

Submission to the Productivity Commission Review of the Not for Profit Sector

This submission is prepared on behalf of Pine Rivers Neighbourhood Association Inc. (PRNA).

1 Introduction

- 1.1 While this submission is intended to address many of the questions raised in the Issues Paper released by the Productivity Commission as part of the review process, it is not proposed to breakup the document into a specific question and answer format.
- 1.2 Rather, this submission offers PRNA as a case study itself, discussing issues as they arise from the point of view of PRNA directly or a notional Not for Profit Organisation (NFP) in PRNA's position. External sources will be used from time to time to assist in illustrating PRNA's position. A series of Recommendations are included at the end of the submission

2 The characterisation of PRNA and NFP's generally and the concept of the measurable value of NFP's contribution to society

- 2.1 PRNA falls within the Community and Social Services Sector, which according to Figure 1¹ of the Issues Paper is the area of "most focus" in the review. PRNA operates from a Neighbourhood Centre complex and provides the range of services as set out in the Organisational Structure (Attachment A), it manages an annual budget of approximately \$1,300,000.
- 2.2 Together with its outreach operations PRNA provides a focal point for the local community, be it just as a meeting place, or to access one of the services provided. Socially economically and other marginalised groups in the local community view PRNA as an important resource in their lives.
- 2.3 The contact an individual may have with PRNA, could be as simple as a phone call seeking some direction with a problem, information or a referral to

¹ p 11.

an appropriate agency. Others prefer to visit in person to obtain these services from the highly trained and experienced front desk volunteers. The client may need crisis assistance, such as food vouchers or emergency accommodation. These day to day services are in addition to the other specific programs offered as part of the focus groups listed in Attachment A, and are a vital part of PRNA's contribution to the social fabric of the local community. These services are virtually impossible to value in objective terms. What is the economic value of a timely referral or an emergency food package? The security the local community feels knowing that PRNA exists to provide its many services is likewise incalculable.

- 2.4 PRNA contributes to the community in each of the ways mentioned in the Issues Paper ². It offers of a range of free services to all members of the community, advocacy via its legal service and the lodging of submissions to various Government Inquiries, such as the inquiry into Joint Residency, which attempt to give the local community a voice in the policy development of important national policy issues. PRNA offers a place to meet and connect with others with similar interests or seeking similar skills or support. PRNA enhances community endowment by offering family support programs, adult literacy training, counselling and the variety of support activities it provides to the community as part of its mission of "Enriching Community"
- 2.5 Yet the only objective measure of this contribution is via the outcomes data collected for the various funding bodies. But as discussed in paragraph 2.3, reporting that 3,000 people were assisted with information and referral services does not "value" these services to the individual in crisis.
- 2.6 One of the services offered by PRNA is a legal service – Known as the Pine Rivers Community Legal Service (PRCLS). Community Legal Centres (CLC's) are usually stand alone NFP's, and operate as a niche NFP group, there are just over 200 CLC's nationally. PRCLS is somewhat unusual in this regard, being operated by another NFP.

² Ibid. pp20-21

- 2.7 The National Association of Community Legal Centres (NACLC) has commissioned some research into the “economic value” of the legal services provided to the community by CLC’s. In 2006 The Institute for Sustainable Futures provided NACLC with its report “The Economic Value of CLC’s” by Edgerton & Partridge, (Attachment B).
- 2.8 The concepts used by the authors to determine “Total Economic Value” (TEV) are “market and non-market costs and benefits” and “use and non-use values”. These are illustrated in the report³. To paraphrase “...*the ability to quantify or assign a \$ value to different aspects of TEV ranges from easy – where market prices apply – to impossible – where ethical and spiritual beliefs about a community apply.* This spectrum (monetisation frontier) is illustrated by the arrows in figure 1”⁴.
- 2.9 The revelation that “*The TEV is more than a \$ figure. It includes aspects such as the contribution of an activity, good or service, (for example) social cohesion, social inclusion, levels of social and economic participation, a civil society, human rights and social justice both in the present and the future*”⁵ supports the views expressed in paragraphs 2.3 and 2.5 . A series of case studies are used to support the hypothesis.⁶
- 2.10 “Why CLC’s are good value” NACLC 2008 (Attachment C) provides further case studies concerning “early intervention” “working collaboratively” “social inclusion” and “combating homelessness”⁷. The flow chart for “Joanne’s problem”⁸ (Attachment D), sets out in detail the potential negative and positive outcomes of her seeking or not seeking legal advice.

³ p 4.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid. p 5.

⁷ Pp. 3-5

⁸ Ibid. p 7

- 2.11 It is submitted that this reasoning can be used more widely, and applied to the community sector generally. The case studies contained in these reports could easily be replaced with case studies of Family Breakdown, Personal Crisis or even Adult Literacy.
- 2.12 Figure 2 of the Issues Paper⁹ shows an accurate understanding of a NFP's contribution. Even when reduced to a micro level the chart could be used to map PRNA's contribution to the local community from the commencement of a Government grant to its impacts on community wellbeing when a service is provided. The phrase "*enforcement of, protection of and preservation of legal rights*" it is submitted should also be added to this list.

3 Service Agreements

- 3.1 Although PRNA has DGR status the total amount of donations it receives is insufficient to fund any programs. Having this status however, allows it to gain access to the world of Private Philanthropy, where DGR status is virtually a prerequisite to obtaining funding.
- 3.2 As with most NFP's PRNA receives the bulk of it's funding under Service Agreements (SA) with the State or Commonwealth governments. PRNA receives 12 grants from 6 Funding bodies. Five programs are funded by the same State government department; much of the reporting for these grants is similar with accounts and outputs aligned across the department. Other funding bodies are not like this department, so PRNA is forced to manage a series of different service standards, financial reporting, separate audits and performance reporting. With the move towards "Approved Providers" organisations are being accredited after extensive audits. As this happens a certain degree of standardisation occurs.
- 3.3 Despite this "improvement", the task of complying with standards, and the ongoing commitment to review and update of various policy documents together with their implementation, has become arduous and resource

⁹ Op cit. p 22.

intensive. Policy manuals grow ever larger and more complex, with the need to cross reference each policy reviewed with the service standard to which it relates. To ensure that this work is undertaken in a timely fashion PRNA has had to employ a Part Time Policy Officer.

- 3.4 While not disagreeing with the concepts of Quality Assurance and the provision of detailed accounting of the use of government funds that SA impose, it is becoming “over the top” when an employee has to be appointed just to ensure compliance with multiple SA and the consistency of policy across the organisation.
- 3.5 While PRNA has “robbed Peter to pay Paul” sufficiently to find the funding for the Policy Officer, some smaller NFP’s would not be able to do that. Indeed PRNA was not able to do it back in 2004 when the SA required for the PRCLS was nearing review. The grant from the Commonwealth was \$6000 yet the reporting requirements were the same as they were for a \$500,000 grant. PRCLS made a submission to the “Senate Legal and Constitutional References Committee - Inquiry into Legal Aid and Justice”, concerning the issue of SA compliance and reporting. The Committee referred to PRCLS concerns (Then known as Petrie Legal Service) in its report¹⁰. The following exchange took place during Committee Hearings on 10 March 2004. The Chair is Senator Bolkus and Mr. McKinnon (the author of this report is representing Petrie Legal Service).

CHAIR—How much do you receive from the Commonwealth government?

Mr McKinnon—We receive \$6,000.

CHAIR—And you have to go through the whole process of accountability that a full-time centre goes through?

Mr McKinnon—Yes, exactly the same.

CHAIR—That would just about cost you \$6,000, wouldn't it?

Mr McKinnon—Yes. We have assessed that it would cost us at least the entire grant from the

Commonwealth to comply with the Commonwealth's requirements.

CHAIR—Does it make it worth while?

¹⁰ paragraph 11.31 page213

http://www.aph.gov.au/senate/committee/legcon_ctte/completed_inquiries/2002-04/legalaidjustice/report/contents.htm 2009-06-09

Mr McKinnon—We have wondered that¹¹

- 3.6 It is submitted this exchange makes it clear what the Chair of the Committee wondered about the appropriateness of the SA reporting requirements.
- 3.7 This SA is a tripartite agreement between the Commonwealth, the State Legal Aid Office (the day to day managers of the program) and PRNA, and is common throughout the National Community Legal Service Program (CLSP). Fortunately under the next SA negotiations NACLC was able to have the requirements eased with in respect to smaller CLC's.
- 3.8 This result benefiting smaller CLC's, shows that some Funding Bodies are flexible in their requirements when valid arguments are made for change. Having the time and resources to make submissions to important inquiries or concerning policy change is obviously an issue as well. Many submissions (including this one) are prepared out of hours, or by volunteers.

4 Funding Generally

- 4.1 Basically there are two common types of funding. Recurrent Funding and Project or Specific grants.
- 4.2 Recurrently funded programs are invariably covered by some sort of agreement; usually they come from government so that agreement would be the usual SA discussed in Section 3. They are for works or services that are considered important by both the funding body and the NFP, and provide an obvious community benefit. A SA for recurrent funding typically runs for 3 years and some agreements allow for CPI type adjustments annually. This type of funding is the "bread and butter" of NFP's. It allows them the certainty to commit resources and acquire assets and provides staff with job security.

¹¹ Transcript, 10 March 2004 page 22

http://www.aph.gov.au/senate/committee/legcon_ctte/completed_inquiries/2002-04/legalaidjustice/index.htm accessed 2009-06-09

Without some form of recurrent funding there are NFP's that would cease to exist in the longer term.

- 4.3 In the case of PRNA a good example of recurrent funding that is likely to continue into the future would be the funding for PRCLS under the CLSP. It is unlikely that even a change in government policy would see the phasing out of this well established long standing program that clearly satisfies a community need, and is delivered in a way which, from the government's point of view is very cost effective.
- 4.4 Project funding is a much more complex animal. It may be obtained, albeit very occasionally, by a NFP identifying a need in the community which is not currently being met. The NFP may currently be trying to satisfy this need on an unfunded basis propping it up with volunteers, which stretches scarce resources even further, and also places undue pressure on the NFP's staff. It cannot be overstated that staff members in the NFP sector are idealists. They believe in community service, they acknowledge that they will not be as well paid or have the benefits they would receive in the Private Sector. They know that they will work unpaid hours and they feel frustration when they see a need not being met.
- 4.5 Once the NFP believes it has sufficient evidence, it applies to the relevant Department or Private Benevolent Institution for funds to run a project usually for a year, if very fortunate 2 years, to assess the extent of the perceived need and adopt processes and procedures to satisfy it. At the end of the project a report is made to the funding body setting out the processes and results. If the project is a success then the hope would be to obtain recurrent funding or at least a further grant for a fixed period. Experience has shown however, that recurrent funding almost never occurs with Private Philanthropic funded projects.
- 4.6 Another issue is that to get further grant money, it is not enough to show that the past project was successful and should continue; the new application must "look new", the even if it is in fact the same work being done, it must be dressed up in new language and have some innovative aspect to it, if it is to

have a chance of success. Consequently tried and true projects are often not as likely to succeed in getting new funding.

- 4.7 Most Project Grants applications are made after a Funding Body invites organisations to apply for funds to undertake a specific project or on occasion, any project in a particular area that the NFP can satisfy the Funding Body is worthwhile. There is often a pool of money available and the Funding Body approves applications for various projects which fall within the guidelines.
- 4.8 Not all project money is always utilised for the employment of new staff – perhaps with exception of someone with particular expertise – often the balance of work on a new project can be undertaken by existing staff (who have broad experience) using existing resources and assets. This is another way for a NFP to keep experienced and loyal staff once a particular grant expires. “Living from project to project”, as it were. Consequently applications for project money are competitive by nature and to some extent work against the concept of knowledge and experience sharing across the relevant NFP network. The “If we tell them what we do, they may get the grant we are seeking”, kind of fears can occur. Collaborative, consortium or other form of joint applications taking into account complementary skills and resources are occurring but would still be considered a small minority.
- 4.9 A good example of such a process would be the annual Legal Profession Interest on Trust Account Fund (LPITAF) grants, which are administered by the Qld Department of Justice. An amount of money is set aside from interest earned on Solicitors Trust Accounts and made available each year for applicants, usually but not limited to Community Legal Centres, to seek project money for any worthwhile project that complies with the legislation, and Department of Justice policy. Fortunately the Queensland Association of Independent Legal Services (QAILS) members are a group of NFP’s which do share knowledge and information freely with mentoring between larger and smaller centres and sharing of policies also occurring. Consequently there is not the same level of competitiveness during the application process that may be seen in other areas – here too, collaborative or joint applications are being

made where 2 or more CLC's jointly identify an area of need or study. PRCLS has received grants from this fund in the past.

5 Competitive Tendering

- 5.1 Often used by government as the means of funding a new policy initiative. This form of funding can often work against smaller NFP.
- 5.2 These policy initiatives are often of major importance and the sums of money can be quite significant. While it is valid that applicants for government funds of this sort are subject to scrutiny personally, financially and on their ability to perform, the smaller NFP's often find the resources necessary just to prepare a competitive tender document beyond their reach.
- 5.3 In 2006 The Commonwealth Government sought Tenders for the set-up and operation of the Family Relationship Centre program together with associated Early Intervention Services. This was a major policy initiative and followed extensive Government and public review.
- 5.4 The tender requirements were onerous – the information required included, Financial and supporting documentation and references, together with the applicant's detailed strategic plans and processes for the successful completion of the Tender. The funds were fixed, so it was not a situation where the cheapest application was successful, it was all about qualifications and the ability to deliver the service. The successful Applicants for all the Family Relationship Centres were large organisations operating on either a state wide or national basis. Large NFP's have significant administrative and strategic planning resources which can be directed towards the preparation of a Tender. In addition many organisations employ external consultants to research and prepare their Tenders. This significant cost and resource allocation is beyond most –but the largest- NFP's.
- 5.5 PRNA however, felt that within the local area there were a significant number of NFP's that had the skills and experience in the various aspects of the Early Intervention Services program sought for that region. A plan was created to

join together several local NFP's in a Collaborative/Consortium Tender with PRNA as lead agency to provide these local Early Intervention Services. Each agency put in an enormous amount of work and the Tender was collated by PRNA with the assistance of a consultant to NFP's who agreed to work for reduced rates given the importance of the task.

- 5.6 Fortunately the Tender was a success and the SA has just been rolled over for another term. This is an excellent example of what smaller NFP's can achieve in a co-operative collaborative environment in competition with much larger organisations when the work and resources are committed to the task.
- 5.7 On an anecdotal note – the author attended a policy discussion meeting on 25/5/09 with Disability Services Queensland and NFP's working in the Brisbane Mental Health area. There was general concern surrounding the concept of competitive tendering, although most acknowledged that at times it was necessary. Their concerns related to fairness, with larger NFP's and Commercial Organisations having a huge advantage. NFP's competitiveness towards each other in the group, and the output / outcome based assessments used as an integral aspect of the SA concept, were also of concern. In Mental Health a successful outcome for one client may be seen objectively as a failure for another. Individual assessment is the criteria used by NFP's here, yet it does not fit the formula of competitive tendering. In addition those NFP which take the hardest cases may produce less impressive objective data, consequently making them appear less successful. There was also a concern that small NFP's may eventually be taken over by the larger ones as the struggle to compete and survive increases. There was a general feeling that some funding bodies would like to see this takeover process occur as they prefer dealing with the larger NFP's.

6 Taxation matters

- 6.1 A NFP's taxation status has been identified as an important issue not only in fund raising, but also its general impact on general NFP operations. Box 7 of

the Issues Paper¹² provides interesting numerical data about the numbers of NFP with various taxation statuses. DGR & PBI are identified status are the most desirable for FBT concessions granted to PBI status, and the fact that most philanthropic bodies will not fund a body that does not have DGR status. Yet only 16% of NFP's had ITEC, DGR & PBI status. PRNA falls into this rather privileged group.

- 6.2 The law as interpreted by the Courts and the ATO has made assessing whether a NFP is entitled to, or continues to be entitled to a particular status, is problematic. Recently the decisions of the High Court in *Commissioner of Taxation v Word Investments Ltd*¹³ (Word Investments) and the Federal Court in *Victorian Women's Lawyers Ass Inc v Commissioner of Taxation*¹⁴ (VWLA) have cast some light onto current judicial attitudes and consequently the ATO responses regarding the definition of "Charity" and what is disqualifying conduct have had to come into line with the court's rulings.
- 6.3 The Word Investments case clarified and to a certain extent expanded the definition of "Charity" to cover a situation where a company which applies all its income obtained by business operations to a charitable organisation can itself be charitable. The ATO in its "Decision Impact Statement" concerning the case issued on 26 May 2009¹⁵ stated that it "... recognises that some of the views expressed in Taxation Ruling TR2005/21 & TR2005/22 are contrary to the views expressed by the High Court in this decision. Both rulings will be amended in the light of guidance provided by the Court. There are a number of associated ATO documents which will be reviewed."

¹² Op cit. p28.

¹³ [2008] HCA 55 <http://www.austlii.edu.au/au/cases/cth/HCA/2008/55.html> accessed 2009-06-09

¹⁴ [2008] FCA 983 <http://www.austlii.edu.au/au/cases/cth/FCA/2008/983.html> accessed 2009-06-09

¹⁵ <http://law.ato.gov.au/atolaw/view.htm?DocID=LIT/ICD/M41/3008/00001> p. 3 accessed 2009-06-09

6.4 The VWLA case also impacted on TR2005/21. Although the major aspect of the court's decision related to VWLA seeking to represent social norms by combating sexual discrimination, the constitutional documents of VWLA and its actual activities included matters previously thought to disqualify a NFP from being charitable. VWLA's main activities included seminars, social functions, the publication of a magazine, the production of work practise documents and engaging in debates on reform of the legal profession. While its purposes were achieving justice and equality for women lawyers, eradication of discrimination against women in the law and legal system generally and create an awareness of the achievements of women in the law.

6.5 The view had previously been taken by the ATO that engaging in political or lobbying activities even when ancillary to a charitable purpose may render a body as not being, or no longer being, charitable. In the Decision Impact Statement issued on 26 May 2009 ¹⁶regarding this case the ATO stated that it is prepared to amend TR2005/21 to take into account this decision

6.6 The ATO reiterated in its Decision Impact Statement the important point that care should be taken to assess an organisation's tax status each year.

"It is also considered appropriate to bear in mind that the question of exemption is one that calls for the application of the relevant law having regard to the objects and activities during each year of income... other organisations that seek exemption on the basis of charitable objects beneficial to the community also need to be aware that changing circumstances may effect their status under the taxation law over time" ¹⁷

6.7 The ATO Gift Pack ¹⁸ contains checklists for ongoing self assessment, and it behoves each organisation which has had a shift in operational or

¹⁶ <http://law.ato.gov.au/atolaw/view.htm?DocID=LIT/ICD/VID1369/00001> p. 3 accessed 2009-06-09

¹⁷ P. 3.

¹⁸ http://www.ato.gov.au/nonprofit/content.asp?doc=/content/18699.htm&page=3&pc=001/004/045/004&mnu=44482&mfp=001/004&st=&cy=1#P18_1798 pages 63-72 accessed 2009-06-09

philosophical emphasis to self assess carefully, to avoid the risk of no longer having charitable status. Management Committees need to take this into account when considering changes to constitutions or undertaking new projects.

- 6.8 One of the crucial benefits of PBI status is the concessions it brings for FBT and the way this helps otherwise poorly paid NFP employees to obtain Fringe Benefits such as Salary Sacrifice, Superannuation. Taxation Ruling TR2003/5¹⁹ still seems to represent the current legal position in this area. The small number of NFP with PBI status in part reflects the difficulty of complying with TR 2003/5 and its strict and quite narrow definition of Public Benevolent Institution. Once again, careful self assessment is necessary here as while a NFP may remain charitable for other purposes, changes to its purpose/objects and activities may take it outside the narrow PBI window.

7 Conclusions

- 7.1 NFP's such as PRNA contribute an enormous amount to the Australian Community. Many of the activities of NFP's go unnoticed or unappreciated by government and to some extent the community at large. Positive media reports are rare, because the day to day operations of a NFP are not news worthy no matter how important they are to the individual concerned.
- 7.2 Lack of formal acknowledgement has not prevented the expectation generally that the services will always continue to be there. This may be so, but they will be provided by a NFP under institutional and financial stress. New staff are hard to attract because of the poor wages and conditions, and existing staff suffer financially and personally as the stress of working on emotionally charged issues takes its toll.

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[http://law.ato.gov.au/atolaw/view.htm?dbwidetocone=06%3AATO%20Rulings%20and%20Determinations%20\(Including%20GST%20Bulletins\)%3ABy%20Type%3ARulings%3ATaxation%3A2003%3A%2304970050000%23TR%202003%2F5%20-%20Income%20tax%20and%20fringe%20benefits%20tax%26c%20public%20benevolent%20institutions%3B](http://law.ato.gov.au/atolaw/view.htm?dbwidetocone=06%3AATO%20Rulings%20and%20Determinations%20(Including%20GST%20Bulletins)%3ABy%20Type%3ARulings%3ATaxation%3A2003%3A%2304970050000%23TR%202003%2F5%20-%20Income%20tax%20and%20fringe%20benefits%20tax%26c%20public%20benevolent%20institutions%3B) accessed 2009-06-09

- 7.3 NFP clients are by in large the socially, economically and culturally marginalised members of the community and the nature of the problems these groups have can play heavily on staff working long hours for inadequate reward.
- 7.4 In relation to staff wages NACLC employed Mercer Human Resource Consulting to prepare Remuneration Recommendations as part of the NACLC budget submission in 2006, (Attachment E). Table 1²⁰ compares Base CLC salaries against Commonwealth Public Service, Commonwealth A-G rates, NSW Crown Employee Scales and NSW Crown employees Legal Officer Award. The CLC rate averaged 68% of these scales. It is submitted that this disparity would be reflected across the Community Sector generally. This is yet another example of funding bodies expecting “top shelf service at a rock bottom price”.
- 7.5 When it comes to funding, the funding bodies expect the NFP to have a large roster of reliable experienced volunteers to help it through the virtual impossibility of providing the service for the money provided.
- 7.6 Volunteerism is acknowledged as a valuable community service by all levels of government. PRNA has 107 volunteers on its books, yet when it comes to funding having a good volunteer roster almost works against getting sufficient funds to perform a particular service. The, “they always manage to cope with what ever we throw at them for the money we offer”, attitude. The other aspect of a volunteer roster is the amount of time and resources that go into maintaining it. It is not just a matter of waiting for people to turn up and offer help, volunteers need to be recruited, rosters maintained, schedules organised, these tasks all take time and money.
- 7.7 These attitudes, while not spoken directly, it is submitted, do pervade through some funding bodies and NFP’s are left to deal with the monetary deficiency, which they must subsidise via private fundraising, as a result.

²⁰ P. 2

8 Recommendations

- 8.1 That funding bodies understand and accept that objective assessments such as outputs and numerical data regarding services provided, do not accurately reflect the actual “benefit” to the client and the community generally of a service provided under a SA.
- 8.2 That in the rollover of a SA or the issue of project grants granting bodies should attempt to reflect the “subjective” value of the services provided, and that research along the lines of that undertaken by Edgerton and Partridge²¹ be carried out with respect to all major funding programs.
- 8.3 That the requirements of SA be streamlined so that all financial and administrative information required by all Government departments is generic in nature. This will avoid the waste of resources which occur when specifically tailored information and inconsistent timing is required for each grant.
- 8.4 That the process of accreditation be expanded so that a once only audit is necessary, to show that a NFP is an acceptable “Service Provider” to all government funding bodies.
- 8.5 That the requirements for competitive tenders are not so stringent and detailed that smaller NFP’s are in effect eliminated from applying because the administrative resources required to apply are beyond their capabilities.
- 8.6 That care is taken to prevent NFP’s from losing their individual identities as they become absorbed into government departments as “coal face service providers”
- 8.7 That efforts be made to allow for greater knowledge and experience sharing to occur between NFP’s, without concern that such sharing is seen as a loss of intellectual property to a competitor for funds. Governments and Peak Bodies should work together to foster this cooperative atmosphere.
- 8.8 That the time and effort spent carrying out the role as lead agency in a consortium, coordinating the other partners, dealing with the management of

²¹ Op cit

funds and reports to funding bodies be adequately resourced. And that it be acknowledged that the attitude funding bodies maintain, that lead agencies police compliance of the other consortium partners be softened, as this works against the cooperative nature of the project.

- 8.9 That legislation is enacted to clarify the definitions of “Charity” and “Public Benevolent Institution” to take away the current uncertainty surrounding the self assessment of ongoing entitlements.
- 8.10 That except for “Gross Negligence” on the part of a NFP, any assessment by the ATO that the NFP has not been meeting the criteria of a particular Taxation category not be retrospective beyond the year in which the assessment is made.
- 8.11 That in an attempt to prevent loss of staff to the private sector, wages and benefits paid to NFP staff is increased to more closely reflect Government rates of pay. And that any flow on of increased payments not be delayed until a SA is up for renewal but be instituted no later than 6 months from the said increase being announced or the commencement of the new financial year which ever is the sooner. Where this increase requires an increase in recurrent funds, the funding body shall pay such amounts as may be needed as incidental increases to the recurrent funding.
- 8.12 That the value of volunteers involvement be acknowledged, not just be expected to occur. Funding bodies should not force intensive volunteer recruitment drives to keep costs low or outcomes at a particular level. Volunteers should be seen as “the icing on the cake” not “one of the main ingredients”.
- 8.13 That the “Community Capacity Building” of ensuring the volunteer involvement referred to in paragraph 7.6 be adequately supported with resources.