

Submission to the Review of Financial Wellbeing and Capability programs

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Overview

Volunteers play a crucial role in the food and financial relief sector. Organisations and initiatives across the country rely on the dedication of volunteers to make a positive impact on the lives of those in need. Under the Financial Wellbeing and Capability (FWC) Activity, volunteers are particularly involved in the Financial Crisis and Material Aid program stream, which provides immediate financial and/or material support to people in financial crisis. It is therefore essential that funding arrangements, including those under the Financial Wellbeing and Capability Activity, cover the full costs of engaging volunteers. The scope of the FWC program should also be reviewed, with the aim to address the significant unmet funding needs in the sector.

Volunteering Australia and the State and Territory volunteering peak bodies make the following recommendations to the review of FWC programs:

1. Expand the scope of the FWC Activity to better support preparedness activities, in alignment with feedback from other stakeholders.
2. Make FWC grant agreements more flexible, allowing recipients to cover rising administration, wage, training, or operational costs.
3. Ensure support provided under FWC programs is sufficient to cover the operational costs of small providers, particularly those that involve volunteers.
4. Ensure funding arrangements support the Strategic Objectives of the National Strategy for Volunteering (2023-2033), specifically:
 - a. Strategic Objective 1.2: Make Volunteering Inclusive and Accessible
 - b. Strategic Objective 3.1: Make Volunteering a Cross-Portfolio Issue in Government
 - c. Strategic Objective 3.3: Commit to Strategic Investment
5. Expand the scope of the FWC Activity to support a larger number of organisations in emergency relief and food relief space.

About the Review of Wellbeing and Financial Capability programs

The Department of Social Services (the department) is seeking input to the review of Commonwealth-funded programs under the Financial Wellbeing and Capability (FWC) Activity (Program Review) to inform new grant arrangements.¹ The purpose of this Consultation Paper is to seek feedback on:

- what is working well in FWC programs
- what challenges are impacting programs
- where there may be opportunities to improve FWC programs, service delivery and grant arrangements.

¹ <https://engage.dss.gov.au/wp-content/uploads/2023/12/review-financial-wellbeing-and-capability-programs-consultation-paper.pdf>, 4

About this submission

This submission provides feedback on the relevant focus areas outlined in the Review of Financial Wellbeing and Capability programs Consultation Paper.² This submission was drafted by Volunteering Australia in collaboration with the State and Territory volunteering peak bodies.

Volunteering in emergency, food, and financial relief

In Australia, volunteers play a crucial role in the food and financial relief sector. Under the FWC Activity, volunteers are particularly involved in the Financial Crisis and Material Aid program stream, which provides immediate financial and/or material support to people in financial crisis. It also assists organisations' access to cost-effective supply of food in order to provide to people in need. Volunteers contribute to these activities through food relief and emergency relief charities. As the Consultation Paper acknowledges, in a survey of Commonwealth emergency relief providers, volunteers made up 92 per cent of all workers, totalling 8,316 volunteers, across the respondent organisations.³ However, it should be noted that this represents only a small proportion of volunteers involved in the sector. According to the Australian Charities and Not-for-profits Commission (ACNC) Annual Information Statement (AIS) dataset, 1,192 registered charities identify 'emergency and relief' as their main activity, and these charities report engaging 217,776 volunteers.⁴

Given the critical role of volunteers across the emergency relief and food relief space, it is essential that funding arrangements, including those under the FWC Activity, cover the full costs of engaging volunteers.

Focus area 1: Current operating environments and systemic issues

We welcome the acknowledgement of the National Strategy for Volunteering (2023-2033) as a key initiative in the ecosystem that intersects with the FWC Activity.⁵ The Consultation Paper also acknowledges the long-term decline in formal volunteering as a key macroeconomic trend that affects providers and recipients of wellbeing and financial capability programs.

The Consultation Paper notes the feedback from FWC service providers requesting early access to funding for 'preparedness' activities, such as food stockpiling and workforce planning. Such activities are essential to the delivery of responsive services to people in need, and a greater recognition of

² <https://engage.dss.gov.au/wp-content/uploads/2023/12/review-financial-wellbeing-and-capability-programs-consultation-paper.pdf>, 27

³ <https://www.semanticscholar.org/paper/Emergency-Relief-and-complex-service-delivery%3A-McKenna-Evans/024418ce561e5c1a7cfcc9fff1d201cad5435a82>

⁴ <https://data.gov.au/dataset/ds-dga-34b35c52-8af0-4cc1-aa0b-2278f6416d09/details?q=acnc>, accessed April 2022

⁵ <https://engage.dss.gov.au/wp-content/uploads/2023/12/review-financial-wellbeing-and-capability-programs-consultation-paper.pdf>, 13

preparedness activities would improve the capacity of involved organisations. We also note that 41 per cent of FWC service providers are small and medium-sized community services organisations.⁶ Small volunteer involving organisations are particularly impacted by cost of living pressures. In addition to increased overheads,⁷ increases in cost of living including housing, groceries, and energy prices affect the availability of volunteers, who often have to reduce their volunteering due the associated out-of-pocket expenses or because they need to increase their hours of paid work. Simultaneously, cost of living pressures are increasing demand for services delivered by FWC providers. The Foodbank Hunger Report 2023 found that food insecurity has increased in the past year, affecting 3.7 million households in Australia.⁸ 77 per cent of food insecure households in 2023 experienced this for the first time within the last 12 months.⁹ Many services are struggling to meet the increased demand associated with mounting food insecurity. We recommend that future funding programs acknowledge the criticality of the volunteer workforce within FWC services and ensure there is expanded funding for smaller organisations and organisations heavily reliant on volunteers as a priority.

It is important to note that the FWC program currently funds only a small number of service providers in this space. For example, there are currently a minimum of 49 organisations known to be providing regular food relief services (such as food pantries, meal distributors, etc.) in Canberra and the surrounding area, and all 49 have advised they are able to assist with providing food relief during crises or emergencies.¹⁰ Only 2-3 of these providers receive any federal government funding, and most are totally reliant on donations, the volunteers who give their time freely, and the wider community to run their operations. Many food relief services, including those who provide emergency food relief, are wholly volunteer run. The lack of tangible funding to support these services is a major threat to a sustainable food relief system and must be highlighted and addressed as a key priority in the review.

Focus area 3: Best practice service delivery

The Consultation Paper notes that the department and FWC service providers are committed to providing inclusive, safe and culturally appropriate services, including for First Nations people, people with disability, people from CALD backgrounds, and LGBTQIA+ people.¹¹ Efforts should similarly be made to ensure inclusive working environments for volunteers, in alignment with Strategic Objective 1.2: Make Volunteering Inclusive and Accessible, of the National Strategy for Volunteering (2023-2033).

⁶ <https://engage.dss.gov.au/wp-content/uploads/2023/12/review-financial-wellbeing-and-capability-programs-consultation-paper.pdf>, 12

⁷ https://parlinfo.aph.gov.au/parlInfo/download/committees/reportsen/RB000073/toc_pdf/Interimreport.pdf

⁸ https://reports.foodbank.org.au/wp-content/uploads/2023/10/2023_Foodbank_Hunger_Report_IPSOS-Report.pdf

⁹ *ibid*

¹⁰ Information provided to Volunteering Australia by VolunteeringACT

¹¹ <https://engage.dss.gov.au/wp-content/uploads/2023/12/review-financial-wellbeing-and-capability-programs-consultation-paper.pdf>, 25

Focus area 4: Workforce capacity and capability

The Consultation Paper notes that building the capacity and capability of formal volunteers involved in Financial and Wellbeing Capability activities is a priority.¹² While workforce challenges can be caused by structural factors outside the influence of the department, more strategic investment in volunteering infrastructure could address many of the current challenges for volunteer involvement. Strategic investment in tools and resources, education and training, fast and accessible screening processes, fit-for-purpose policy and regulation, appropriate resourcing for volunteer management, and accessible funding mechanisms could facilitate more sustainable volunteer involvement, in alignment with Strategic Objective 3.3 of the National Strategy for Volunteering.¹³

It is also essential that funding arrangements under FWC support the crucial role of volunteer managers. According to the 2023 NSW State of Volunteering Report, significant direct and subsidised costs were incurred by volunteer managers in NSW in the performance of their duties.¹⁴ Overall, nearly a quarter of paid volunteer managers (24.1 per cent) and nearly half of unpaid volunteer managers (42.8 per cent) in some way pay up-front for volunteering activity.¹⁵

Efforts to ensure grant funding develops the capacity and capability of the workforce should consider the needs of volunteers and volunteer managers in their design and implementation, in consultation with the volunteering ecosystem.

Focus area 6: Future funding arrangements

Reliable and sustainable funding for volunteer involvement in FWC activities is crucial to their success. The Consultation Paper identifies that there are opportunities to explore more flexibility in the efficient use of FWC grant funding, and that service providers have been stretching their funding to support increased demand for an extended period.¹⁶ It also notes the desire from FWC grant recipients to use funding in more flexible ways, including to cover rising administration, wage, or operational costs.¹⁷ This added flexibility is crucial to properly funding volunteer involvement in FWC activities, for example by engaging paid volunteer managers in relevant organisations. Increased flexibility is particularly important for small providers that may lack the resources to administer programs with existing grant amounts.¹⁸ Focused support and flexibility is required for smaller organisations who often lack the resources required to enable them to be competitive in the grant

¹² <https://engage.dss.gov.au/wp-content/uploads/2023/12/review-financial-wellbeing-and-capability-programs-consultation-paper.pdf>, 27

¹³ <https://volunteeringstrategy.org.au/wp-content/uploads/2024/01/National-Strategy-for-Volunteering-2023-2033.pdf>, 59

¹⁴ <https://www.nsw.gov.au/sites/default/files/noindex/2023-11/nsw-state-of-volunteering-report-2023.pdf>, 28

¹⁵ *ibid*

¹⁶ <https://engage.dss.gov.au/wp-content/uploads/2023/12/review-financial-wellbeing-and-capability-programs-consultation-paper.pdf>, 33

¹⁷ *ibid*

¹⁸ <https://engage.dss.gov.au/wp-content/uploads/2023/12/review-financial-wellbeing-and-capability-programs-consultation-paper.pdf>, 36

process. There is also a need to review funding application and reporting processes to ensure these are not overly-burdensome, particularly for smaller organisations.

In alignment with our recommendations in our submission to the *stronger, more diverse and independent community sector* Issues Paper, we make the following recommendations on FWC funding arrangements:

- Ensure grant agreements with volunteer involving organisations, administered by all relevant departments and agencies, fully fund the cost of engaging volunteers.
- Conduct an analysis of FWC grant agreements to ensure that the costs of volunteering, to both volunteers and community sector organisations, are adequately funded. This should also ensure that indexation applied to grant funding keeps pace with increases in the cost of service delivery.

Recommendations

Volunteering Australia and the State and Territory volunteering peak bodies make the following recommendations to the review of FWC programs:

1. Expand the scope of the FWC Activity to better support preparedness activities, in alignment with feedback from other stakeholders.
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Appendix: Alignment with other initiatives

Volunteering Australia and the State and Territory volunteering peak bodies support the identified national policy areas that intersect with the FWC program. Please see our recommendations on each of the relevant initiatives below.

- [Australia's Disability Strategy](#)
- [Measuring what Matters](#)
- [Philanthropy Review](#)
- [A stronger, more diverse and independent community sector](#)

Authorisation

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



Mr Mark Pearce
Chief Executive Officer

Endorsements

This position statement has been endorsed by the seven State and Territory volunteering peak bodies.



About Volunteering Australia

Volunteering Australia is the national peak body for volunteering, working to advance volunteering in the Australian community. The seven State and Territory volunteering peak bodies work to advance and promote volunteering in their respective jurisdictions and are Foundation Members of Volunteering Australia.

Volunteering Australia's vision is to promote a strong, connected, and resilient Australian community through volunteering. Our mission is to lead, strengthen, and celebrate volunteering in Australia.

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