Federal Budget Submission

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Introduction

While volunteering is a resilient and growing movement in Australian society, the contribution volunteers make must be nurtured and developed if the economic and social value volunteering imparts is to grow and be shared equally among all Australians. Many volunteers continue to experience structural barriers and disincentives to volunteering.

The volunteering infrastructure – organisations supporting volunteering in Australia – continues to make progress in distinguishing and promoting volunteering as a powerful vehicle for addressing social needs. However, the relative scarcity of long term funding for volunteering programs and the current short term funding arrangements for key volunteering programs are inhibiting the ability of the sector to skill volunteers and have their existing skills recognized in the spheres of education and paid employment.

Volunteering Australia’s 2006/2007 Federal Budget Submission urges the Australian Government to deepen its investment in volunteers in Australia by adopting its universal and program-based funding recommendations.

About Volunteering Australia

Volunteering Australia is the national peak body for volunteering in Australia. Part of our role under the Australian Government’s National Secretariat Program is to generate policy on volunteering and to advocate for policy outcomes that support and facilitate volunteering in Australia’s diverse nonprofit sector. Volunteering Australia frequently provides submissions to government inquiries. Recent submissions have been made in response to the Joint Committee on Corporate and Financial Services inquiry into Corporate Social Responsibility, and in response to the Human Rights and Equal Opportunity Commissions’ Striking the Balance discussion paper.

In 2001, Volunteering Australia published A National Agenda on Volunteering: Beyond the International Year of the Volunteer. The Agenda is the key document on the development of volunteering policy in Australia. It was developed in consultation with all jurisdictions of government, business, the community and individual volunteers and provides a framework for the protection and promotion of volunteering in Australian society.

The Contribution of Volunteers

The economic and social contribution volunteers make to Australian society is immense. The economic value of volunteering can be counted in the tens of
billions of dollars every year, with estimates ranging between $31 and $42 billion per annum.\(^1\) The social value of volunteering is similarly important. Volunteering is a focal point for community engagement, with recent research revealing 41 per cent of Australians volunteered in the year to January 2005, contributing a total of 836 million hours for the benefit of Australian communities.\(^2\)

Protecting and building on the contribution of volunteers requires that public policy is supportive of volunteering, and that investment in the volunteering sector itself is geared towards building the capacity of the sector. The following recommendations reflect these dual needs.

**Recommendations**

1. **Implement a national system of tax deductions under the personal income tax system for volunteer out-of-pocket expenses.**

   Volunteering Australia seeks the implementation of a system of tax deductions for volunteers’ out-of-pocket expenses. This has been recognised as a priority policy objective since 2001, when Volunteering Australia released *A National Agenda on Volunteering: Beyond the International Year of the Volunteer.*

   While volunteering is a contribution made without expectation of payment, it must be accepted that volunteering does not occur without cost. Rather than being financially neutral, it generates costs to volunteers and organisations alike, in terms of money and resources.

   Currently, many volunteers bear the cost of any out-of-pocket expenses incurred in the course of volunteering, creating a disincentive to volunteering. While organisations employing best practice reimburse volunteers out-of-pocket expenses in full, a recent Volunteering Australia consultation among 624 volunteers and volunteer-involving not-for-profit organisations revealed only 19 per cent of organisations surveyed adopted this policy. In addition, 52 per cent of this same cohort of organisations reported increases in out-of-pocket expenses associated with rising petrol prices were causing volunteers in their organisation to either stop or reduce volunteering, or consider doing so.\(^3\) Of the 841 volunteers surveyed, only 6 per cent reported being able to claim out of pocket expenses in full from the organisation they volunteer with.

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\(^3\) Volunteering Australia (2005) *Impacts of Petrol Prices on Volunteering*, research bulletin
A system of tax deductions or other government-led scheme for reimbursing costs would provide financial relief and welcome recognition for the volunteers who do not have expenses reimbursed.

Such a system has broad support, with the Council of Australian Government’s and several federal coalition senators recommending tax reform along these lines. Like Volunteering Australia, the Australian Emergency Management Volunteer Forum is a longstanding proponent of such a scheme.

2. **Reinstate the National Volunteer Skills Program to drive the provision of general and specialist training and skills development for volunteers, with an emphasis on groups underrepresented in volunteering.**

*The National Volunteer Skills Program*

The National Volunteer Skills Program was announced in 2000/2001 as part of the Stronger Families and Communities strategy, to provide general and specialist training and skills development to volunteers, with a view to improving services to communities delivered by not-for-profit organisations.

The National Volunteer Skills Centre was one initiative under the broader National Volunteer Skills Program which continues to support volunteering in Australia. The overarching program itself, however, has not received ongoing funding.

The National Volunteer Skills Program should be a focal point for long term program funding for the volunteering sector so that gains can be made in the area of developing skills for volunteers and recognizing existing skills in ways that will benefit volunteers moving into different volunteer roles, paid employment or the education system.

*New directions for the National Volunteer Skills Program*

Volunteering Australia recommends the National Volunteer Skills Program be reinstated within the Department of Family and Community Services. The program should aim to engage both new and existing volunteers, with an emphasis on groups currently underrepresented in volunteering. Opportunities to link to Centrelink approved training schemes should be explored.

Increasing the skills and training of existing volunteers, increasing participation in volunteering among underrepresented groups, and building engagement between individuals and not-for-profit organisations will support a range of policy objectives around individual participation and community capacity building across government.
Research consistently shows that volunteering delivers myriad benefits to volunteers and to the community. Research conducted by Volunteering Australia in 2004 explored a range of personal benefits experienced by volunteers. Overwhelmingly, the volunteers surveyed cited the main benefits of volunteering as being feelings of helping others, doing something worthwhile and personal satisfaction. In addition, many volunteers self-identified as using volunteering to build their skills and readiness for paid employment, or to use skills developed in previous employment.

Volunteering is also a key mechanism for individuals to engage with civil society organisations, those organisations that do not belong to the state or to the market. This engagement in turn strengthens many of the not-for-profit organisations that comprise civil society, with many not-for-profit organisations relying on the contribution of volunteers to deliver services and remain viable.\(^4\)

**Program Target Groups**

While the rate of volunteering in Australia is healthy and on the rise, some groups of people are underrepresented as volunteers. These groups are likely to include people who face complex issues that inhibit their ability to participate in community life. It is these Australians who are disproportionately likely to be currently missing out on the positive benefits of volunteering. Similarly, local communities are poorer for missing out on the positive community contribution these people can potentially make.

Some potential target groups for the National Volunteer Skills Program include:

- Unemployed people

Unemployed people volunteer at a rate substantially lower than people in paid employment (16.8 per cent compared to 27.9 per cent). A skills program for volunteers emphasising skills development among unemployed people would help in increasing both the volunteering participation rate and the work-readiness of this group. This element of a reinstated National Volunteer Skills Program should be structured to complement existing labour market programs. Where unemployment is concentrated in localities, community capacity will also benefit from a heightened engagement by unemployed people in local not-for-profit organisations.

- Young people aged 18-24 years transitioning into paid employment

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While this cohort records lower participation rates than other age cohorts, the 18-24 youth cohort are the experiencing the most growth in volunteering rates. The motivation for volunteering among this group differs to other cohorts, with skills development, developing work-readiness and career ‘sampling’ nominated by these volunteers as prime motivations for volunteering. Through the provision of enhanced skills development and training, young people can be assisted in transitioning through volunteering to employment. In addition, supporting volunteering among young people produces ongoing benefits. Involvement in volunteering at a young age has been identified by the United Kingdom Performance and Innovation Unit as a predictor of community engagement in later life.

- Older people 65+ transitioning out of paid employment

Volunteering Australia has identified building on volunteering rates among older people as a key requirement for maintaining the viability and growth of the not-for-profit sector in Australia as the population ages. A National Volunteer Skills Program focusing on older people will generate a body of knowledge to support volunteering in our ageing population and support the productivity gains considered necessary for Australian society to manage population ageing.

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8 Volunteering Australia (2004) Submission on the Productivity Commission’s commissioned study ‘Economic Implications of an Ageing Australia’
9 Commonwealth of Australia (2004) Australia’s Demographic Challenges p 1
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- Council of Australian Governments (COAG) (2005) *Response to the National Inquiry on Bushfire Mitigation and Management*
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