



Submission to: Productivity Commission Inquiry into Contribution of Not-For-Profit sector

Submission subject: Comments on the Draft Research Report released October 2009

Submission by: Volunteering Victoria

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About us

Volunteering Victoria is the peak body for volunteering in Victoria.

Volunteering-matching support to contribution

We are pleased to have the opportunity to make a submission to this important inquiry and commend the breadth and depth of the learnings recorded in the Draft Research Report (The Draft Report).

This submission analyses the report from the particular perspective of the volunteering community in Victoria.

The Terms of Reference (TOR) for the inquiry focuses on the Federal Government's "active policy of social inclusion ensuring the economic and social participation of all Australians"ⁱ.

They commit to "finding the best solutions to problems of social exclusion by ensuring the not-for-profit, private and government sectors work together effectively".

The Draft Report recognises that of the around 600,000 not for profit organisations (NFPs) only around 10% are employersⁱⁱ. It emphasises the importance of volunteering involving organisations (VIOs)ⁱⁱⁱ who don't employ staff, as well as the overall volunteer contribution to Australia particularly in economic terms.

The Draft Report states that these 59,000 or so employer organisations within the NFP sector represent around \$43 billion, and volunteering contributes \$14.6 billion.

Of course what this economic measurement does not capture is the meaning to Australian communities that volunteers have. Beyond even the notion of social capital, the vitality that around

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4.5 million volunteers contribute to every community in Australia is the very basis of those communities.

In fact if the focus of this inquiry is on social inclusion and participation, as the references in the TOR suggest, then the measure of participation, represented by the estimated 540,000 VIO's who don't employ staff^{iv} and the 4.6 million volunteers, is in fact the most significant measurement in the Draft Report.

Volunteering Victoria submits that given the focus of the TOR, the Inquiry recommendations should focus on the barriers to sustainability of VIO's. This should not diminish responses to employing organisations, but the 59,000 NFP employers are part of a service system funded by, and supported in programs, by government.

While these NFP face challenges they exist within a resourced environment which allows a critical mass of activity represents 4.1% of the Australian GDP and therefore significant infrastructure.^v

Volunteers, and VIO, don't have this support. For VIO the question is not the business plan but the survival plan. With only 50 specialist volunteer resource centres funded in Australia, and only a few hundred more with a level of funding that puts them in the "employer NFP" category, that basic infrastructure doesn't exist.

The only substantive infrastructure volunteering has is the infrastructure of commitment and participation. But this infrastructure is fragile and vulnerable to demographic change.

Recognising the needs of the volunteer community

Volunteering:

- employs very few but provides 623 million hours of work per annum, or equivalent of 317,000 full time jobs^{vi}
- attracts minimal funding, but contributes the equivalent of \$14.6 billion per annum
- has minimal funding and program infrastructure but has 4.5 million participants

By any net measure volunteering is the probably the greatest contributor to the Australian community of any definable community of interest. The Draft Report should, in our submission reflect this.

While we don't dismiss the challenges faced by the employing part of the NFP sector, we submit that the support offered to volunteering should be proportionate to its contribution to Australian life. We further submit that this Inquiry is opportunity to start to do this.

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What rationale should be used to determine the support for volunteering? We submit it is proportionality (between contribution and support).

What the draft recommendations should support

While the draft recommendations offer support for employer NFPs in conduct of corporate and business arrangements they don't, in our submission, adequately focus on the role of non-employing VIOs in achieving key elements of the TOR. The underlying assumption in the recommendations appears to be that a focus on facilitating NFP business operations will promote responses to social exclusion.

If this is the underlying assumption operating, it is a flawed one for the following reasons:

- around 540,000 of the estimated 600,000 NFPs are small non-employing, and non-service delivery entities. They are not funded service delivery entities. They are predominantly VIOs
- The significant levels of community participation are in volunteering. Volunteering is the major vehicle for engagement and inclusion
- Increased participation and engagement to reduce exclusion will happen through a community strengthening process. This is a grass roots community-led process. While many NFPs are effective in *facilitating* this, again the mass participation vehicle is volunteering
- Some volunteer organisations are funded, but the vast majority are small, stakeholder managed associations. Some of the recommendations touch on the challenges these VIO face, but the recommendations are clearly aimed at making it easier for NFP to interface with corporate, business and government structures. The recommendations offer VIOs mostly indirect assistance, but leave whole areas of concern unmentioned

In summary the matters that volunteers need support in aren't focussed on, and the focus on business has only partial relevance to the vast majority of VIOs.

Volunteering Victoria's proposed additions to the draft recommendations

Volunteering Victoria supports the draft recommendations but submits that there needs to be additional recommendations to support volunteering activities if the aims in the TOR, increasing social inclusion and participation, are to be addressed.

The Volunteering Victoria recommendations are aimed at promoting

- Innovation of response to the participation needs of target groups including young people, community members from a CALD background, and strategies for those community with long term disadvantage and low economic participation rates
- Increasing diversity of volunteering to increase participation particularly among communities of new arrivals who have limited access to formal volunteering

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- Community strengthening- strong communities and strong levels of volunteering are synonymous. Promoting grass roots associations with a local focus is essential to creating opportunities for participation
- Relationships, partnerships and connectivity. Volunteering grows where there is connection among groups of stakeholders
- More effective and meaningful measuring of volunteer contribution –broadening the economic to look at how volunteering is an “input” in many government programs. Because this input is not funded, it’s not counted. But also going beyond the economic to measure impact of volunteering on community life (addressed partly by recommendation 5.1 but needs to be a clearer focus on impact of volunteering)
- Support for governance. While some of the draft recommendations impact on this including 6.1, a range of issues including implementation of training need to be addressed as part of an integrated planning process for corporate entity reform
- Funding. While recommendation 7.1 and others touch on this issue, the lack of basic funding infrastructure in the volunteering community needs to be addressed. Some measurement to determine the capacity of this minimal infrastructure to support increased capacity to promote inclusion and participation must be part of the outcomes of the Inquiry
- Volunteer role in planning, i.e. how government understand the needs and capacities of volunteering. Draft recommendation 13.2 is a start but the recent increase in pressure on volunteering by the expanded volunteering provisions of the Jobs Services Australia program is an example of the low level of effective communication between on-the-ground volunteering and the Federal government decision makers

Specific recommendations that should be added to the Draft Report recommendations

1. Funding structure be reviewed using the rationale of proportionality between contribution and levels of support, and to create a realistic level of infrastructure to support volunteering key social functions
2. Federal government commit to an innovation partnership with volunteers to establish more stable strategies to increase participation and inclusion, through COAG mechanisms
3. Government via COAG commit to increasing diversity in volunteering by development of a Diversity Plan to reach CALD and particularly new arrival communities
4. Address within the proposed Social Compact, or elsewhere, the requirement for a clear understanding and recognition of the role of volunteering in processes of community strengthening (aimed at increasing participation and inclusion)
5. Federal Government commit to formal and effective consultation when funded programs include volunteering as a program “input” even though this input is rarely funded

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6. Consult with volunteer stakeholders as to what assistance in resolving governance challenges faced by small unstaffed volunteer organisations

Conclusion

Volunteers are committed to communities. Governments should take the opportunity of this Inquiry to determine the best way it can support volunteering to maximise community participation and inclusion.

To do this it needs to re-focus on the evidence based case for volunteering support made by the Draft Report. The Productivity Commission can start this process by adding to the draft recommendations, to respond to the needs of the volunteer community.

ⁱ Terms of Reference –Review of the Contribution of the Not-For-Profit Sector. March 2009

ⁱⁱ Productivity Commission, Contribution of the Not-For-Profit sector Draft Research Report October 14 2009. Australian Government, overview at XXII

ⁱⁱⁱ This term can be used as an umbrella term for organisations, particularly incorporated and unincorporated associations that are made up of volunteers. For the purposes of this submission it will include organisations that have a significant volunteer contribution such that its main identity is as a volunteer (involving) organisation, but which also employ staff. This latter type is unlikely to make up even 1 percent of volunteer organisations.

^{iv} It is likely that one percent or less of VIO employ staff, so volunteering can be said to be effectively without staff

^v Productivity Commission, Contribution of the Not-For-Profit sector Draft Research Report, at 4.1

^{vi} Australian Bureau of Statistics 5256.0 Australian National Accounts: Non-profit Institutions Satellite Accounts, 2006-2007

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