

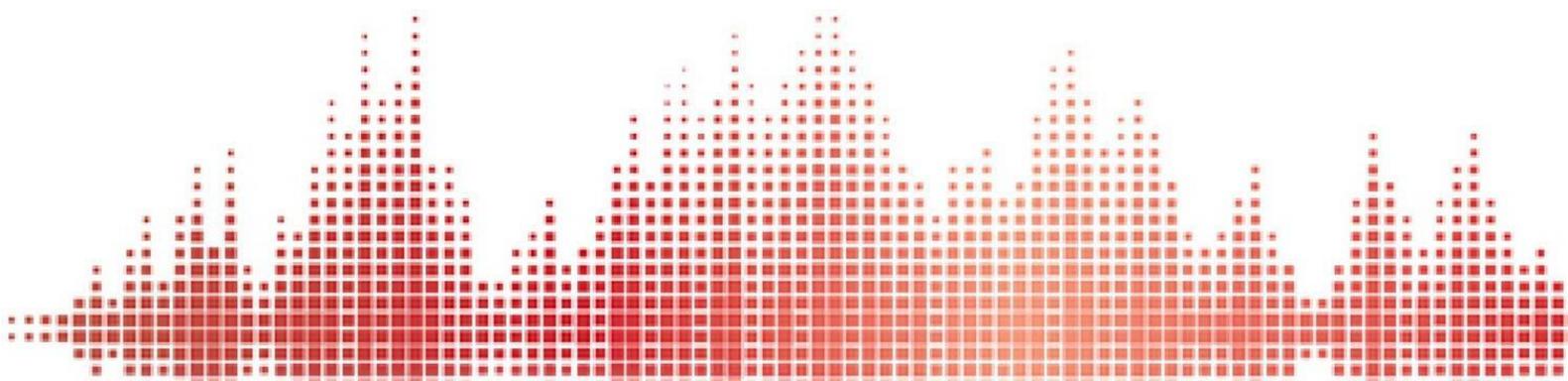
CENTRE
for **SOCIAL**
IMPACT



PULSE OF THE FOR-PURPOSE SECTOR

Final Report: Wave 2

November 2021



REPORT DETAILS

CSI Research Team

Professor Kristy Muir
Professor Gemma Carey
Dr Megan Weier
Professor Jo Barraket
Professor Paul Flatau

Address for correspondence

Professor Gemma Carey | gemma.carey@unsw.edu.au
Centre for Social Impact
704 Science & Engineering Building
UNSW 2052
Ph: 02 8936 0909

Suggested citation

Muir, K., Carey, G., Weier, M., Brown, G., Barraket, J., Qian, J., Flatau, P. (2021). Pulse of the For-Purpose Sector Final Report: Wave Two. Centre for Social Impact. Sydney.

The authors are grateful for the input and review of the report from Zoe Callis and Dr Leanne Lester from CSI UWA.

Centre for Social Impact

The Centre for Social Impact (CSI) is a national research and education centre dedicated to catalysing social change for a better world. CSI is built on the foundation of three of Australia's leading universities: UNSW Sydney, The University of Western Australia, and Swinburne University of Technology. Our research develops and brings together knowledge to understand current social challenges and opportunities; our postgraduate and undergraduate education develops social impact leaders; and we aim to catalyse change by drawing on these foundations and translating knowledge, creating leaders, developing usable resources, and reaching across traditional divides to facilitate collaborations.

Funding

The Pulse of the For-Purpose Sector research program is generously supported by funding from the Paul Ramsay Foundation, Allan & Gill Gray Philanthropies, Zurich Financial Services Australia and the Z Zurich Foundation.



ABOUT THE PULSE OF THE FOR-PURPOSE SECTOR SURVEY

Historically, Australia has lacked longitudinal insights about the for-purpose sector, its achievements, needs and challenges. CSI's Pulse tracks how the for-purpose sector is faring, and examines areas issues and challenges these sectors faces, and areas that need to be supported for it to thrive - such as financial backing, technological capability, human capital, and the ability to adapt. These issues have become even more essential since the start of the COVID-19 pandemic in 2020, which has caused major disruption to almost all areas of life.

To address the lack of consistent longitudinal data about the for-purpose sector, the Centre for Social Impact in 2020 launched a national research program called Pulse of the For-Purpose Sector, and Building Back Better. The Pulse survey provides a backbone of consistent data about and for the sector, while the broader Build Back Better program looks at ways that we can capture innovation in the sector, redesign the way we work, and emerge from the pandemic and its associated challenges in a stronger place to respond to social issues.

In particular, through this work, the CSI aims to support the for-purpose sector make sense of what is changing over time, what levers are needed or accessible to build Australian society forward better, and track the progress of the sector over time. The explicit aims of this program of work are:

- A rapid-research response to understand and support the short-term needs of the for-purpose sector, including charities, not-for-profit organisations, philanthropy, social enterprises and for-purpose businesses;
- The evidence needed for the longer term, to support sector-based initiatives retool for a more inclusive and sustainable future; and,
- A longitudinal data and research infrastructure for an ongoing Pulse of the For-Purpose sector analysis.





The Pulse survey forms the first longitudinal data set measuring attitudes and concerns of the for-purpose sector in Australia's history. This report reflects the second wave of data collection. The Pulse of the For-Purpose Sector Wave 2 Survey Report provides findings from survey responses collected between May and July 2021 and includes data from both organisations that contributed responses to the first wave as well as new organisations in the second wave.

Through this research, CSI seeks to contribute to relief and renewal efforts by furnishing the organisations and communities we serve with the knowledge needed for a better, brighter future; this longitudinal dataset for the for-purpose sector will contribute the insights over time needed to achieve this.



TABLE OF CONTENTS

REPORT DETAILS.....	2
CSI Research Team	2
Address for correspondence	2
Suggested citation	2
Centre for Social Impact	2
Funding	2
ABOUT THE PULSE OF THE FOR-PURPOSE SECTOR SURVEY.....	4
EXECUTIVE SUMMARY	7
INTRODUCTION	9
ON THE IMPROVE?...NOT YET	14
Services demand is far outpacing supply	15
Unable to meet demand	16
Reductions in volunteering.....	18
WHAT ABOUT JOBKEEPER? 'THE COVID-19 FALLOUT IS YET TO COME'	24
TIME TO SHIFT THE FUNDING MODEL ONCE AND FOR ALL?	32
Concerns for broader policy environments.....	35
SOCIAL ENTERPRISE: AN UPDATE ON 2020.....	39
APPENDIX 1: METHODOLOGY	44
Survey respondents – Wave 2	45
Entity type	45
Organisation type	46
Beneficiaries.....	46
Employees and volunteers.....	48



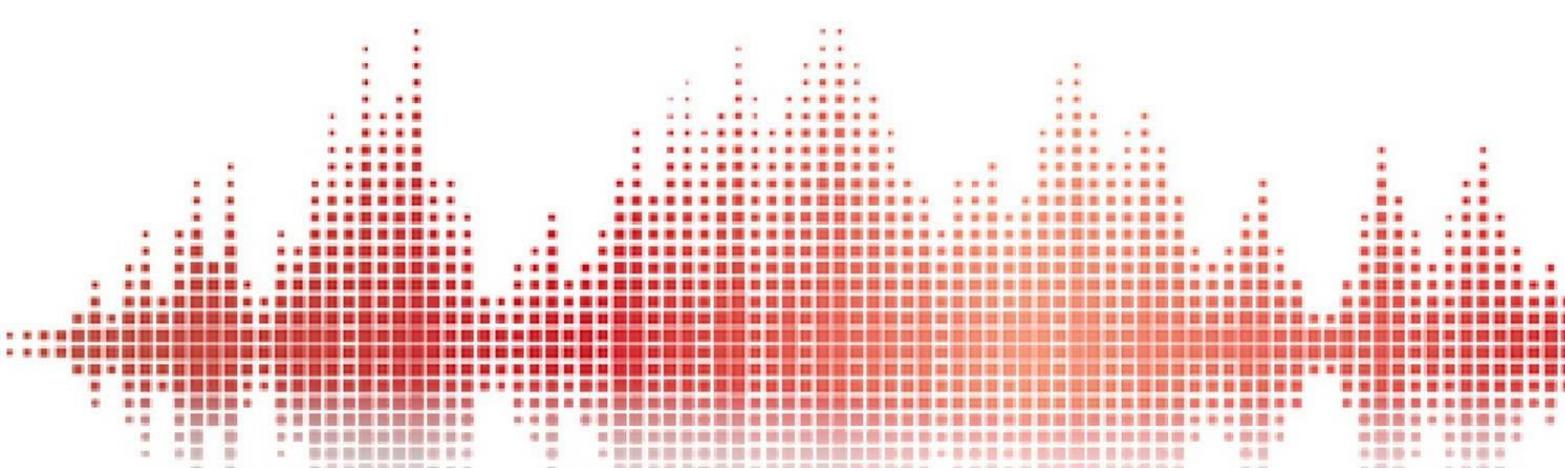
EXECUTIVE SUMMARY

- Operating conditions continue to be a source of strain. 2020 was a profoundly hard year for the sector – 74% of organisations reported that the operating environment for the not-for-profit sector had worsened over the preceding year (prior to the bushfires and pandemic). In 2021, just under half (43%) of organisations that work in community or social services felt the operating conditions had worsened yet again over the last six months (between December 2020 and July 2021).
- Perceptions about the operating conditions for the wider Australian economy have improved – 25% of those surveyed in Wave 2ⁱ indicated that they believed the economy had improved in the last 6 months, compared to 1% in Wave 1. The optimistic perceptions about the broader economic outlook, but negative outlook on the for-purpose sector, suggests that sector organisations do not believe the benefits of the economic recovery are flowing to them.
- Service demand continues to outpace provision capability. Across Wave 1 and 2, the Pulse survey found that approximately 80% of service providers were receiving requests for support they could not meet, with 15% experiencing a large or very large number of unmet services for their clients or communities
- Qualitative results suggest that areas particularly struggling with unmet need are service organisations, who are now responding to increasingly complex or cohort specific needs, particularly in housing, financial distress, and the needs of women and children.
- Of the organisations that engage volunteers, close to a third (31%) indicated they had fewer volunteers than six months prior. Only half of these organisations' volunteer programs were fully operational. Volunteer programs provide not only people resourcing, but also bring into organisations community networks and connections, and a deep knowledge of specific community needs. At a time when community connection is most needed, this asset to the for-purpose sector has reduced. How this changes as the country moves in and out of lockdowns will be important to watch.
- Almost 3 in 4 (74%) of responding organisations reported being financially strained/ stressed during COVID-19 in Wave 2. 'However, between Waves One and Two, there was a substantial decline in organisational concern about being able to continue providing services in the current economy (from 53% in Wave One to 13% in Wave Two), suggesting that 2020 financial supports were effective for respondents. (13% in Wave 2, down from 53% in Wave 1). Organisations highlighted the pivotal role of government supports, such as JobKeeper, during significant financial downturn and when faced with



increased demand for services or support from their beneficiaries.

- After 18 months of ‘living with COVID’, organisations may have become more agile in responding to lockdowns and physical distancing requirements. However, uncertainties in revenue, combined with new and increased demands for how organisations operate in a pandemic, are likely to further contribute to an overwhelmed and overworked sector. Both Waves 1 and 2 found similarly that stimulus measures provided only a temporary fix to the financial stresses that face the sector.
- Philanthropic and other grant making organisations demonstrated high levels of flexibility to support their beneficiaries in response to COVID-19. The majority of responding organisations (86%) reported that one or more of their funders had introduced increased flexibility in reporting and administrative requirements and introduced payment flexibility by bringing forward grant payments or offering advance payments (80%). Four in five organisations reported that at least one of their funders had increased their funding resources in response to COVID-19.



INTRODUCTION

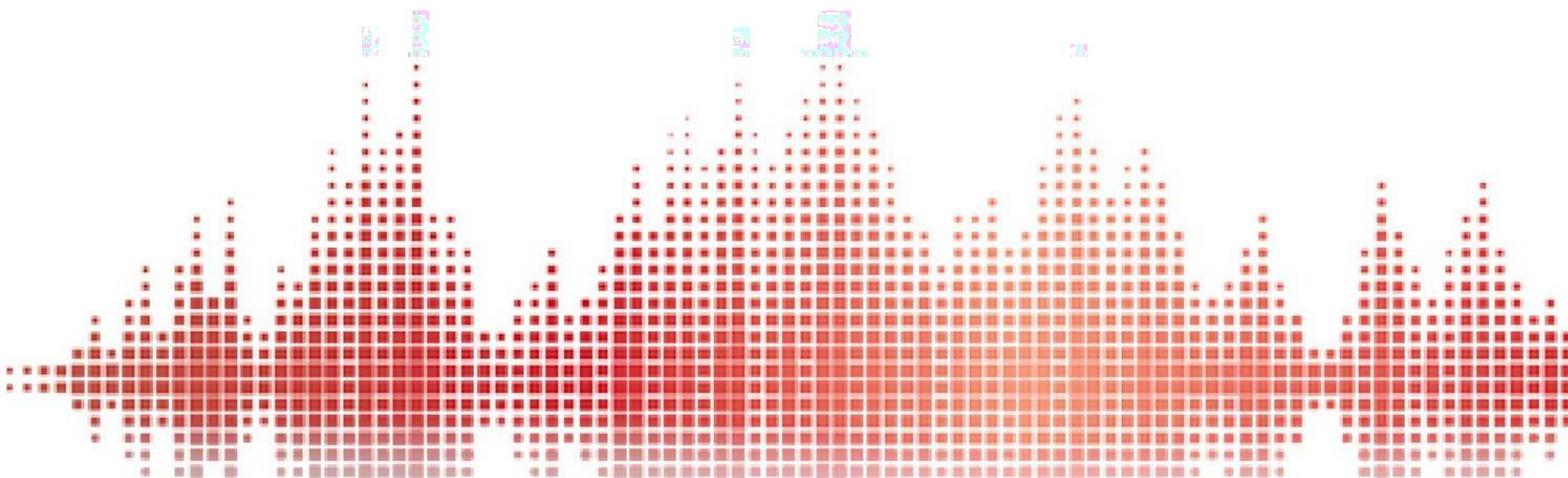
2020 was undeniably the start of a new chapter for Australia, and the world. The unprecedented events of bushfires and COVID-19 radically changed the landscape for the for-purpose sector and the people they serve. While it was hoped that COVID-19 would be under control by 2021, the effects of new disease strains mean the pandemic is far from over.

Against this backdrop, Australia's for-purpose sector continues to play a critical role in supporting communities, society and economy. The sector provides extensive social, cultural, religious, care, health, education and environmental services and supports across the nation. Registered charities and not-for-profits' make a significant economic contribution equivalent to 8.5% of Australia's GDP(1). Additionally, they employ over one in ten (1.3million people) employees across the country, which is equivalent to the retail trade and more than the construction and manufacturing industries (1,2).

While the JobKeeper initiative in 2020 sought to provide income subsidies to businesses that could demonstrate significant losses in annual turnover due to the pandemic, charities were initially ineligible. Had the eligibility criteria not been revised to include charities, the impact of the pandemic on employees in charities would have been devastating for the sector as well as the individuals those charities serve(3).

Since the start of the COVID-19 pandemic, the for-purpose sector has been placed under unprecedented stress both in terms of increased demand and, with the related recession and general economic downturn, a constriction of resourcing nation-wide (3,4). Demand on the sector has been driven by decreasing employment (5) and more Australians falling below the poverty line (6), becoming homeless and experiencing other stressors such as domestic violence(7). Services design and delivery has also been recast in response to lockdowns and other COVID-management responses, with a particular uplift in online service delivery that requires changes in organisational infrastructure and staff and volunteer skills.

In the 2020 Pulse (Wave 1) Survey, despite government assistance such as JobKeeper, the for-purpose sector, particularly charities and social services, reported being financially stretched and struggling to meet demand. In 2020, 76% of the For Purpose Sector was reliant on JobKeeper (4), which ended in March



2021 (8,9).

COVID-19 triggered an economic crisis in 2020 that continues into 2021. In 2020, at the time of the Pulse Survey Wave 1, there was only one job for every 19 people seeking work, and the average number of hours worked per head of population was lowest on record (1). In 2021 there was a bounce back in some areas of the Australian economy (10,11), with Seek reporting the highest number job advertisements posted in a month for March and April in its 23 year history (up 263.7% from April 2020 and 30.9% from April 2019) (12).

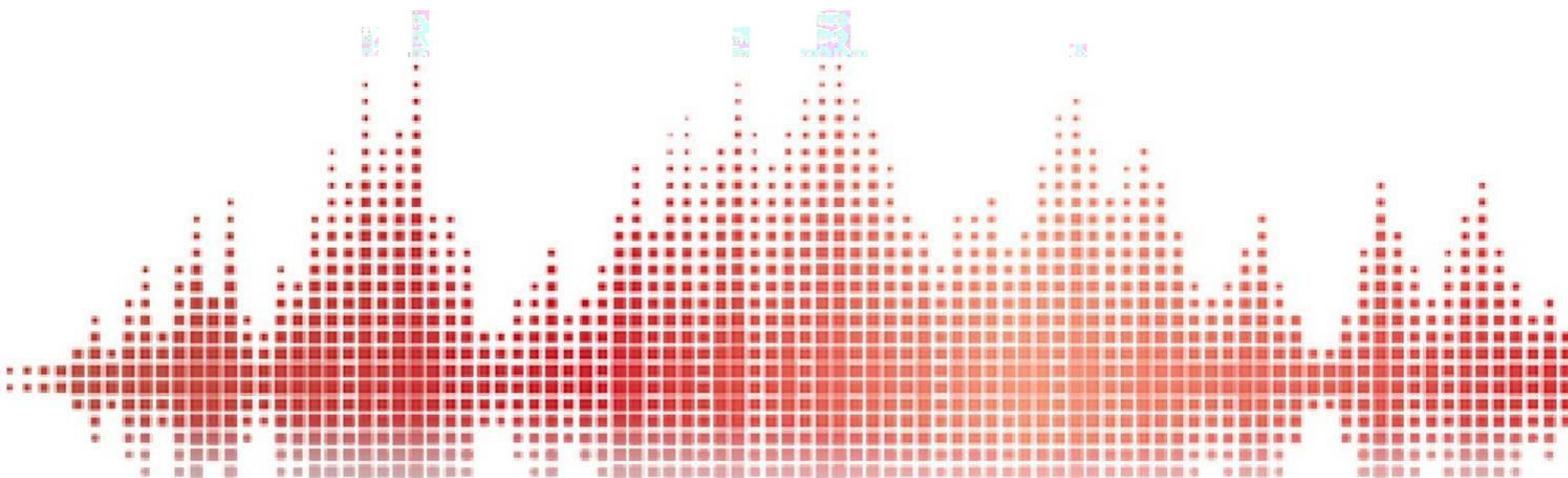
Through a range of government interventions, Australia experienced:

- A drop in rough sleeping (e.g. between Feb 2020 and Feb 2021 Sydney Street Count numbers went from 505 to 288);
- Improvement in housing stability with moratoriums on evictions;
- Social security increases, which lifted people above the poverty line (10,13).

The unemployment figures have improved in 2021, sitting around 4.9% as of June 2021. This figure, however, hides *underemployment* and discouraged workers (that is, those who have given up looking for work), with the latter group growing considerably during extended lockdowns. ABS Labour Force figures in March 2021 (before JobKeeper ended) reported 778,100 people unemployed (5.6%; youth unemployment at 11.8%). Those 778,000 people were competing for only 288,700 job vacancies (as at Feb 2021) (10).

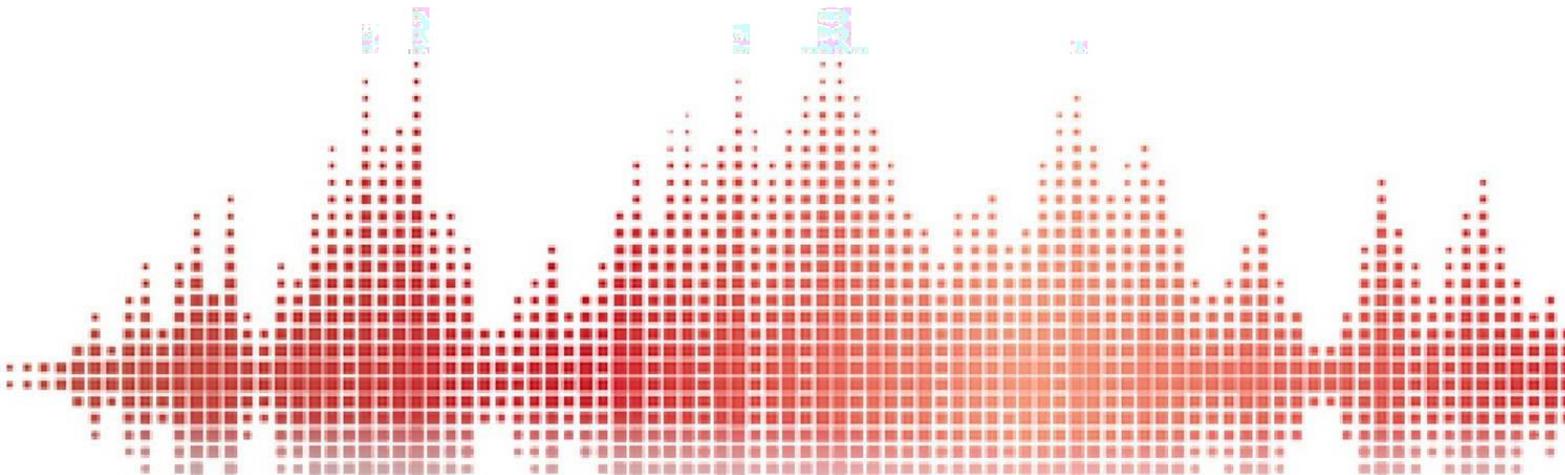
By August 2021, with further protracted lockdowns in NSW and Victoria, although unemployment had improved – 4.5% - underemployment remained high (9.3%) (5) and job vacancies had decreased from May 2021 to 333,700 (9.8%) (14). People who are underemployed and discouraged workers often require services such as emergency supports, housing, or other assistance – placing strain on the for-purpose sector that can be hidden by top-line employment figures. The labour force situation is even starker for particular groups, especially young people and women (15).

The for-purpose sector, particularly smaller community services, has a strong reliance on a volunteer



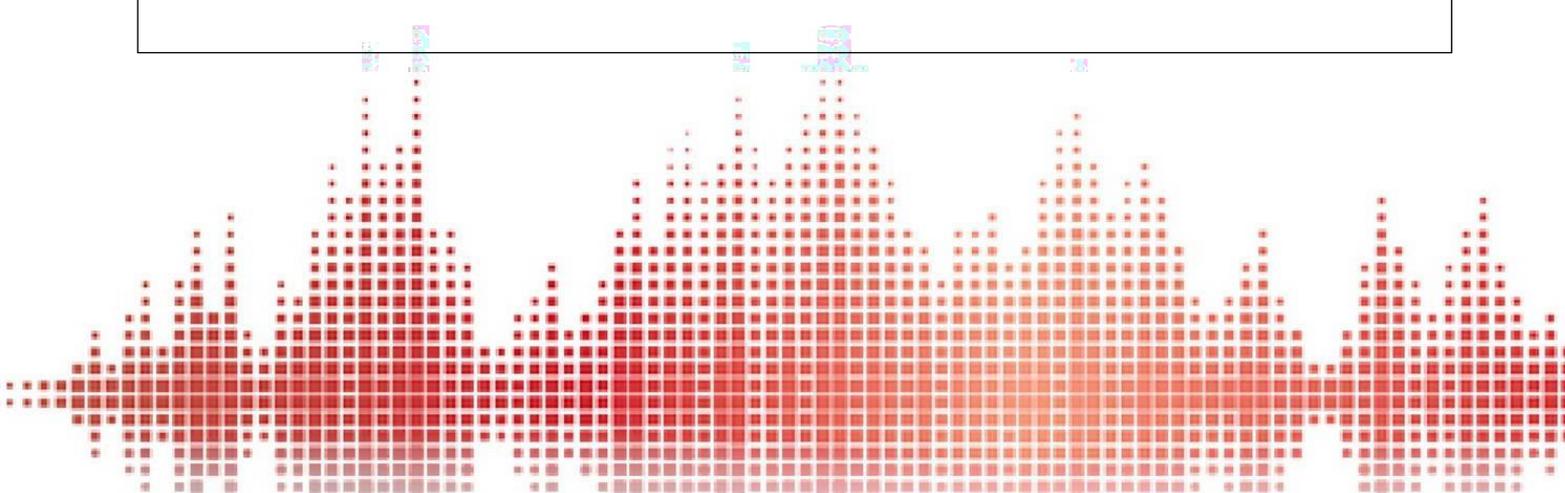
workforce. During COVID lockdowns there were restrictions on face-to-face service delivery, and volunteer numbers reduced dramatically (16). While certain volunteer activities have been able to reopen, volunteer numbers have not recovered to pre-pandemic levels (17) and for purpose organisations must navigate new risks associated with both volunteer management and the available supply of volunteers for their work.

While there has been significant attention impact of COVID-19 on individuals, this report focuses specifically on changes and challenges to the operations of the for-purpose *sector*, and how organisational strategies and service delivery have changed and adapted in response to the pandemic. Through 2021, COVID-19 has continued to impact significantly on organisations' ability to operate (including full or partial shutdowns and travel restrictions), reductions in revenue, increased expenditure, and increased demands as a result of rising levels and changing patterns of need in the community.

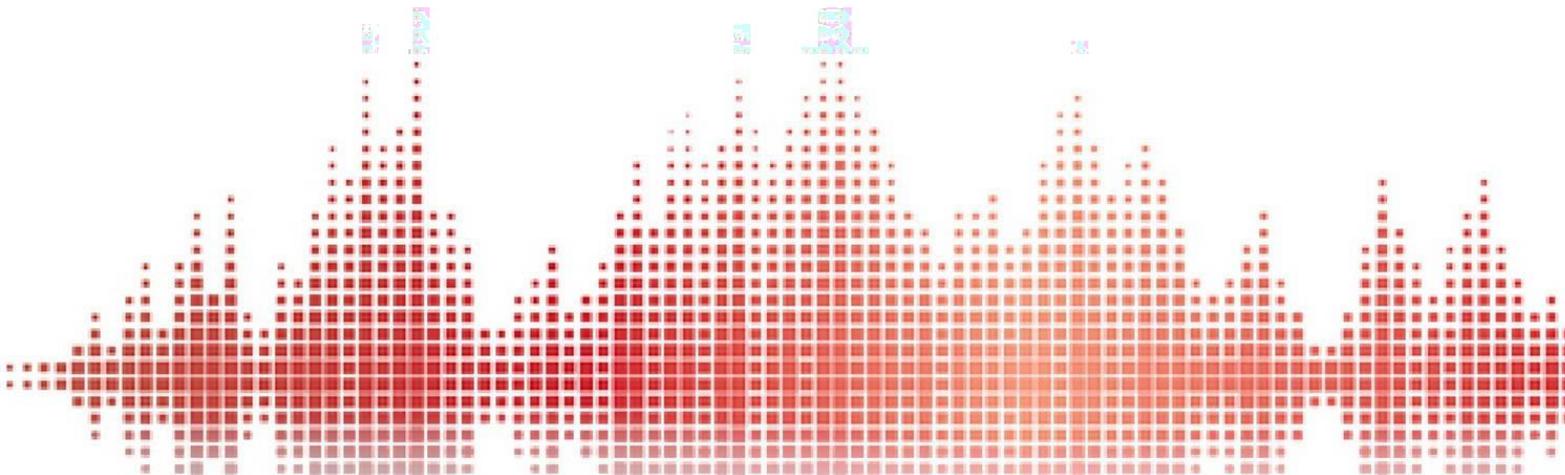


Who responded to the Wave 1 survey?

- 189 organisations responded to at least part of the survey (the number of responses for each item is noted throughout the report). The survey included multiple modules, covering: policy attitudes, responses to COVID-19, service provision, workforce activities, and financial information. Respondents were able to select which modules of the survey they completed depending on relevance and interest.
- Due to low initial response rates, a shortened version of the survey was offered to potential participating organisations. The 14 responses received were added to the responses from those who completed the whole survey.
- A substantial amount of qualitative data was collected in this wave of the survey – 25 pages and over 14,000 words of qualitative text were collected. As such, this report emphasises the stories told through the qualitative data, and is supported by quantitative responses. Comparisons to Wave 1 data are only presented when statistically valid.
- 124 of the 189 organisations that responded to at least part of the survey could be classified as Australian Charities and Not-for-profits Commission registered charities (65.6%) on the basis of the ABN supplied while 19 organisations represented other types of organisations (e.g. Australian private and public companies). A further 46 organisations did not supply an ABN.
- The most common beneficiary groups supported by organisations were (multiple responses were allowed):
 - ‘general community in Australia’ (49%),
 - ‘youth’ (46%),
 - ‘females’ (44%),
 - ‘people with disabilities’ (41%),
 - ‘males’ (40%),
 - ‘adults’ (39%),
 - ‘rural/regional/remote’ (38%),
 - ‘seniors’ (38%),
 - ‘financially disadvantaged people’ (38%), and
 - ‘Aboriginal and Torres Strait Islander people’ (36%)
- For the purpose of comparative analysis, organisations were asked to indicate the organisation type that best reflected the **majority** of their work:
 - Community facing organisation (including social services/welfare): 66%
 - Industry and social enterprise: 14%
 - Corporate Social Responsibility: 4%
 - Philanthropy and grant making: 3%
 - Other: 17%
- Over half of the organisations that indicated their tax status were either a Public Benevolent Institution (27%), a general not-for-profit (18%), registered charity with income tax exemption (12%) or a deductible gift recipient (12%). Eight percent of organisations were listed as an ordinary corporate taxpayer, and seven percent were ordinary taxpayers.
- The majority of responding organisations (75%) indicated that they engage paid employees, and the majority (77%) also reported engaging volunteers. Responses were skewed towards larger organisations with a larger paid workforce compared to the sector as whole. This has implications for the interpretation of attitudes towards government and philanthropic responses to COVID-19 (e.g. very large organisations were not eligible for Government SME stimulus support).



- Over half of the organisations that indicated their tax status were either a Public Benevolent Institution (27%), a general not-for-profit (18%), registered charity with income tax exemption (12%) or a deductible gift recipient (12%). Eight percent of organisations were listed as an ordinary corporate taxpayer, and seven percent were ordinary taxpayers.
- The majority of responding organisations (75%) indicated that they engage paid employees, and the majority (77%) also reported engaging volunteers. Responses were skewed towards larger organisations with a larger paid workforce compared to the sector as whole. This has implications for the interpretation of attitudes towards government and philanthropic responses to COVID-19 (e.g. very large organisations were not eligible for Government SME stimulus support), as well as understanding the implications for constrained service delivery for small organisations that rely primarily on volunteers.
- This wave of the Pulse of the For-Purpose sector survey is limited by a lower response rate, and a substantially smaller sample size compared to Wave 1. One in three (31%) of responding organisations had also completed the Wave 1 survey, contributing to a longer-term strategy to start building a longitudinal database of For-Purpose sector operating dynamics. The ‘for-purpose’ sector is a broad label, and the responses included in this report most commonly represent social service organisations and social enterprise, but also include the experiences of philanthropic organisations, member-based organisations, Corporate Social Responsibility (CSR) units, and universities.
- Appendix 1 provides further detail on the samples for Waves 1 and 2 of the survey.



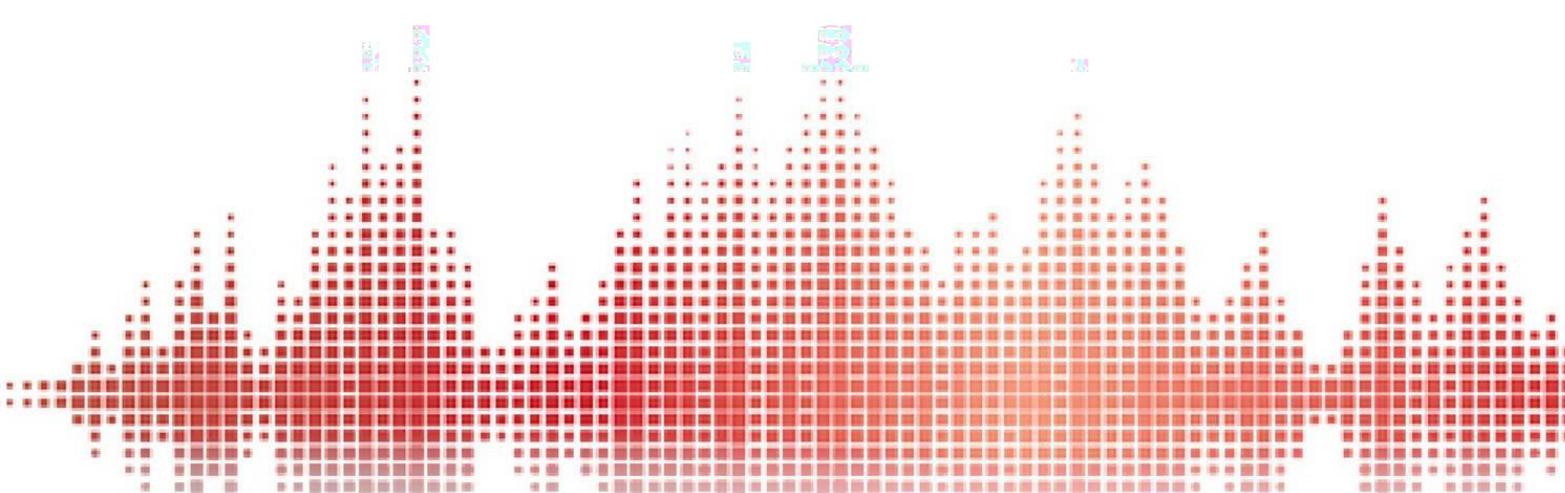
ON THE IMPROVE?...NOT YET

The demand for services provided by for-purpose organisations has grown continuously over the last 18 months. When we examined attitudes towards the current operating environment within their sector compared to conditions at the end of 2020, most organisations didn't feel that it had worsened further.

However, it is important to contextualise this with the nature of the operating environment in 2020. The year 2020 was a profoundly hard for the sector – 74% of organisations reported that the operating environment for the not-for-profit sector had worsened over the preceding year (prior to the bushfires and pandemic). In 2021, just under half (43%) of organisations that predominantly offer community or social services felt the operating conditions had worsened yet again over the last six months (between December 2020 and July 2021). Around 34% of organisations felt the operating environment conditions of their sector had stayed the same as they were at the end of 2020 (see Figure 1).

Perceptions of the operating environment for the broader for-purpose sector (i.e. parts of industry or philanthropy) have also only improved marginally over the last 6 months. Just under 70% of participants in the Wave 2 survey indicated that operating conditions had either worsened or remained the same as they were at the end of 2020. This perception of a broader for-purpose sector is indicative of the broader mission of contributing social good is under strain, whether it is through services, industry, or philanthropy.

Perceptions about the operating conditions for the wider Australian economy were more optimistic – 25% of those surveyed in Wave 2 indicated that they believed the economy had improved in the last 6 months, compared to 1% in Wave 1. The more positive perceptions about the broader economic outlook, but negative outlook on the for-purpose sector, suggests that the sector does not believe the benefits of the economic recovery are flowing to them, while organisations continue to manage increasing demands without the support of stimulus support such as JobKeeper.



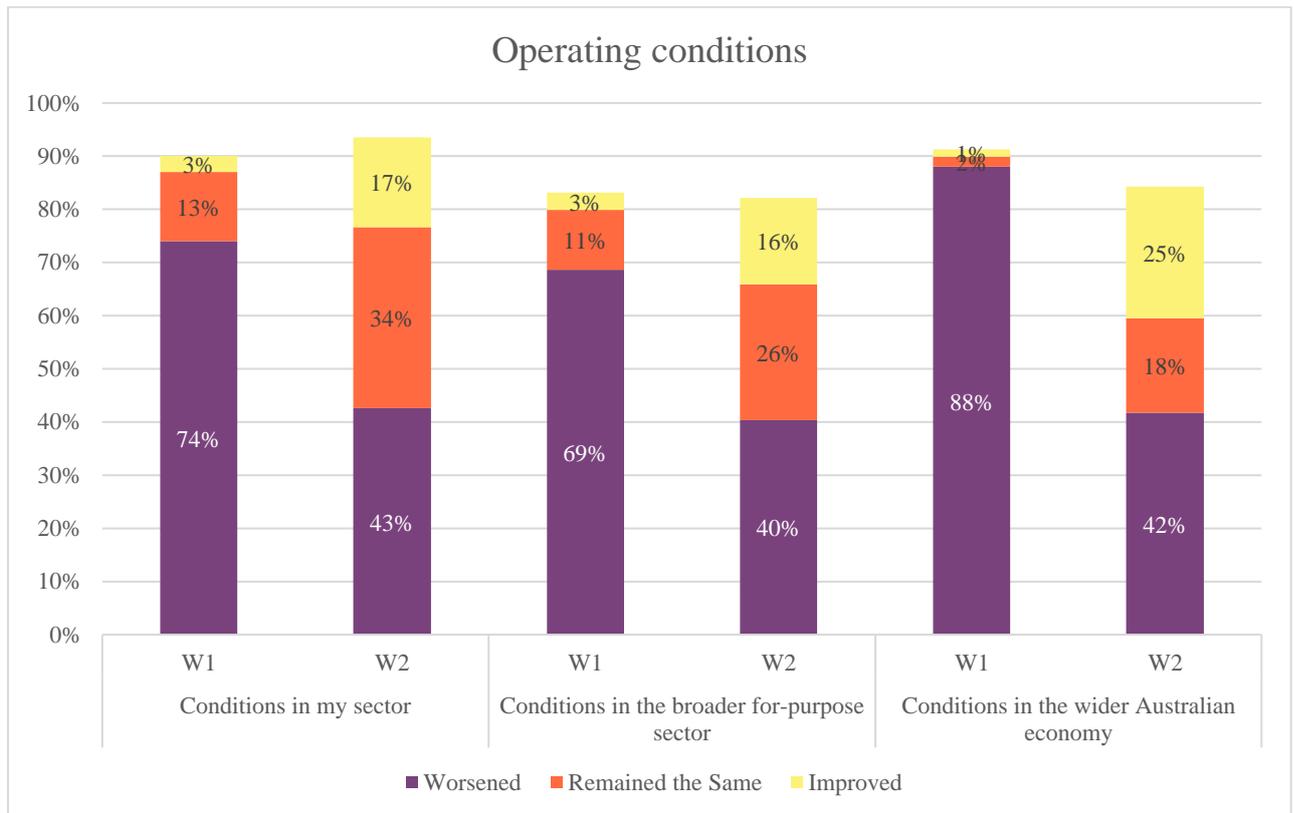


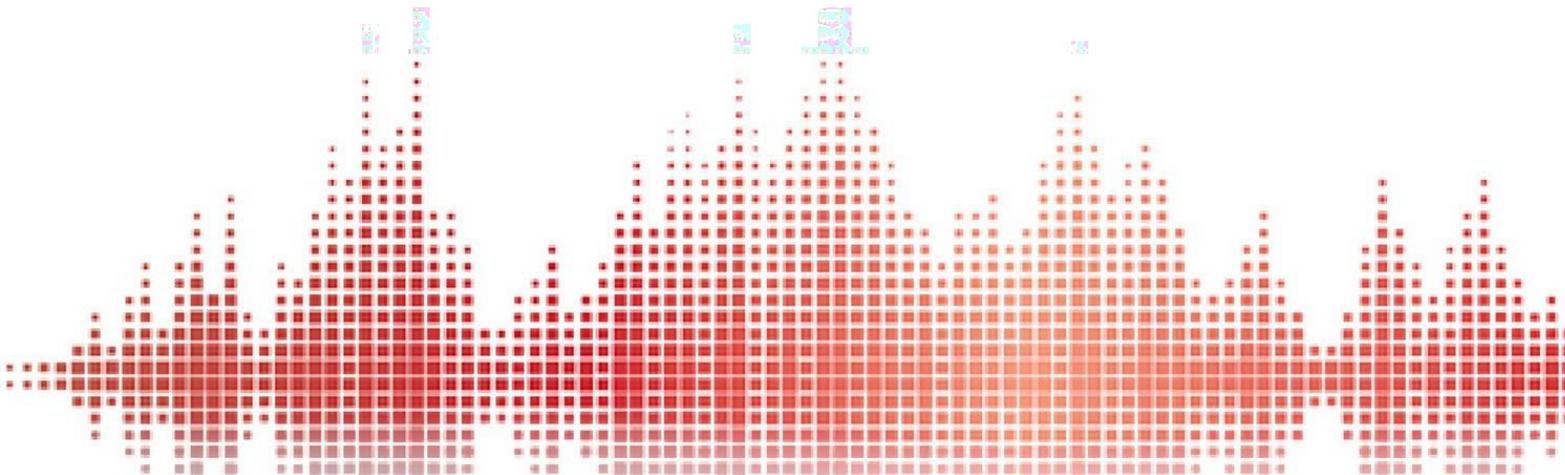
Figure 1: Operating conditions in the last 6 months.

Wave 1 n = 418; Wave 2 n = 141ⁱⁱ. 'Don't know' responses removed from figure.

COVID and the impact on service demand

Services demand is far outpacing supply

Services demand continues to outpace the sector's capacity to provide. Among the small number of services who responded to the module about service provision, it was clear that there has been a substantial increase in demand for a number of services in the last 6 months: 56% of organisations providing social services reported an increase in demand for their services, compared to 44% reporting increasing their service provision in the same time frame (see Figure 1). Other large increases in demand were also apparent in health services (83% of organisations reported an increase in demand) or development and housing services (67% reported an increase in demand).



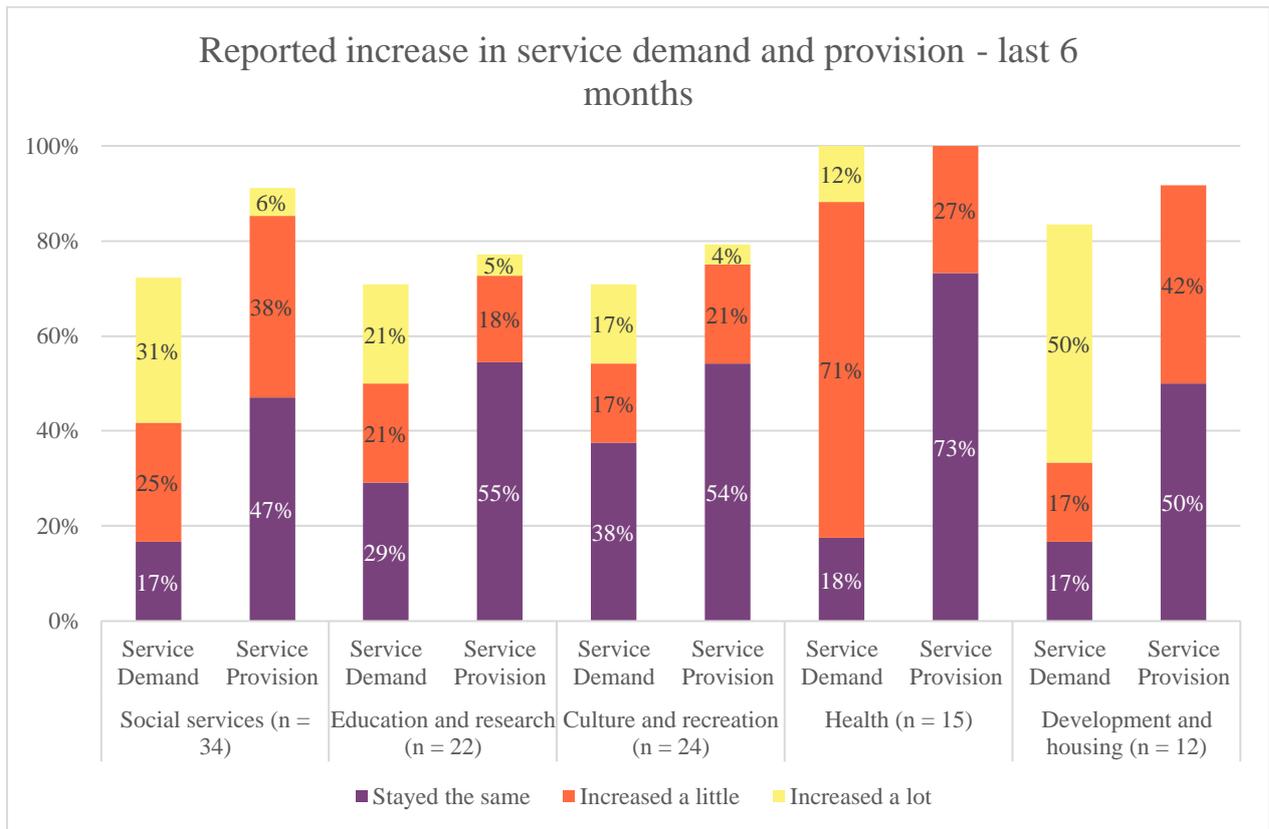


Figure 2: Change in service provision

From Wave 2 survey, n responses indicated in brackets. 'Don't know' responses' excluded from figure.

Unable to meet demand

Across Wave 1 and 2, the Pulse survey has found that approximately 80% of service providers were receiving requests for support they could not meet, with 15% experiencing a large or very large number of unmet services for their clients or communities (see Figure 2). This indicates an ongoing reality where people going without support either because of capacity issues or a difficulty in navigating service types and knowing where to go to ask for help.



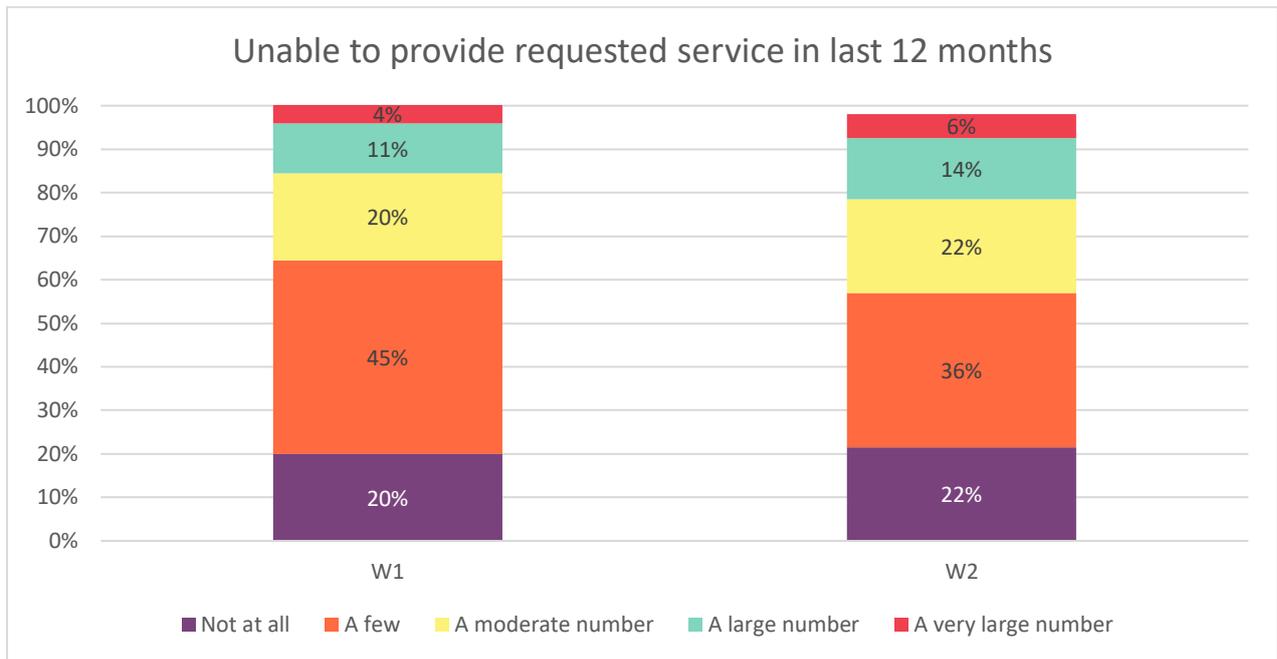


Figure 3: Unable to provide services

Wave 1 n = 277; Wave 2 n = 107. 'Don't know' responses removed from figure.

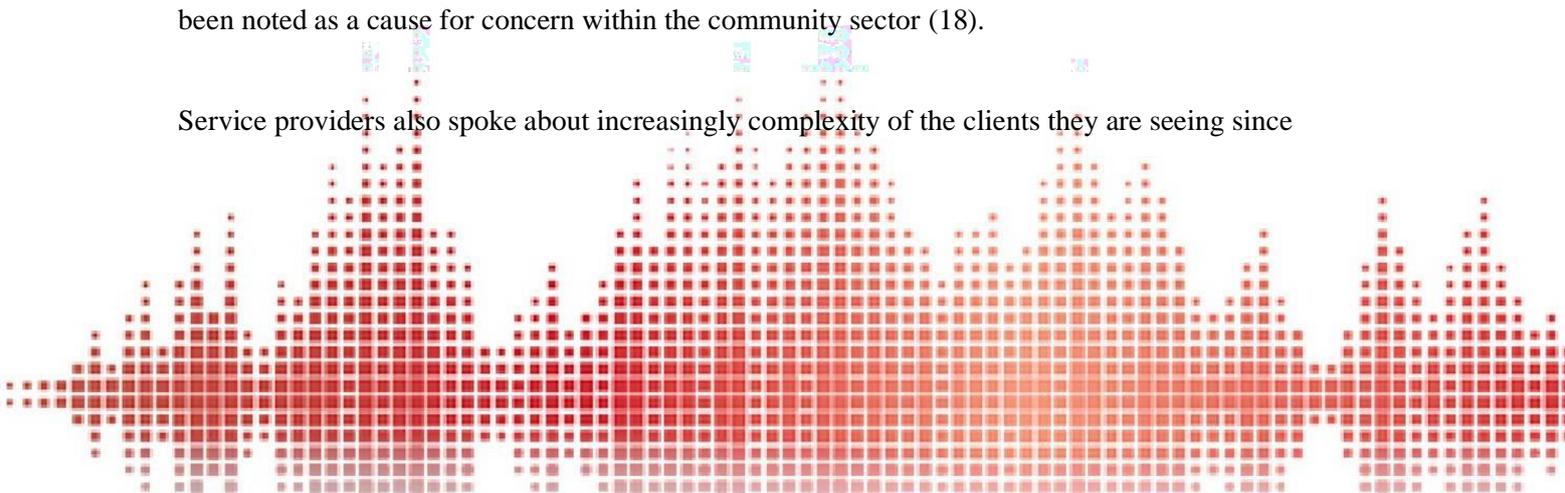
Qualitative results suggest that organisations particularly hit are those who respond to complex needs, particularly the needs of women and children, as explained by several organisations:

The pandemic has increased need for all our services, as more people are financially disadvantaged and more women and children need more (and more complex) support for their experiences of domestic and family violence. Funding has been mostly limited to 12-month periods with no promises of extension: very challenging for staff planning and budgeting

We receive requests for services, for instance family violence counselling services that we do not have funding to provide.

This is consistent with other reporting on the growth of domestic violence during COVID, and has been noted as a cause for concern within the community sector (18).

Service providers also spoke about increasingly complexity of the clients they are seeing since



COVID-19:

We are seeing an increase in the complexity of issues requiring greater levels of support, average interview times pre-covid were 15 - 20 minutes, they are now double that with many exceeding an hour.

Since Covid we have seen a marked increase in the complexity of issues clients are presenting with, beyond the capacity of our volunteer interviewers. They require professional support and there currently is no government support for professional case workers.

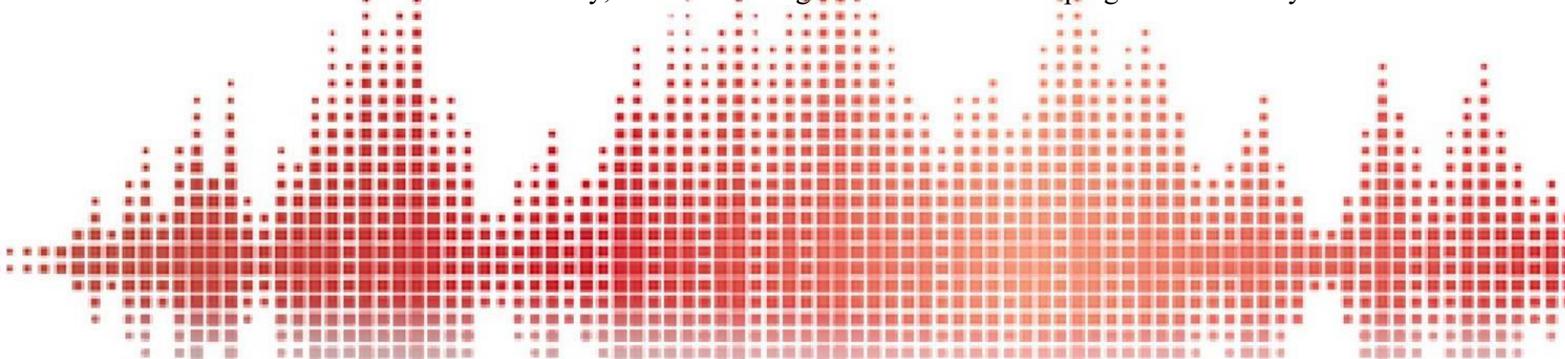
For-purpose organisations rarely work with one beneficiary group. In the Wave 2 Pulse survey, the 64 organisations that were primarily social or community facing (such as offering community or social services, social clubs, etc.) indicated that their organisation catered to an average of eight different beneficiary groups. An increase in demand for support or services across a range of different groups and their specific needs is likely to increase the complexity of service requirements and delivery.

ACOSS, for example, also found that community needs have become more complex during the pandemic, with financial strain combining with reduced face-to-face services, overall availability of services and the mental health impacts of lockdowns. In particular, demand for affordable housing, mental health services, and domestic and family violence support all increased during 2020 and 2021 (18).

Reductions in volunteering

Volunteering has dropped significantly since the pandemic began, with approximately two thirds of volunteers (65.9%) stopping their volunteering activities (16). With reduced giving (19) and reduced volunteering, some (likely smaller for-purpose) organisations may be at risk of closure in 2022. Pulse survey participants were asked about volunteer activities within their own organisations.

Of the 59 organisations that engage volunteers, 31% indicated they had fewer volunteers than six months prior. In the Wave 1 survey, 29% of the 298 responding organisations reported having fewer volunteers in the six months prior - indicating that the 2020 trend of decreasing volunteers has continued. At the time of the survey, half of these organisations' volunteer programs were fully



operational. When asked, the vast majority of organisations that engage volunteers indicated that they needed volunteers (84%), and that they were experiencing a demand for volunteer-led services (59%). Volunteer programs provide not only people resourcing, but also bring community networks and connections, and a deep knowledge of specific community needs particularly in multicultural communities, or areas where there are particularly complex levels of marginalisation.

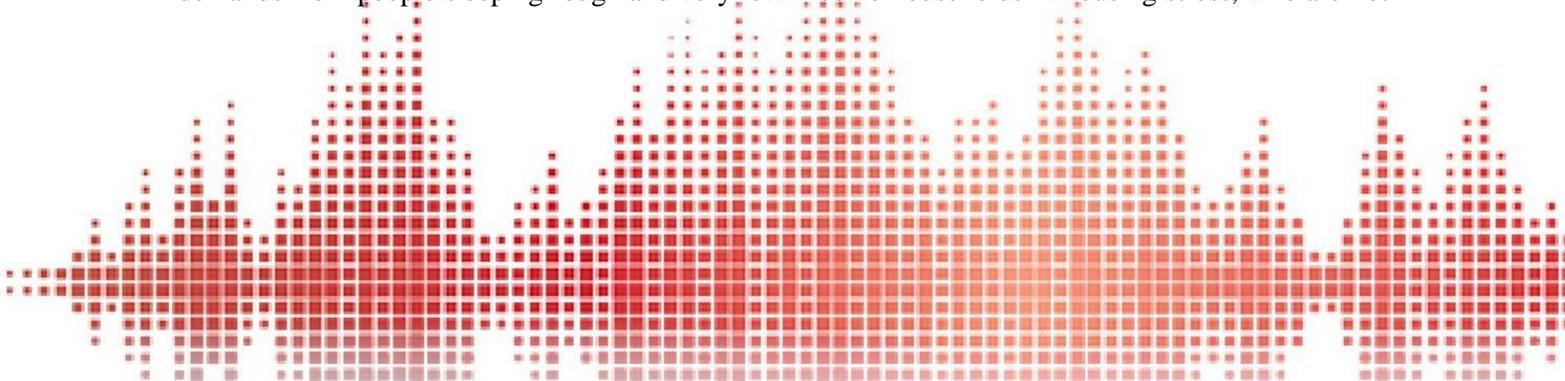
At a time when community connection is most needed, this asset to the for-purpose sector is being reduced. As part of recovery for the for-purpose sector, the role of the volunteer workforce must be supported in finding and retaining volunteers, as well as ensuring the work provided by volunteers is not a long-term stopgap for increased and changing patterns of service demand.

SPOTLIGHT ON HOUSING AND HOMELESSNESS

Housing and homelessness has emerged as a particular area of concern. As detailed above, despite the lack of national absence of a national strategy to respond to homelessness and COVID-19, state and territory governments adopted a variety of policy and practice measures to both provide temporary accommodation to those currently homeless and to prevent further exits into the homelessness system (20). Responses focused on providing temporary accommodation in hotels/motels to people who were rough sleeping were implemented in New South Wales, Queensland, South Australia, Western Australia, and Victoria.

Importantly, state and territory interventions in relation to homelessness during the pandemic focused almost exclusively on the people sleeping rough (7) – who represent only approximately 7% of the total number of people estimated to be experiencing homelessness (21). As a result, the numbers of people in other groups of people experiencing homelessness (such as persons in severely crowded dwellings, persons in supported accommodation) are unlikely to have reduced following COVID-19 (7).

The impact of COVID-19 on homelessness must also be viewed through long term neglect of the social housing system in Australia. Australia's total housing stock has increased by only 27,500 dwellings between 2006 and 2020 (7). Supply of social housing is significantly outstripped by demand, with 155,141 Australians on the public housing waitlist (22). Importantly, the waitlist also hides unmet demands from people sleeping rough and very low-income households in housing stress, who are not



currently on waiting lists (23).

The impact of a lack of affordable and social housing was identified by service providers participating in Pulse. One organisation indicated:

We support a large number of people experiencing homelessness, we are limited by the availability of housing.

We often work with the people that are not eligible for any other service... We support people through initial engagement at our drop-in centre. Frequently, the onward supports do not have capacity, there might be a waitlist or the person does not meet their eligibility criteria or risk profile. We won't turn people away, if they are looking for accommodation we will use emergency relief to support them with a couple of nights stay in a backpackers or connection to crisis and emergency service. The challenge is the lack of long-term accommodation for people who are experiencing homelessness to provide that wrap-around support once people are housed

Organisations identified gaps in the measures to support people experiencing homelessness post the initial wave of the pandemic. The Victorian and NSW Governments both made commitments to provide long term housing measures to support people experiencing homelessness following the initial stages of the pandemic. On 8th June, the NSW Government announced the Together Home program (Together Home) a \$36.1m investment that aims to support people's street sleeping across NSW during the COVID-19 pandemic into stable accommodation, linked to wraparound supports (7). The Victorian Government implemented the *Homelessness to a Home* (H2H) initiative to provide 1,845 households with access to stable medium- and long-term housing and support packages to people experiencing homelessness who are residing in emergency accommodation due to the coronavirus (COVID-19) pandemic.

However, organisations in the Pulse study indicated these were not capturing all demand. As one organisation explained:

We operate in a [large] rough sleeping community in Victoria, we have one main agency based



in our area and a quarter of our clients who were homeless never got to interact with the agency for the 'Homeless to Home' initiative so they are currently excluded from rehousing options adding years to their list waiting times.

Other services spoke of increasing demand for services against a backdrop of reduced government funding (and thus reduced staffing capacity). For example:

We have one part time worker funded by philanthropy working to find options for these people, we receive NO government funds from any housing programs.

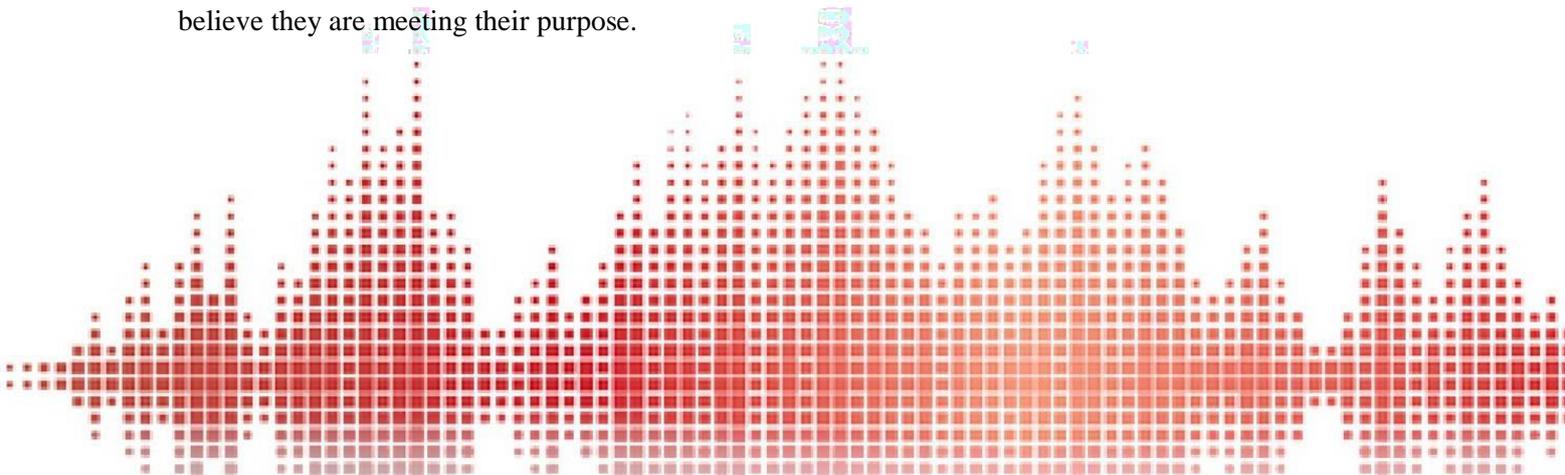
This suggests that housing remains an ongoing need, with housing problems and homelessness exacerbated by the pandemic.

ONGOING FINANCIAL STRAIN, BUT RESILIENCE

The 2020 Pulse report found that over 79% of the for-purpose sector were experiencing financial stress. In 2021, a similar proportion of responding organisations indicated that ongoing events such as COVID-19 were putting a strain on their financial operations (74%, see Figure 4).

Despite a substantial proportion of organisations reporting financial stress, there was a significant decrease in the proportion of organisations who indicated concern about being able to continue to provide their services in the current economy (13% indicated they were concerned about the economy and their provision of services, compared to 53% in Wave 1, see Figure 4).

This may be because of JobKeeper supports in 2020 and, after 18 months 'living with COVID', organisations have had an extended period of time to adapt and shift their services to be more agile in responding to lockdowns and social distancing requirements. However, as this research has found, the 'tightening of their belts' has not helped to address the increase in demand for their services. As discussed below, JobKeeper and other internal measures to respond to the pandemic may have helped minimise overall financial deficits. Our research highlights a concern that the impacts on long-term underinvestment and increased demand for services, and the extent to which for-purpose organisations believe they are meeting their purpose.



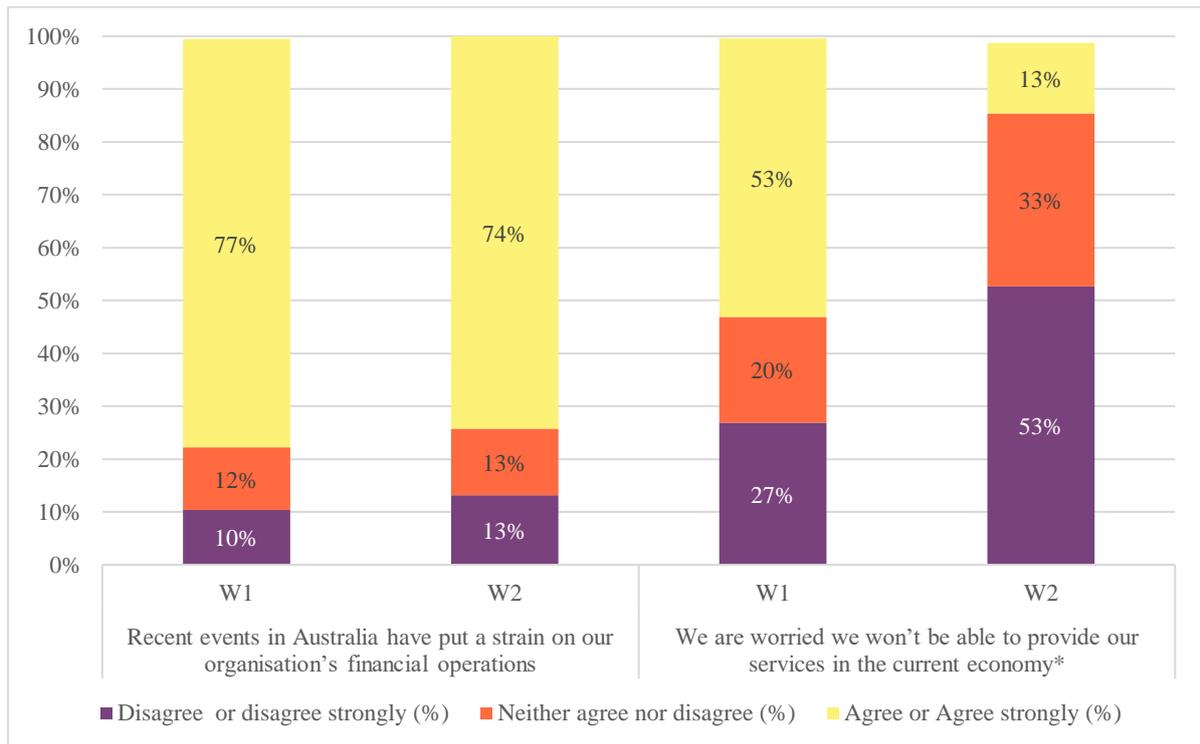


Figure 4: Financial operations and service provision

Wave 1 n = 431; Wave 2 n = 152. 'Don't know' responses excluded from figure.

When asked about the impacts of COVID-19 on organisation funding, 66% of organisations reported that they had experienced a reduction in revenue – either at the time of completing the survey, or within the last 12 months (see Figure 5). Fifty-nine percent of respondents indicated they had experienced a reduction in donations. Thirty-one percent of organisations indicated they had experienced a cancellation in funding contracts in the last 12 months, and fifty-four percent of organisations had experienced delays in planned funding contracts.

Uncertainties in revenue, combined with new and increased demands for how organisations operate in a pandemic, are likely to further to contribute to an overwhelmed and overworked sector.



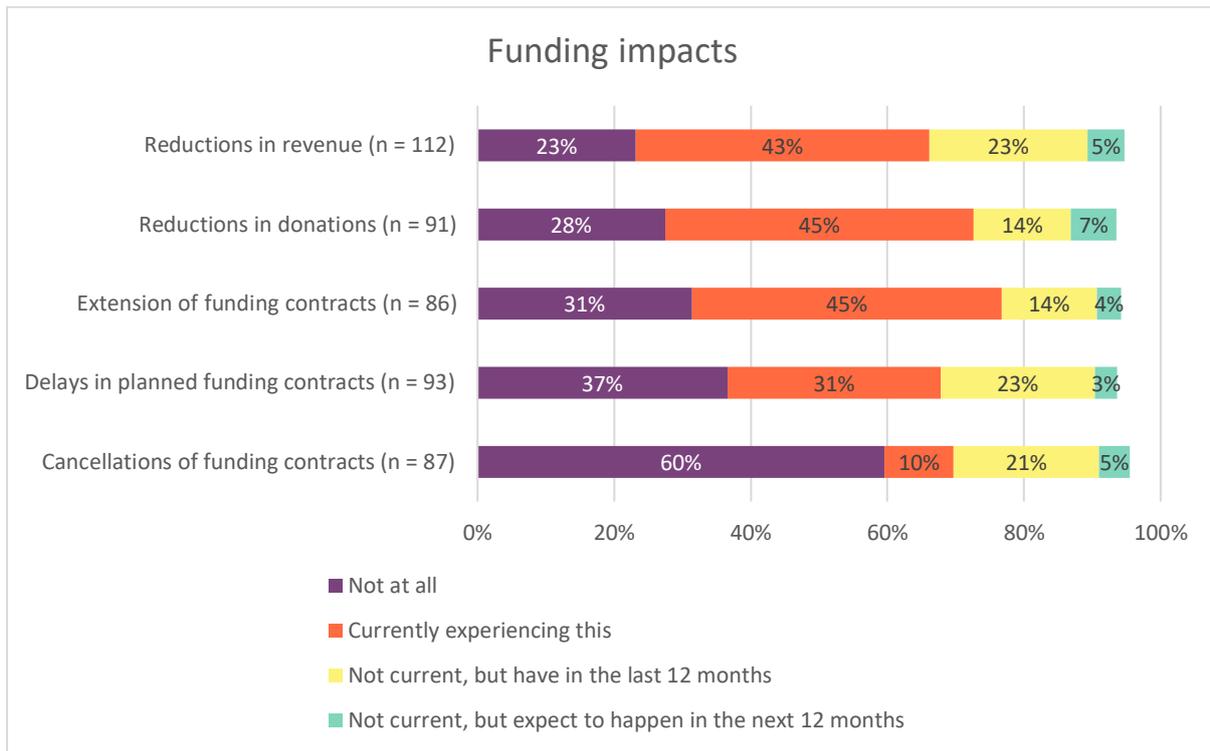


Figure 5: Funding impacts

From Wave 2 survey, n responses indicated in brackets. 'Don't know' responses excluded from figure.

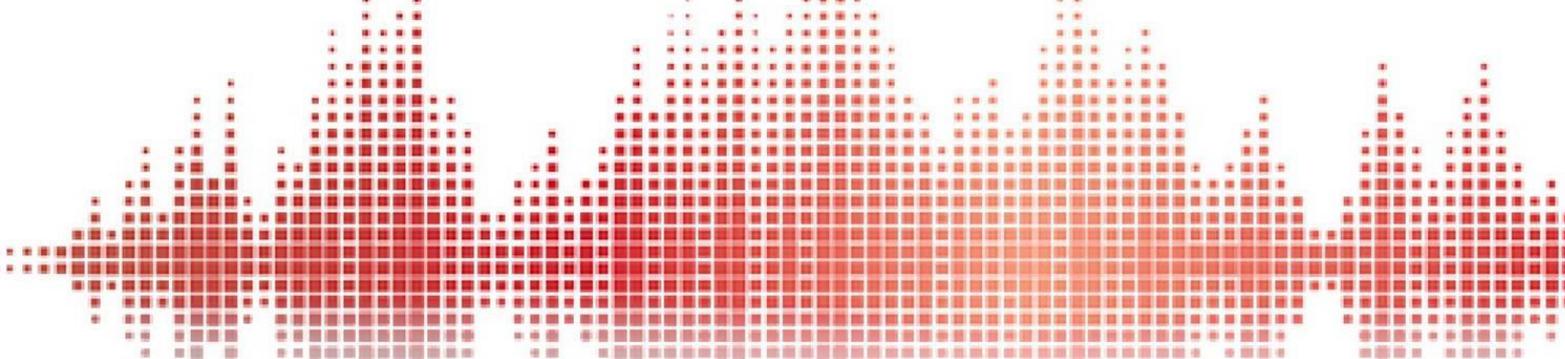
Organisations spoke about the struggle to cover expenses in the face of both financial need, and new costs such as PPE and other pandemic protections:

The pandemic has increased need for all our services, as more people are financially disadvantaged.

COVID-19 slashed our income last year and increased our expenses - hygiene & sanitation supplies for our training courses - greater overheads for courses.

These financial burdens were exacerbated by staff burnout:

Government financial support measures across the population during 2020 put a strain on funding body budgets so there is less money available for organisations to continue operating, especially new ones like ours. We have had to behave like a for-profit business for



15 months as we've had no operational funding to support us which flies in the face of what we're trying to achieve.

The Recovery from a series of disasters (in our case mega-fires/Black Summer, floods, COVID & more floods) has stretched our workers to the limit, and we are seeing exhaustion, vicarious trauma, financial stress and resignations as a result.

These findings are consistent with national and international reports of people working in different parts of the care sector, given the prolonged impact of the pandemic (24,25).

WHAT ABOUT JOBKEEPER? 'THE COVID-19 FALLOUT IS YET TO COME'

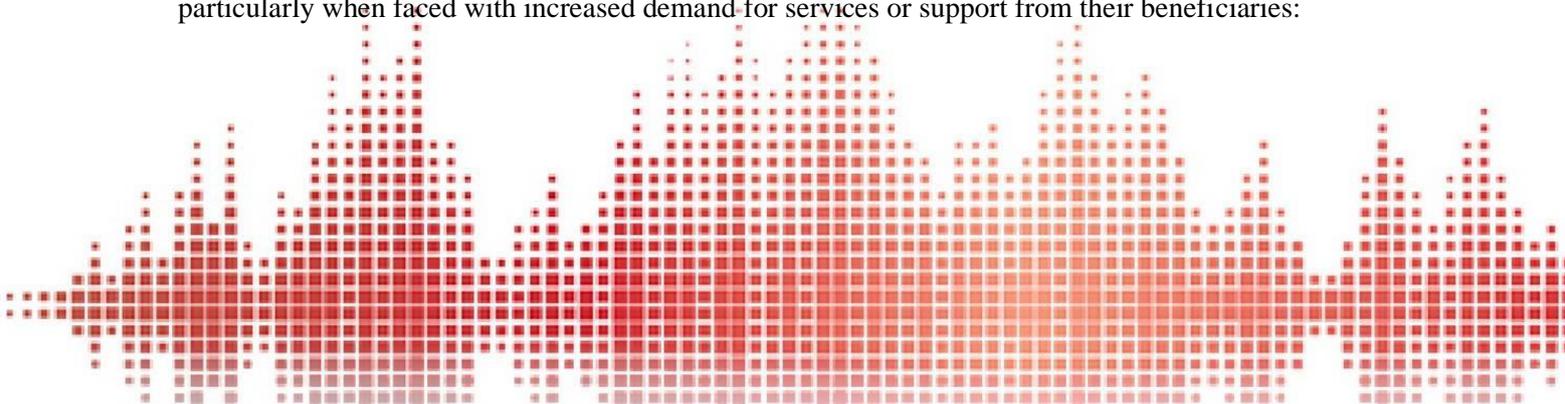
Financial policy initiatives introduced in 2020 (and state-based versions in 2020-21) have proven important for the sector to stay financially viable. However, not all organisations qualified for the different forms of support, leaving some unsupported as of March 2021: *JobKeeper 1.0 was very helpful as was rent relief (to a lesser extent). We didn't qualify for JobKeeper 2.0.*

Other organisations explained that:

JobKeeper has been a massive help. If there are any more lock downs knowing we can continue to pay staff is a great help.

Undoubtedly the introduction of JobKeeper was a life saver for many NFPs such as ours. The reality is that fundraising opportunities and capacity remain decimated by Covid-19, so our ability to achieve our charitable purpose beyond the next few months is at question based on present operational reserves and projected income. The Covid-19 fallout in the NFP sector is yet to come, I believe.

While the Commonwealth Government has been criticised for focusing on businesses over people (10), comments from organisations highlight the pivotal role of government support of social service providers during significant financial downturn, such as that experienced due to COVID, and particularly when faced with increased demand for services or support from their beneficiaries:



We may finish the financial year break even but we will carry little across to the new financial year and have not yet secured any funding beyond the end of July.

JobKeeper in 2020 allowed us to make a strong surplus, due to fundraising (philanthropy) shortfalls we expect to make a loss this year.

As shown in Figure 6, there was a slight increase in the proportion of organisations that took part in the survey who had received Government stimulus support in response to COVID-19 in Wave 2 of the survey compared to Wave 1. Of those organisations that were eligible for stimulus support, 77% received the \$20,000 - \$100,000 payment, and 72% applied for JobKeeper. In the Wave 2 survey, respondents indicated that they applied for JobKeeper payments for between 1 and 800 employees (median 10). Almost all (98%) JobKeeper applications were approved.

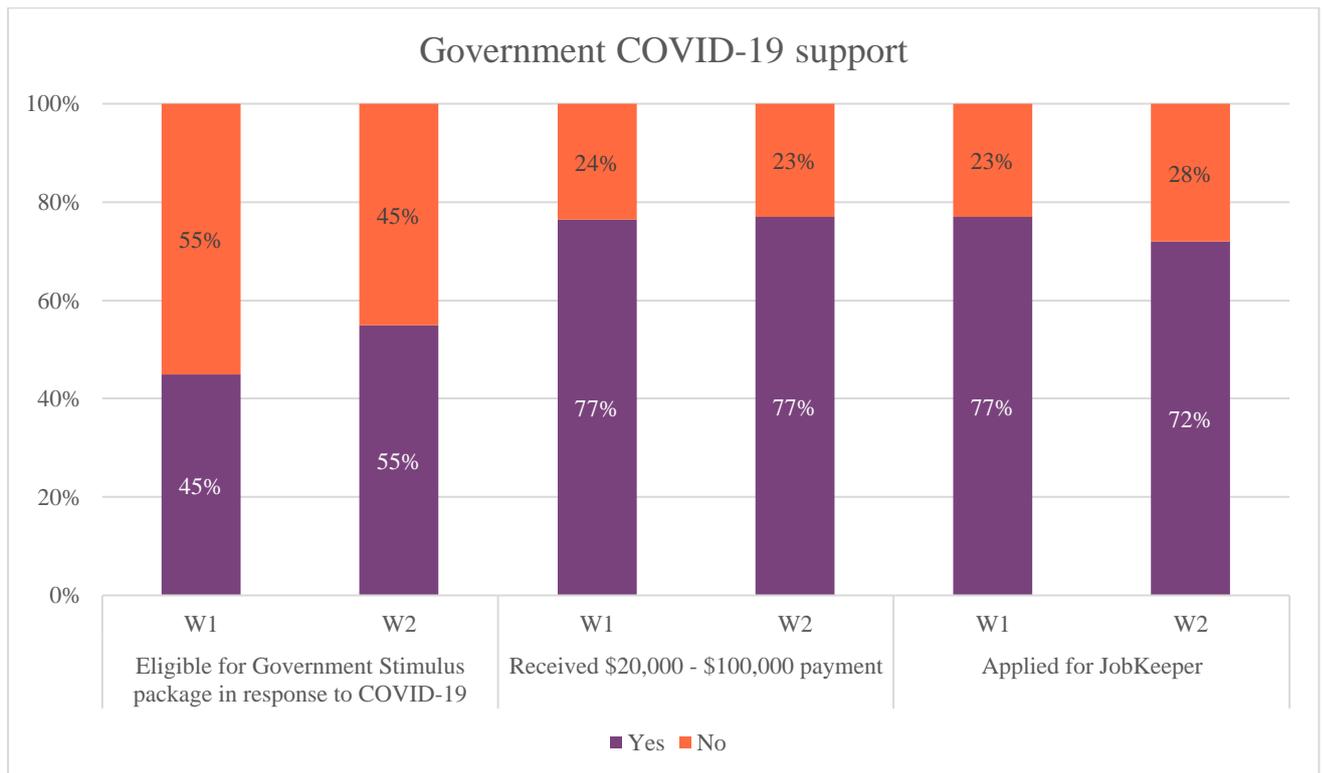
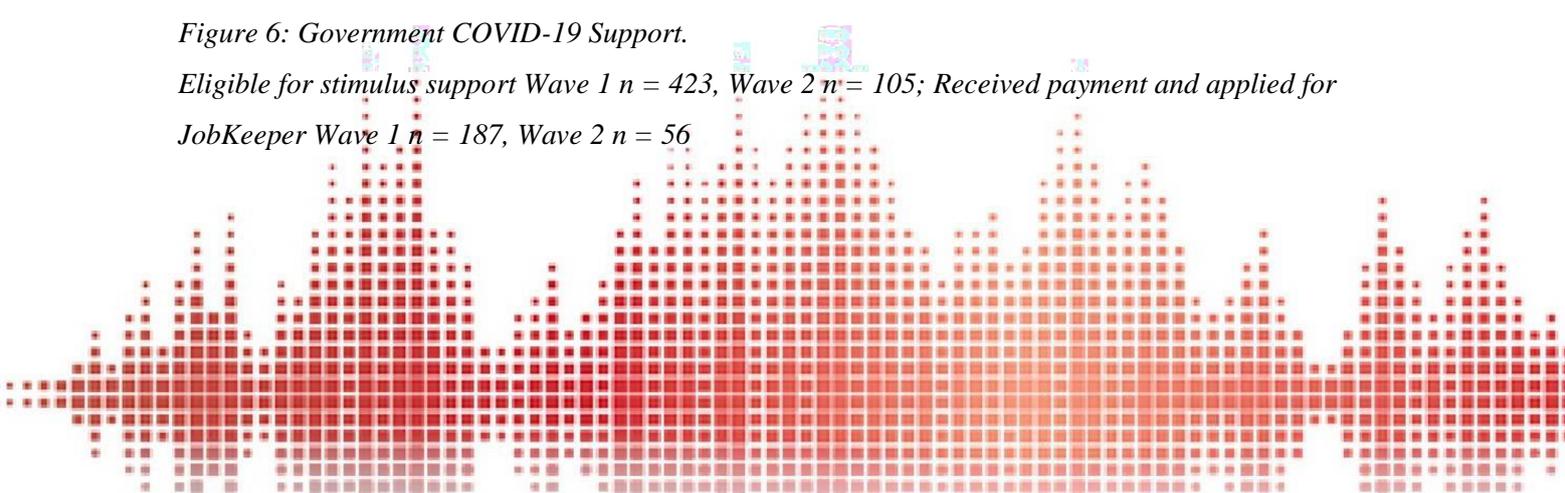


Figure 6: Government COVID-19 Support.

Eligible for stimulus support Wave 1 n = 423, Wave 2 n = 105; Received payment and applied for JobKeeper Wave 1 n = 187, Wave 2 n = 56



In Wave 2 of the survey, respondents expressed similar attitudes to responses given in Wave 1 towards Government stimulus measures and its impact on their organisation’s operations. Seventy-six percent of organisations said that the stimulus had allowed their organisation to remain operational, however only 33% of organisations said the stimulus measures prevented their organisation from shutting down completely (see Figure 7). What was apparent with both quantitative and qualitative responses in Waves 1 and 2 survey was that stimulus measures provide only a temporary fix to financial stresses that face the sector.

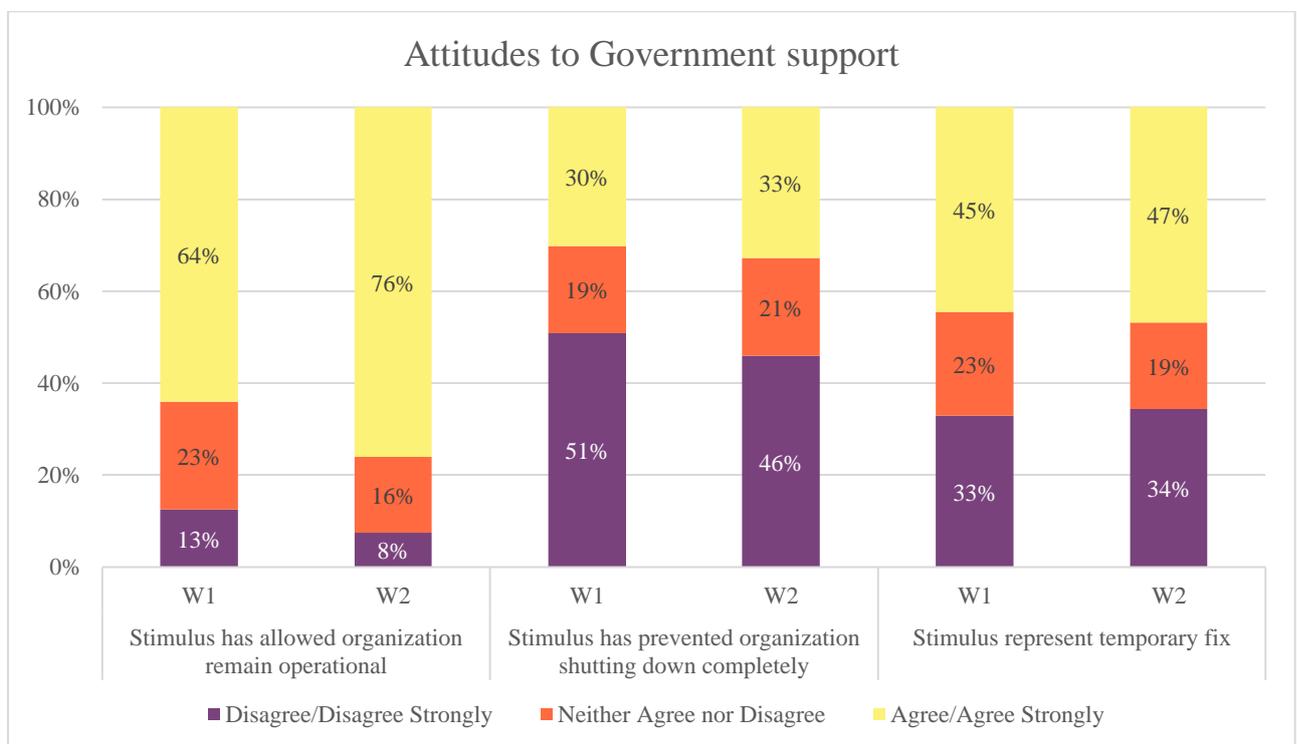
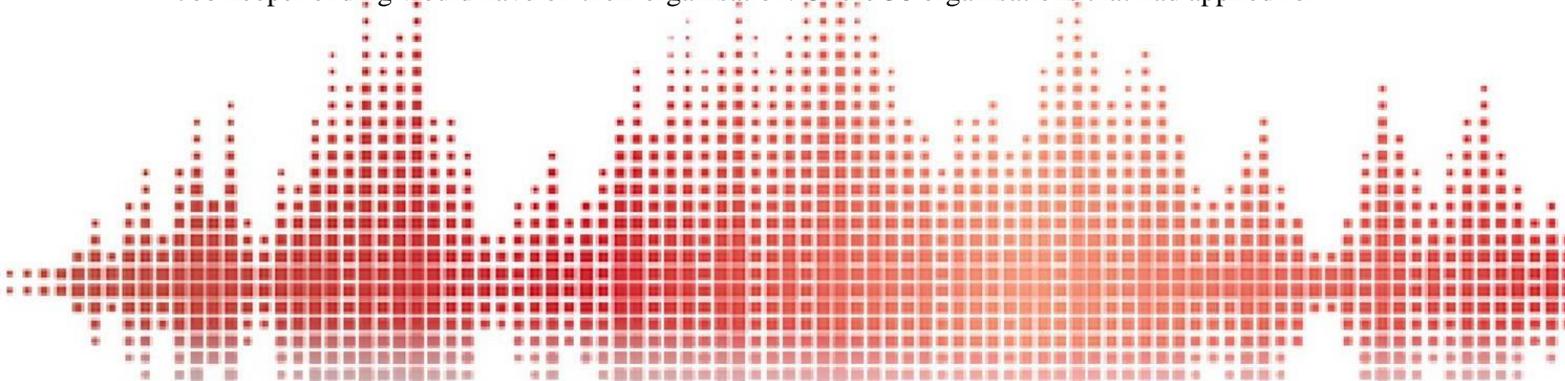


Figure 7: Attitudes to Government support

Wave 1 n = 174, Wave 2 n = 67. ‘Don’t know’ and ‘Not applicable’ responses removed from analysis.

While many organisations reported that Government financial stimulus support during 2020 had allowed them to continue their operations, the sector appears to be finding ways to continue operating while pandemic supports are rolled back. There was a seeming lack of concern about the impact that JobKeeper ending would have on their organisation. Of the 38 organisations that had applied for



JobKeeper, 58% said they were not concerned about whether JobKeeper ending would impact on their ability to operate (see Figure 8). At the time of Wave 2 survey collection, the JobKeeper program had already ended, and organisations had spent several months operating in an ongoing pandemic without stimulus support. It is possible that organisations returned to a ‘business as usual’ approach, as it was always clear that JobKeeper was a temporary policy. Wave 2 of the survey was collected just prior to the major outbreaks of the Delta strain of COVID-19 which particularly affected New South Wales and Victoria with extended lockdowns, and Queensland and the Australian Capital Territory enforced rapid lockdowns in response to early outbreaks. State-based economic support was announced for individuals who had reduced hours of work, however no additional support was announced for people who were already receiving Government income support, and anecdotal reports indicate that demand for food and material aid increased again during the lockdown (26).

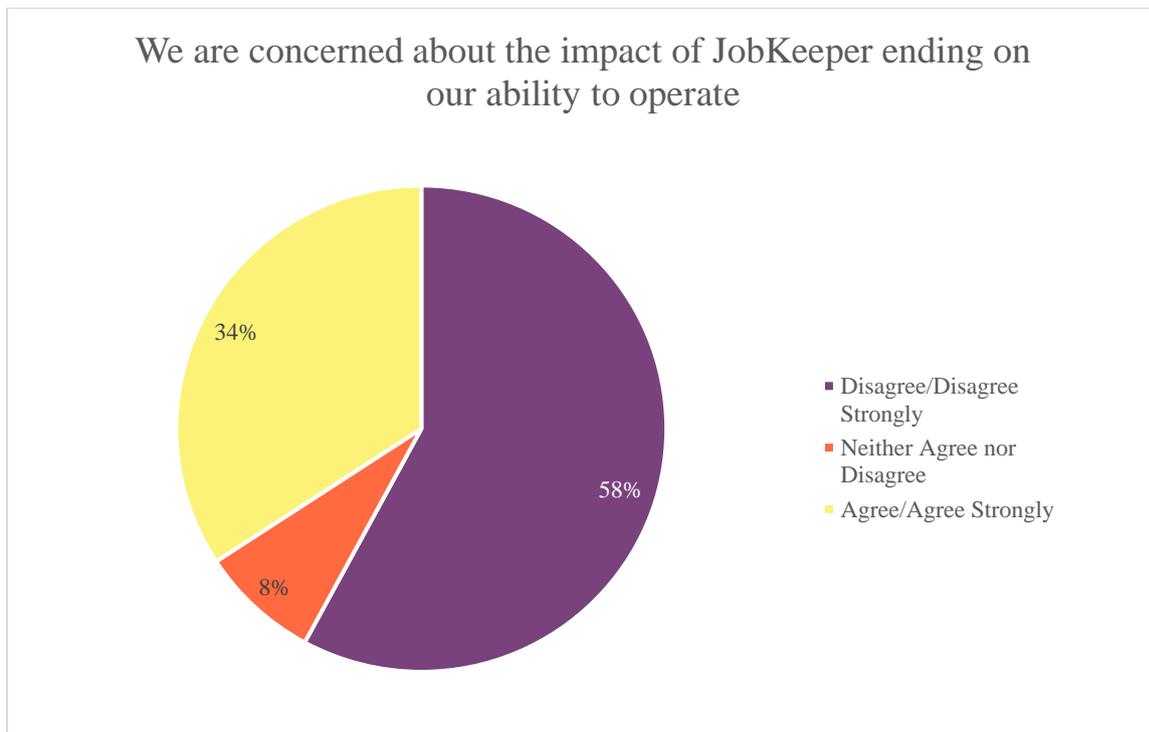
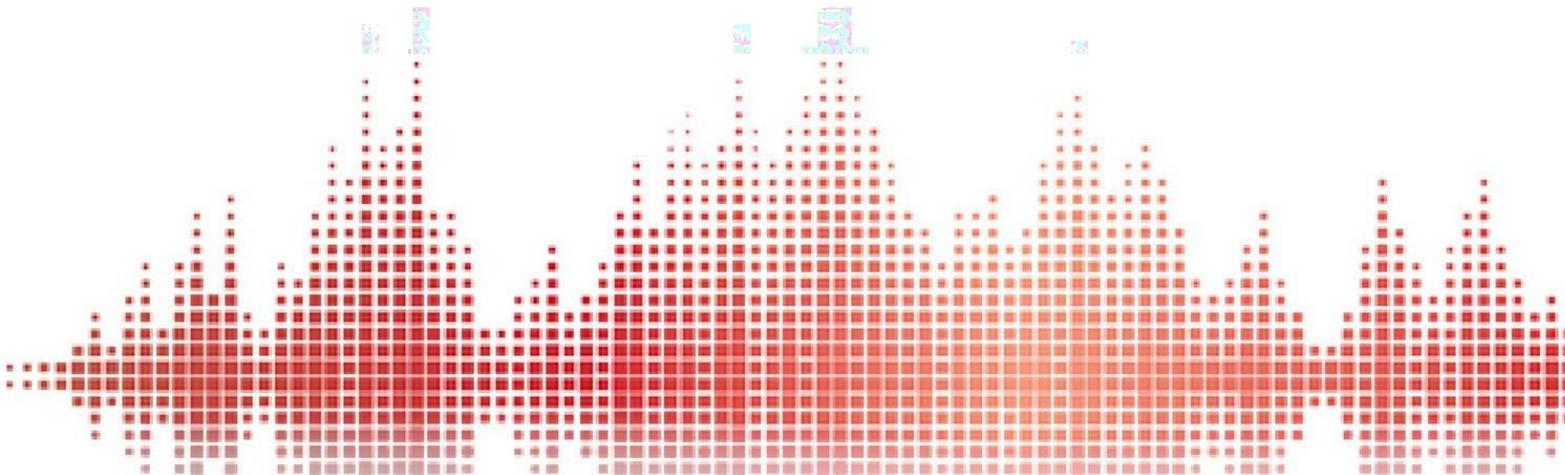
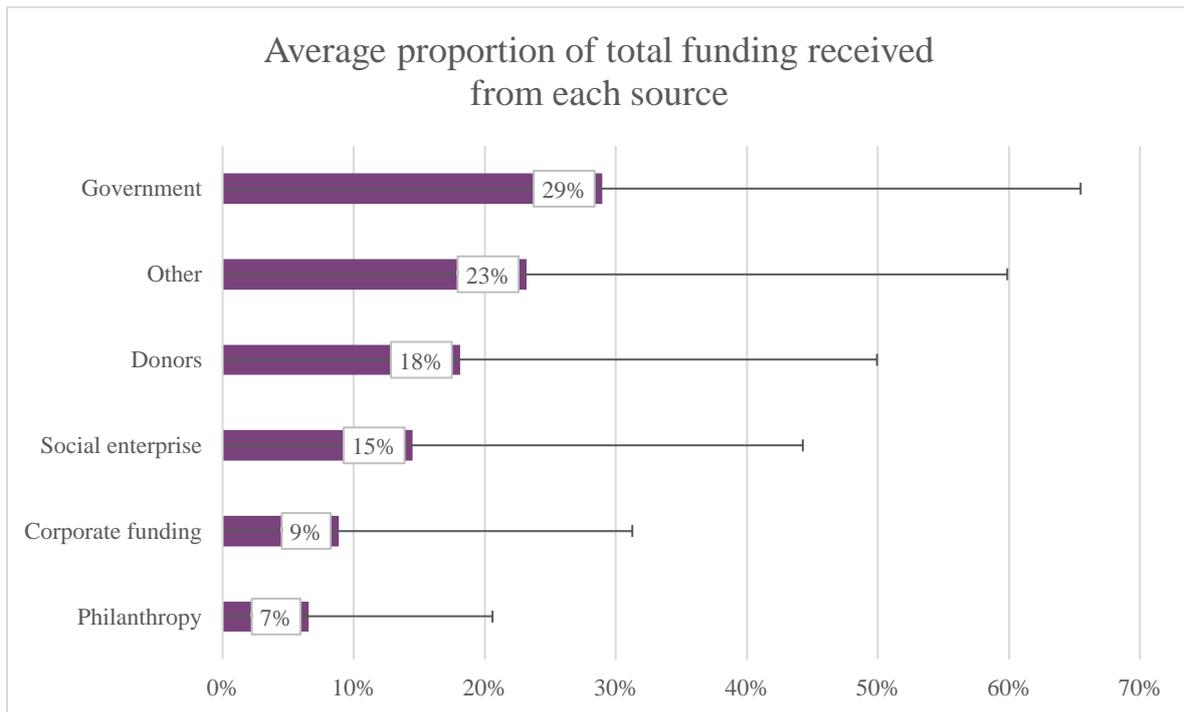


Figure 8: Impact of JobKeeper ending

Wave 2 n = 38, from organisations that indicated they had applied for JobKeeper. ‘Don’t know’ and ‘Not applicable’ responses removed from analysis.





*Figure 9: Average proportion of total funding received from each source
Wave 2 n = 69. Error bars indicate standard deviation of responses.*

More than half of the organisations that responded (N = 69) indicated that at least part of their total funding came from Government sources (see Figure 9) (it's worth noting that the sample comprised of more large-sized organisations, who are often recipients of government funding). Of the 53 organisations that reported receiving Government funding, most (83%) reported that they expect the amount of funding received in the next 12 months to remain the same or increase (30% estimated it would increase by a little, see Figure 10). While encouraging to note that the majority of organisations are not expecting to receive less funding, the reported increase in both demand and delivery of social, health, and housing services may mean that previous levels of funding are no longer sufficient.



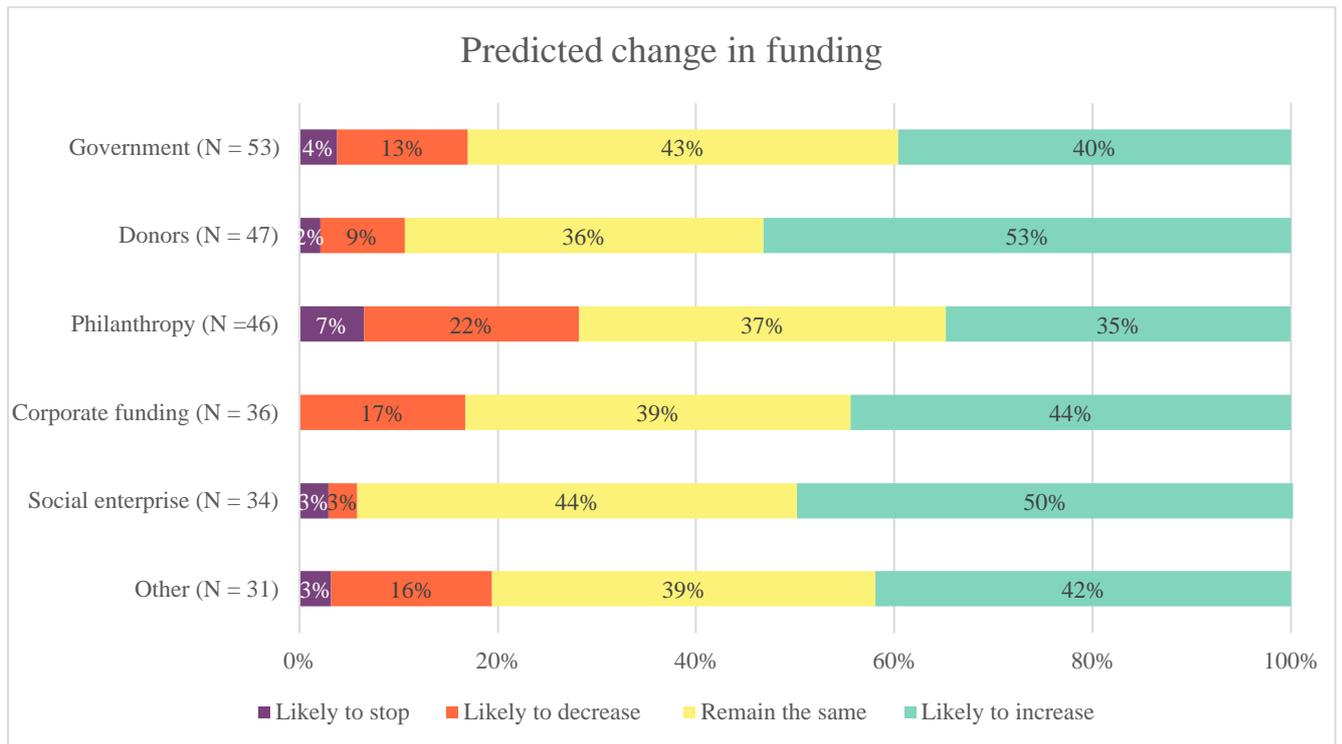
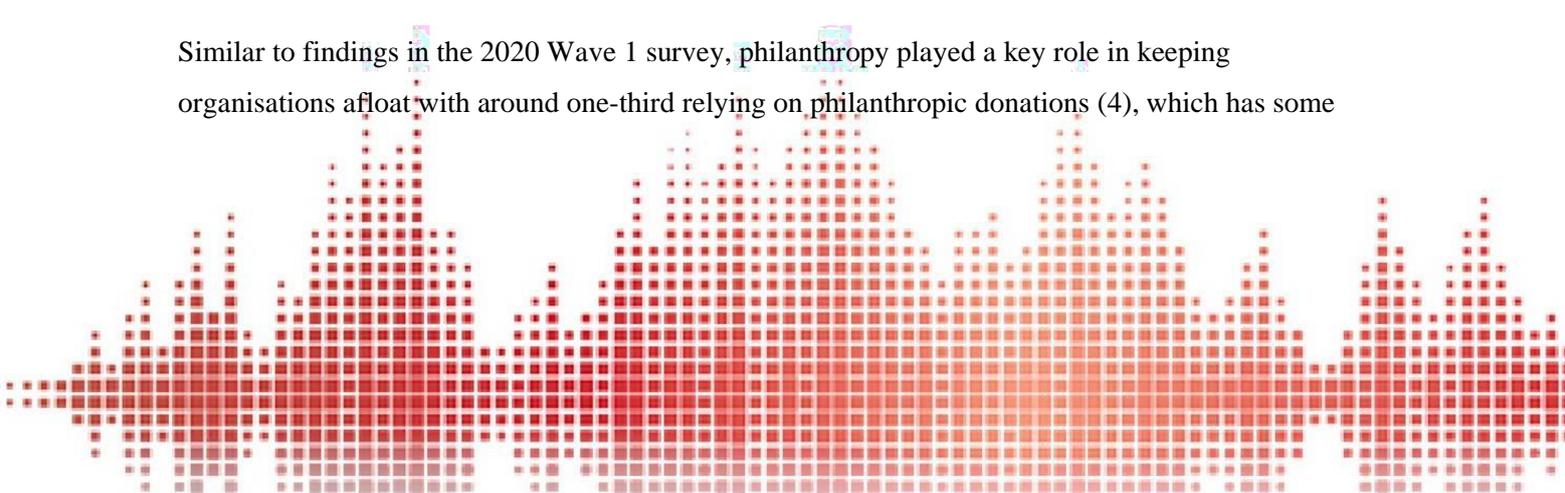


Figure 10: Predicted change in funding by source

Number of responses indicated in brackets. 'Not applicable' responses removed from analysis.

As reported in qualitative responses by some organisations, Government stimulus support such as JobKeeper was a useful contributing mechanism for overall organisation financials. Sixty-six percent of responding organisations reported making a surplus in the 2019/20 financial year, and 56% of responding organisations expected to report a surplus in the 2020/21 financial year (see Figure 11). It is also likely, and was mentioned by some respondents, that there were decreased operating costs due to lockdowns which would contribute to lower total expenses in the financial year. While the loss/surplus estimates are important in establishing financial security of for-purpose organisations, findings from the Wave 2 survey demonstrate the human cost of extended periods of stress and underfunding: a workforce on the brink of burnout, a demand for social services that continue to outpace availability, and a sustained decrease in volunteers that impact for-purpose organisations that rely on a partial or complete volunteer workforce.

Similar to findings in the 2020 Wave 1 survey, philanthropy played a key role in keeping organisations afloat with around one-third relying on philanthropic donations (4), which has some



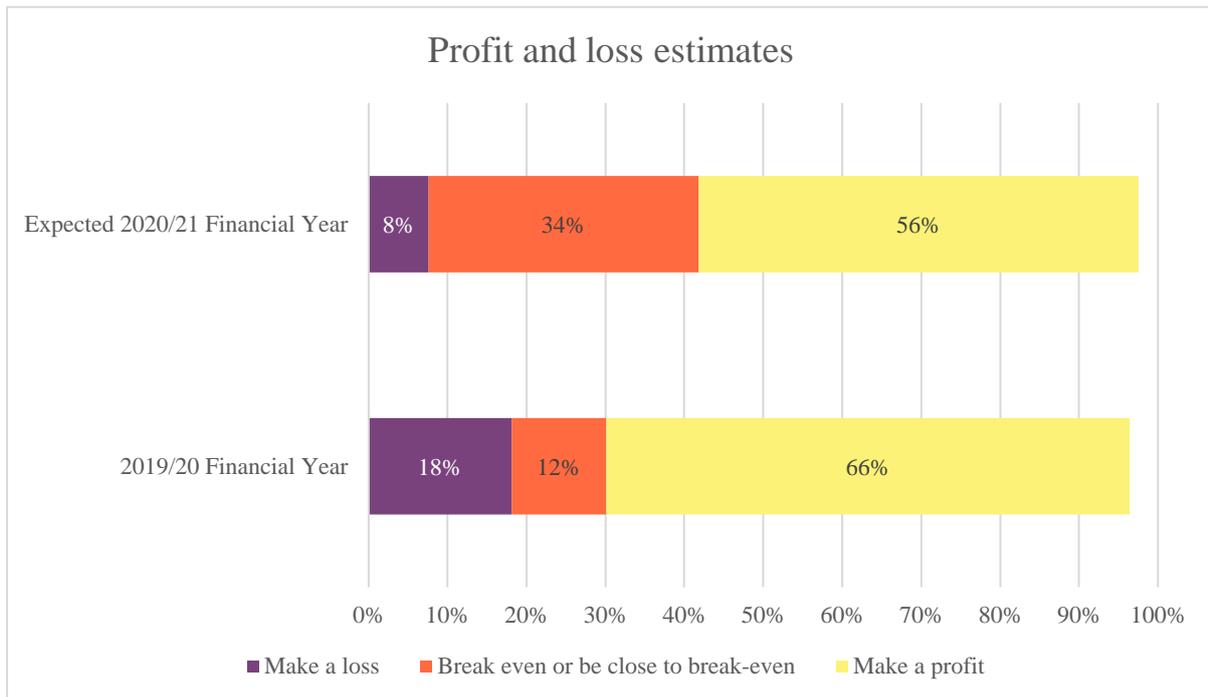


Figure 11: Profit and loss estimates

Wave 2 n = 83. 'Don't know' responses excluded from figure.

carry forward for 2021:

Without the unexpected increased donation from a long-term donor in this financial year, we would undoubtedly have made a loss, of around 20%.

Responding organisations that receive grants from charitable trusts reported high levels of flexibility from the funders in response to COVID-19 (see Figure 12). The majority of responding organisations (83%) reported that one or more of their funders had introduced increased flexibility in reporting and administrative requirements and introduced payment flexibility by bringing forward grant payments or offering advance payments (76%). Allowing existing agreements to be shifted from tied/ restricted funding to untied/unrestricted funding also was increasingly common among organisations responding to the Wave 2 survey. This increased flexibility of financial resources to be directed where charities and their beneficiaries most needed them.



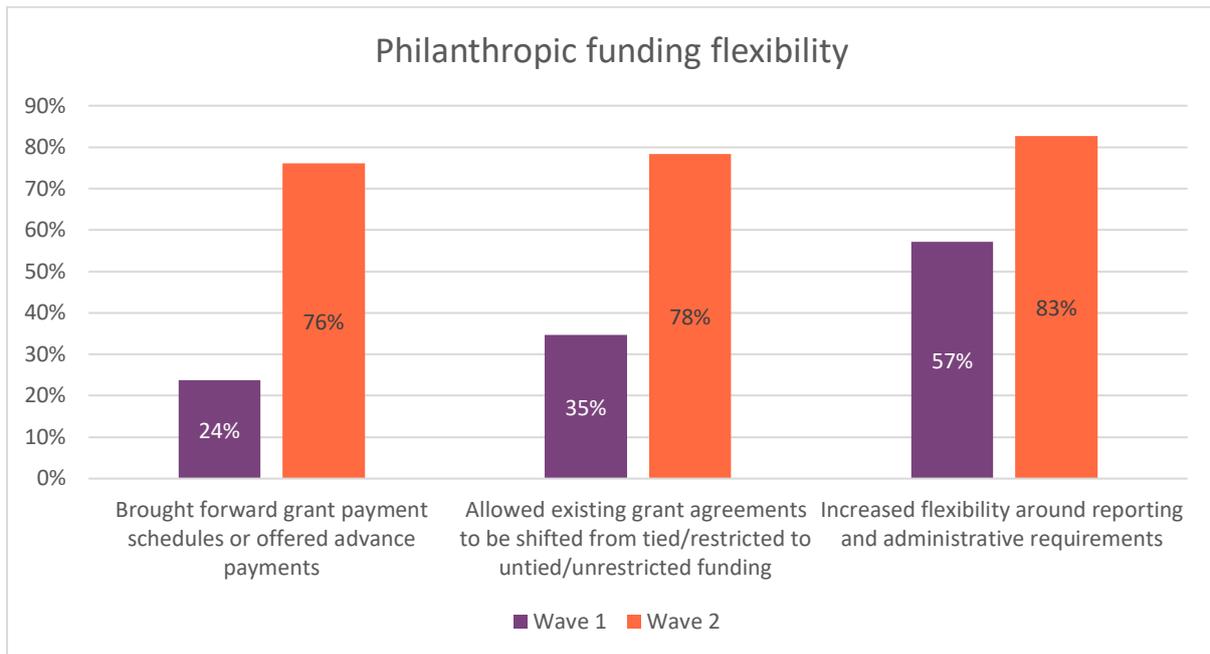


Figure 12: Philanthropic funding flexibility

Wave 1 N = 173, Wave 2 = 46. Proportions represent the number of survey respondents who reported one or more funders offering the option.ⁱⁱⁱ

A substantially greater proportion of Wave 2 organisations who receive grants from charitable trusts reported that philanthropic funders had suspended or redirected their regular grant programs towards a COVID-19 focus (see Figure 13). Seventy-eight percent of organisations reported that at least one of their funders had increased their funding resources in response to COVID-19. With particular social concerns brought to the fore by the pandemic, additional resourcing from funders is a suitable response and the increase in additional funding suggests that this shift in funding focus has been independent to the funding of already existing initiatives.



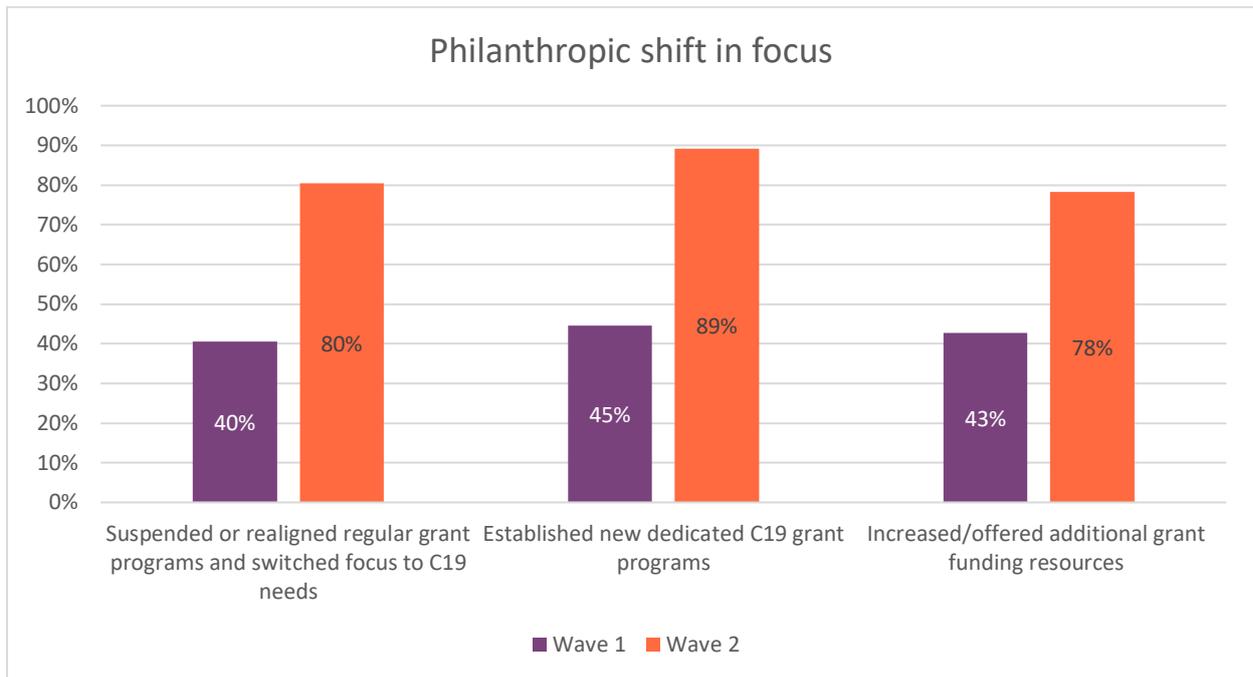


Figure 13: Philanthropic funding shift in focus

Wave 1 N = 173, Wave 2 = 46. Proportions represent the number of survey respondents who reported one or more funders offering the option^{iv}

TIME TO SHIFT THE FUNDING MODEL ONCE AND FOR ALL?

The fact that organisations were able to work more flexibly under contracts and with the support of JobKeeper speaks to the question of whether it's time to revisit the funding arrangements for the for-purpose sector more broadly.

A report released by CSI in late 2020 highlighted the review-recommendation cycle that has characterised the sector for over a decade, with calls for changes to funding structures that have not been met with true reform (2). As noted by CSI's in-depth review into reform recommendations in the sector, The Productivity Commission made several broad recommendations in its landmark report in 2010 into the sustainability of the 'third sector', with a particular emphasis on its sustainability and resourcing:

- [That] governments are not making the most of the knowledge and expertise of NFPs when formulating policies and designing programs;

- Excessively short-term contracts;
- Tendering, contractual and reporting requirements that are disproportionate to the level of government funding and risk involved; and
- The sheer volume of contracts that community-based organisations have to manage(27).

More than ten years later, piecemeal resourcing remains unchanged and the removal of JobKeeper has seen a return to ‘business as usual’ for the sector in terms of short-term contracts and increased uncertainty. This was raised by numerous organisations in the survey and reflected in the qualitative findings:

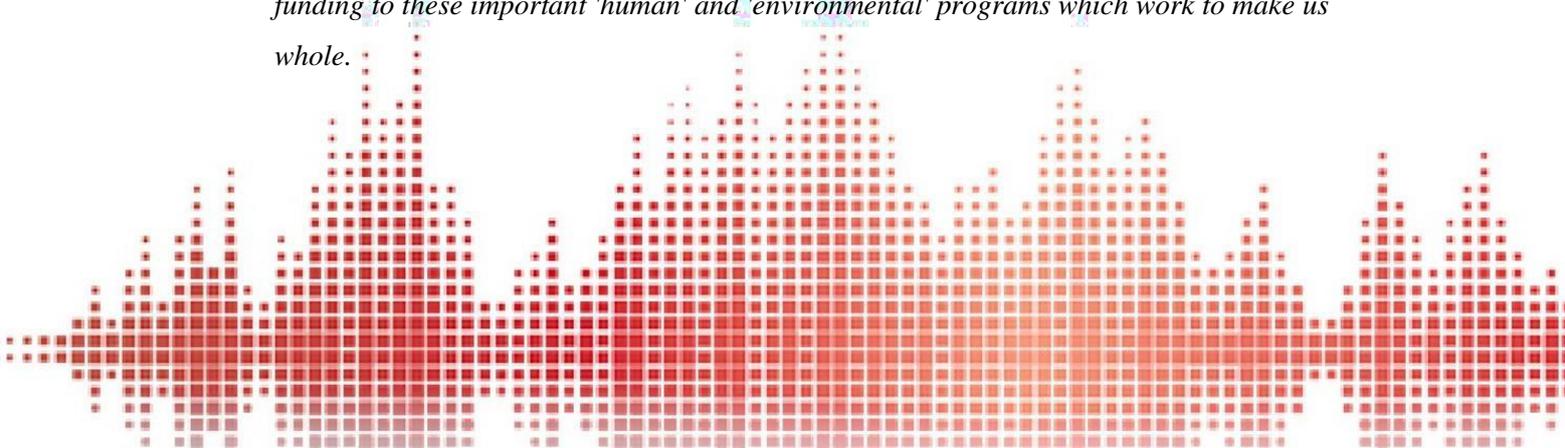
The actions that would have the greatest positive impact on our organisation are:- shifting to outcomes-based contracting arrangements with provision in budgets for operational sustainability, recognising that funding these activities requires resourcing over and above front-line service delivery

Providing long-term funding arrangements, shifting away from grant-based models and the practice of renewing contracts on a yearly cycle. -Supporting NFPs & Social Enterprises through funding to use their knowledge and experiences to address societal problems and challenges.

Policy making in the aged care sector is ad-hoc and last-minute, creating waves of ongoing uncertainty and stress for staff. This has been going on for years, and shows no sign of slowing down.

We have experienced competitive tendering processes that focus on the bottom line: volume of people we can support at what competitive per unit price. How our organisations deliver best practice, evidence-informed innovative models that facilitate strong outcomes and change in our communities is the second priority in commission to price competitiveness.

There is absolutely appalling lack of clear long-term strategy making by our government in funding to these important 'human' and 'environmental' programs which work to make us whole.



Another issue which was raised in the 2020 survey and appeared again in the current wave, is the issue of government contracts only covering a portion of the costs of service delivery:

Why do grants only cover a percentage of what a project costs? why not cover the full cost, then support the organisation to start growing the for profit components to start generating a 50% cover to the cost of the program.

In 2020 we noted that the gap between costs incurred and costs covered poses a risk for financial viability and sustainability of organisations. This gap is particularly concerning for community and social service organisations: 55% of organisations receiving government funding, and 71% of organisations receiving philanthropic funding said the tied funding they received were not sufficient to meet both direct and indirect costs (see Figure 15).

In Wave 2, 57% of philanthropic funding, 53% of donor funding, 48% of corporate funding, 47% of government funding and 30% of social enterprise funding was insufficient or minimal resourcing to meet needs. ‘Minimal’ funding in this instance means that funding only covered direct costs, while ‘insufficient’ funding does not cover either direct or indirect costs. The impact of this underfunding is likely to be cumulative, however in the immediate term, organisations may increasingly need to see to cross subsidise their activities from other funding sources, or redirect funds away from essential resourcing or infrastructure.

Between Waves 1 and 2, there were some changes in the reported adequacy of funding, however changes in response wording for clarity does not allow for appropriate statistical analysis. As demand for services continue to rise, the for-purpose sector has an ongoing need to revisit the resources needed to be able to adequately fund the work that they do, which covers both the direct and indirect costs of delivering social-purpose services and programs.



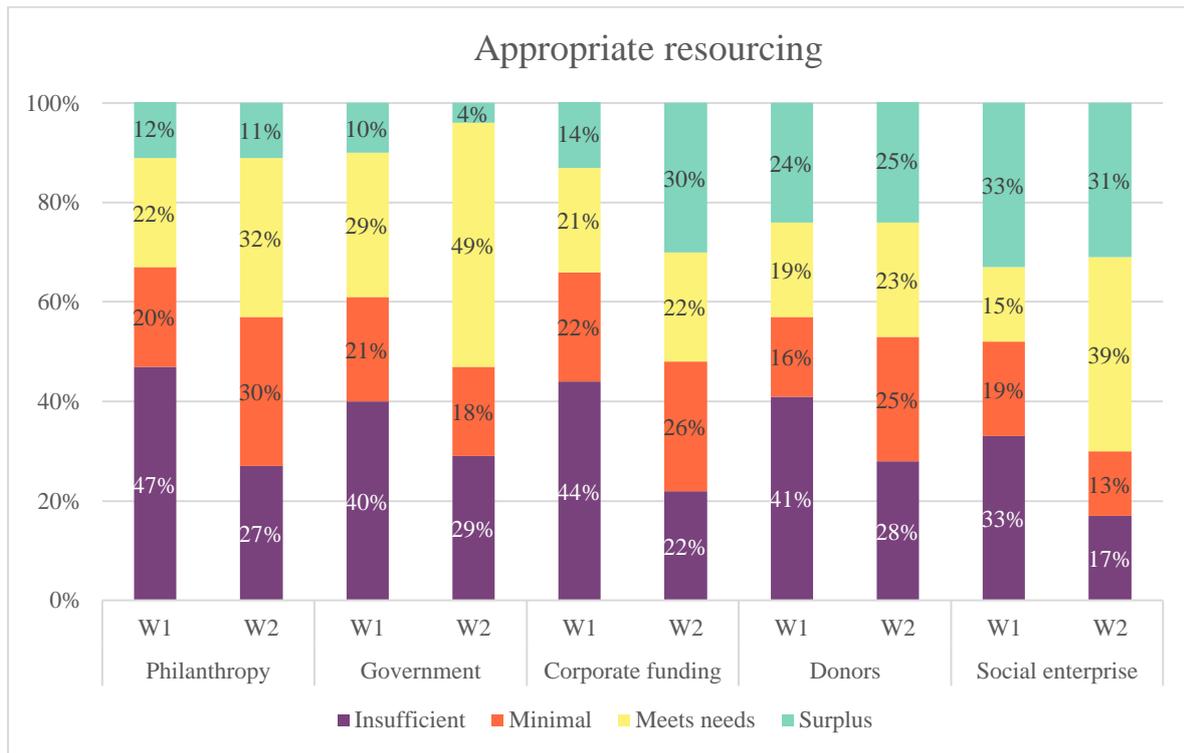
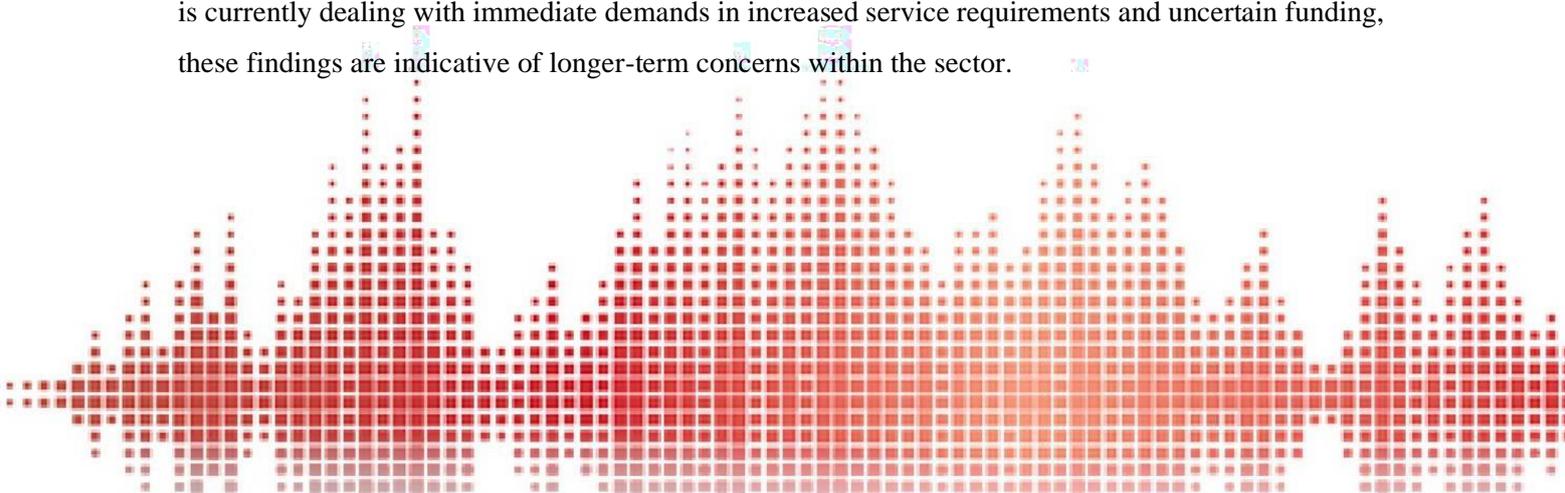


Figure 14: Appropriate funding resources

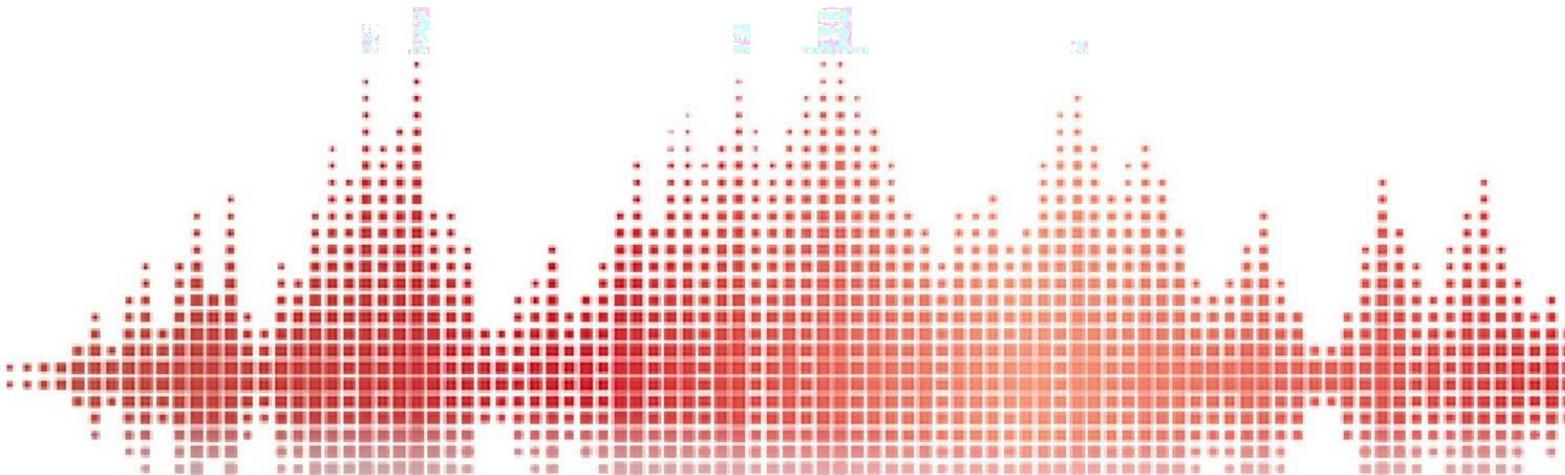
Note: Response options were changed to improve clarity in the wave 2 survey and therefore wave 1 and 2 results are not directly comparable.^v

Concerns for broader policy environments

Based on responses to policy attitudes by community and social service facing organisations, there appears to be a broader shift in concern in the policy environment and its impact on organisation's ability to provide their services. Sixty-six percent community and social service facing organisations indicated that the NFP policy environment is uncertain in Wave 2, compared to 48% of organisations in Wave 1 (see Figure 14). Similarly, in the Wave 2 survey, there was greater concern about whether not-for-profit reforms are heading in the right direction (26% disagreed, compared to 11% in Wave 1). There were also higher levels of dissatisfaction with the ACNC (19% disagreed that the ACNC has a high level of respect for NFP organisations, compared to 8% in Wave 1). While the for-purpose sector is currently dealing with immediate demands in increased service requirements and uncertain funding, these findings are indicative of longer-term concerns within the sector.



For example, before and during the pandemic, issues affecting the sector and the people and communities it supports, have been at the forefront of (largely) collective concerns, including: fundraising laws and the ‘#FixFundraising’ campaign (28); legislation that curtails the ‘voice’ and advocacy functions of charities and the people who work or volunteer for them and ‘Hands Off Our Charities’ (29); equity in covid vaccine rollouts in Australia and overseas (30,31) ; and significant concerns about increased need in communities (such as, below the poverty line social security levels and ‘Raise the Rate’ (32); and increases in need among people who have lost jobs and/or work hours in lockdown and fears about what is coming with the end of disaster payments (33).



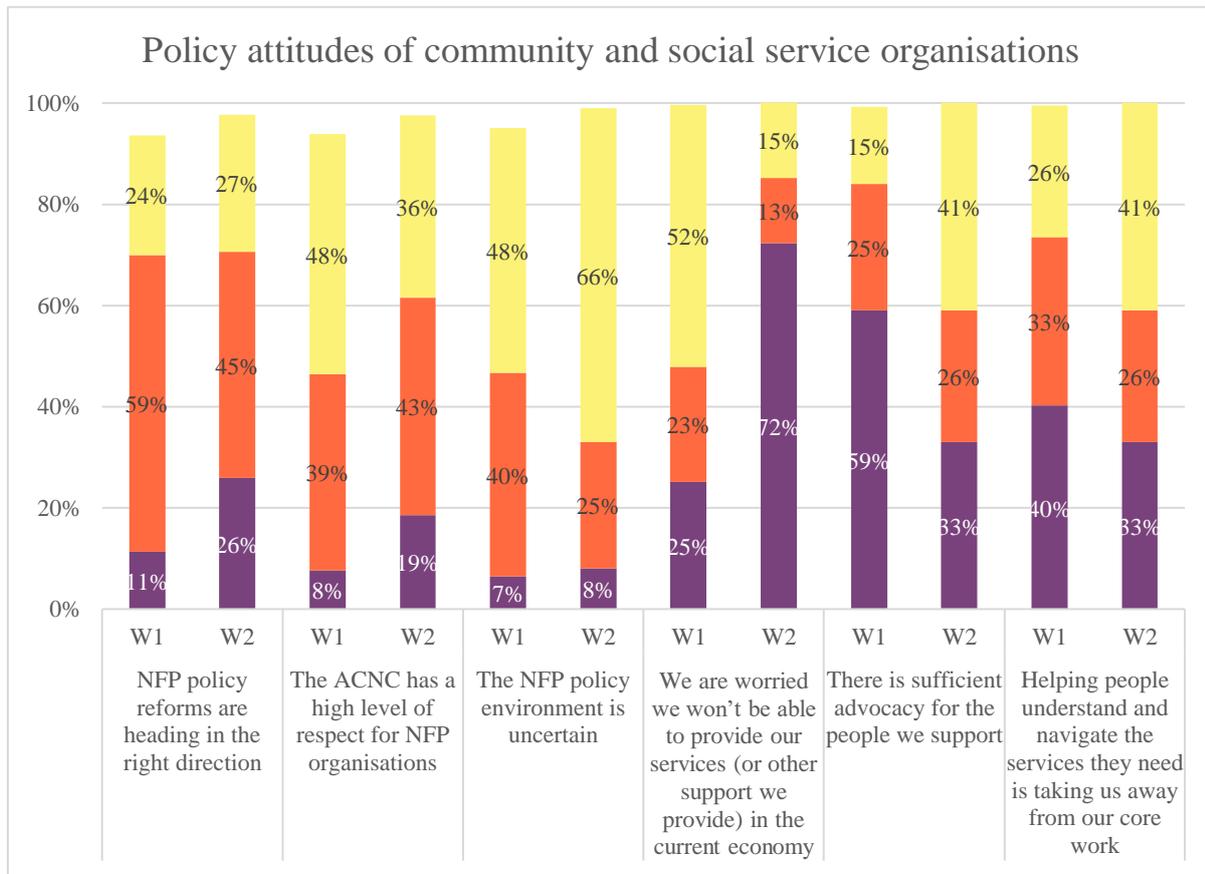


Figure 15: Community and social service policy attitudes

Note: Wave 1 participants were designated as community and social services based on their organisation type (see Wave 1 report for classifications). Wave 1 N = 263; Wave 2 N = 100.

SPOTLIGHT ON THE NDIS

As one of Australia's largest, and most debated, social policy reforms the NDIS featured strongly in qualitative aspects of the survey. 2021 has continued to be a challenging time for organisations operating in disability services. Organisations have struggled to protect some of Australia's most vulnerable populations from the pandemic, with limited access to PPE and policy support (34)

Consistent with other research on the NDIS, survey respondents spoke about never-ending changes and large amounts of bureaucracy (35,36):

The NDIS is a bureaucratic mess that keeps shifting and changing

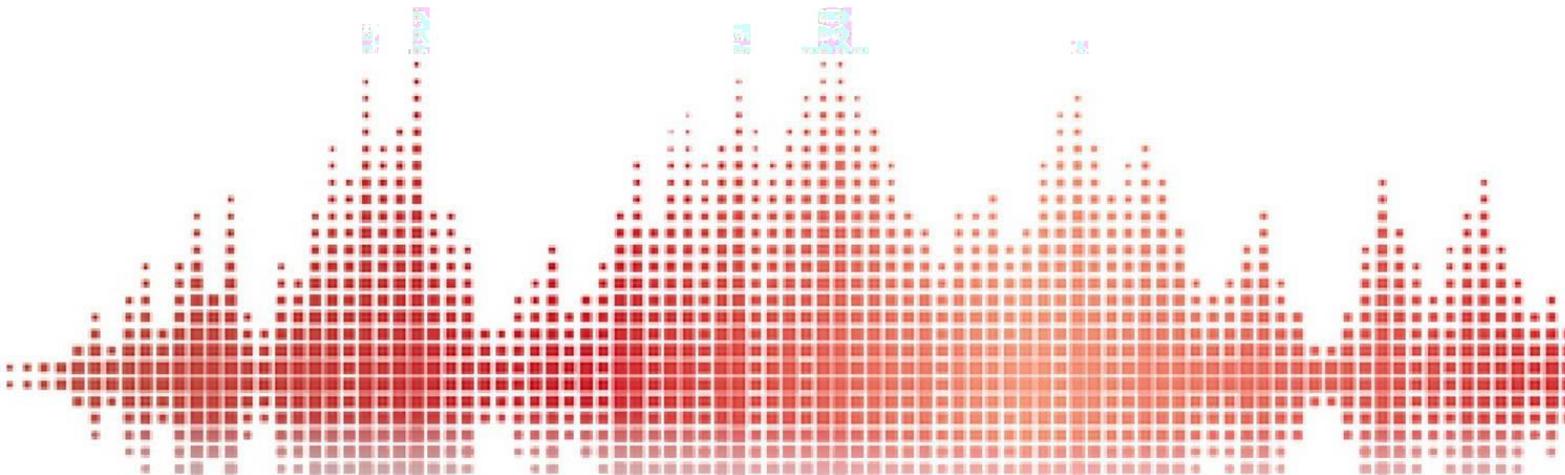


The NDIS has failed to deliver better services in a better system. It is an administrative nightmare and an inhibitor of innovation through an over-reliance on regulatory compliance

As shown in other research led by CSI (35,36), Pulse found that the turbulent operating environment is difficult:

The poor implementation of NDIS and the constant changes create an uncertain operating environment from individuals with a disability and their families and providers. NDIA and the federal government have not engaged the various stakeholders in the co-design of the NDIS. Hence any changes create additional and unintended adverse consequences from all stakeholders.

While the NDIS requires reform, our research has shown elsewhere that stability and change need to be carefully managed or the sector cannot adapt (36).



SOCIAL ENTERPRISE: AN UPDATE ON 2020

Of the 189 organisations that participated in the survey, 34 organisations indicated they operate one or more social enterprises (18%). It is worth noting that the relatively small sample size means that care must be taken in interpreting findings.

Nearly 40% surveyed social enterprises had responded in Wave 1. Among the surveyed social enterprises, three quarters (78%) are micro or small businesses - these findings are consistent with data collected from the Wave 1 survey and past studies of social enterprise in Australia (Barraket, Mason & Blain, 2016). On the other hand, most social enterprises responding in Wave 2 reported operated in different industries to those in Wave 1, with the most cited industry categories being: Cultural and Recreational Services (41%), Education (31%), and Retail Trade (24%).¹

Despite participating social enterprises' notable weakened confidence in forward financial sustainability (see Figure 16), there is also evidence of strong appetite for growth, with three in four (75%) surveyed social enterprises planning to grow their business in 2021, increased from 64% in Wave 1. Such appetite for growth has seen a larger proportion of surveyed firms seeking external finance, jumping from 46% in Wave 1 to 71% in Wave 2.

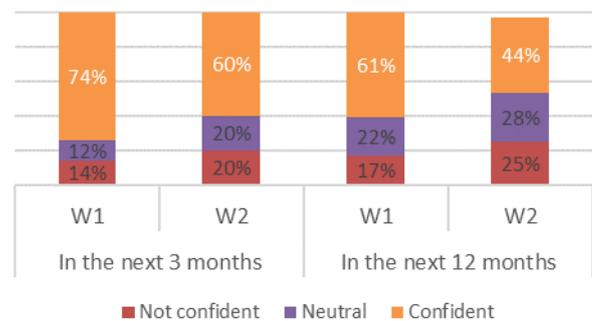


Figure 16: Confidence in financial sustainability.
Wave 1 n = 87; Wave 2 n = 32.

¹ The most cited industry categories in Wave 1 were Health and Social Assistance and Retail Trading, which aligned with findings from the 2016 national survey of Australian social enterprises (Barraket, Mason & Blain, 2016).

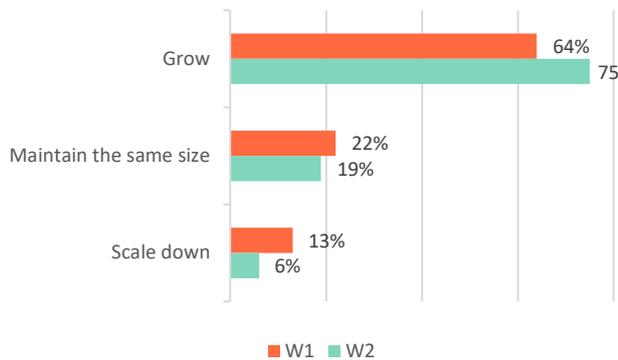


Figure 17: Plan for growth.
Wave 1 n = 85; Wave 2 n = 32.

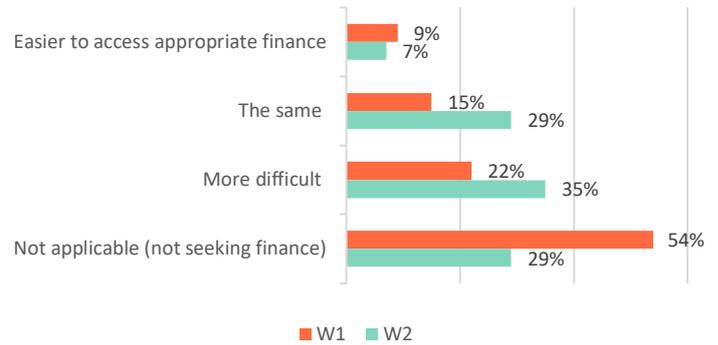
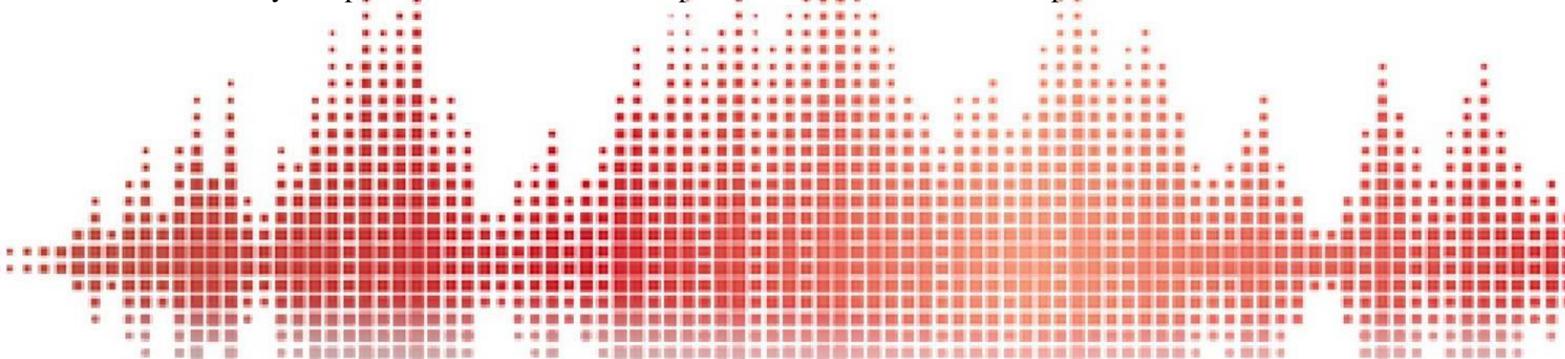


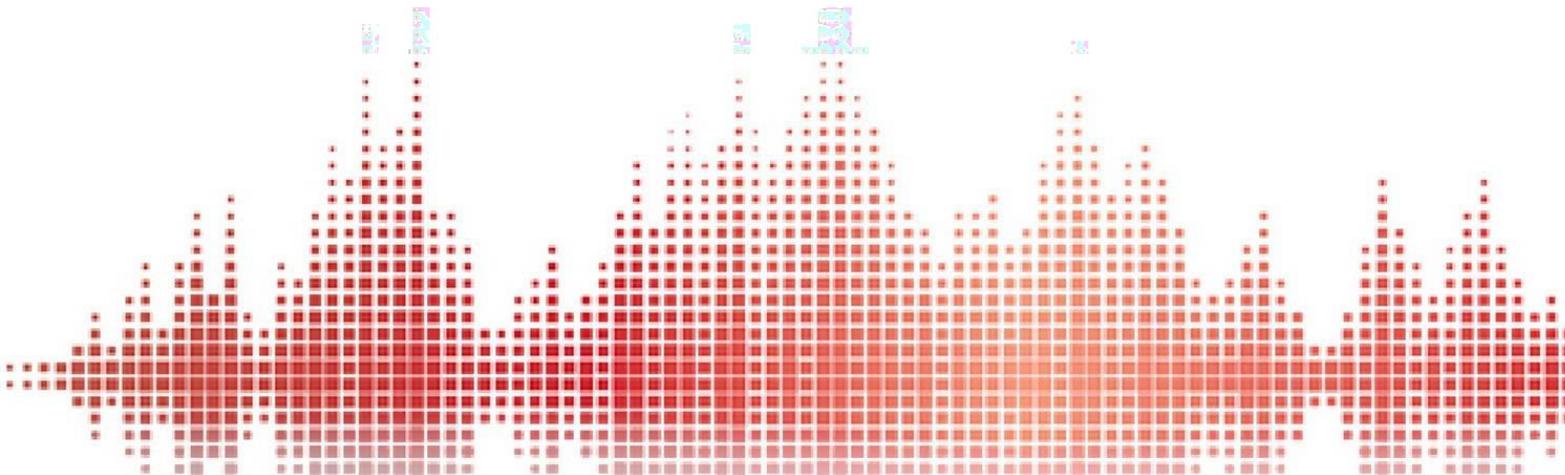
Figure 18: Easiness in accessing external finance.
Wave 1 n = 91; Wave 2 n = 31.

When expected changes in business conditions reported in Wave 1 (for the three months following the Wave 1 survey) were compared to actual changes in the three months prior to the Wave 2 survey, the increase in demand for services/products has exceeded what Wave 1 participants forecasted. Capital expenditure and staff costs have also seen significant increases in 2021, higher than what were expected by Wave 1 participants towards the end of 2020. Increased expenditures together with increased gross income and income from trade reported in Wave 2, have seen more than half (60%) of social enterprises reporting no or negligible change in profit or surplus. On the other hand, changes experienced in the workforce in 2021 are relatively close to expectations from 2020 in most areas, except that the actual increase in the number of full-time workers had been less than what was predicted – this likely reflects the continuing volatility for some industries of extended lockdowns and advent of Delta variant of COVID-19. When the subset of data collected from social enterprises participating in both Wave 1 and 2 was added, similar patterns emerged across the changes they had experienced in 2021, nothing that around half of this group reported increased gross income (55%) and capital expenditure (45%). These findings suggest that the differences between the forecast and reality do not stem from sample differences.

Perceptions about the operating conditions for organisations operating social enterprises were more optimistic than the full survey sample in Wave 2. For example, only 30% of organisations with social enterprises reported operating conditions had worsened for the sector in 2021 compared with 43% in the full sample), while 29% believed the operating conditions had worsened in the wider Australian economy compared to 42% in the full sample. In terms of concerns about provision of services in the



current economy, about two thirds (65%) of organisations that operate social enterprises were optimistic, compared to 53% in full sample. This may reflect general entrepreneurial attitudes or the relative self-reliance of organisations that trade to generate or supplement their revenue. Interestingly the relative optimism of organisations operating social enterprises was not present in Wave 1 findings and instead these organisations expressed larger concerns over their ability to provide services (61% compared to 27% in the full sample in Wave 1), suggesting that after the initial disruptions in 2020 enterprises have been building up capacity to adjust to a very challenging environment.



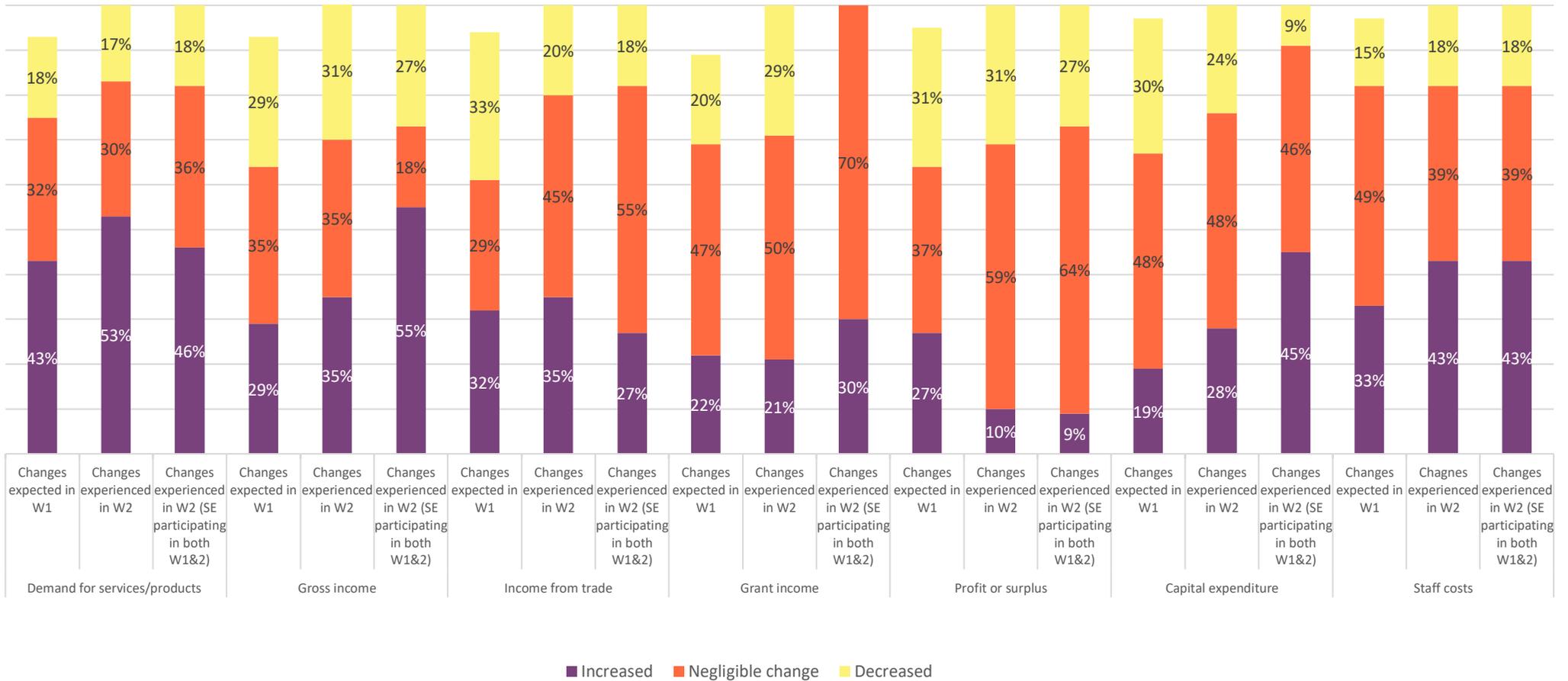
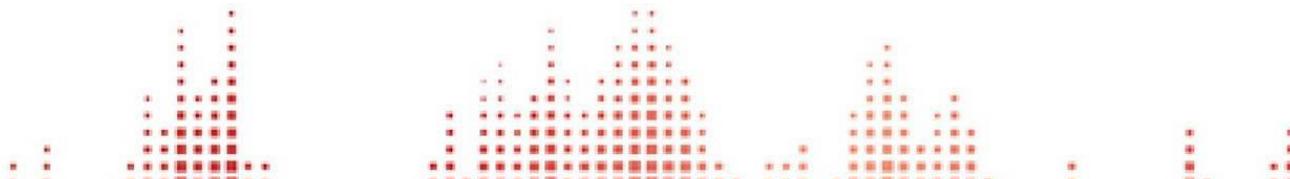


Figure 19: Business conditions: changes expected vs experienced.

Wave 1 n = 90; Wave 2 n = 30; those participating in both Wave 1 & 2 n = 11. 'Don't know' responses removed from figure.



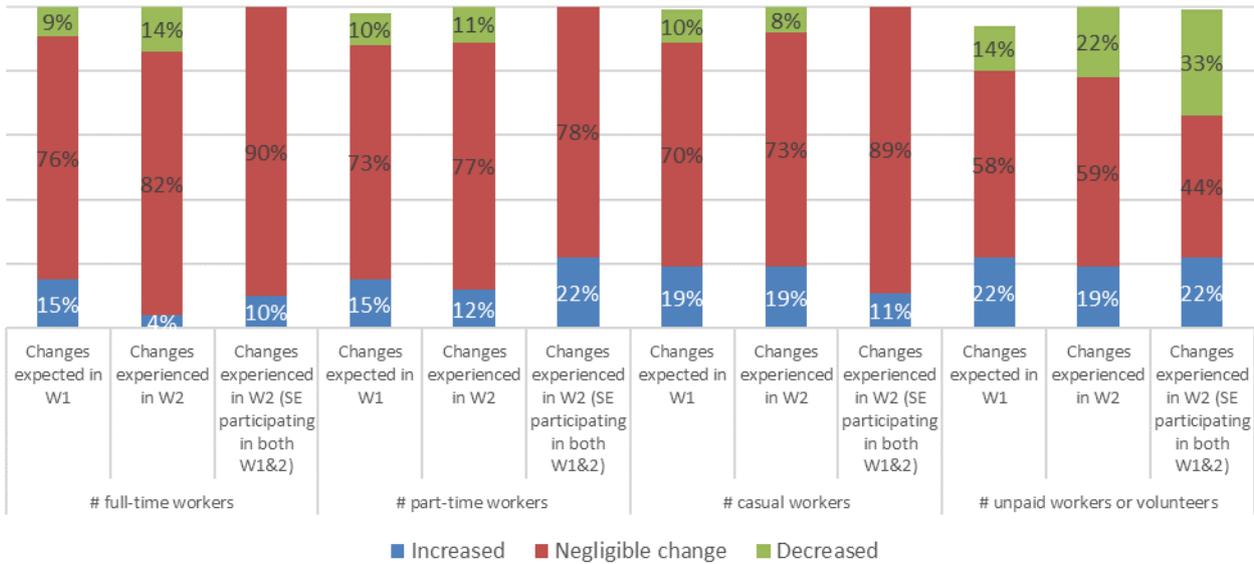
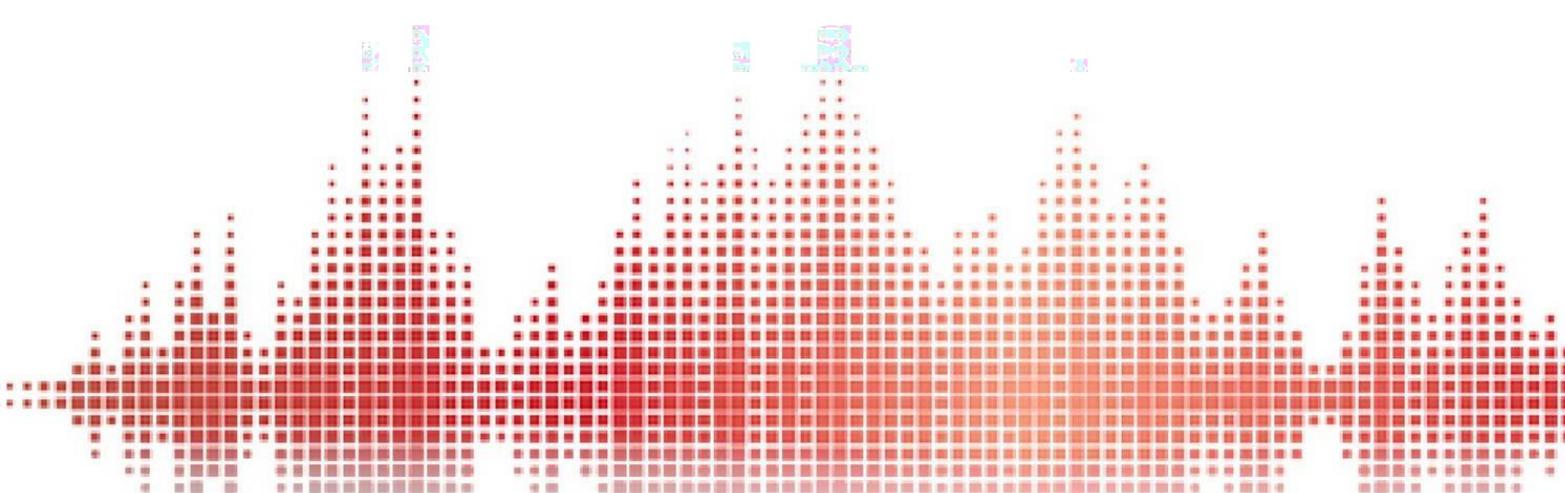


Figure 20: Workforce: changes expected vs experienced.
Wave 1 n = 83; Wave 2 n = 27; those participating in both Wave 1 & 2 n = 10. 'Don't

The Wave 2 findings suggest that as the for purpose sector has continued adapting to 'COVID normal' operating conditions, aims to expand social enterprises have kept going strong. This has seen more organisations running social enterprises seeking financial resources and increasing capital expenditure in their enterprises. However, the reported organisational recovery in the first half of 2021 has yet to transfer to employment growth, with social enterprises reporting higher staff costs and slower uptake in hiring workers. Overall, social enterprises participating in the Wave 2 survey remained relatively positive in their business outlook in 2021. Organisations with social enterprises also demonstrated optimistic perceptions about the current operating conditions and their capacity in meeting increased demand from the community.



APPENDIX 1: METHODOLOGY

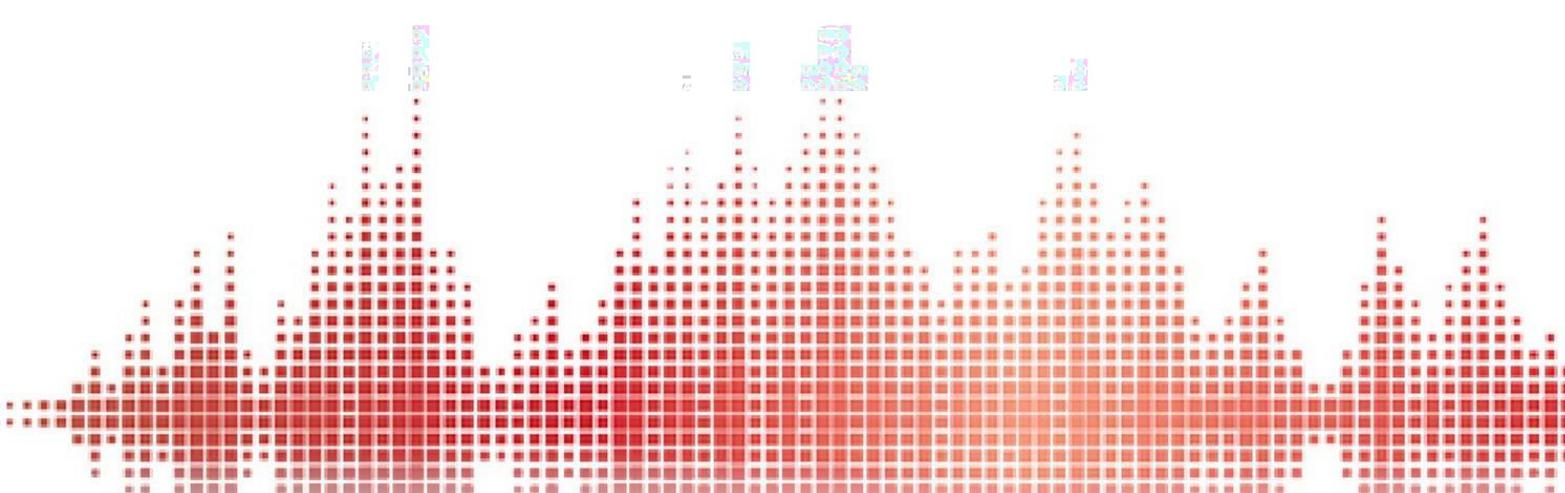
Data for this report is drawn from waves 1 and 2 of the Pulse of the For-Purpose Sector Survey. The aims of the survey were guided by the National Disability Services' (NDS) Annual Market Survey of the disability sector, and items are used here with permission. The NDS Annual Market seeks to understand the financial sustainability of the sector, future trends and pressures, and was identified as an important and useful insight into organisation operation during periods of disruption such as COVID-19. Additional items are guided by surveys such as the Giving Australia survey, and the CSI UWA's Outcomes Measurement in the Western Australian Community Sector Survey (adapted and used with permission) (see the CSI website for reports on the project by the UWA node of the CSI). A full data dictionary is available on request. Ethics approval was obtained from the University of New South Wales [HC200372].

The survey was advertised through multiple channels. Charities and not-for-profits registered with the ACNC were emailed with the request to take part, and partner organisations sent an invitation to participate to their email contacts. A general call out on CSI and partner social media channels were also used. The survey was hosted online on Qualtrics and completed by one representative member of the organisation.

The survey covers multiple topics that are relevant to the for-purpose sector: their views on the current not-for-profit operating environment, their organisation's strategy, board effectiveness, and responses to COVID-19. Each wave of the survey will include additional 'modules' focused on particular subgroups. In both waves 1 and 2, two modules were included, focusing on housing and homelessness services, and social enterprise.

The survey included several open-ended questions. These have been coded and analysed thematically and select quotes have been used throughout the report. Statistical analysis is primarily descriptive. Any significance testing was done using chi-square test to determine significant differences between the expected and observed frequencies between categories.

It is important to note that not all organisations who took part in the survey answered all items. This may be because the question was not relevant to the organisation, that they did not wish to disclose particular information, or because of survey drop out. Proportions that are reported throughout this document are therefore based on the respondents who answered that particular question and should not be extrapolated to the entire sample. The number of organisations who responded to each particular item is reported under their relevant figure.



Survey respondents – Wave 2

Of the 189 organisation responses in Wave 2, 34% represented community organisations delivering services, particularly in areas of social and welfare services. Half (53%) of the organisations deliver programs to external clients or beneficiaries. Figure 15 outlines the spread of beneficiary groups receiving support from the organisations which took part. The survey also captured social enterprises, philanthropic organisations and a range of community groups.

Entity type

Respondent organisation ABNs were matched to the ACNC register and the Australian Business Register (ABR) to determine the organisation entity type. The majority (67.7) of respondents were representatives from charities on the ACNC register. Table 1 below displays the breakdown of entity types of the other organisations, as categorised on the ABR.

Table 1: Respondent entity type (ACNC Register)

	Wave 1		Wave 2	
	n	%	n	%
ACNC Register	411	78.6	128	67.7
Other organisations	59	11.3	19	10.1%
Australian Private Company	21	4.0	8	4.2%
Australian Public Company	11	2.1	4	2.1%
Other Incorporated Entity	14	2.7	4	2.1%
Other Unincorporated Entity	2	0.4	0	0.0%
Sole Trader	3	0.6	2	1.1%
Commonwealth Government Entity	2	0.4	0	0.0%
State Government Entity	2	0.4	1	0.5%
Discretionary Investment Trust	1	0.2	0	0.0%
Discretionary Trading Trust	2	0.4	0	0.0%
Fixed Unit Trust	1	0.2	0	0.0%
ABN not provided	53	10.1	61	32.3%
Total	523	100.0	189	100.0

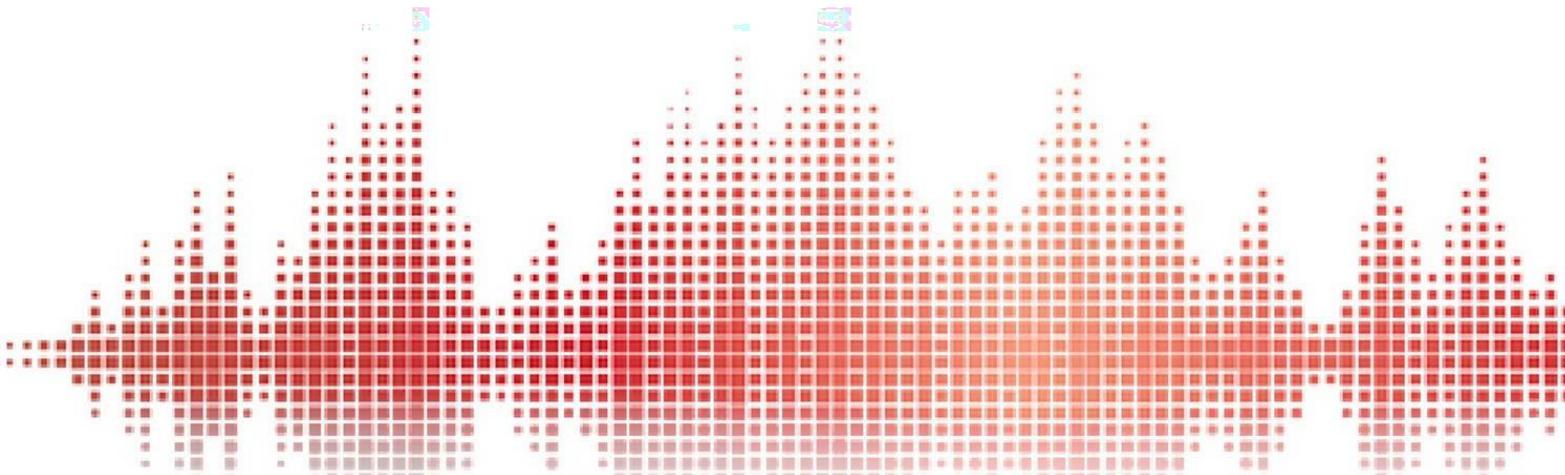


Organisation type

For the purpose of comparative analysis, organisations were asked to indicate the activities they most aligned with: Community facing organisation, Philanthropy and grant making, Industry and Industry and social enterprise, CSR, and 'other'. 66% of organisations were categorised as community facing (n = 125), 3% were philanthropy and grant making (n = 5), 14% were industry and social enterprise (n = 27), 13% did not respond (n = 25).

Beneficiaries

Approximately half of the organisations that took part in the survey (53%, n = 100) represented community organisations delivering services, particularly in areas of social and welfare services. The survey also captured social enterprises, philanthropic organisations and a range of community groups (see Figure 17).



Beneficiary groups

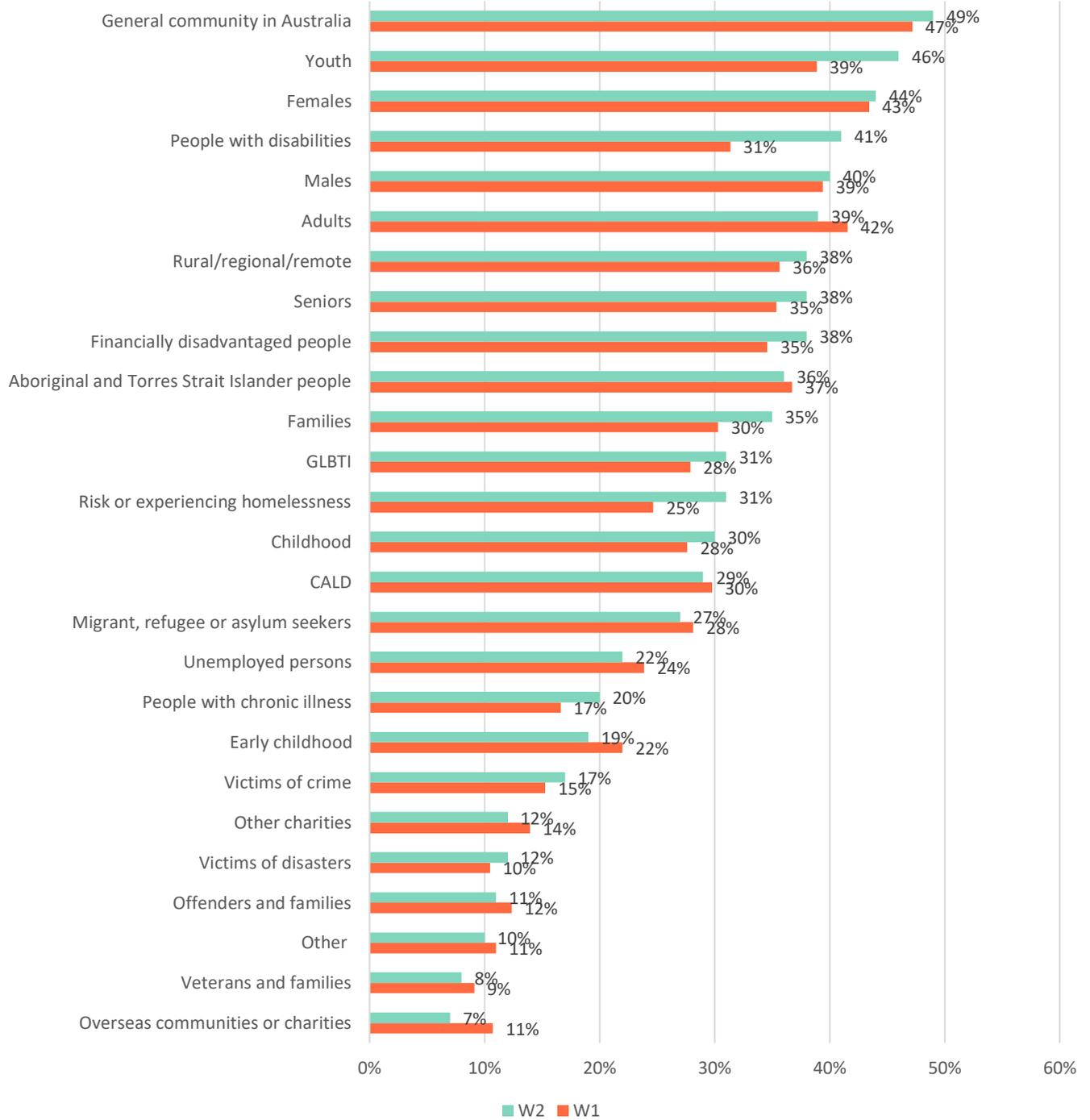
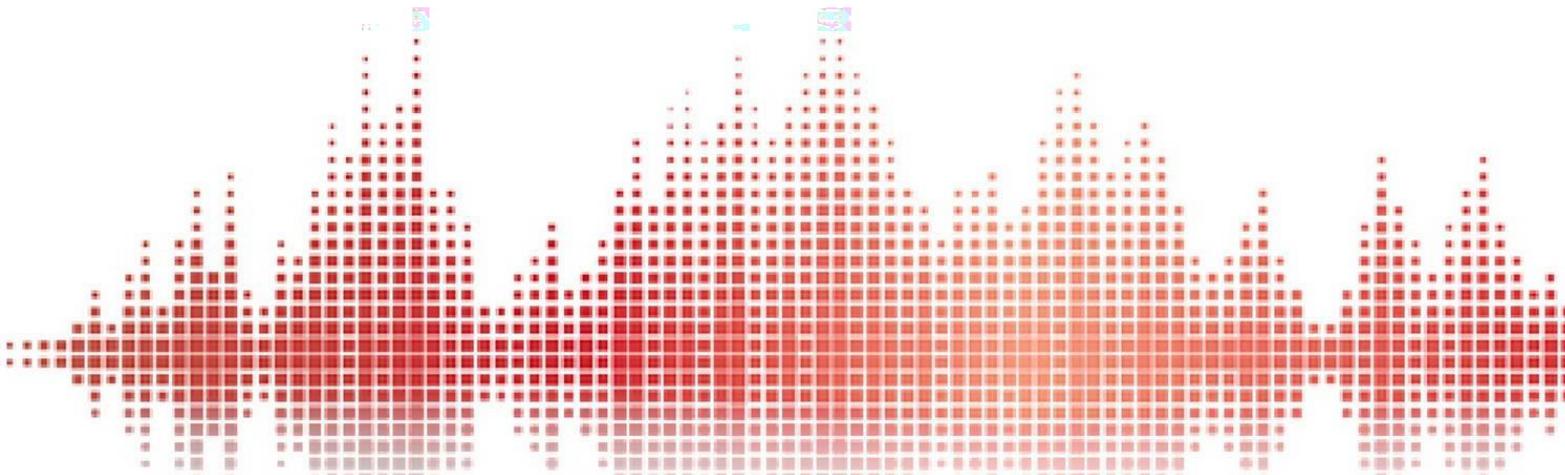


Figure 16: Beneficiary groups of responding organisations (multiple responses allowed)



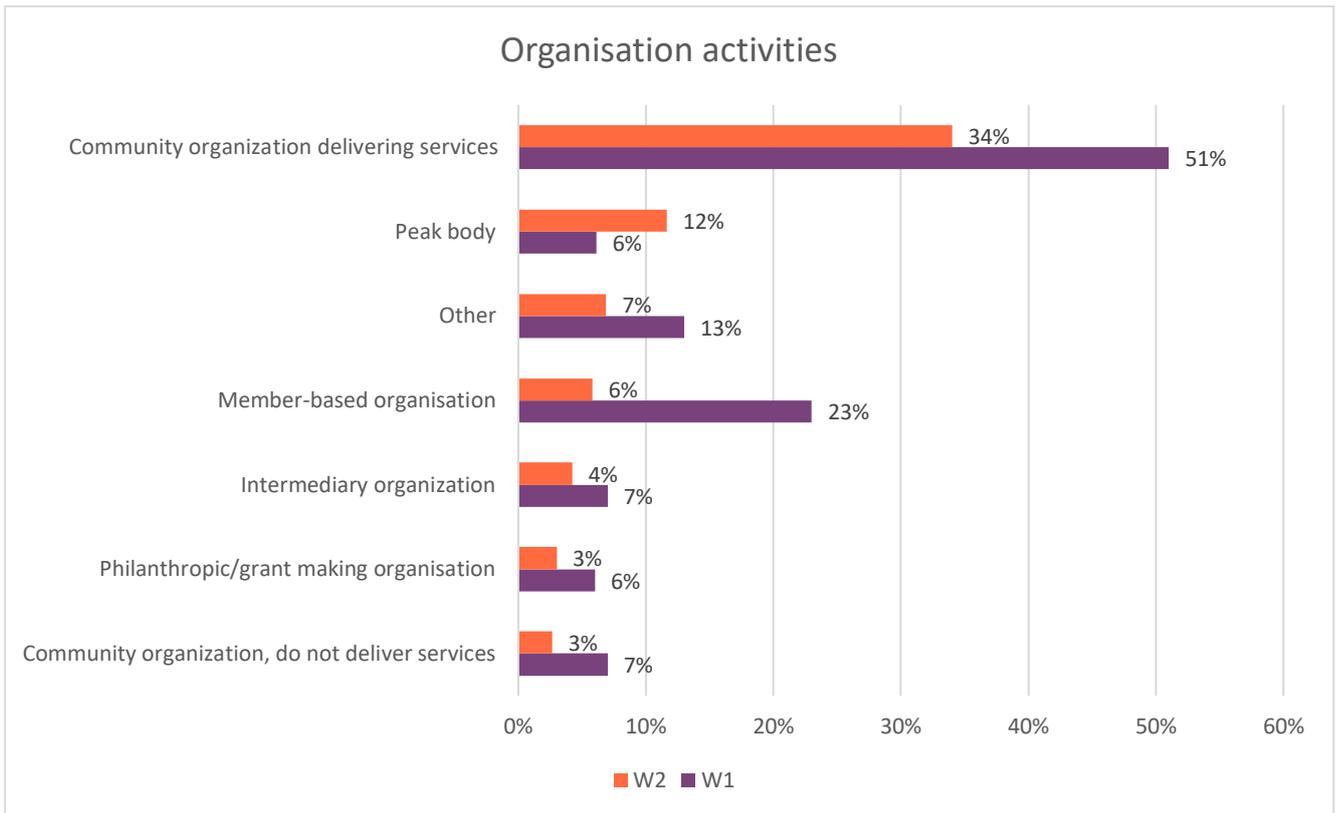
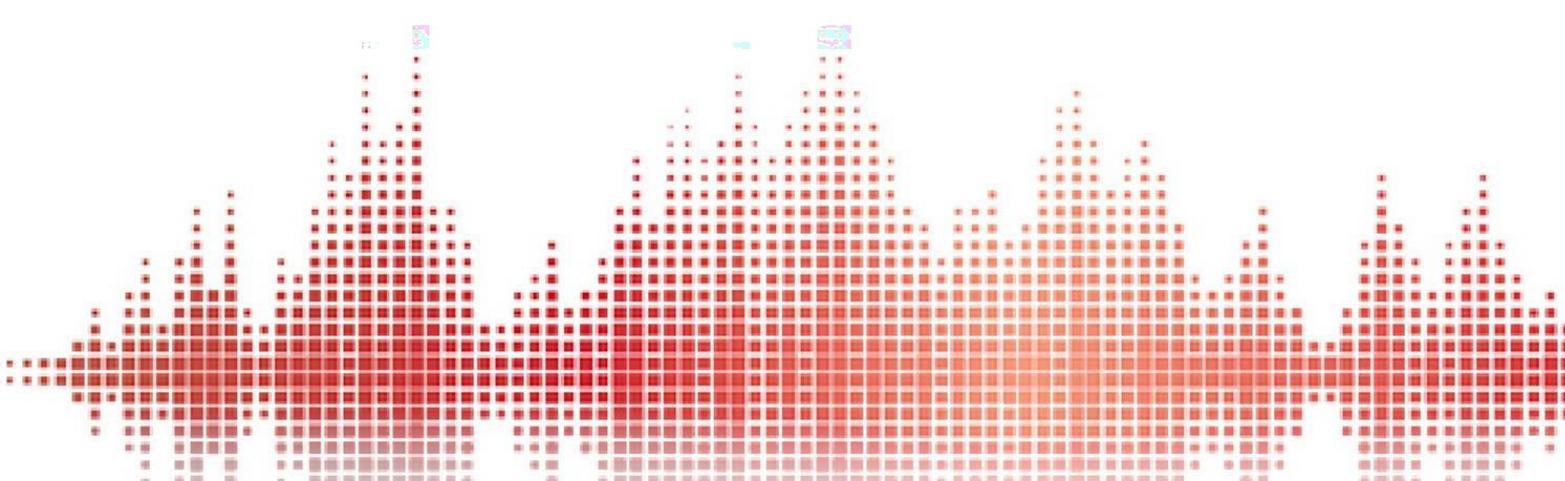


Figure 17: Organisation activities (multiple responses allowed)

Employees and volunteers

The majority of responding organisations (75%) indicated that they engage paid employees (see Figure 18). It was rare for organisations to either be under a Fund that engages direct employees, or for the organisation to be provided with indirect support. The number of FTE employees was vast, ranging between 0 and 18,000. The median number of FTE employees reported by 55 organisations was 12. The survey was not representative, and thus may be skewed towards organisations with paid employees by virtue of who did and did not respond.



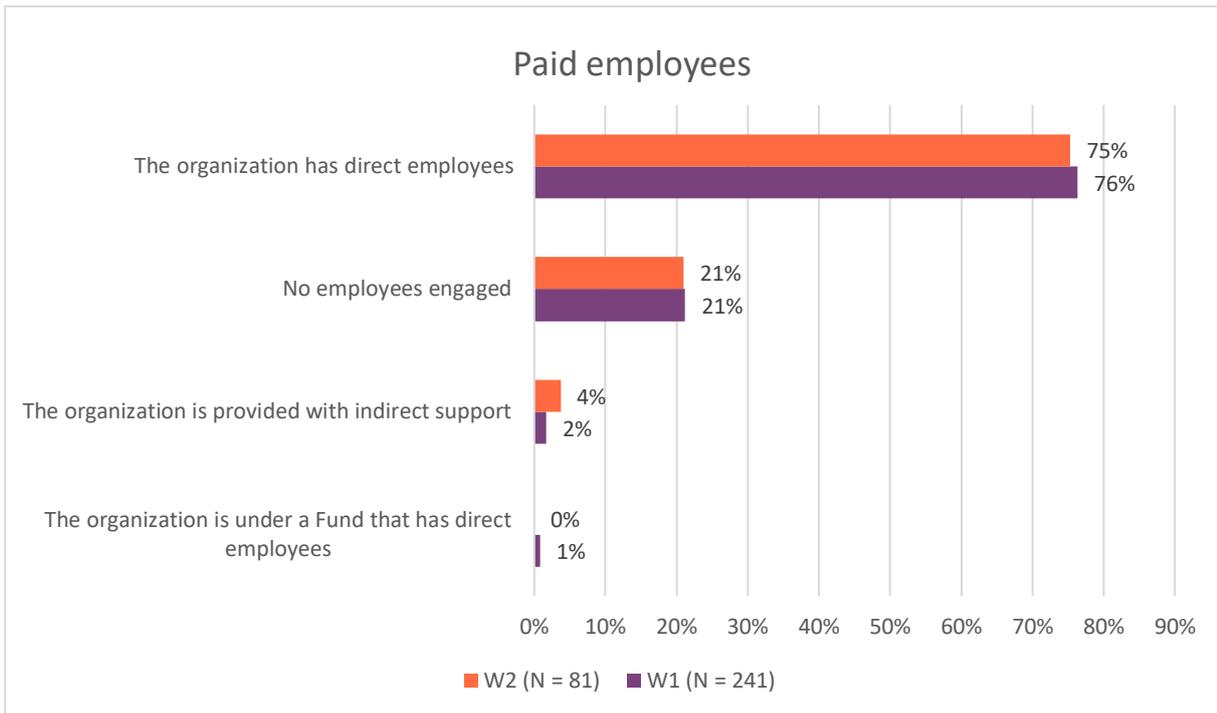


Figure 18: Paid employees

The majority of responding organisations also reported engaging volunteers (77% of 300 organisations). Of the 47 responding organisations, the median FTE volunteer support roles in their organisation was 30 (ranging from 0 to 2000 FTE volunteers).

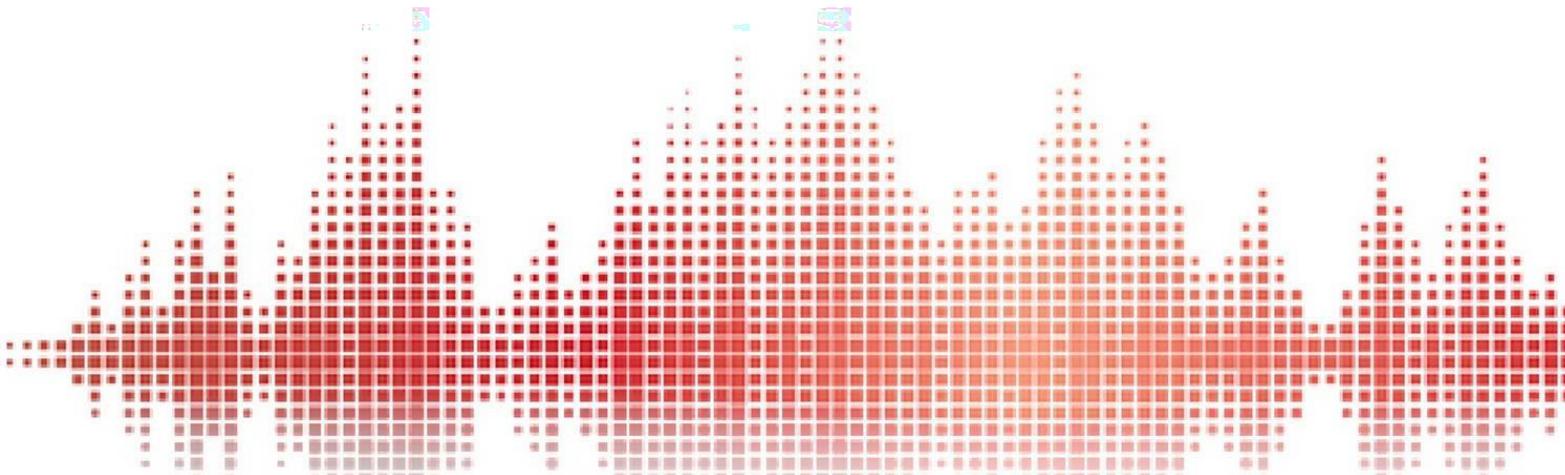


Table 2: What is the focus of your organisation? Select up to 3:

Focus area	Wave 1		Wave 2	
	Number	% of sample	N	% of sample
Other activity (please specify)	89	17%	29	15%
Economic, social and community development	117	22%	27	14%
Mental health and crisis intervention	52	10%	14	7%
Employment and training	50	9%	9	5%
Civic and advocacy studies	42	8%	8	4%
Emergency relief	34	6%	7	4%
Environmental activities	38	7%	8	4%
Housing activities	34	6%	7	4%
Other education	59	11%	8	4%
Other health service delivery	45	8%	8	4%
Aged care activities	24	4%	5	3%
Other philanthropic intermediaries and voluntarism promotion	16	3%	6	3%
Other recreation and social club activity	35	7%	5	3%
Culture and arts	43	8%	4	2%
Grant-making activities	31	6%	3	2%
International activities	29	5%	4	2%
Law and legal services	5	1%	3	2%
Primary and secondary education	25	5%	3	2%
Religious activities	40	7%	4	2%
Animal protection	10	2%	2	1%
Higher education	16	3%	2	1%
Hospital services and rehabilitation activities	10	2%	2	1%
Income support and maintenance	3	1%	0	0%

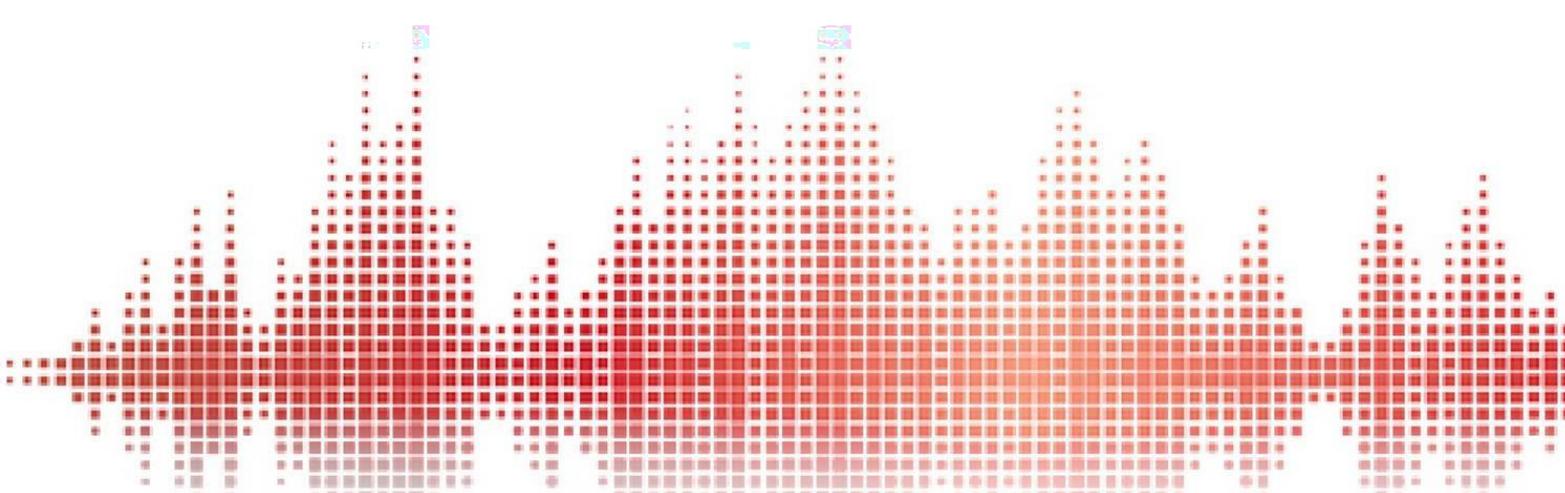


Table 3: What is the best description of your organisation's activities? Select all that apply

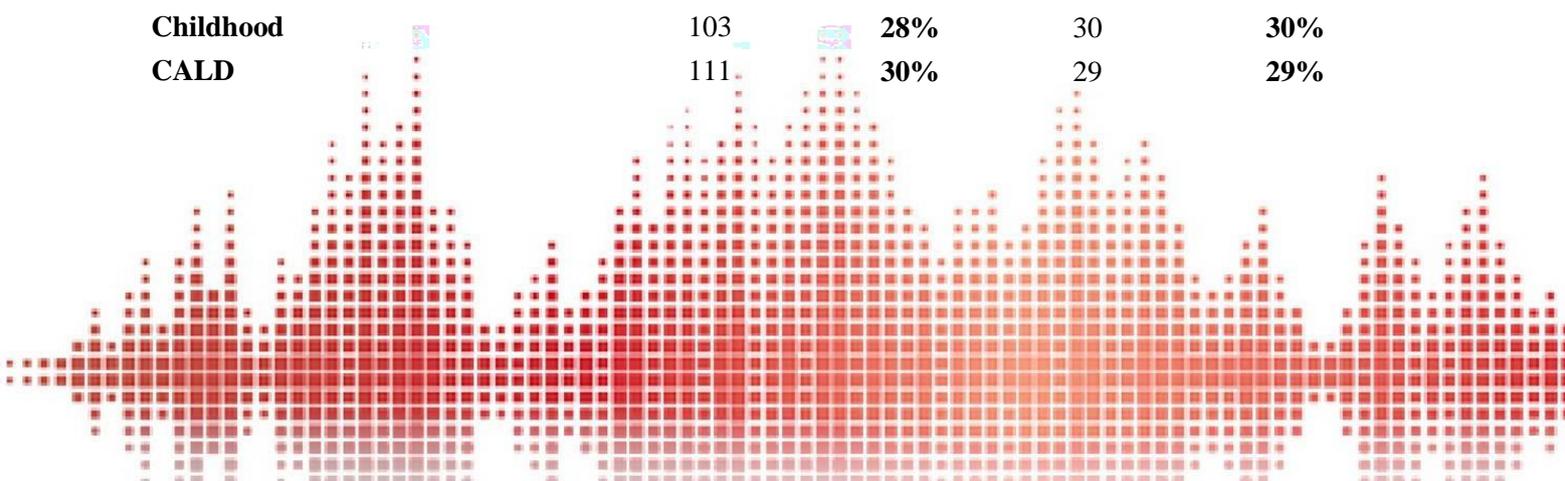
	N	% of 538	N	% of 189
Community organisation delivering services	273	51%	64	34%
Member-based organisation	125	23%	22	12%
Other	70	13%	14	7%
Peak body	33	6%	11	6%
Intermediary organisation	35	7%	8	4%
Community organisation, do not deliver services	36	7%	6	3%
Philanthropic/grant making organisation	33	6%	5	3%

Table 4: Does your organisation deliver programs to external clients or beneficiaries?

	Wave 1		Wave 2	
	N	% of 538	N	% of 189
Yes	373	69%	100	53%
No	132	25%	18	10%

Table 6: Who are your beneficiaries? (Select all that apply)

	N	% of 366*	N	% of 100
General community in Australia	176	47%	49	49%
Youth	145	39%	46	46%
Females	162	43%	44	44%
People with disabilities	117	31%	41	41%
Males	147	39%	40	40%
Adults	155	42%	39	39%
Financially disadvantaged people	129	35%	38	38%
Seniors	132	35%	38	38%
Rural/regional/remote	133	36%	38	38%
Aboriginal and Torres Strait Islander people	137	37%	36	36%
Families	113	30%	35	35%
Risk or experiencing homelessness	92	25%	31	31%
GLBTI	104	28%	31	31%
Childhood	103	28%	30	30%
CALD	111	30%	29	29%



Migrant, refugee or asylum seekers	105	28%	27	27%
Unemployed persons	89	24%	22	22%
People with chronic illness	62	17%	20	20%
Early childhood	82	22%	19	19%
Victims of crime	57	15%	17	17%
Victims of disasters	39	10%	12	12%
Other charities	52	14%	12	12%
Offenders and families	46	12%	11	11%
Other	41	11%	10	10%
Veterans and families	34	9%	8	8%
Overseas communities or charities	40	11%	7	7%

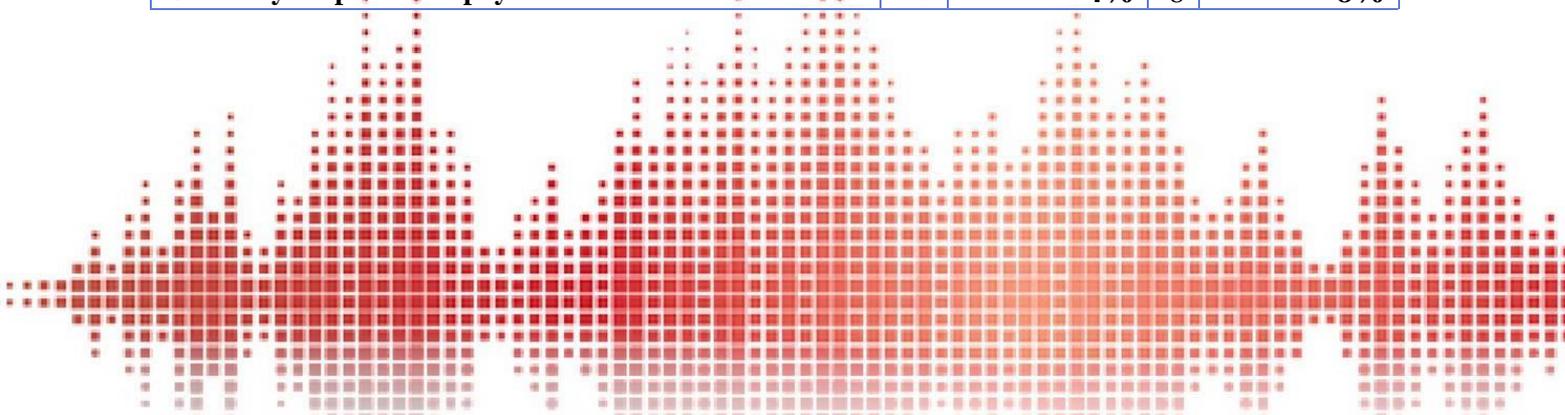
*Sample based on the number of organisations who indicated they delivered programs to external clients or beneficiaries

Table 7: What is your organisation type? Select all that apply:

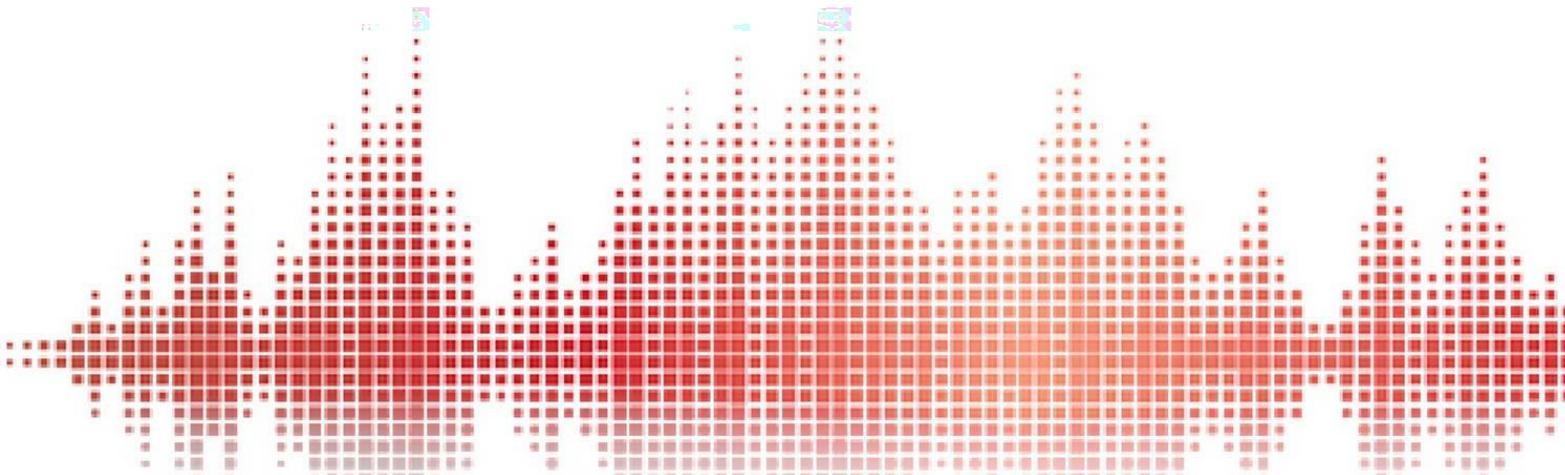
	Wave 1		Wave 2	
	N	% of sample	N	% of sample
Social services/welfare	147	27%	44	23%
Other (please specify)	77	14%	25	13%
Social enterprise	78	14%	22	12%
Health	57	11%	16	8%
Training	42	8%	14	7%
Religious	43	8%	7	4%
Club or community group	50	9%	8	4%
Business or sector supplier	24	4%	6	3%
Intermediary	25	5%	5	3%
Environmental	30	6%	5	3%
Philanthropic/grant	39	7%	5	3%
Arts/cultural	43	8%	6	3%

Table 8: What is your organisation's tax status? Select all that apply:

	N	% of sample	N	% of sample
Public Benevolent Institution	130	24%	28	27%
Not-for-profit not covered by other categories	93	17%	19	18%
Deductible Gift Recipient named in legislation	77	14%	12	12%
Registered charity with income tax exemption	158	29%	12	12%
Other (please specify)	17	3%	8	8%
Ordinary corporate taxpayer	23	4%	8	8%



Ordinary taxpayer	11	2%	7	7%
Unknown	7	1%	2	2%
Health promotion charity	24	4%	2	2%
Public hospital	0	0%	1	1%
Necessitous circumstances fund	3	1%	1	1%
Public library, museum, art gallery	6	1%	1	1%
Overseas aid fund	7	1%	1	1%
Listed on the Register of Cultural Organisations	10	2%	1	1%
Listed on Register of Environmental Organisations	11	2%	1	1%
Public university	0	0%	0	0%
Listed on the Register of Harm Prevention Charities	0	0%	0	0%
Australian disaster relief fund	1	0%	0	0%
School building fund	1	0%	0	0%
Scholarship fund	5	1%	0	0%
Private ancillary fund	7	1%	0	0%
Public ancillary fund	10	2%	0	0%
Developed country disaster relief fund	0	0%	0	0%



ⁱ Wave 2 survey responses were collected between May-June 2021, prior to the Delta outbreaks and associated lockdowns in Sydney and greater NSW, and an extended lockdown in Victoria from mid-July until November

ⁱⁱ Wave 1 response to 'conditions in my sector' was worded as 'conditions in the NFP sector'. Because the majority (68%) in Wave 2 indicated they held some form of not-for-profit tax status, Wave 1 responses are included here for high-level comparison. 'Don't know' responses excluded from figure.

ⁱⁱⁱ Response options were changed between Wave 1 and 2 of the survey – responses in Wave 1 were 'one of our funders', 'more than one funder', and 'not applicable'. 'All funders' and 'don't know' were added as response options from Wave 2.

^{iv} Response options were changed between Wave 1 and 2 of the survey – responses in Wave 1 were 'one of our funders', 'more than one funder', and 'not applicable'. 'All funders' and 'don't know' were added as response options from Wave 2.

^v Adapted survey responses from wave 1 are: Funding does not cover direct or indirect costs (wave 1): Insufficient (wave 2)

Covers direct costs only (wave 1): Minimal (wave 2)

Breaks even (wave 1): Meets needs (wave 2)

Covers direct and indirect costs with some surplus (wave 1): Surplus (wave 2)



REFERENCES

1. Social Ventures Australia and the Centre for Social Impact. Taken for granted? Charities' role in our economic recovery. [Internet]. Sydney: Social Ventures Australia; 2020. Available from: https://www.socialventures.com.au/assets/200804_Taken-for-granted-Charities-role-economic-recovery_CSI-SVA-lg.pdf
2. Carey G, Weier M, Barnes E, Muir K. Moving the Conversation Forward. A decade of reform recommendations for the community services sector. Sydney, NSW: Centre for Social Impact, UNSW; 2020.
3. Social Ventures Australia, Centre for Social Impact. Vital support: building resilient charities to support Australia's wellbeing. Sydney: SVA; 2021 p. 49.
4. Muir K, Carey G, Weier M, Barraket J, Flatau P. Pulse of the For-Purpose Sector Final Report: Wave One. Sydney, NSW: Centre for Social Impact; 2020.
5. Australian Bureau of Statistics. Labour Force Australia [Internet]. ABS; 2021. Available from: <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release>
6. ACOSS, SPRC, UNSW. Poverty in Australia. Sydney: ACOSS; 2020.
7. Hartley WC, Barnes E, Writer T. An evaluation of the accommodation of people sleeping rough in inner city Sydney during the COVID-19 pandemic. Sydney: Centre for Social Impact UNSW; 2021 p. 65.
8. Klapdor M, Giuliano C. The impact of COVID-19 on JobSeeker Payment recipient numbers by electorate. Canberra, A.C.T.: Parliamentary Library, Parliament of Australia; 2021 p. 25.
9. Klapdor M. Australian Government COVID-19 disaster payments: a quick guide. Canberra, A.C.T.: Parliamentary Library, Parliament of Australia; 2020 p. 8.
10. Centre for Social Impact. CSI Federal Budget Response 2020-2021 [Internet]. Centre for Social Impact, UNSW; 2021. Available from: https://www.csi.edu.au/media/uploads/csi_budget_response_-_may_2020.pdf
11. Seek.com.au. Industries hiring now and roles where job ads are rising [Internet]. SEEK Career Advice AU. 2021 [cited 2021 Oct 21]. Available from: <https://www.seek.com.au/career-advice/article/industries-hiring-now-and-roles-where-job-ads-are-rising>
12. Seek.com.au. SEEK Employment Report - For the second month running SEEK job ads are at an all-time high [Internet]. 2021 [cited 2021 Oct 21]. Available from: <https://www.seek.com.au/about/news/seek-employment-report-for-the-second-month-running-see-job-ads-are-at-an-all-time-high>



13. Australian Council of Social Service. Budget Priorities Statement 2020-2021. Sydney: Australian Council of Social Service; 2021.
14. Australian Bureau of Statistics. Job Vacancies, Australia, August 2021 [Internet]. 2021 [cited 2021 Oct 5]. Available from: <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/job-vacancies-australia/latest-release>
15. Dechter E, Muir K. Women, underemployment and gender inequality in the labour force. BusinessThink [Internet]. 2021 Sep 27 [cited 2021 Oct 5]; Available from: <https://www.businessthink.unsw.edu.au/articles/underemployment-women-gender-labour>
16. Volunteering Australia. Key Volunteering Statistics 2021. Volunteering Australia; 2021.
17. Biddle N, Gray M. Volunteering during the first year of the COVID-19 pandemic [Internet]. Canberra, ACT: Australian National University; 2021 [cited 2021 May 10] p. 21. Available from: https://csrcm.cass.anu.edu.au/sites/default/files/docs/2021/5/Volunteering_during_the_COVID-19_pandemic_-_April_2021.pdf
18. Cortis N, Blaxland M. Meeting community needs in difficult times: experience of Australia's community sector [Internet]. Sydney: ACOSS; 2021. Available from: https://www.acoss.org.au/wp-content/uploads/2021/04/meeting-community-needs-in-difficult-times_experiences-of-Australias-community-sector_WEB_v2.pdf
19. McLeod J, McDonald B. JBWere NAB Charitable Giving Index [Internet]. Sydney, NSW: JBWere and National Australia Bank; 2021 Jul p. 19. Available from: https://www.jbwere.com.au/content/dam/jbwere/documents/Insights/JBWere_NAB_Charitable_Giving_Index_July_2021.pdf
20. Flatau P, Seivwright A, Hartly C, Callis Z. Homelessness and COVID-19: CSI response. Perth: Centre for Social Impact, UWA; 2020.
21. Australian Bureau of Statistics. Census of Population and Housing: Estimating Homelessness [Internet]. ABS; 2018. Available from: <https://www.abs.gov.au/statistics/people/housing/census-population-and-housing-estimating-homelessness/latest-release>
22. Product. Report on Government Services. report on Government services. Canberra: Productivity Commission; 2021.
23. Lawson J, Pawson H, Troy L. Social housing as infrastructure: an investment pathway. [Internet]. AHURI; 2018. Available from: <https://www.ahuri.edu.au/research/final-reports/306>, doi: 10.18408/ahuri-5314301
24. Cortis N, Blaxland M. Australia's community sector and COVID-19: Supporting communities through the crisis [Internet]. Sydney: ACOSS; 2020. Available from: https://www.acoss.org.au/wp-content/uploads/2020/09/Australias-community-sector-and-Covid-19_FINAL.pdf



25. The XFactor Collective. Reset2020 National Impact+Need Research Study Phase 2 - September 2020 Survey Interval. Sydney, NSW: The XFactor Collective; 2020.
26. Asher A. Victoria's emergency aid providers struggling to keep up with growing demand for help. ABC News [Internet]. 2021; Available from: <https://www.abc.net.au/news/2021-06-06/victoria-s-emergency-aid-providers-struggling-to-keep/100193338>
27. Productivity Commission. Contribution of the Not-for-Profit Sector. Canberra; 2010.
28. Justice Connect. Fix Fundraising [Internet]. Justice Connect. 2021 [cited 2021 Oct 5]. Available from: <https://justiceconnect.org.au/campaigns/fix-fundraising/>
29. Hands Off Our Charities (HOOC) | Hands Off Our Charities [Internet]. [cited 2021 Oct 5]. Available from: <https://hooc.org.au/>
30. Kavanagh A, Dickinson H, Baxter N. Opening up when 80% of eligible adults are vaccinated won't be 'safe' for all Australians [Internet]. The Conversation. 2021 [cited 2021 Oct 6]. Available from: <http://theconversation.com/opening-up-when-80-of-eligible-adults-are-vaccinated-wont-be-safe-for-all-australians-166818>
31. End COVID For All - Pledge to support our most vulnerable neighbours [Internet]. End Covid for All. [cited 2021 Oct 5]. Available from: <https://www.endcovidforall.com/>
32. Join the campaign to Raise the Rate for Good [Internet]. Raise The Rate. [cited 2021 Oct 5]. Available from: <https://raisetherate.org.au/>
33. Rachwani M. 'People are hurting': food charities in demand in Sydney's Covid hotspots. The Guardian [Internet]. 2021 Sep 18 [cited 2021 Oct 5]; Available from: <https://www.theguardian.com/australia-news/2021/sep/19/people-are-hurting-food-charities-in-demand-in-sydneys-covid-hotspots>
34. Green C, Carey G, Dickinson H. Barriers and enablers in the development of a COVID-19 policy response for people with disability in Australia. CRE Disability and Health; 2021.
35. Carey G, Malbon E, Blackwell J. Administering inequality? The National Disability Insurance Scheme and administrative burdens on individuals. Aust J Public Adm [Internet]. 2021 [cited 2021 Aug 17]; Available from: <http://onlinelibrary.wiley.com/doi/abs/10.1111/1467-8500.12508>
36. Carey G, Malbon E, Weier M, Duff G. Balancing stability and change: Lessons on policy responsiveness and turbulence in the disability care sector. Health Soc Care Community. 2021 Jun 16;hsc.13454.

