

# Summary Analysis of Key 2019-20 Federal Budget Measures

The Treasury  
April 2019



## Introduction

Volunteering Australia has provided a summary analysis of the key budget measures from the 2019-20 Federal Budget, and how it impacts the volunteering sector.

Volunteering Australia outlined a number of recommendations in our 2019-20 Pre-Budget Submission, following extensive consultation with volunteers, managers of volunteers, Volunteer Involving Organisations and Volunteering Support Services. The recommendations were aimed at comprehensively building sector capacity while balancing the budget.

We acknowledge the Government's current contributions to the sector but note that there has not been a strategic approach to grow a culture of giving in Australia. This is despite research demonstrating that volunteering yields 450 per cent return for every dollar invested. Nationally this is an estimated annual economic and social contribution of \$290 billion.<sup>1</sup> This figure is higher than the mining, agriculture and tourism industries.<sup>2</sup>

At Volunteering Australia, we define volunteering as "time willingly given for the common good and without financial gain."<sup>3</sup> We stress that volunteering is not free, with an operational cost attached to the engagement of volunteers. Organisations encounter reasonable expenses with the induction, training, management, resources and ongoing support of volunteers. There are also administrative overheads, such as insurance, that organisations need to account for. Furthermore, the operational cost of delivering innovative and agile volunteering programs that are responsive to the needs of Australian society is increasing, and this also requires investment. It is essential that the volunteer workforce is accounted for within future budgets.

## About Volunteering Australia

Volunteering Australia is the national peak body for volunteering. We work to advance volunteering in the Australian community.

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

We work collectively with the seven State and Territory volunteering peak bodies to deliver national, state/territory and local volunteering programs and initiatives in accordance with the Government's priorities.

As the primary link between the volunteering sector and federal government, Volunteering Australia provides feedback into key decision making. All feedback is informed by research, evidence and consultation with the volunteering sector.

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# Key Measures

## Volunteering Australia's Funding

Volunteering Australia is funded through the Department of Social Services under the Families and Communities Service Improvement Activity, which is part of the Families and Communities Program. Peak body funding expired at the end of June 2018 and we were pleased to have been refunded for a period of 3 and a half years after a competitive grant process.

## Volunteer Grants

Volunteer Grants are aimed at supporting Australia's volunteers, with grants of between \$1,000 and \$5,000 provided to organisations and community groups to assist their volunteers to purchase equipment, for training or fundraising.

- An allocation of \$10 million p.a. is available for the grants, with the forward estimates projecting this to continue till 2022-23.
- There is \$20 million for volunteer grants available in 2018-19 which represents a combined allocation from the 2017-18 (which was not administered).

It is disappointing that there has been no further attempts to increase the funding of Volunteer Grants in this budget given the importance of them for Volunteer Involving Organisations. In the last decade the volunteering sector has seen an ongoing reduction to Volunteer Grants. While \$21 million was allocated to Volunteer Grants in 2010, this was reduced to \$16 million in 2011-13, \$20 million in 2015 (a combined 2014-15 round), and then \$10 million in 2016.

<b>Program 2.1 - Families and Communities (continued)</b>					
	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
<b>2.1.14 - Component 14 (Volunteer Grants)</b>					
Annual administered expenses					
Ordinary annual services (Appropriation Bill No.1)	20,000	10,000	10,000	10,000	10,000
<b>Total component 14 expenses</b>	<b>20,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>

## Volunteer Management Activity

Volunteering Australia welcomes the inclusion of funding indexation for the Volunteer Management Activity (VMA) from 2019-20 in this budget, and a commitment to the program's continuation. This is a very positive step for the volunteering sector, with the VMA never being indexed in the programs history (including previous iterations).

Volunteering Support Services currently receive an allocation of \$19.95 million for the Volunteer Management Activity (VMA) from 1 January 2018 through to 30 June 2021. With the review of the Volunteer Management Activity still pending, it is also encouraging to see a commitment from the Government to continue to fund Volunteering Support Services post-June 2021, with forward estimates projecting 6.4 million for 2021-22 and 6.5 million for 2022-23. We note that after seeking clarification from the Department of Social Services in relation to this activity, they have advised that any commitment to the Volunteer Management Activity from July 2021 is a matter for Government.

Volunteering Support Services (funded under the VMA) are place-based services responsible for safe, effective and sustainable volunteering, assisting thousands of organisations and individuals and contributing \$477.5 million value to the Australian economy.<sup>iv</sup> In 2017, Volunteering Support Services enabled nearly 12.3 million volunteer hours.<sup>v</sup>

Volunteering Australia has been strongly campaigning for indexation to be applied to the Volunteer Management Activity and for the program to be ongoing. The impact of the program not receiving indexation has also been significant and meant that since 2009, funding for the program has reduced by \$829,770 or 14.5 per cent in real terms due to an inability to keep pace with indexation.<sup>vi</sup> Volunteering Australia has commissioned economic modelling which shows that with indexation, the level of funding for the Volunteer Management Activity is expected to naturally increase. (See page 11 of The Value of Volunteering Support Services report).<sup>vii</sup>

It is important to recognise that many Volunteering Support Services would not exist without the \$5.7 million per

year investment from the Commonwealth. This represents a return on investment of \$83 for every dollar invested.<sup>viii</sup> Volunteering Australia is pleased that the Government has corrected this historic error.

<b>Program 2.1 - Families and Communities (continued)</b>					
	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
<b>2.1.13 - Component 13 (Volunteer Management)</b>					
Annual administered expenses					
Ordinary annual services (Appropriation Bill No.1)	5,748	5,812	6,093	6,408	6,523
<b>Total component 13 expenses</b>	<b>5,748</b>	<b>5,812</b>	<b>6,093</b>	<b>6,408</b>	<b>6,523</b>
<b>2.1.14 - Component 14 (Volunteer Grants)</b>					
Annual administered expenses					
Ordinary annual services (Appropriation Bill No.1)	20,000	10,000	10,000	10,000	10,000
<b>Total component 14 expenses</b>	<b>20,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>

## Disability

Volunteering Australia is pleased to see that the Government has committed to fully funding a Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability at a cost of \$528 million over five years. The draft terms of reference just closed, with the inquiry expected to examine mistreatment in institutional settings, workplaces, schools, homes and in the community. Volunteers are strongly engaged in disability supports and services and the outcomes of the Royal Commission will be very important in terms of sector engagement and service provision into the future.

However, while news of funding for the Royal Commission is promising, the news of the underspend on the National Disability Insurance Scheme (NDIS) has been of concern. Funding for the NDIS is greatly needed to recruit additional staff (including volunteers), improve IT systems, and ensure that particular groups who are missing out on accessing the scheme, such as Aboriginal or Torres Strait Islander peoples or people from culturally and linguistically diverse backgrounds, are able to make full use of it.

Despite the reliance of volunteers as part of the NDIS, the volunteer workforce has not been costed at all. As identified in Volunteering Australia's submission to the Information, Linkages and Capacity Building Commissioning Framework Consultation,<sup>ix</sup> the NDIS interacts with volunteers in two key ways:

- Volunteers are engaged to work within disability support service organisations;
- The NDIS engages people with barriers more inclusively into society, either through volunteering as an end unto itself, or using volunteering as a pathway to paid employment.<sup>x</sup>

Volunteering Australia highlights that a significant issue with the NDIS is the roll out started before the NDIS costs were appropriately considered, and since this time, there has been very little attempts to properly consider the role that volunteers play in supporting people with disability, as well as volunteering as a mechanism to improve social connectedness, wellbeing and health outcomes.

The shift to a market-based system has also caused significant strain for many service providers, particularly due to a lack of dedicated funding for volunteer management and other associated costs to engage volunteers under the NDIS.

In disability support, training is specialised and can be resource-intensive. This was similarly identified in a 2011 Productivity Commission Report in regard to a substantial increase in the number of volunteers in the aged care workforce. The Report noted, "funding for services which engage volunteers in service delivery should consider the costs associated with volunteer administration and regulation; and appropriate training and support for volunteers."<sup>xi</sup> Moving forward, we strongly urge there is adequate consideration of contributions volunteers make to disability supports and services, and that they are fully costed as part of the workforce.

## Mental Health

An investment of \$1.3 billion has been made toward Community Health and Hospitals Program to boost health services across Australia. The funding will target 4 key areas including hospital infrastructure, drug and alcohol treatments; preventative health, primary care and chronic disease management; and mental health.

As part of the investment into mental health, the Government will invest \$737 million over seven years in mental health, including \$461.1 million for youth mental health. This funding includes:

- \$15 million to ensure communities and services can respond quickly to areas affected by high incidences of suicides and self-harm by creating a new national information system.
- \$111 million to expand the Headspace network by an additional 30 services. This is an increase from the current 115 services to 145 by 2021.
- \$152 million to reduce wait times at Headspace centres around the country.
- \$2 million for a Young Ambassadors for Mental Health project, which looks to enable young ambassadors with lived experience of mental health to work in the community to promote mental health literacy and improve outcomes.
- \$110 million to continue the Early Psychosis Youth Services program at 14 Headspace centres to provide specialist clinical services for young people at the early stages of severe mental illness.

The government will also deliver a trial of adult mental health centres in eight locations nationally at the cost of \$115 million and \$112 million in mental health through the Community Health and Hospitals Program (CHHP) with a focus on youth and Indigenous mental health and suicide prevention, and integrated community mental health.

Volunteering Australia is pleased to see an investment in mental health and suicide prevention. We note that with volunteers playing such a key role in the provision of supports and services in mental health, it is critical that there is additional funding for the voluntary workforce to address issues across the policy continuum.

The very significant role volunteers play in community mental health is often overlooked and not costed. Volunteers can play an important role in supporting people to reduce isolation and loneliness and improve wellbeing. Volunteers have the ability to provide “an extra social connection and community participation, and the value of lived experiences.”<sup>xii</sup> However, while volunteers give their “time willingly,”<sup>xiii</sup> they are not free labour and the management, training and resources need to be factored into all grants and funding.

## Aged Care

The budget has outlined 10,000 home care packages across all levels with a \$232 million investment. The number of home care packages has increased since 2012 but does not meet the needs of current demand. There was 60,308 in 2012-13 and 124,032 in 2018-19. This is expected to increase to 157,154 in 2022-23. We note that there are no new home care packages announced as part of this year’s budget.

With the Royal Commission into Aged Care Quality and Safety, the government is providing \$1.5 million to develop a Serious Incident Response Scheme and \$8.4 million to introduce mandatory reporting against national residential care quality indicators.

It is positive to see that the Commonwealth Home Support Program (CHSP) will be extended for a further two years to 20 June 2022, with an investment of \$5.9 billion. This funding will provide funding certainty to approximately 1500 organisations. However, we highlight that there needs to be long-term solutions regarding the future of CHSP to ensure continuity of service provision and care. This includes funding for all State and Territory volunteering peaks to provide nationally consistent sector development support to Volunteer Involving Organisations funded through CHSP.

There has also been an allocation of \$2.6 million to step up industry-led implementation of the Aged Care Workforce Strategy. This funding looks to improve the capability, conditions and career opportunities for 366,000 aged care workers. Volunteering Australia was pleased to contribute a submission to this process and reiterates the need for this funding to look more directly at supporting the workforce.<sup>xiv</sup> This includes the 23,537 volunteers working in residential aged care facilities.<sup>xvixvii</sup>

## Education

The previous budget saw an allocation of \$243.5 billion for the Quality Schools Reform package, which would see needs based and recurrent funding. This recurrent funding for schools will reach \$19.9 billion in 2019, with average Commonwealth funding per student having increased from to \$5,097 in 2019, from \$3,755 in 2014.

Volunteering Australia contributed a submission to the Review to Achieve Educational Excellence in Australian Schools, that informed the Quality Schools Package. It was identified that volunteering, mentoring and other extra-curricular activities are effective forms of engagement to support the personal development and learning growth of students. An outcome of the Review was to strengthen school-community engagement and enrich student learning by encouraging volunteering in schools. It was outlined that this measure would be progressed by COAG and we are still awaiting further details.

The Government will also establish a Local School Community Fund which will provide \$200,000 to each federal electorate in 2019-20 to support priority projects in local schools that benefit students and their communities. The total funding for this measure is \$30.2 million and includes school activities, equipment and upgrades.

## Sport

As part of the Sport 2030 Package, the Government is providing \$386 million to encourage more Australians to participate in sport, upgrade sporting infrastructure and support elite sport.

There will be \$54.1 million provided over two years from 2019-20 to support athlete wellbeing and pathways to high performance. As part of this measure, improvements will be made to identify the identification processes of young athletes by increasing access to quality coaching and support staff and an expansion of mentoring systems for young athletes will be adopted. There will also be \$23.6 million over four years from 2019-20 to enable established National Sporting Organisations, local community organisations, and community groups to deliver diversity and inclusion programs to regional areas using sport and physical activity, as well as extending the Big Issue Street Soccer Community Sport Street Soccer Program.

Volunteering Australia strongly supports these measures, with volunteering in sport an important way to deliver on a range of health, social and economic benefits, particularly with clubs and sporting organisations playing a vital role in connecting individuals and communities.

## Community Welfare

We note that this budget has not indicated any increases to Newstart, Youth Allowance and other related income support payments. There has been an investment of \$249.8 million over five years from 2018-19 to transform Australia's employment services. While we appreciate the reforms to employment services, we note our continued disappointment that there is no dedicated funding for Volunteering Support Services, given the vital role they play in assisting people to satisfy their mutual obligation requirements.

Volunteering Support Services frequently use their local knowledge to assist mutual obligation participants to find a volunteer role with pre-approved Volunteer Involving Organisations. However, these organisations are currently not funded to perform this function, delving into existing resources to support jobseekers. This includes assisting jobseekers to ensure they meet their mutual obligation requirements, boosting the confidence of jobseekers, placing them in a volunteer role or providing them with training.

Volunteering Australia reiterates our disappointment that no additional funding has been provided for Volunteering Support Services in this budget to place participants, despite the substantial role they play in this interaction.

## Environment

The government has announced \$3.5 billion for a Climate Solutions Package. Local community groups will benefit from \$137.4 million through the 'Practical Environment Restoration' fund that specifically aims to fund environmental protection projects, threatened species, the restoration of coastal waterways and waste recycling. This funding builds on the government's \$1.1 billion National Landcare Program, which already funds a range of environmental initiatives. It also includes \$28.3 million for the funding of a Communities Environment Program for community-led projects. The package also allocates \$61.2 million to support small business, local community groups, households and building owners to improve energy efficiency. Volunteering Australia is pleased to see funding allocated toward local environmental and community care projects that are often entirely volunteer run. This funding will be useful in supporting these local projects and ensuring safe and effective volunteering at the local level. It will also cover administrative overheads such as insurance and out-of-pocket expenses.

## Frontline Legal Services

This budget has provided funding certainty for frontline legal services through the Legal Assistance Package. The sector has managed to secure stable, long-term funding which will total \$370 million (indexed) from 1 July 2020. This is a huge boost to the sector who also form a vital part of our vibrant volunteering community.

## Equal Remuneration Order (ERO)

No additional funding has been earmarked for the ERO supplementation in this budget. The payment is provided to organisations with programs commencing prior to 2012 to meet higher wage costs that they have incurred as a result of the 2012 Equal Remuneration Order. Organisations with programs commencing after 2012 have had the ERO costs factored into their grant.

The ERO supplementation has delivered additional funding to community sector organisations since 2012 through the form of the Equal Remuneration Order (ERO) supplementation payments. This payment has been delivered to community sector organisations through a landmark ruling by the Fair Work Commission in 2012 that sought to address the gendered nature of work performed in the community sector.<sup>xviii</sup>

Volunteering Australia raises concerns that the federal government will no longer pay the ERO supplementation from 2021/22.<sup>xix</sup> We are also concerned that the base rate of grants affected will not increase to automatically include the supplementation. This will essentially deliver a funding cut to affected community sector organisations.

## Emergency Services

The Government will establish an Emergency Response Fund from 1 October 2019, to fund natural disaster recovery and response initiatives above and beyond existing State and Territory and federal programs. The fund will be established as a Commonwealth Investment Fund under the management of the Future Fund Board of Guardians with an initial investment of \$3.9 billion. Up to \$150 million p.a. will be available from 2019-20 to 2023-24 if the Government determines there is need for additional support in parallel with existing natural disaster programs, following significant natural disasters. The fund will continue for five years. Volunteering Australia looks forward to receiving more detail on how the fund will be disbursed following natural disasters, including whether funds will be available for emergency service volunteers, spontaneous volunteer coordination, equipment and other resources.

## Conclusion

Volunteering Australia is pleased that indexation has been applied to the Volunteer Management Activity (VMA) after more than two decades. However, this budget has not done enough to build sector capacity and acknowledge the impact and contributions of the voluntary workforce.

We stress that there must be a focused investment in grants and funding that clearly identify, acknowledge and value the voluntary workforce and its place as part of the wider Australian workforce. With no dedicated resource allocation for volunteering in core services, organisations are forced to absorb these costs or use existing funding to support their volunteer workforce. It is critical that this work is being factored into the federal budget.

Volunteering Australia recommends that there is greater investment in the voluntary workforce to appropriately support program delivery and outcomes. We look forward to working with the Government to ensure that Australia's volunteers are safely and appropriately supported.

## Authorisation

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



Ms Adrienne Picone  
Chief Executive Officer

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## Endorsements

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



**VOLUNTEERING**  
*and*  
**CONTACT ACT**



## Glossary

- VA Volunteering Australia is the national peak body for volunteering in Australia. We work collectively with the peaks to deliver national, state and local volunteering programs and initiatives.
- VIO Volunteer Involving Organisations are organisations that engage volunteers as part of their workforce.
- VSS Volunteering Support Services (also known as Volunteer Resource Centres or Volunteer Support Organisations) provide place-based volunteer support services to volunteers and VIOs in their locality.

## References

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- XV Volunteering SA&NT Inc (2017), Committee Hansard, p34.
- XVI Flinders University (2017), Committee Hansard, National Institute of Labour Studies, Table 4.21, p26.
- XVII Senate (2017), Future of Australia's aged care sector workforce, Community Affairs References Committee, p36.
- XVIII Fair Work Commission (2012), Equal Remuneration Case Order issued, <https://www.fwc.gov.au/about-us/news-and-events/equal-remuneration-case-order-issued>.
- XIX Funding for the ERO supplementation has been secured till 2020/21 through an act of the Commonwealth Parliament under the Social and Community Services Pay Equity Special Account Act 2012.