

Submission to the Productivity Commission

Draft Research Report
Contribution of the Not-for-Profit Sector

November 2009

Acknowledgements

Volunteering Australia wishes to acknowledge the contribution to this response from Volunteering Queensland.

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1 Introduction

Volunteering Australia welcomes the opportunity to provide feedback to the Productivity Commission's Draft Research Report on the Contribution of the Not-for-Profit Sector, and our earlier submission is available at www.volunteeringaustralia.org

This submission will comment on specific chapters of the draft report, and the associated recommendations where we propose further consideration is needed to ensure that the needs of volunteers and their contribution to our social, environmental, economic and cultural life is recognised and valued appropriately.

We are aware that the framework adopted for measuring the contribution of the sector identified volunteers as an in-kind support within the broader workforce. However, we continue to assert the need to consider the value of volunteers and volunteering more comprehensively, taking into account all the ways in which the activity of volunteering contributes across all levels of input, output, outcomes and impacts.

2 Volunteering Australia – an overview

Mission Statement

Volunteering Australia is the national peak body for volunteering in the Australian community. We represent the diverse views and serve the needs of volunteers and volunteer involving organisations and we promote volunteering as an activity of enduring social, cultural, and economic value.

3 Comments on Draft Report Recommendations

3.1 Draft Recommendation 5.1

The Australian Government should initiate an Information Development Plan (IDP) for the not-for-profit sector. Given its central role in providing data on the sector, and its legislated responsibility for statistical coordination, the Australian Bureau of Statistics should be given responsibility for formulating the IDP, consulting other key stakeholders as appropriate

Volunteering Australia supports Draft Recommendation 5.1 and in particular welcomes further investigation by the Australian Bureau of Statistics into *'the feasibility of obtaining accurate estimates of the number of unincorporated not-for-profit organisations in a cost-effective manner'* (Draft Report, Chapter 5.14).

This work is fundamental to understanding the not-for-profit sector and gaining greater data on the diverse nature of both organisational structures, and volunteer effort that occurs outside of formal volunteering.

If we remain ignorant and unsure about the complexity of the not-for-profit sector we remain unable to comprehensively understand the contribution of volunteers, and our ability to inform areas of public policy development affecting volunteering is limited, as is

our understanding of how volunteering contributes to all levels of input, output, outcome and impact within the not-for-profit sector.

Further, as stated in the submission to the draft report made by the Australian Bureau of Statistics dated 20 November 2009 (Post Draft Submission DR193), we support their recommendation for an IDP to be integrated into the proposed establishment of an Office for Not-For-Profit Sector Engagement (Draft recommendation 13.2).

We also support the call from the Australian Research Alliance for Children and Youth for data to be made publically available, for free or at low-cost (Post Draft Submission DR199).

VA Recommendations:

Adequate, ongoing funding to be made available to the Australian Bureau of Statistics to lead development of an Information Development Plan

Further consideration be given to the formal role that the Australian Bureau of Statistics can take in relation to data measurement components stipulated in other draft recommendations

3.2 Draft Recommendation 7.2

Subject to considerations of affordability, the Australian Government should widen the scope for gift deductibility to include all charitable institutions and charitable funds as endorsed by the proposed national Registrar.

Gift deductibility should continue to be available to other eligible categories which fall outside this scope, such as cultural and environmental organisations endorsed by the proposed national Registrar and entities that are specifically named in the Income Tax Assessment Act 1997 or its Regulations.

Volunteering Australia supports the recommendation to expand the scope of organisation eligibility in relation to gift deductibility tax concessions. Feedback from Volunteering Queensland also stresses the importance of including eligibility to organisations that support other organisations through the provision of services.

Examples of these types of organisations are the volunteer infrastructure organisations (state volunteer centres and local volunteer resource centres) whose primary purpose is the provision of organisational support and development, resource development, coordination, representation and promotion to front-line community and statutory organisations that engage volunteers in the delivery of services.

VA Recommendation: the proposed national Registrar to consider extending the scope of eligible organisations to include those organisations that support other organisations through the provision of direct services to them.

3.3 Draft Recommendation 10.1

Australian governments should explore the feasibility of establishing a system of 'Working with Vulnerable People Checks' similar to that proposed by the ACT. These checks should be portable between organisations for a designated time period.

Volunteering Australia welcomes the recommendation to further explore options for background checks on volunteers to be portable between organisations. We further recommend that this scope be broadened to include portability across state and territory jurisdictions.

This type of portability would be particularly valuable to grey nomads, people who volunteer for multiple organisations and people who engage in volunteering for one-off events.

VA Recommendations:

Portability of checks to include both police checks, and where applicable working with children checks

Portability of checks to be between organisations and across state / territory boundaries

Encourage all State governments to adopt the South Australian government model that funds free police checks for volunteers working with vulnerable groups.

The feasibility and establishment of portable background checks to be a key objective of Government's National Volunteer Strategy being led by Senator Ursula Stephens

3.4 Draft Recommendation 10.3

The Australian Government, through the Community Services and Health Industry Skills Council, should undertake workforce planning for the community services sector having regard to the current and future workforce challenges arising from growing demand and increasing supply constraints.

Volunteers are a necessary and significant part of Australia's not-for-profit workforce, and it is vital that the needs of volunteers are considered and included in the development of any strategic plans looking at workforce development challenges for the sector.

As stated in our previous submission to the Productivity Commission, it is critical to understand current participation and trends in volunteering across all sub-sectors of the not-for-profit sector, to be able to sufficiently cater for future workforce needs. Trends in volunteering such as people seeking more skilled volunteering opportunities, as well as an increased demand for more flexible volunteer opportunities such as short-term or project based, have implications for all industry sectors.

The most recent statistics from the Australian Bureau of Statistics Voluntary Work Survey 2007 show that the four most popular types of organisations that engage volunteers are sport and physical recreation, education and training, community/welfare and religious

groups. These figures demonstrate the large numbers of volunteers engaged with organisations outside of the community services sector.

At least three industry skills councils have identified and acknowledged the heavy dependence their service industries have on volunteer effort: the Community Services and Health Industry Skills Council, Service Skills Australia and Government Skills Australia. Volunteering Australia advocates a greater connection between these industry sectors when considering workforce needs and future skills development, specifically in the area of volunteer coordination and management.

VA Recommendation: that Draft Recommendation 10.3 acknowledge the importance of including volunteers in workforce planning across all sub-sectors of the not-for-profit sector, and that a partnership between key industry skills councils be formed to develop consistent measurements of volunteer contribution across all industry sectors and in the development of workforce strategies.

3.5 Draft Recommendation 10.4

Australian governments should provide support to develop and promote training for not for profit management and boards in governance and related areas. They should explore the options for improving access to and quality of such training in these areas with peak bodies and appropriate training providers.

There exists a wealth of information, training and education resources currently available to organisations and volunteers, however greater promotion and awareness of what is available and how to access resources is required. This was recently demonstrated at a volunteer workshop held by Service Skills Australia on the 12th October, 2009 which identified a low level of awareness amongst participants in relation to what existing training and resources is available.

It is critically important to recognise and formalise the skills required to manage a diverse and ever changing volunteer workforce. Volunteering Australia has developed three accredited qualifications for managers of volunteers - a Certificate IV in Volunteer Program Coordination (which is also now part of CHC08), plus a Diploma on Volunteer Program Management and the Advanced Diploma in Volunteer Program Management, to address these needs.

Australian governments have been generous in providing funds for the development and promotion of training. There are numerous materials available related to the training of new volunteers, such as the Certificates I, II and III in Active Volunteering that were developed by Volunteering Australia and are now incorporated as part of the national Community Services Training Package (CHC08).

What is missing is value added opportunities for experienced and skilled volunteers. With an ageing population well skilled in their paid work, insisting that they attend accredited or non accredited training in areas where they are well versed could actually deter people from volunteering. Recognition of prior learning (RPL) addresses this potential barrier while

simultaneously identifying skills and knowledge gaps, with Service Skills Australia being one key industry skills council who are currently looking at more streamlined processes for volunteers undertaking RPL.

Volunteering Australia supports this draft recommendation, along with feedback from Volunteering Queensland that greater training and support for boards would help to enhance the effectiveness of not-for-profit organisations, and that strong policy endorsement and strategic support from government is necessary.

VA Recommendations:

Recognise the value of training opportunities for volunteers and the people who manage and coordinate volunteers by including these training opportunities on the Skilling Australia Agenda.

Greater consultation with the volunteering sector when determining allocation of training places in all relevant industry sectors.

4 Additional Comments – Chapter 6: Regulation of the Not-For-Profit Sector

4.1 Confusing advice and self-help

Feedback received by Volunteering Queensland supports the concept of a 'one-stop-shop' as a valid way of providing regulatory information to the sector, with suggestions that development of other specialist centres, could also contribute in the areas of risk management, financial management, fundraising etc.

4.2 Standard Business Reporting Initiative and Standard Charter of Accounts (SCOA)

Volunteering Queensland suggests MYOB and Quicken be encouraged to fast track the inclusion of a SCOA option within their accounting software and promote it to their NFP clientele. Annual software upgrades should offer the SCOA option.

Further, Volunteering Queensland supports state and commonwealth government departments to continue to accelerate their adoption of the SCOA format together with the idea of a central reporting 'clearing house'.

However, in combination with the above, consideration also needs to be given to the development of tools and resources that raise awareness and understanding to not-for-profit organisations on how they can utilise SCOA to increase their effectiveness and build their capacity. Therefore, funding support from government should be provided to assist NFPs with both purchase and implementation.

These initiatives would assist in reducing the existing administrative workload on NFPs who receive multiple funding is overly onerous and leads to manual 'manipulation' of financial results.

5 Additional Comments – Chapter 10: The Not-For-Profit Workforce

5.1 Insurance

Views are sought on the adequacy of the sector's own responses to the cost of insurance for volunteers, including volunteer boards. Should government be playing a greater role in facilitating insurance? If so, what is the best approach?

It is important to highlight that this section of the Draft Report only refers to Public Liability insurance cover, and has not included reference to Volunteer Personal Accident insurance coverage or other insurance coverage necessary for different groups of volunteers e.g. comprehensive car insurance, professional indemnity insurance etc.

As stated in our previous submission to the Productivity Commission, the main impacts on volunteering concerning the issue of insurance coverage for volunteers, is the rising cost of insurance, as well as understanding and having the appropriate level of insurance to cover all known risks relating to organisational operation and volunteer roles. Some policies preclude coverage for certain age groups – particularly younger and older volunteers where risk is considered to increase with the age of volunteers. The consequence is often that organisations restrict the involvement of willing volunteers who are aged outside of policy coverage – younger and older.

Additionally, we are also aware of issues relating to volunteers in government schools in some states where volunteers, who are the recipients of some government benefits, are precluded from insurance coverage because they are deemed to be in receipt of payment or reward for their volunteering. This ultimately has the impact of volunteers not being insured or not being able to volunteer.

Currently, protection cover provided to volunteers varies from organisation to organisation and from sector to sector. Some volunteers, for instance those in emergency and education sectors,(in some states) are covered through workers compensation while others may have no protection at all.

However there are still anomalies that can cause cost and add barriers to continued volunteering. For instance, if a volunteer is injured and incurs costs the gap not covered by Medicare cannot be met by general insurers and therefore falls to the individual volunteer unless the organisation where they volunteer is able to provide these funds. This is not satisfactory as it highlights the disadvantage of volunteers under regulatory frameworks.

Volunteers are being included in some legislation e.g. OH&S , and such work needs to be replicated across all areas of public policy and legislation to ensure that volunteers are protected.

To promote volunteering positions Volunteering Australia's national volunteer search engine, GoVolunteer, organisations must provide evidence of how they protect volunteers through the purchase of public liability and volunteer accident insurance. It is recommended that organisations consider the work of volunteers and purchase insurance cover relevant to that work.

Feedback received from Volunteering Queensland and supported by Volunteering Australia includes the following suggestions for consideration:

- Blanket insurance coverage for all volunteers via a government held policy
- Inclusion of volunteers in workers compensation schemes
- Specific funding to organisations to ensure they can purchase suitable insurance coverage that extends to their volunteers.

5.2 Terminology

Greater clarity and awareness of how terminology is used is required in order to avoid confusion and division between paid staff and volunteers. For example, the draft report uses the term 'staff' to describe paid staff, and also refers to organisations as employing the services of volunteers (Chapter 10.4 – The role of volunteers in NFPs).

Feedback from Volunteering Queensland suggests referring to paid staff as 'employees', and also notes that volunteers are engaged by not-for-profit organisations, and that they are not employed by them. It was also noted that the glossary includes a definition of 'skilled volunteering' but not a general definition.

VA Recommendation: that the report acknowledge sensitivities in relation to existing practices when it comes to a combined workforce, and adopt consistent terminology that differentiates between paid employees, volunteer workers and other unpaid workplace participants (e.g. work experience, student placements etc).

5.3 Personal costs associated with volunteering

While it is up to individual NFPs to decide on the appropriateness of meeting any out-of-pocket expenses for volunteers, views are sought on whether there is scope to reduce these costs, and the effectiveness of volunteer grant programs in assisting NFPs that rely heavily on volunteers to provide community services and how they can be improved.

Volunteering Australia welcomed the initiative of the Department of Families, Housing, Community Services and Indigenous Affairs that expanded funding under the Volunteer Grants Program, to include grant money to support organisations in reimbursing volunteers who incurred fuel related expenses. However, as supported by feedback received from Volunteering Queensland, it is important to acknowledge that fuel costs are only one way in which volunteers incur expenses, and consideration must be given to developing grant funding to support reimbursement of other out-of-pocket expenses.

In 2009 Volunteering Australia's National Survey of Volunteering Issues (to be released 4 December, 2009) found the most common out-of-pocket expenses incurred by volunteers are fuel, telephone calls (mobile and home), computer/internet, and stationery – paper/printing related costs. This is consistent with findings from previous surveys.

Future trends in volunteering that we anticipate will have an impact to the cost of volunteering to volunteers include the ageing population and concern for the environment. Currently older volunteers contribute more hours to volunteering. To support this effort,

reimbursement of more flexible transport options need to be investigated e.g. public transport, group taxi's, leasing of mini-buses for groups of volunteers etc.

VA Recommendations:

Undertake further research to identify the needs of organisations as well as the cost of volunteering to individual volunteers

Further exploration is needed to identify how Government can support volunteer-involving organisations through broadening reimbursement options to include other expenses incurred by volunteers.

Out-of-pocket reimbursement to volunteers should be included as a key area of government's National Volunteer Strategy currently being developed.

6 References

Australian Bureau of Statistics 2007, *Voluntary Work Survey Australia 2006*, Cat. No. 4441.0, Canberra

2009 National Survey of Volunteering Issues, Volunteering Australia (to be released 4 December 2009)

The Australian Research Alliance for Children and Youth, Submission to the Productivity Commission Study, (Post Draft Submission DR199)

Australian Bureau of Statistics, Comments on Draft PC Report on Not for Profit Sector, (Post Draft Submission DR193)