

AUSTRALIAN CHARITIES

State of the Sector Report Part 1 – Sector Confidence



Charities Brace for Impact: Charity Expert Group Warn of Growing Challenges.

Background

The charities and NFP sector includes over 600,000 organisations, contributing over 6% of GDP. Australia's 50,000+ charities employ 1.4 million staff (11% of Australia's workforce). It mobilises 3.5 million volunteers, and turns over more than \$200 billion annually.

Beyond these figures, the sector's true value lies in its unmeasured contribution to Australian quality of life. Charities and NFPs are at the heart of community connection, nurturing cultural and spiritual expression, and enhance productivity, making Australia a more resilient society.

Research – Survey of Charity Expert Panel

The Community Council for Australia (CCA), supported by Piazza Research, surveyed the CCA Charity Expert Panel (a group of 56 leaders and CEOs of key charity and Not-For-Profit organisations), to assess the effectiveness of Government commitments to the sector.

Data was collected during September 2024 and describes the Sector's confidence, and Government policy successes and gaps. The research provides essential insights to improve outcomes in a time of rising demand for charities.

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Confidence about the future

The survey, by Piazza Research, reveals that while 55% of charity leaders are somewhat or highly confident about their organisation's future, 37% are uncertain. This divide highlights ongoing challenges in meeting growing demand while maintaining sustainability.

The findings signal a need for stronger Government support to address rising costs, increased pressures and demands, workforce challenges, and funding gaps. **"A confident charity sector is vital to supporting Australian communities"** said CCA Chairperson Tim Costello.

Without targeted action, this uncertainty undermines the sector's ability to deliver essential services and support nationwide.

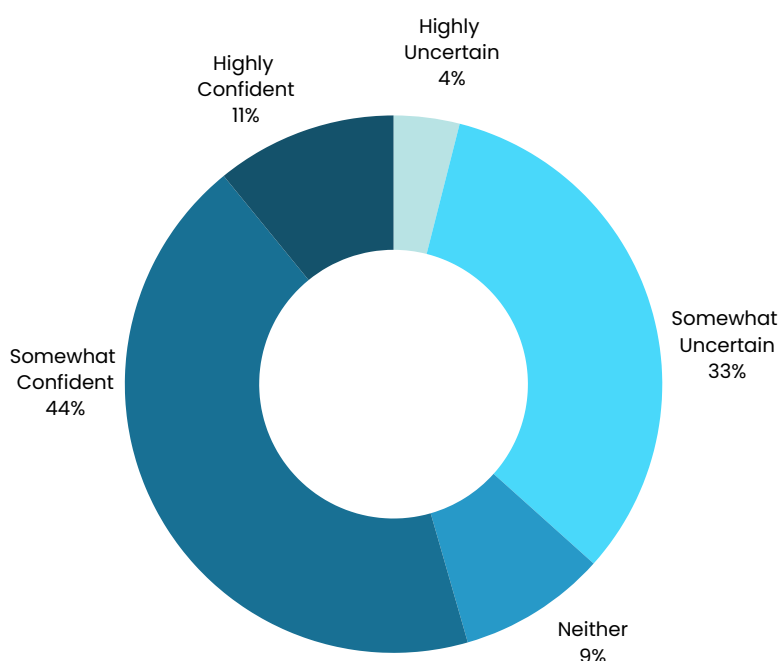


Figure 1. Overall, how confident are you about the future of your organisation compared to 3 years ago?

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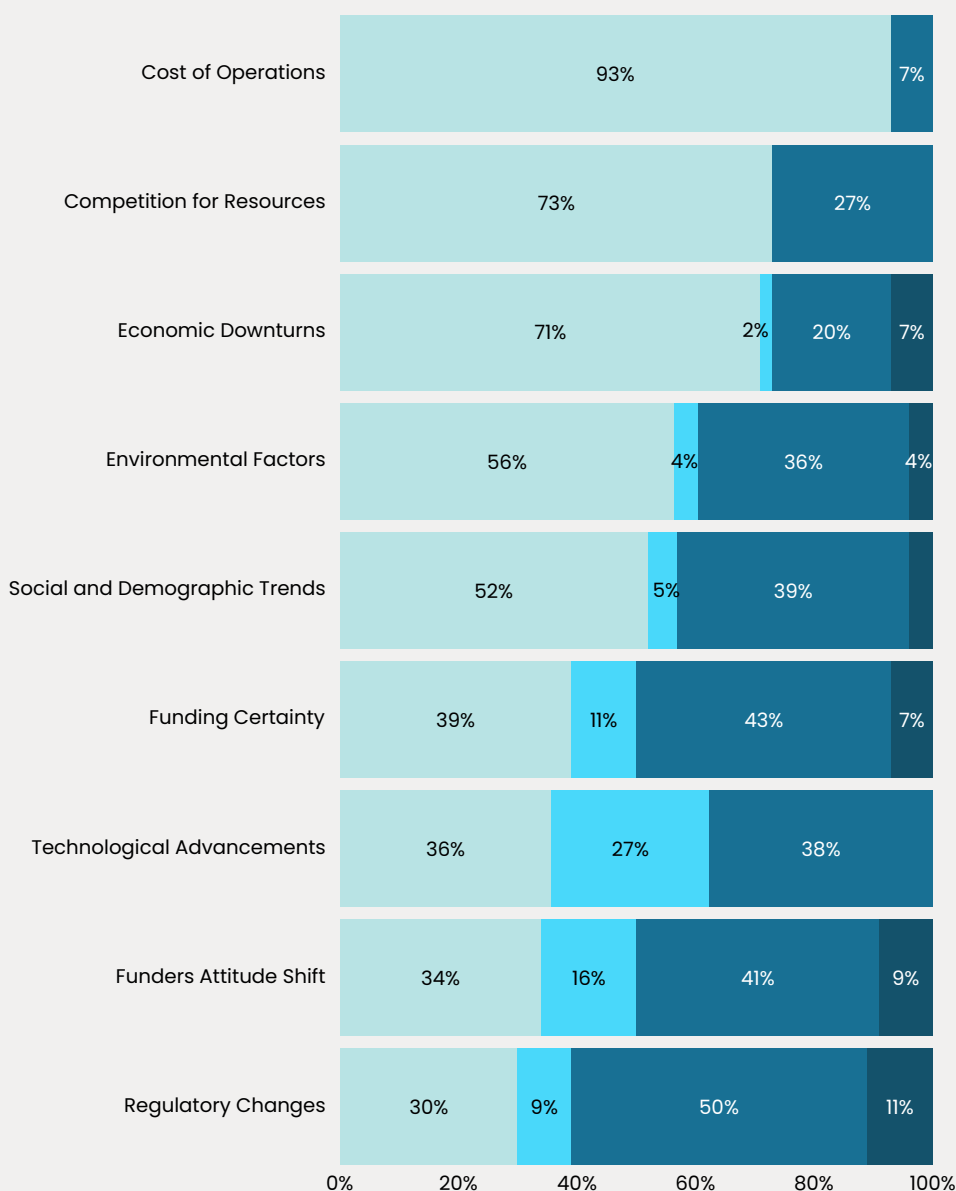


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New data shows the majority of CCA’s Charity Expert Panel expect deterioration in 5 out of 9 key operational factors. While some optimism exists, this is outweighed by broader concerns.

Anticipation of changes in operating environment

Expect deterioration Expect improvement About the same Unsure



The Cost of Operations tops concerns, with 93% expecting worsening conditions.

Competition for Resources such as funding, skilled staff, and volunteers (73%) and Economic Downturns (71%) also rank highly as major challenges.

Environmental factors including climate change and natural disasters (56%) and Social Trends (52%) add to pressures on charities to adapt.

Some optimism exists around relevant Technological Advancements (27%) and Funders’ Positive Attitude Shifts (16%), however these are outweighed by broader concerns.

Figure 2. For each of the following aspects of your charity’s operating environment, do you anticipate an improvement or deterioration from this year to next year?



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AT A GLANCE

High levels of uncertainty for next three years

37% of CCA's Charity Expert Panel are less certain about the future of their organisation compared to 3 years ago.

Operational costs growing

93% of survey respondents expect a deterioration in the cost of their operations (expenses covering personnel, program delivery, technology and organisational capability) over the next year.

Economic crises and downturns

Economic crises and downturns for Australians are anticipated to worsen according to 71% of the Charity Expert Panel, putting more pressure on charities.

Environmental factors, social and demographic trends will impact Australians and charities

Environmental Factors such as climate change, natural disasters, and resource scarcity will directly impact surveyed charity leaders' organisations (56%). Changes in Australia's demographics and social attitudes could affect donor behaviour and volunteer engagement (52%).

CURRENT STATE

The survey results underscore the significant challenges facing Australia's charity sector as it works hard to meet rising community needs amid growing financial and operational pressures. For charities, a deteriorating outlook on costs, resource competition, and economic conditions undermines their capacity to deliver services and support. Some limited optimism around technological advancements and funder support suggests pockets of potential improvement.

For the Australian Government, these findings highlight the need to bolster the sector through targeted policy measures. Without support, some charities may face the prospect of scaling back services, leaving many Australians without critical support.

For the Australian public, the pressures on charities mean fewer resources may be available to support wellbeing, resilience and productivity in our communities.

The resilience and determination of charity leaders remains a source of hope, but the rising cost of operating a charity and meeting growing demands, workforce challenges, and climate adaption, makes this report a critical and timely call for governments and funders to improve the way they work with charities.

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Contact Information

This research and report were produced by Piazza Research Pty Ltd for the Community Council for Australia (CCA). The findings reflect the collective insights of members of the CCA Charity Expert Panel, providing an overview of the challenges and opportunities facing the Australian charity sector.

Further results regarding the Government's progress on implementing the ALP Policy Platform for charities will be released soon.

For any enquiries regarding this report, please contact the CCA representative below:



DAVID CROSBIE

CEO

Community Council for Australia

EMAIL

davidc@communitycouncil.com.au

TEL

02 6198 3435