our recommendations with you further.

Yours Sincerely,

**Thu-Trang Tran**  
Chief Executive Officer  
Volunteering Victoria



**Volunteering Victoria**  
**Submission:**  
**Productivity Commission**  
**Philanthropy Inquiry**

**MAY 2023**

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## Introduction

The Productivity Commission has been tasked by the Australian Government with exploring philanthropic giving in Australia including understanding motivations for and barriers to giving and identifying opportunities for growth. The scope of the review includes both monetary giving and volunteering- the contribution of time for the common good and without financial gain.

The call for submissions identifies that “donations of money and assets (including property), and associated policies, will be a major focus of the inquiry”. However, volunteering is both a critical and unique form of philanthropic giving that requires equal and specific consideration, research and planning in policy development and initiatives aimed at strengthening the not-for profit sector.

## Background

Volunteering is an important form of philanthropic giving for the not-for-profit sector. Over 25% of Australians volunteer their time within organisations,<sup>1</sup> while close to half of Australians volunteer ‘informally’.<sup>2</sup> Volunteering provides individual and collective social, cultural and wellbeing benefits. These benefits exist alongside the tangible economic contribution of volunteers that is in excess of \$58 billion annually to Victoria alone<sup>3</sup>. If volunteers were paid, the volunteering sector in Victoria would be equal to 1.5 times the Victorian Government sector and nearly half the size of the Victorian private sector.<sup>4</sup> This substantial contribution is crucial to the functioning of the not-for-profit sector, who involve volunteers in the delivery of crucial community supports such as community sports, religious organisations, education and training, and health and welfare.<sup>5</sup>

Community organisations, local councils and a diverse range of other volunteer-involving organisations (VIOs) and local community groups rely on volunteers in their operations and for the delivery of essential social services. Many of these services would not otherwise be delivered without the power of volunteers, significant government investment or volunteering support infrastructure (such as local and regional volunteer resources centres and state peaks for volunteering). Many community organisations are also volunteer-led due to the voluntary nature of board and governance positions; and the growing responsibilities (regulatory, fiduciary, risk management) on them are onerous.

Volunteering inherently involves local individuals and groups contributing their time, skills and effort to support their communities and address local area issues and needs. This uniquely allows for the development of place-based initiatives and solutions, valuing and prioritising lived experience and community-led responses. Strengthening place-based volunteer programs and support services such as volunteer resource centres will support communities to future social challenges and thrive in the future.

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<sup>1</sup> Biddle, N., Boyer, C., Gray M., & Jahromi, M. (2022). [Volunteering in Australia 2022: The Volunteer Perspective](#)

<sup>2</sup> ‘Informal volunteering’ is defined as time willingly given for the common good and without financial gain, taking place outside the context of a formal organisation or group. This includes assisting people in the community, excluding one’s own family members. For example, looking after children, property, or pets; providing home or personal assistance; or giving someone professional advice ([Common Language Guide](#), Volunteering Australia).

<sup>3</sup> \$58.1 billion includes \$19.4 billion it would cost to replace the labour volunteers; and \$8.2 billion in contributions to Victoria’s Gross State Product (see Ellis, C., Muller, P., & Szeker, D. [State of Volunteering in Victoria 2020](#). Volunteering Victoria. 2020.).

<sup>4</sup> Ellis, C., Muller, P., & Szeker, D. [State of Volunteering in Victoria 2020](#). Volunteering Victoria. 2020.

<sup>5</sup> The sectors with the highest hours of volunteers (in order): sport/recreation, religious, education and training, parenting, child and youth, health and welfare and community/ethnic groups (General Social Survey, ABS, 2019.)

## Issues and Barriers

Parts of the community sector are seeing low volunteering participation rates that is affecting the sustainable operations of small, medium and large organisations that make up the fabric of civil society and social capital.<sup>6</sup>

The COVID-19 pandemic has amplified the decade-long downward trend in volunteer participation and made apparent the substantial reliance of charities on volunteers to deliver services and supports to the community. Yet, the foundational infrastructure to support volunteering across the board does not exist; there is a reliance on under-resourced and under-funded volunteer resource centres that support volunteering in their local communities.

Further, short-term and unstable funding arrangements have resulted in an over-reliance on volunteers in the not-for-profit sector. Subsequently many community organisations and charities are encountering difficulties in maintaining their services and programs in the presence of declining volunteer participation and an absence of dedicated policy, initiatives and resourcing to build the capacity of community organisations and their volunteer programs.

Volunteer infrastructure and support services at a local and regional level have also been limited in their capacity to provide the required volunteer recruitment services, support and training for community organisations. These place-based services are uniquely situated to respond to local community issues faced by volunteers and the organisations within which they volunteer. The lack of investment in support services also further limits the capacity of community organisations that rely on volunteers to sustain and grow their volunteer programs and diminishes the value of the skilled role of co-ordinating and managing volunteers.

Further barriers to volunteer participation range from the impact of cost-of-living increases on community participation to a lack of resourcing for volunteer programs. Moreover, regulatory settings around volunteer-engagement create onerous and inaccessible bureaucratic and regulatory processes that deter people from volunteering and limit the capacity of volunteer programs. A lack of consistency across sectors and jurisdictions add to the complex and at times ambiguous regulatory environment for volunteering. This extends to a lack of protective mechanisms for volunteers who are not covered by the same workplace regulations applied to paid staff and the inaccessibility of complicated and expensive volunteer insurance policies.

There is also a clear need and imperative to promote equity and inclusion in volunteering and recognise diverse forms of community giving; and where the gift of effort, time, skills, resources (that includes personal experiences), and lived experiences that build community outside a 'formal' or registered charity or community organisation should be better supported to create social cohesion and pathways to employment.

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<sup>6</sup> For instance the significant decline in community sports (see [The Future of Sport Volunteering](#). Sport Australia. 2021.) and across the community sector (see [The COVID-19 Community Impact Survey](#). Our Community & Salesforce. 2021)

## Recommendations

Volunteering Victoria provides the following recommendations to address barriers to volunteering, strengthen the impact of voluntary contribution and provide increased opportunities for philanthropic giving through volunteering:

### ***1. Include volunteering as a distinct and economically significant form of giving that must equally be fostered by government in the same way that governments foster financially based philanthropy.***

The inquiry should consider:

- The value and impact of voluntary contribution to the not-for-profit sector.
- Facilitators and barriers to volunteering, and opportunities for growth.
- The impact of philanthropic funding and practices that create an over-reliance on volunteers without appropriate policy, planning, investment, and ethical considerations.<sup>7</sup>
- Acknowledgement and support of diverse and ‘invisible’ forms of community giving that exist across communities (particularly those yet to be counted by the ABS and denoted as ‘informal’; and that such labelling should be changed due to the disenfranchising connotations).<sup>8</sup>
- How considered investment and the utilisation of philanthropic donations can strengthen volunteering for greater social impact (including impacts for volunteers themselves,<sup>9</sup> the community members that benefit from engagement with volunteer-led services, and the local community).

### ***2. Reform regulatory requirements that pose a barrier to volunteering.***

Regulatory requirements and policies related to volunteering often lack clarity with varied approaches across a broad range of sectors and a lack of consistency across jurisdictions in Australia. A review of administrative and regulatory requirements for volunteers and community organisations is required along with the development of consistent approaches and systems across states and territories, and that regulatory requirements should be risk-based<sup>10</sup> and evidence-based. Streamlining and reforming regulatory requirements will reduce the significant barrier they currently pose to participation for volunteers and community organisations.

### ***3. Explore tax offsets for out-of-pocket expenses associated with volunteering.***

Volunteers in Victoria individually incur out of expenses through the course of volunteering that average approximately \$1700 annually.<sup>11</sup> Increased cost of living expenses and associated financial pressures have a direct impact on the capacity to volunteer, particularly for disadvantaged cohorts. There is a need to identify options for addressing financial barriers to volunteering such as providing

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<sup>7</sup> [The National Strategy for Volunteering 2023-2033](#) includes a strategic objective to “Ensure Volunteering is not Exploitative- volunteering should be safe and ethical. Appropriate supports are required to ensure that volunteers are protected. Volunteering should not be exploited as ‘free labour’, used to replace paid workers or compensate for shortages in the paid workforce, or be wholly responsible for delivering public services.”

<sup>8</sup> There is an emerging evidence base on the need to reframe traditional categories and frameworks for volunteering, acknowledge and elevate diverse forms of volunteering and community giving, and address barriers to participation for culturally and linguistically diverse communities (see [Pathways to culturally diverse volunteering towards COVID-19 recovery](#). Volunteer West. 2021)

<sup>9</sup> See the [National Strategy for Volunteering 2023 – 2033](#) Strategic Objective 1.1: Focus on the volunteer experience.

<sup>10</sup> For example, a risk-based approach warrants less onerous requirements for low-risk activities.

<sup>11</sup> Ellis, C., Muller, P., & Szeker, D. [State of Volunteering in Victoria 2020](#). Volunteering Victoria. 2020.

tax offsets for expenses incurred while volunteering. This will promote increased participation and make volunteering within organisations more accessible to a diversity of communities, including disadvantaged cohorts.

#### ***4. Board and governance capacity building for volunteer-led groups (small to large)***

Not-for-profit boards and governance positions are largely volunteer based. These roles require governance skills and extensive time and personal commitments by volunteers in these roles. Investment is required to build the capacity of not-for-profit boards to ensure the ethical and sustainable governance of organisations in the not-for-profit sector. Building the capacity of these programs and the provision of specialised training will attract more volunteers to these roles and support good community governance.

#### ***5. Provide subsidised volunteer insurance for small organisations to protect volunteers and the community.***

Community organisations have a legal obligation to protect the safety of their volunteers and the members of the public who interact with them.<sup>12</sup> However, small organisations consistently raise insurance as a barrier to volunteer engagement, particularly complicated and inaccessible policies and the prohibitive cost that limits their financial and operational viability. Insurance barriers are particularly pronounced for organisations led by communities who are under-represented in formal volunteering, posing barriers to inclusion and diversity within the sector. Small organisations and community groups therefore often forgo insurance, risking potentially crippling liability and inadequate protections for volunteers and the public in the event of an accident.

There is a clear imperative for a national government-funded subsidised insurance scheme to protect volunteers, the communities with which they engage and community organisations providing vital services. Investing in subsidised insurance will also strengthen the capability and capacity of community organisations to grow and sustain their volunteer programs, which is a critical form of philanthropic giving.

The Productivity Commission has an important opportunity to review the complex issues and entrenched systemic inequities encountered by volunteer-led community organisations and the volunteers that contribute extensively to philanthropic giving in Australia, and to provide clear recommendations to redress the underserved and underappreciated community voluntary contribution in the giving landscape.

We welcome the opportunity to discuss our recommendations with you further.

Yours Sincerely,

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<sup>12</sup> [National Volunteer Guide](#). Justice Connect. 2021