

**CENTRE**  
*for* **SOCIAL**  
**IMPACT**



# **PULSE OF THE FOR-PURPOSE SECTOR**

*Final Report: Wave 1*

November 2020



## 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](mailto: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., Barraket, J., Flatau, P. (2020). Pulse of the For Purpose Sector Final Report: Wave One. Centre for Social Impact. Sydney.

### *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 is generously supported by funding from the Paul Ramsay Foundation, and Zurich Financial Services Australia and the Z Zurich Foundation.

## ABOUT THE PULSE OF THE FOR-PURPOSE SECTOR SURVEY

2020 is a new chapter in history. The unprecedented events in 2019-2020 created by bushfires and COVID-19 have, and still are, radically challenging Australia's health, economic, and social systems, with significant implications for people who are most disadvantaged, and the organisations that serve them.

Historically, we have not had a longitudinal measure that takes the pulse of the for-purpose sector; that tracks how it is faring in meeting its purpose, and in areas that enable it to thrive: such as financial, technological, human capital and adaptation.

To address this, in mid-2020, the Centre for Social Impact (CSI) launched a national research program called Pulse of the For-Purpose Sector & Building Back Better. Through this program of work, CSI aims to help the for-purpose sector make sense of what is changing over time, what levers are needed to build Australian society back better, and for the first time to longitudinally track the progress of the social purpose sector.

This research program aims to provide:

- 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 for the for-purpose sector in Australia's history, of which this report reflects the first wave of data collection. The Pulse survey will be conducted twice-yearly. This report details findings from Wave 1, collected in July-August 2020.

Through this research, CSI seeks to contribute to relief and renewal efforts by arming the organisations and communities we serve with the knowledge needed for a better, brighter future post-COVID19; this longitudinal dataset for the for-purpose sector will contribute the insights over time needed to achieve this.

## CONTENTS

<b>Report Details.....</b>	<b>2</b>
CSI Research Team .....	2
Address for Correspondence.....	2
Suggested Citation.....	2
Centre for Social Impact .....	2
Funding .....	2
<b>About the Pulse of the For-Purpose Sector Survey .....</b>	<b>3</b>
<b>Contents.....</b>	<b>5</b>
<b>Executive summary .....</b>	<b>6</b>
<b>Introduction .....</b>	<b>8</b>
<b>Impact of COVID-19 .....</b>	<b>11</b>
Finances .....	11
Uncertain resourcing and significant disruption .....	17
COVID implications by organisation type .....	20
Impact of COVID-19 on Service Demand.....	23
Ability to continue to provide services .....	26
<b>Funder responses to COVID-19.....</b>	<b>27</b>
<b>The government policy responses to COVID-19 .....</b>	<b>29</b>
Attitudes towards government and sector reforms .....	31
<b>Looking to the future: Collaboration, mergers and workforce .....</b>	<b>34</b>
<b>CONCLUSION.....</b>	<b>37</b>
<b>Appendix 1: Methodology .....</b>	<b>38</b>
Survey respondents .....	39
Entity type .....	39
Charity size .....	40
Organisation type .....	40
Beneficiaries.....	40
Employees and volunteers.....	42



## EXECUTIVE SUMMARY

2020 has been a year of significant economic, health and societal shocks in Australia as a result of both the 2019-2020 bushfire season and the effects of COVID-19. These shocks have significantly and rapidly increased demand on the services of many for-purpose sector organisations, while radically challenging their organisational and service models in many cases. In 2020, the Centre for Social Impact (CSI) launched the Pulse of the For-Purpose Sector & Building Back Better national research program to generate timely and longitudinal data in support of the sector<sup>1</sup> and the communities it serves.

This report presents findings from 524 people who responded to Wave One of the Pulse of the For-Purpose survey. Of these people, 411 were Australian Charities and Not-for-profits Commission (ACNC) registered charities (78.6%) and 470 identified their organisation type: 53% represented community and social service organisations; 24% industry and social enterprise (training, social enterprise, business or sector supplier); 11% philanthropy and grant making (philanthropic/grants, intermediary); and 11% other.

The report finds that:

- Demand for services and supports increased during the pandemic, with 8 in 10 organisations reporting an increase in demand;
- The sector is providing vital services and has expanded and reoriented both content and delivery in response to the social and economic conditions presented by 2020;
- There has been substantial digital uplift by the sector as part of the reorientation of service responses and delivery channels (81% of respondents had moved to at least partial online service delivery and 60% to fully online). However, sector effectiveness in these changing conditions has been challenged by the digital exclusion of people the sector serves and organisational-level digital exclusion within the sector itself;
- JobKeeper and other forms of stimulus have provided some protective conditions for for-purpose organisations during the height of the pandemic (with 76% of responding organisations claiming Jobkeeper), as has flexibility from philanthropy;

- However, over three-quarters (77%) of organisations either agreed or strongly agreed that recent events in Australia, put considerable strain on their organisation’s financial operations;
- Most funding does not cover the full direct and indirect costs of delivering services and programs: organisations reported that only 39% of government grants, 34% of philanthropy grants and 35% of corporate grants covered all costs). 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 grants they received were not sufficient to meet both direct and indirect costs.
- The decline in volunteering, the rationalisation and ultimate conclusion of JobKeeper, reductions in JobSeeker and the increased demand on services as people grapple with the long term socio-economic effects of the natural and public health crises we have faced in 2020 are all likely to trigger significant pressure on both demand and revenue sources in the short to medium term (85% of organisations reported experienced a reduction in revenue even with JobKeeper);
- Organisational stability and confidence levels vary by organisational size, type, and purpose, with greater stability among larger organisations (e.g. 22% of larger charities reported being affected by government lockdowns, compared to 58% of small and 59% of medium sized charities) and higher confidence within those parts of the sector engaged in trading and industry activity.
- Critically, at least one in two of the organisations surveyed (52%) were worried they wouldn’t be able to continue to provide their services in the current environment.

The results presented in the report are not reflective of a ‘new normal’, but a state of flux in the midst of the COVID-19 pandemic and some uncertainty associated with multiple and ongoing social and economic shocks. This report provides an important ‘mid-pandemic baseline’ from which to track and make sense of changes within the for-purpose sector and its operating conditions over time.

## INTRODUCTION

2020 has been a year of significant economic, health and societal shocks in Australia as a result of both the 2019-2020 bushfire season and the effects of COVID-19. These shocks have significantly and rapidly increased demand on the services of many for-purpose sector organisations, challenging some organisations to radically challenging their organisational and service models. For-purpose organisations are responding to growing and changing user needs, typically working with fewer financial and staff (including volunteers) resources, and also managing the shocks of the pandemic on their people and the communities they serve.

Australia's for-purpose sector plays a critical role in our communities, society and economy. They provide extensive social, cultural, religious, care, health, education and environmental services and supports across the community. Registered charities and not-for-profits total economic contribution is equivalent to 8.5% of Australia's GDP. They employ over one in ten (1.3million people) of our employees across the country, which is equivalent to the retail trade and more than the construction and manufacturing industries.<sup>ii</sup>

The not-for-profit sector has been the subject of decades of concentrated reform by successive Australian Governments. Reforms have sought to shape the relationship between the sector and government, the sector and the community and the composition of the sector itself (e.g. workforce<sup>iii</sup>). Since the COVID-19 pandemic, it has also been placed under unprecedented stress both in terms of increased demand and, with the related recession, a constriction of resourcing nation-wide. The Pulse survey sought to understand the attitudes and impacts of the for-purpose sector to the challenges they have faced and government and other funder responses, which aimed to relieve some of these pressures over a six-month period starting from lockdown (March to August 2020).

At the time of data collection, several policy changes had been implemented by government in response to COVID-19 include various supplements that supported the for-purpose sector. The most



significant of these for the sector were financial supports to assist with cash-flow and to retain employees (JobKeeper)<sup>iv</sup> and increases to some social security payments (JobSeeker)<sup>v</sup>. Even with JobKeeper and other supplements, the Our Community, COVID-19 Community Sector Impact Survey revealed that 33% of the charities surveyed thought that COVID-19 posed a significant threat to their viability, and a further 39% said that it posed a small threat to their viability<sup>vi</sup>. The CSI financial health check of charities, conducted in partnership with Social Ventures Australia, also highlighted that charities were having to manage “the confluence of service disruption, falling income, rising demand, and higher costs”<sup>v</sup> and modelled the implications of COVID-19 on the financial viability of charities. This survey digs deeper into the implications of COVID-19 and other 2019-2020 crises on the broader for-purpose sector. It is the first wave of a longitudinal survey that will follow the pulse of the sector over time.

## Who responded to the Wave 1 survey?

- 524 organisations responded to at least part of the survey (the sample size for each area is noted throughout the report). The survey included multiple modules, covering: policy attitudes, response to COVID-19, service provision, workforce and collaboration activities, and financial information. Respondents were able to select which modules of the survey they completed depending on relevance and interest.
- 411 of the 524 organisations that responded to at least part of the survey could be classified as Australian Charities and Not-for-profits Commission registered charities (78.6%) on the basis of the ABN supplied while 59 organisations represented other types of organisations (e.g., Australian private and public companies). A further 53 organisations did not supply an ABN number.
- 51% of respondents represented community organisations delivering services, particularly welfare and social service organisations (28%); Member-based organisations (23%) were the second largest group of respondents. Thirty-one respondents (6%) represented philanthropic or grant making organisations, thirty-five (6%) represented community organisations that do not deliver community services, and sixty-eight (13%) respondents were intermediary or peak body organisations.
- The most common beneficiary groups supported by organisations were:
  - 'general community in Australia' (46%),
  - 'females' (43%),
  - 'adults' (41%),
  - 'males' (39%),
  - 'youth' (38%), and
  - 'Aboriginal and Torres Strait Islander people' (36%)
- For the purpose of comparative analysis, the 470 organisations who indicated their organisation type were grouped into four organisation categories:
  - Community and social services (comprising of social services/welfare, environmental, arts/cultural, health, religious, club or community group; 53%),
  - Philanthropy and grant making (philanthropic/grants, intermediary; 11%),
  - Industry and social enterprise (training, social enterprise, business or sector supplier; 24%), and
  - Other (11%).
- Over half of the organisations that indicated their tax status were either a registered charity with income tax exemption (30%) or a Public Benevolent Institution (24%). Four percent of organisations were listed as an ordinary corporate taxpayer, and two percent were ordinary tax payers.
- The majority of responding organisations (76%) indicated that they engage paid employees, and the majority (77%) also reported engaging volunteers. The sampling suggests that responses are skewed towards larger organisations with a larger paid workforce. This has implications for the interpretation of attitudes towards government and philanthropic responses to COVID-19 (e.g. very large organisations 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.

## IMPACT OF COVID-19

COVID-19 has contributed to an economic and social crisis. In June 2020, just prior to data collection in the Pulse Survey, 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<sup>vii</sup>. This means there were, at this point of time, more people experiencing financial stress and requiring social supports from an already stretched sector. Social purpose organisations that rely on volunteering (particularly not-for-profit community services) lost an estimated 12.2 million hours of equivalent work per week<sup>viii</sup>. While there has been significant attention on the individual impact of COVID-19, this report focuses specifically on changes and challenges to the operations of for-purpose organisations, and how their strategy and service delivery has changed and adapted in response to the pandemic.

COVID-19 impacted significantly on organisations in relation to their 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 of need in the community<sup>ix</sup>.

### *Finances*

Over three-quarters (77%) of organisations in the Pulse Survey either agreed or strongly agreed that recent events in Australia, such as the 2019/20 bushfires, followed by the COVID-19 pandemic, have put considerable strain on their organisation's financial operations (see Figure 1).

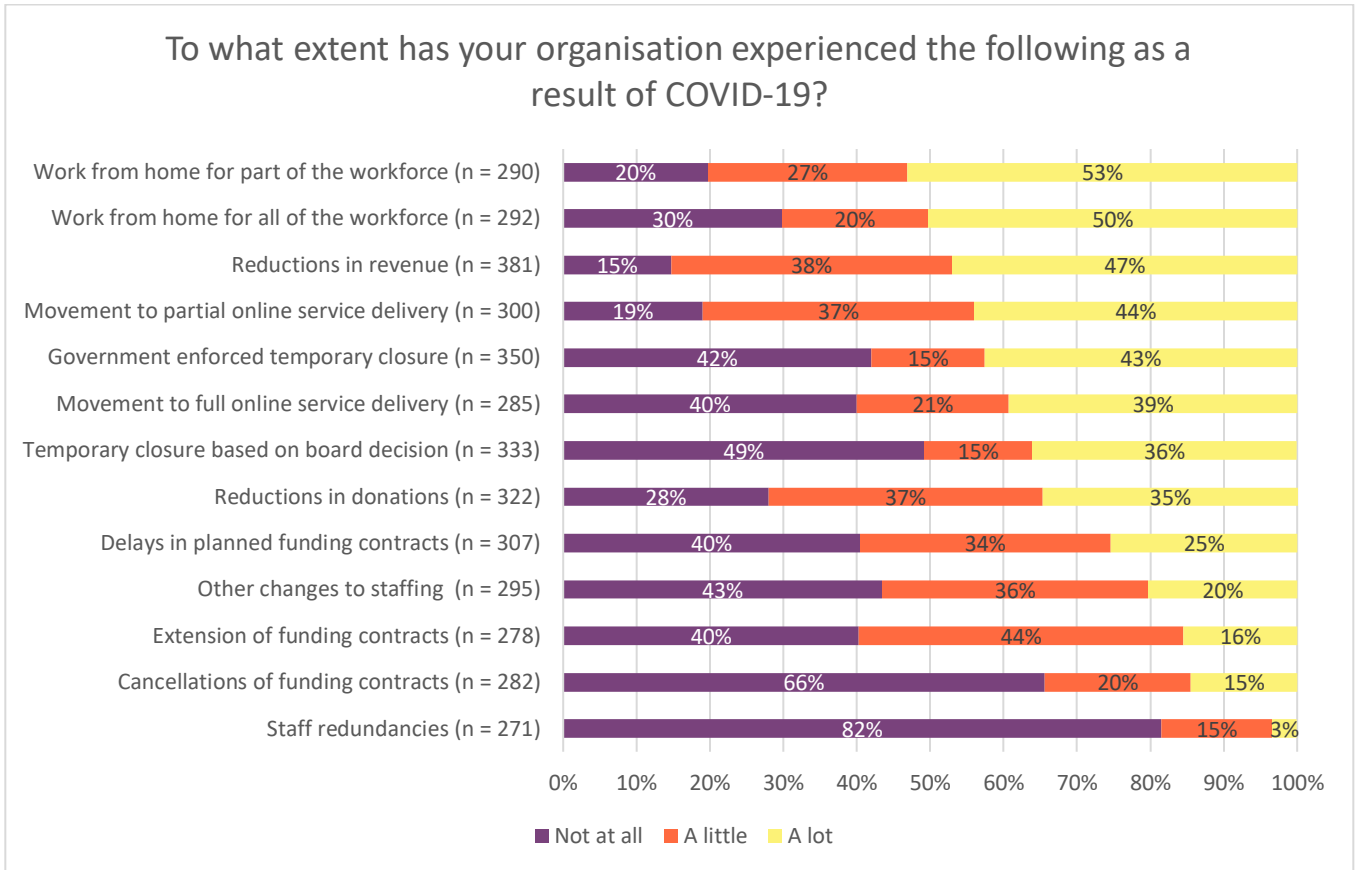


Figure 1: Organisational impacts of COVID-19

Most organisations reported experiencing a reduction in revenue (85%: 47% a lot and 38% a little) and a reduction in donations (72%). Changes to funding contracts also put some organisations under pressure with 59% reporting delays in planned funding contracts and 35% a cancellation of funding contracts. However, positively, 60% reported an extension of funding contracts.

Overall, one in four organisations expected to make a loss in the current financial year, with the remaining three in four either expecting to break even (35%) or make a profit/surplus (38%; Figure 2).



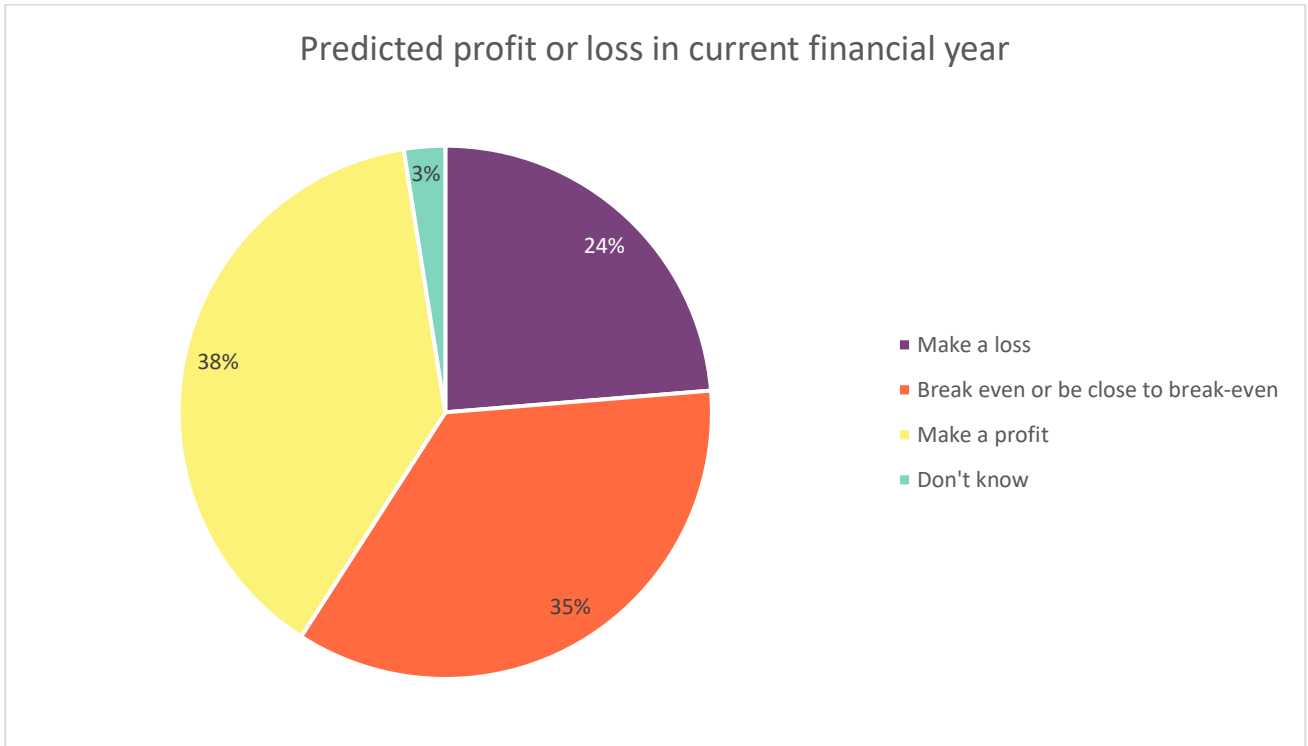


Figure 2: Predicted profit or loss in current financial year (n = 198)

Further conflating the financial challenges faced by for-purpose organisations, is that often the funding they received, did not cover the full direct and indirect costs of their programs/ services. For-purpose organisations reported that only 39% of government grants, 34% of philanthropy grants and 35% of corporate grants covered the full direct and indirect costs allowing them to break even or allow for some surplus. Donor and social enterprise funding was more likely to cover direct and indirect costs, but this was still only 43% and 48% respectively (see

Alarming, across all organisations, 40% of government and 47% of philanthropic funding received was being cross subsidised by other funding sources because the grants did not cover the direct or indirect costs of the work. Organisations are likely drawing on a range of funding options to meet their expenses.

When we break down the adequacy of sources of funding by the different organisation types, disparities emerge. Community and social service organisations fared particularly poorly. Most of their funding sources were reported as either insufficient to cover costs or were only covering the

direct costs of service delivery: 54% of government funding, 71% of philanthropic funding, 64% of corporate funding and 57% of donor funding.

Social enterprise funding is either breaking even or providing a surplus on direct and indirect service costs for 74% of industry and social enterprise organisations that use this form of funding. Other forms of funding, however, appear to be inadequate – 43% of organisations that receive government funding found that it was insufficient to cover either direct or indirect costs; this was also the case for 50% of the organisations receiving corporate funding, 48% of philanthropic funding, and 48% of donor funding.

As would be expected, 60% of donor funding is able to break even or provide a surplus on costs for philanthropic and grant making organisations, and 50% of funding received from philanthropy is able to cover costs or provide a surplus. For 70% of philanthropic organisations receiving government grants, the amount received is not able to cover either direct or indirect costs, and 62% of funding for philanthropic organisations receiving corporate funding are either insufficient or only able to cover direct costs. (See Figure 3)

### Adequacy of sources of funding in covering total costs of delivering services

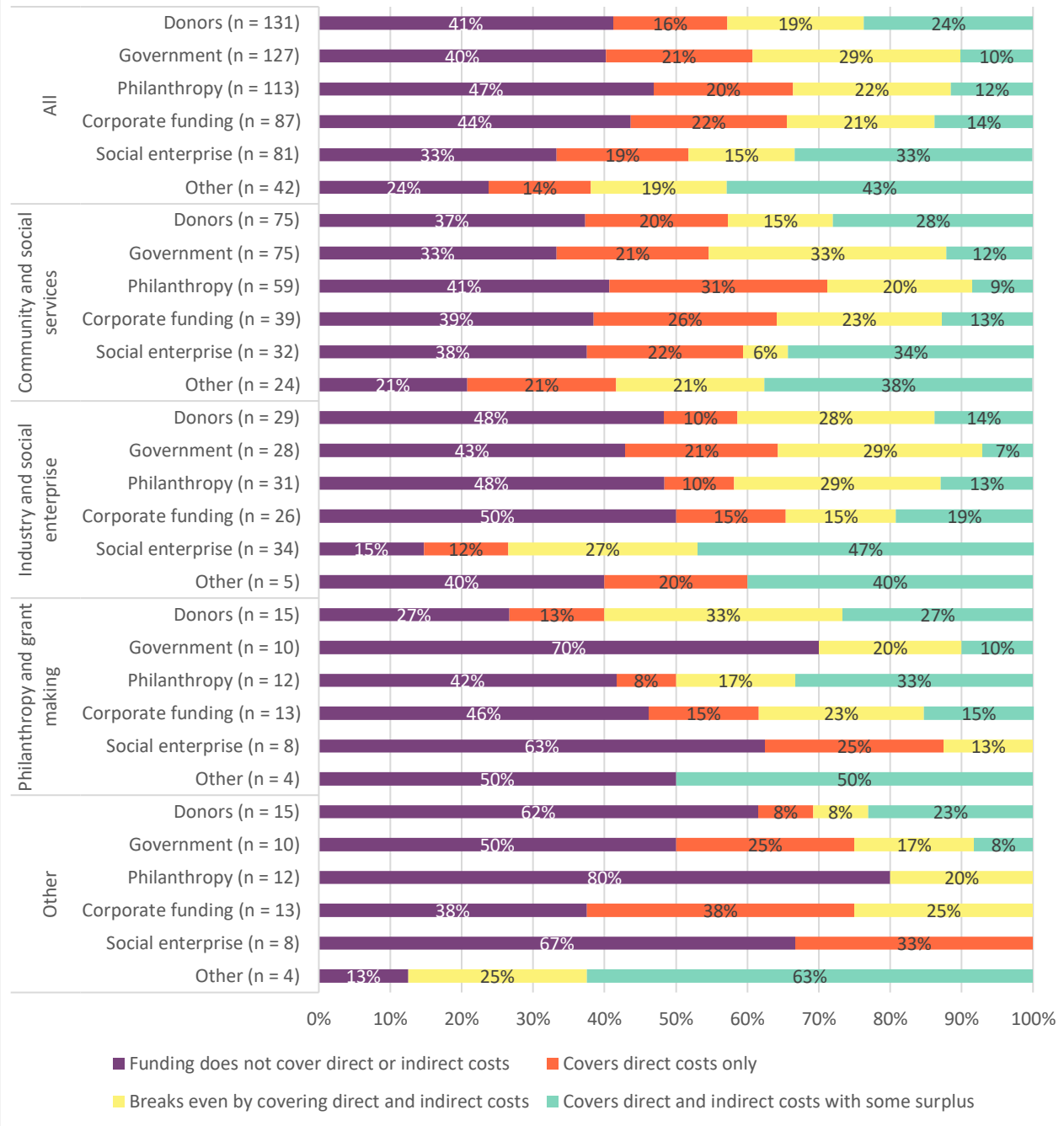


Figure 3: Extent that funding received covers direct and indirect costs

Note: Proportions are representative of the number of organisations that indicated they received a type of funding, and sample number are indicated in brackets.

Despite the current financial challenges, fewer than 1 in 5 reported making staff redundancies (18%: 15% a little and 3% a lot). While this is still a large number of for-purpose organisations, these figures were mediated by JobKeeper. By early June 2020, ATO data shows 15,600 not-for-profits and 127,600 Trusts were receiving JobKeeper payments<sup>x</sup>, which charities could access if they demonstrated a 15% decline in revenue (as per the rules)<sup>xi</sup>. Importantly, over 638,800 employees working within health and social assistance (385,700), education and training (124,000) and arts and recreation services (129,100) were covered by JobKeeper in June 2020, keeping not only employment but also ensuring that services were able to continue. However, these statistics are likely to also hide the potential impact on for-purpose employees, given that registered charities and not-for-profits have a higher proportion of causal staff than the workforce overall (27.5% compared to 24.6%)<sup>xii</sup>.

Some organisations have faced multiple, compounding financial and workforce implications. As one organisation explained:

“We have had a loss of membership income which has caused us to make three positions redundant.

- four out of five of venues shut down (hospitality)
- revenue reduced by over 75%
- training program forced to pause during lockdown periods
- decreased hours for salaried employees
- decreased shifts for casual employees
- strategy of growth forced to stagnate.” [Research and advocacy; registered charity]

Some organisations reported actively seeking to diversify their funding sources in response to the uncertain environment:

“We are constantly trying to increase philanthropy as a % of revenue as it is more flexible than government funding.” [Social services community organisation; Public Benevolent Institution (PBI)]

Others noted that in this time of uncertainty, government contracts remained a sizable and stable source of funding:



“The impacts of CV19 have been extreme and the amounts and timing of funding is in significant flux. Governments will continue to be our predominant source of funding however.” [Aged care community organisation; PBI]

For others, the method of fundraising required adaption:

“The changes that we have had to make has been in our Community Fundraising and corporate engagement area. Where we once had physical activities planned to support our revenue generation, we have had to pivot to an online activity or engagement with corporate offering probono support rather than paid volunteering opportunities.” [Social services community organisation, not-for-profit]

Of concern, is what happens to demand with the reduction of JobSeeker and when JobKeeper finishes in March 2021 and if the projections about decreased philanthropic funding come to fruition in 2021<sup>xiii</sup>. The sector faces a significant potential cliff edge as demand increases and resources decrease. CSI and Social Ventures Australia (SVA) (2020) estimated that 14% of charities – employing more than 180,000 people – will still be at risk or at high risk of becoming unviable by September 2021 under the new JobKeeper arrangements<sup>xiv</sup>.

### **Uncertain resourcing and significant disruption**

As a whole, despite reduced resources, the sector has experienced significant disruptions and heightened demand (see *Impact of COVID-19 on Service Demand*) as a result of the COVID pandemic. As Figure 1 illustrates:

- 80% of organisations had moved at least part of their workforce to working from home;
- 70% had shifted their entire workforce to working from home;
- 58% faced temporary closure due to government decisions and 51% due to a board decision.

There was also a shift towards delivering services online rather than in-person: 81% had moved to partial online service delivery, while 60% had moved to full online service delivery in mid-2020 when the survey data was collected. However, not all services work in an online environment, because of the nature of the service itself, the needs or experiences of the client group, and the

digital capabilities of the service provider. With regards to client groups, some organisations commented that many of the people with whom they worked were digitally excluded:

“We have clients who do not use the internet and so it is difficult to provide them with assistance, especially to enable social connection.” [Recreation/social club activity community organisation; not-for-profit]

The digital exclusion findings are largely consistent with findings from the annual Australian Digital Inclusion Index<sup>xv</sup>. Digital exclusion could occur due the rapid shift required of organisations when working from home or delivering services online. Infoxchange reports that only 30% of not-for-profits already had the necessary systems and software for staff to be able to work from home, pre-COVID19, and 49% of not-for-profit staff were less than confident using technology and information systems<sup>xvi</sup>.

Others could not be reached due to remoteness or lockdown scenarios:

“We have been unable to engage with [some of our] Communities” [Housing activities community organisation; PBI]

“We have an inability to access our clients in remote Aboriginal communities as a consequence” [Civic and advocacy activities, law and legal services and social services community organisation; PBI]

In other instances, even though clients had online access, online interfaces were not appropriate. For example, one organisation explained:

“We deal with people with all manner of issues, such as addictions, depression, rejection, stress, sick etc. These activities had to be stopped for safety reasons, other than where possible through phone conference” [Religious activities and social services; registered charity with income tax exemption]

Other organisations reported they had ‘juggled’ in-person and on-line services with safety concerns to navigate the complex and changing environment of COVID during mid-2020:

“Our organisation was impacted in the fact that we needed to adjust our service provision as a great deal of work that we do is face to face with vulnerable families and children in crisis. This had a financial impact as we needed to move to online contact where

appropriate and then purchase protective equipment when we still needed to visit clients as a matter of safety” [Social services community organisation; NFP]

Organisations explained that disruption involved reshaping the types of services, programs and activities offered. Importantly, a number of organisations described innovative responses to the challenges of COVID. For example:

“We pivoted to provide essential food services and a new range of logistics services and were thus able to keep many of our supported employees working [...] We developed an online community to support ongoing peer and community connection. We also began providing remote coaching via phone/video conference to assist those unable to continue working to move into alternative work or study pathways.” [Employment and training and environmental activities social enterprise; PBI]

Where resources were available, some organisations took the opportunity to redress digital exclusion where possible:

“We sought and gained assistance to reduce the digital divide so that everyone needing access to remote coaching could access it through an improved data plan or access to a small pool of laptops.” [Employment and training and environmental activities social enterprise; PBI]

These changes are likely to have lasting positive impacts beyond COVID. Some organisations spoke about how the forced changes to their services, particularly rapid digital upskilling and resourcing and working more flexibly through a variety of modes, would change the nature of their organisations indefinitely:

“Having to [move] office-based staff off site to work from home has shown us it is possible to use a hybrid flexible approach to how we operate.” [Mental health community organisation; PBI]

“Our counselling services were 100% face to face and during COVID we transitioned to online and over the phone, with nearly a 100% uptake on counselling appointments. This was not the case prior to COVID. As we go back to the office, we have noticed that clients wish to remain accessing services online or over the phone and we have continued to offer this service to best suit their situation” [Mixed focus community organisation and social enterprise; registered charity with income tax exemption]

### **COVID implications by organisation type**

While there were overall trends in the impact of COVID on for-purpose organisations, different types of organisations are both impacted by – and responding to – COVID-19 in different ways.

A significantly higher proportion of industry and social enterprise organisations, for example, reported receiving an extension in funding contracts (51% had ‘a little’ and 24% had ‘a lot’), significantly more than community and social service, philanthropy and grant making organisations, or other organisations ( $\chi^2 = 15.72$ ,  $p = .015$ ).

Across the board, however, future reductions in funding were either currently being experienced or were expected by a range of organisational types:

“Reduced membership fees and reduced donations and fundraising results in a loss of funds to provide awards, scholarships and bursaries.” [Higher education member-based organisation; not-for-profit]

“We expect philanthropic income to go down. We expect fees from consulting services to go down”. [Civic and advocacy activities and philanthropic intermediary organisation; Deductible Gift Recipient specifically named in legislation]

“The impact of COVID-19 has been huge. Our organisation does not receive ongoing government funding. We are thus largely dependent on our own fundraising and donations. Income from these sources has almost completely dried up.” [Mixed focus community organisation; PBI]

The closures of organisations appears to have disproportionately affected community service and welfare organisations. Unsurprisingly, a higher proportion of community and social service organisations indicated that they had experienced government enforced temporary closure ‘a lot’ (50%) compared to philanthropy and grant making organisations (24%) or industry and social enterprises (36%). ‘Other’ organisations had experienced government enforced temporary closure



to a similar degree as community and social service organisations (43%;  $\chi^2 = 7.39$ , ns). However, a significantly higher proportion of community and social service organisations experienced a temporary closure based on board decision (40%), compared to philanthropic (25%), industry and social enterprise (32%), and ‘other’ organisations (36%;  $\chi^2 = 14.25$ ,  $p = .027$ ). It is possible that community and social service organisations have experienced greater barriers to meeting their ‘core purpose’ as a result of temporary closure or a reduction in their service delivery during COVID-19.

Registered charities that took part in the survey reported experiencing different impacts of COVID based on the size of their organisation (see Figure 4). A significantly smaller proportion of large charities reported that they had experienced government-enforce temporary closures (22% had been impacted by this ‘a lot’), compared to small (58%) and medium (59%) size charities ( $X^2 = 35.07$ ,  $p < .001$ ). Similarly, a significantly smaller proportion of large charities were impacted by temporary closures based on board decisions (15% experienced this ‘a lot’), compared to medium (35%) and small (57%) organisations ( $X^2 = 40.89$ ,  $p < .001$ ).

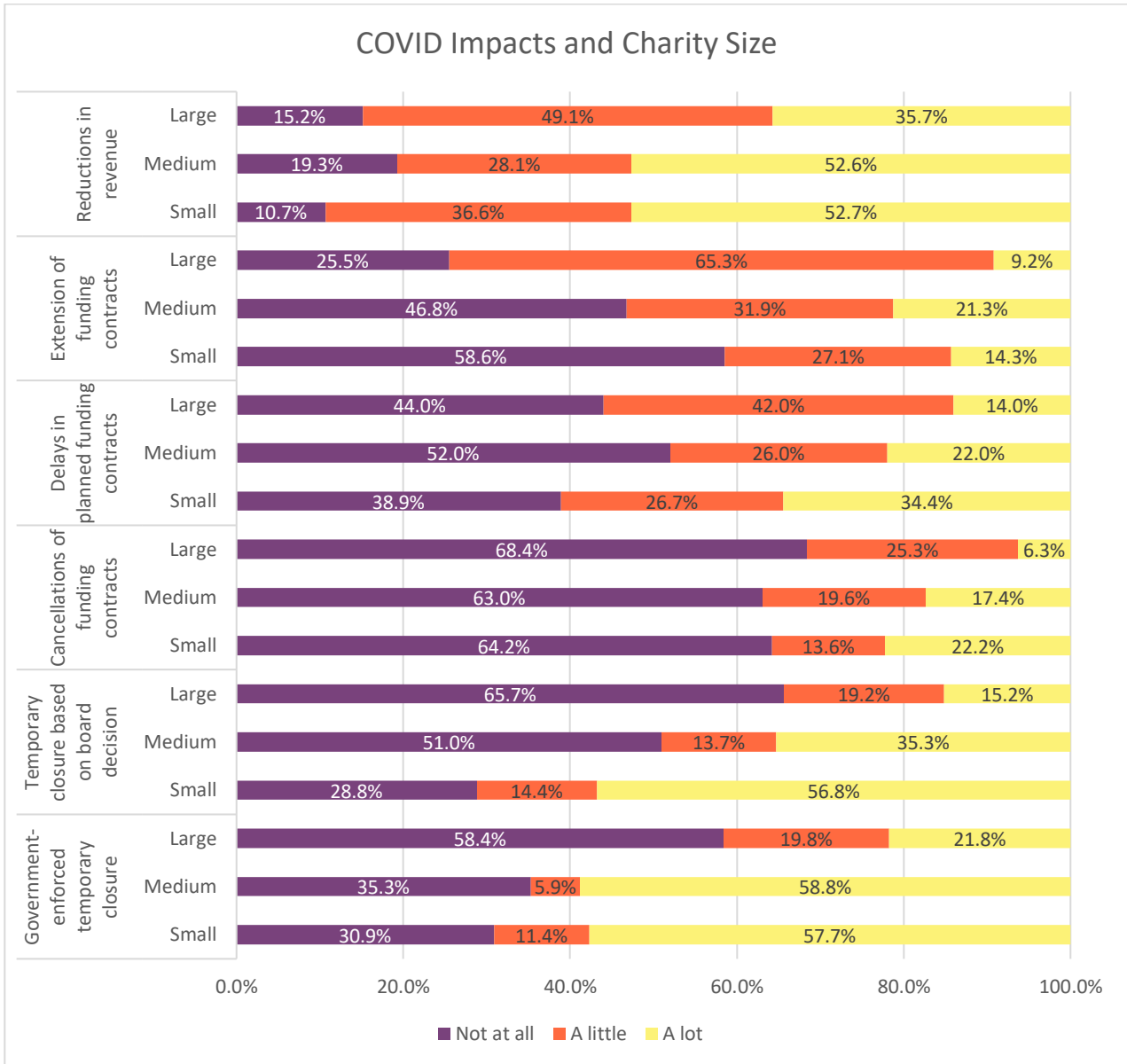


Figure 4: COVID Impacts and Charity Size

Note: Respondents were not required to answer every question. Maximum sample total N = 300, Small N = 131, Medium N = 50, Large = 112.

Comparisons across charity size suggests that smaller charities were significantly more impacted financially, and in turn in meeting their purpose, during COVID. A significantly greater proportion of small charities said they had been impacted ‘a lot’ by cancellations to funding contracts and delays in planned funding contracts. A significantly greater proportion of small

(53%) and medium (53%) reported being impacted by reductions in revenue, compared to large organisations (36%,  $\chi^2 = 11.38$ ,  $p = .023$ ).

These contrasts suggest that COVID has had a particular impact on community and social service organisations and smaller charities in terms of how and when they are able to engage with their clients or stakeholders. If the core work of community and social service organisations is to engage with their clients, temporary closures presents a risk for the beneficiaries they serve and the future viability of organisations, particularly smaller ones, as the COVID-19 crisis and its affects continue. Industry suppliers and social enterprises appear to be more likely to be supported through the extension in funding contracts, which may help support these organisations if and when they are financially impacted by the crisis. However, organisations that had particularly weak balance sheets or were in particularly precarious financial circumstances may have already closed and/or not responded to the survey.

### **Impact of COVID-19 on Service Demand**

Most of the 294 respondents (71%) who completed the survey module reported increased demand (see Figure 5). Approximately half of the organisations (54%) offering social services reported that they had provided more services or activities compared to 12 months prior, despite the drop in resources.

“There is increase demand for our services due to the impact on their lives on multiple levels.” [Mixed focus community organisation; registered charity with income tax exemption]

“Vulnerable people are more impacted by the social and economic changes. [This means] more demand for our services. We are reliant on the older volunteer workforce and this will impact our capacity to deliver our services because they are high-risk for COVID and not covered by our insurance” [Mixed focus community organisation; registered charity with income tax exemption]

“We see an avalanche of people in need of our services, coming our way. Cohorts of women who have never had to access charitable services before. Without extra assistance we will need to turn people away for the first time in our organisation's history.” [Mixed focus community organisation; PBI]

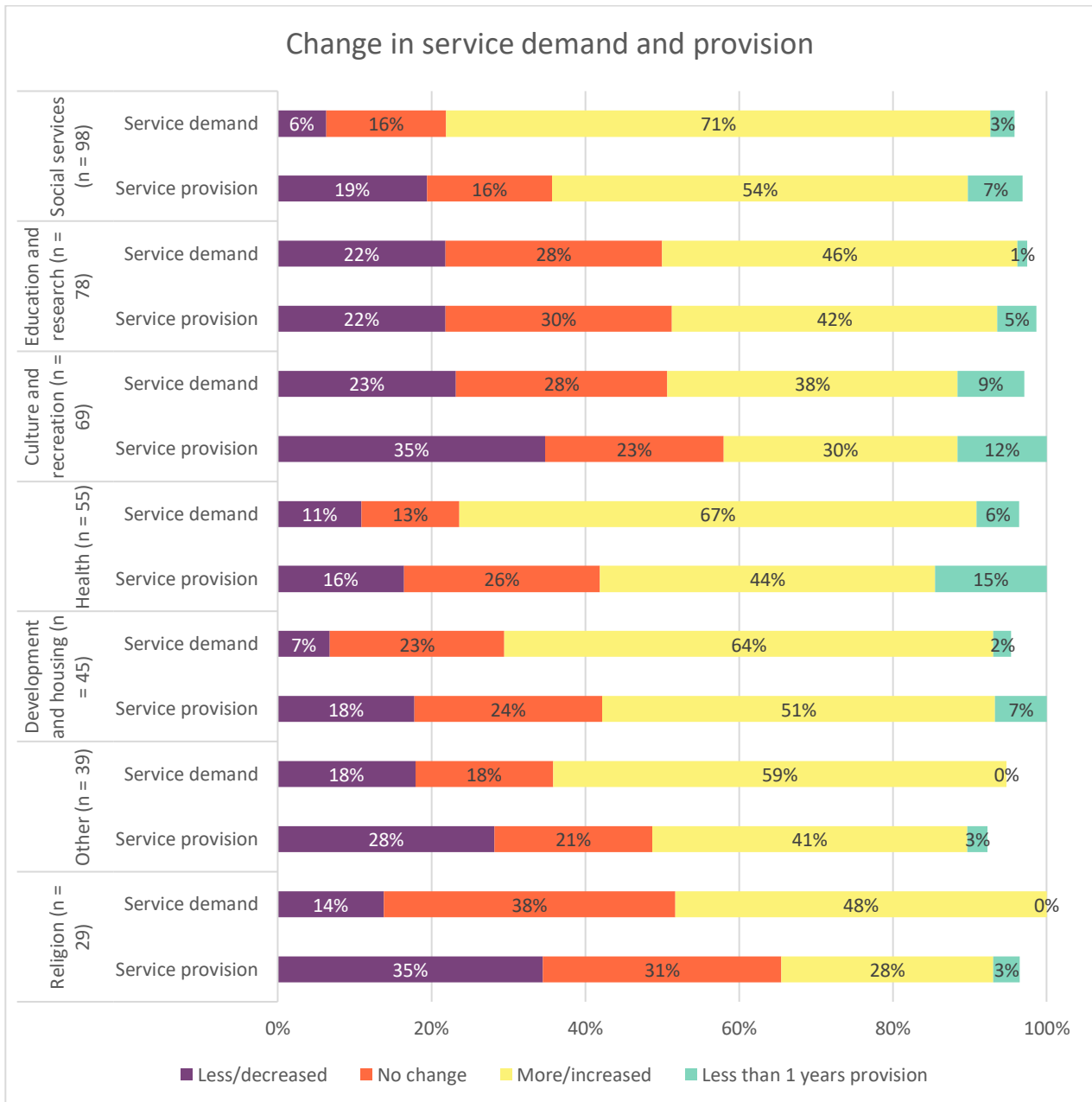


Figure 5: Change in service volume and demand, last 12 months

Note: 'Don't know' responses excluded



There were several service areas that noted increased demand as a result of COVID in particular, including domestic violence and employment. This is consistent with research noting the spike in domestic violence<sup>xvii</sup>, and the deepening of unemployment particularly for low-skilled and marginalised groups since the pandemic began<sup>xviii</sup>. Demand for service is likely to be further exacerbated for marginalised communities left out of Commonwealth budget responses as part of its economic recovery plan, including (but not limited to) young people, people experiencing homelessness or housing stress, and people with a disability<sup>xix</sup>.

“Increased need of supported employment for young people facing employment barriers but decreased demand for some of our environmentally sustainable enterprises. We are innovating to adapt to the market and continue to provide youth employment through low carbon logistics solutions.” [Employment and training, environmental activities social enterprise; PBI]

“Spike in demand for social security and family violence matters”. [Mixed focus community organisation; PBI]

“We will face greatly increased demand when Jobkeeper and Jobseeker end. There has been a significant loss of employment in our area and people will experience more homelessness, DFV and Mental Health issues when the additional funding supports are withdrawn in January 2021”. [Mixed focus community organisation; PBI]

As this last quote notes, the sector is likely to face even greater demand as the government withdraws the range of stimulus support packages.

For most service types, increased service capacity appeared to be lagging behind increased demand. Social services, health, and development and housing experienced service demands at a significantly higher level than their current levels of service provision (see Figure 6**Error! Reference source not found.**). This raises the question of whether service demand is increasing due to increased service provision, or if increased service provision is occurring to try and keep up

with service demand. Most service types were planning on increasing their service volume in the next 12 months, in particular for health (66%), social services (61%), education and research (59%), and development and housing (58%).

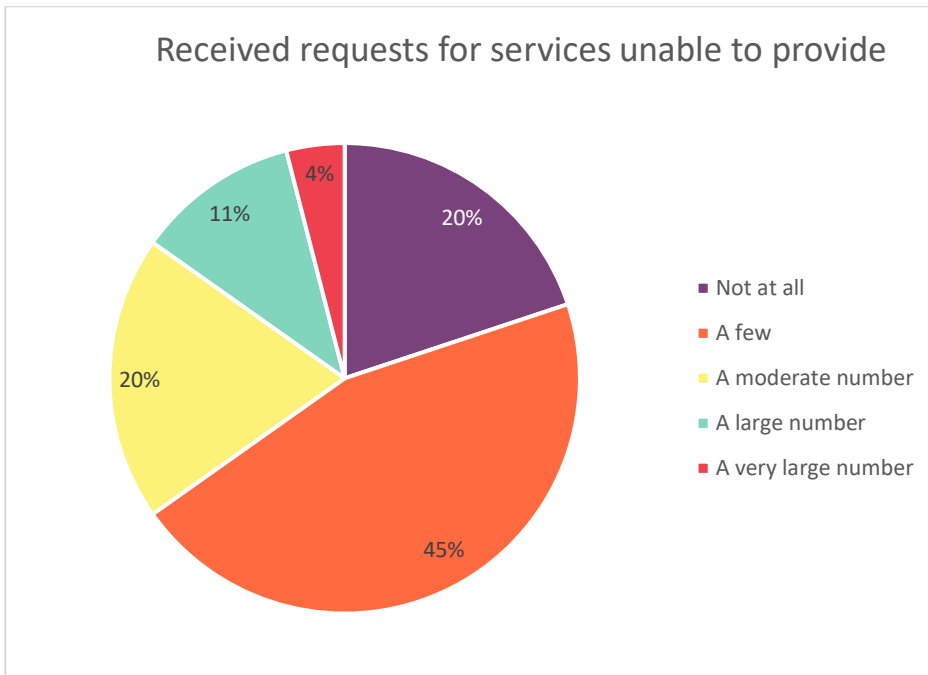


Figure 6: Requests for unmet services (n = 276)

Eight in ten organisations reported that they were unable to meet demand over the last 12 months. Almost half (45%) reported having a very large number of requests for services they could not meet, 11% had a large number, 20% a moderate number and 4% a few (see Figure 6). Only 20% of respondents indicated they had not received any such requests.

### **Ability to continue to provide services**

More than one in two organisations were worried they wouldn't be able to continue to provide their services in the current environment (52%). Only 27% were not concerned about being able to provide services in the current economy.

## FUNDER RESPONSES TO COVID-19

It has been suggested that philanthropic organisations partner with government to offer a specialised NFP loan fund, to address the need for larger loan limits, with longer payback periods<sup>xx</sup>. Flexible responses from many philanthropic funders in support of organisations during COVID were reported by some organisations, as suggested by the Philanthropy Australia survey which found that 88% of philanthropic organisations had changed how they supported communities<sup>xxi</sup>, but this was not the case for all. While Philanthropy Australia’s findings are encouraging, CSI’s survey indicates that there is still scope for philanthropy to innovate in the ways it provides support to the for-purpose sector post-COVID.

Of the 173 organisations who received grants from charitable trusts, 57% said that one or more of their philanthropic funders had increased flexibility around reporting and administrative requirements, over 43% said that one or more of their funders had increased or offered additional grant funding, and 45% had established dedicated COVID-19 grant programs (see Figure 7). Only a minority of funders allowed existing grant agreements to be shifted to untied or unrestricted funding (35%), offered non-financial support (34%), and/or brought forward grant payment schedules (24%). Four in ten respondents reported that at least one of their philanthropic funders had suspended or realigned their regular grant programs to instead focus on COVID-19.

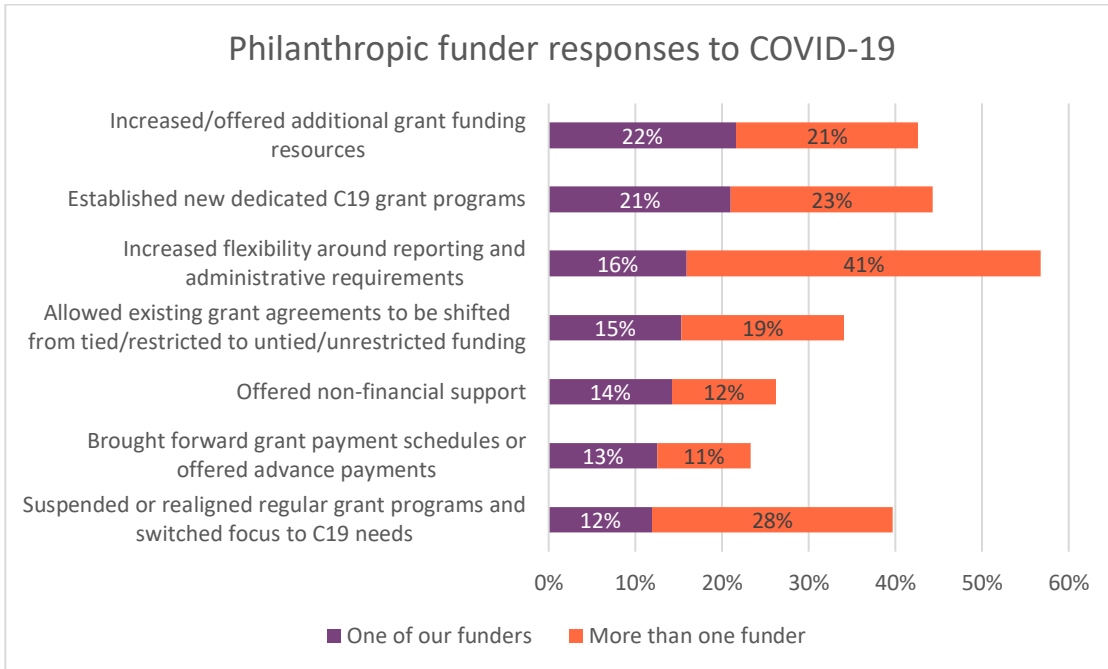


Figure 7: Philanthropic funder support due to COVID-19 (n = 176)



## THE GOVERNMENT POLICY RESPONSES TO COVID-19

Survey respondents were also asked about their attitudes towards the Federal Government’s response to the COVID-19 pandemic, particularly stimulus packages and their impact on the organisation.

One hundred and eighty-nine respondents indicated that their organisation were eligible for the Government stimulus package. Of those, 76% (n = 142) said they had received the \$20,000-\$100,000 payment equivalent to employees’ withheld taxes. Additionally, 78% of organisations (n = 146) had applied for the JobKeeper payment. As shown in Figure 8, it largely appears that the number of JobKeeper applications applied for were also approved.

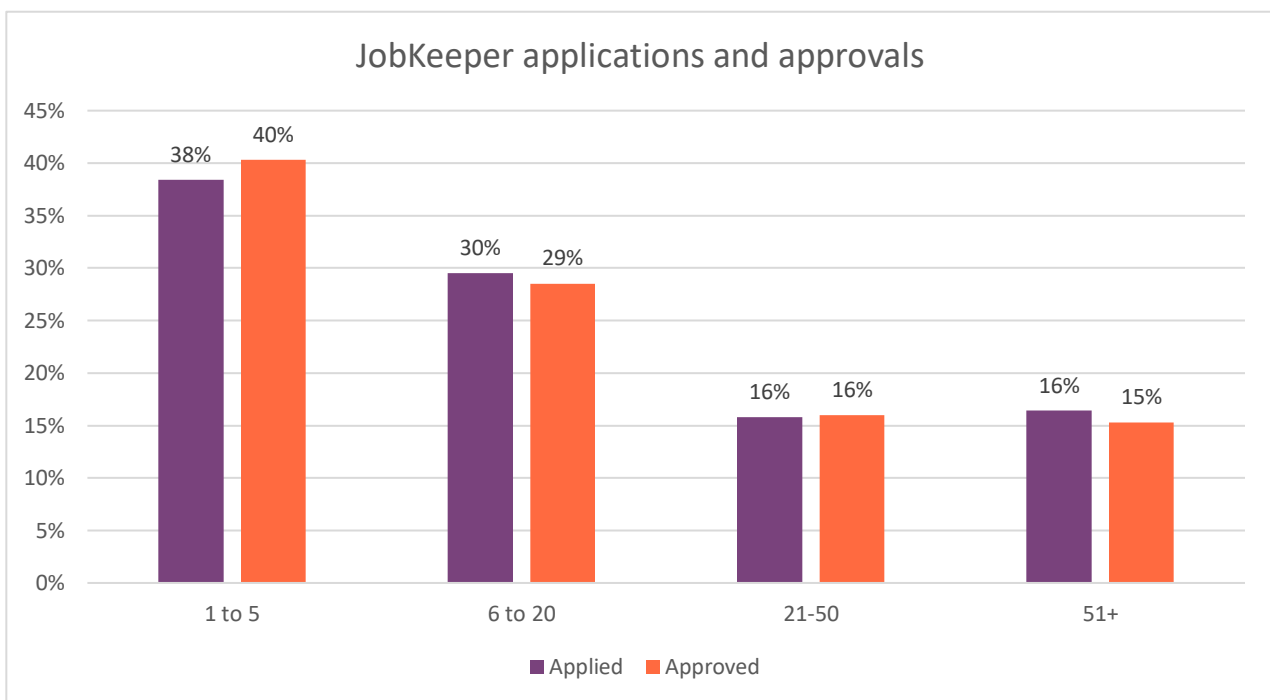


Figure 8: JobKeeper applications and approvals (n = 145)

The majority of respondents (64%) said that the stimulus package had allowed their organisation to remain operational, although a similar proportion (64%) indicated that the stimulus measures were insufficient (see Figure 9). However, the stimulus does not appear to be completely covering any lost revenue or ability to offer services: 51% of respondents indicated that the stimulus on its own had not necessarily prevented their organisation for shutting down completely, and that the

stimulus only represents a temporary fix (33%). The proportion of organisations that needed to introduce redundancies as a result of COVID19, regardless of whether they received Government stimulus support, were relatively low (11% of 419 responses). Stimulus responses have primarily supported employment, but not necessarily the work of organisation.

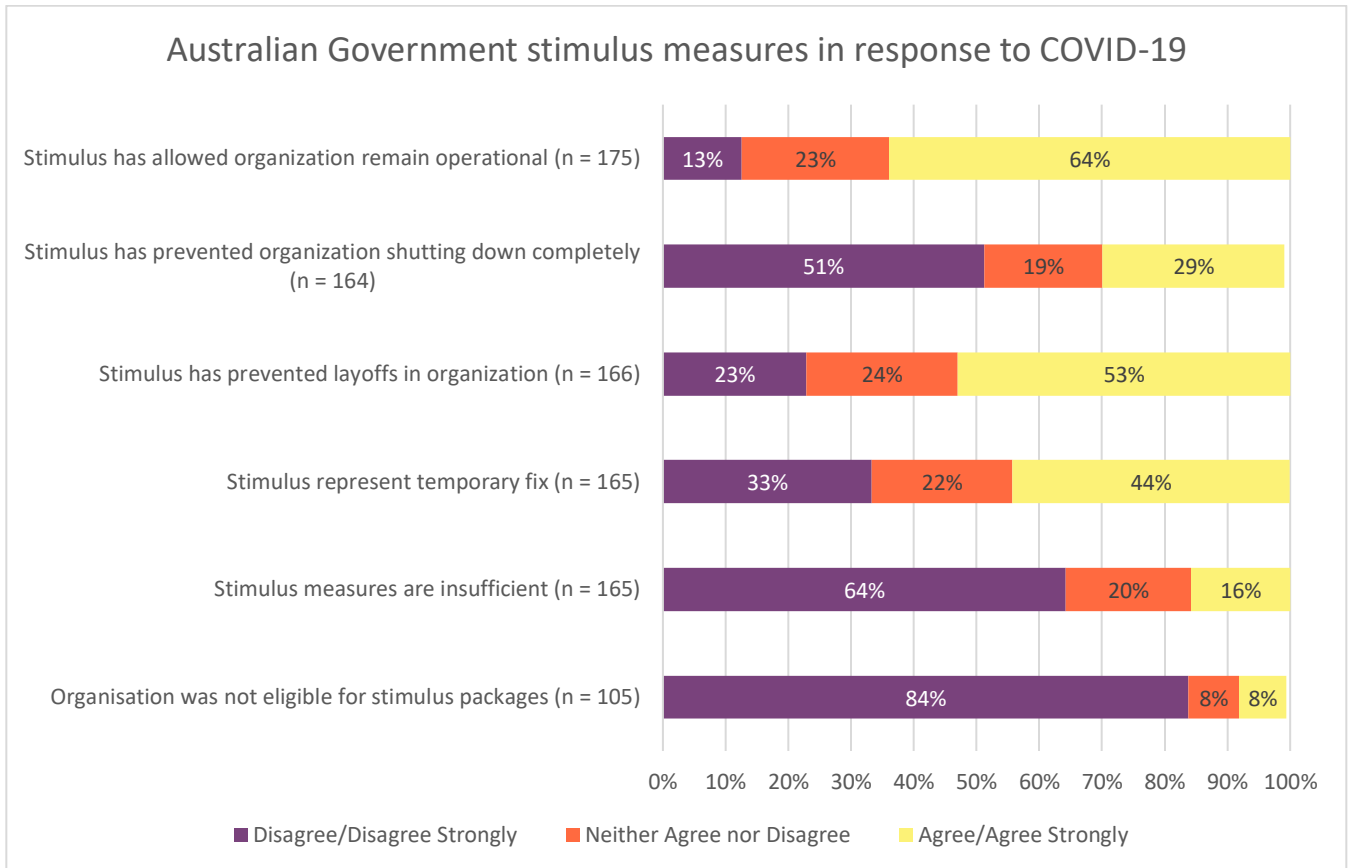


Figure 9: Australian Government stimulus measures in response to COVID-19 (n = 175)

The stimulus measures appear to have supported the responding organisations quite well during the COVID-19 crisis to date. As one organisation noted, “We would all have been facing significant staff cuts and service cuts without JobKeeper and CashBoost” [Civic and advocacy activities intermediary; Deductible Gift Recipient specifically named in legislation].

Organisations whose workforce includes unpaid staff (which represent 1 in 2 of the 57,675 registered charities<sup>xxii</sup>) are likely to have been more negatively affected during COVID. Between February and April 2020, more than 65% of volunteers, representing 12.2 million hours per week, stopped volunteering, a substantial loss to the sector and the Australian community. This large reduction occurred because of lockdown restrictions, older volunteers taking health precautions and female volunteers disproportionately bearing increased domestic work as a result of lockdown and home-based schooling requirements<sup>xxiii</sup>. Further, these organisations were not eligible for JobKeeper and yet still have operational expenses to meet:

“As we are also a volunteer-based organisation, none of the government support programs (e.g JobKeeper) apply, although we still have to cover all normal fixed organisational costs (rent, insurances, other office & administration expenses).” [Mixed focus community organisation; PBI]

Tracking the longer-term impacts of COVID-19 on the for-purpose sector and its workforce is necessary to understand any delayed consequences once stimulus funding is completed, or the presence of the virus continues to mean that organisations are not able to offer services, fundraise, or raise capital in their previously ‘normal’ ways. The longer-term consequences of market conditions will also affect future philanthropic resources and their distribution, heightening the need to ‘fix fundraising’<sup>xxiv</sup>.

### **Attitudes towards government and sector reforms**

Survey participants were asked about their beliefs about the current policy and operating environments for the for-purpose and not-for-profit sector<sup>xxv</sup>.

Over half of the organisations agreed or strongly agreed that the Australian social-purpose policy environment is currently uncertain (51%), while only 7% of respondents disagreed or disagreed strongly (see Figure 10).

The majority of respondents (57%) were neutral about whether not-for-profit policy reforms are heading in the right direction. This may be partly explained by the number of organisations who took part in the survey that represent industry or other organisations that are less aware of, or less

affected, by policy change specific to not-for-profit organisations. However, a significantly higher proportion of organisations that are either industry or social enterprises disagreed or disagreed strongly with the statement, compared to organisations that were focused on community and social services, philanthropy and grant making, and other organisations ( $\chi^2= 21.74, p = .010$ ; you can read more on social enterprise in the CSI Social Enterprise deep dive<sup>xxvi</sup>).

Respondents were equally spread in their attitudes towards the rules and regulations that their organisation are required to follow. Thirty percent of organisations agreed or agreed strongly that there were too many rules and regulations that they had to follow, while 32% disagreed or disagreed strongly. Relatedly, most organisations appear to feel at least neutral towards to Australian Charities and Not-for-profit Commission (ACNC) – 44% agreed and 39% neither agreed nor disagreed that the ACNC has a high level of respect for NFP organisations.

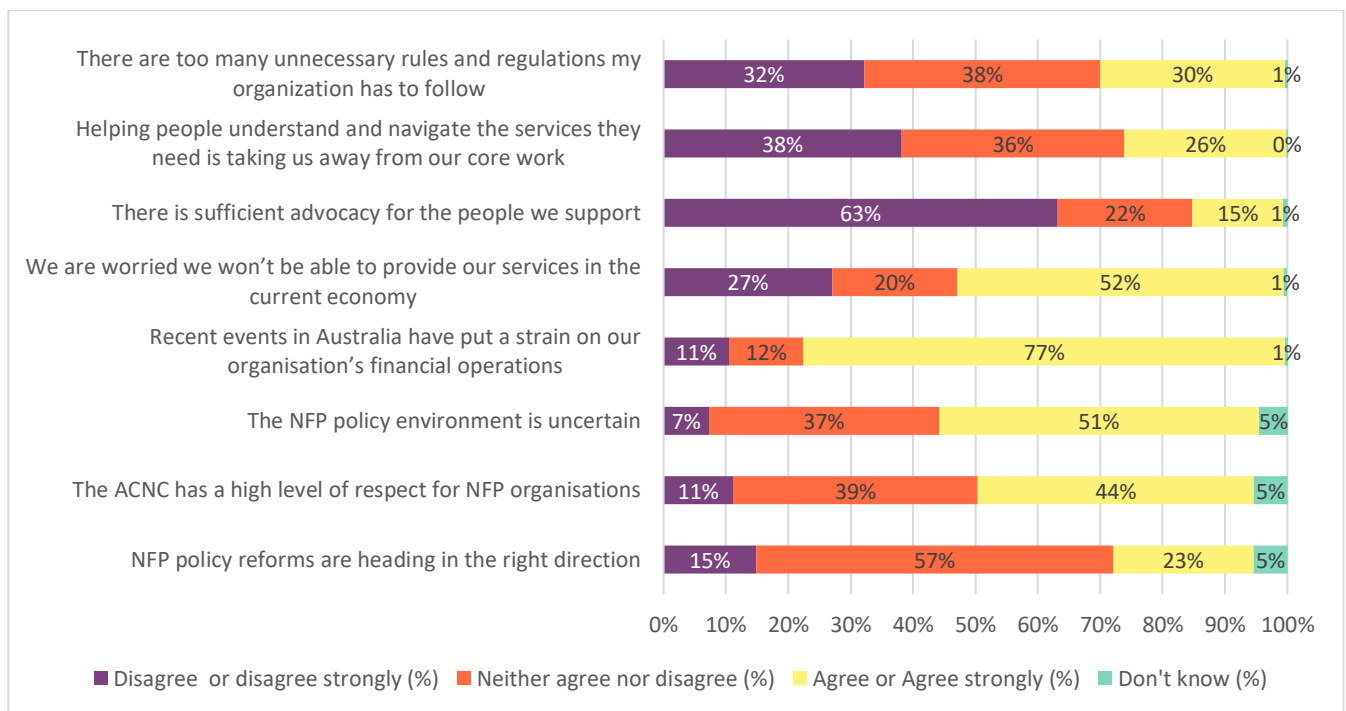


Figure 10: Policy attitudes (n = 431)

The highest level of disagreement was for whether there is sufficient advocacy for the people the organisation supports (63% disagreed or disagreed strongly). This lack of sufficient advocacy may



be from a lack of resources within the organisation, but may also be referring to lack of advocacy in the broader sector.

Respondents were asked to reflect on the last six months (prior to July/August 2020), and indicate how they thought operating conditions for the NFP and for-purpose sector, as well as the wider Australian economy, have changed in that time. Unsurprisingly, responses were largely negative: 88% indicated that conditions in the wider Australian economy had worsened. This decline was anticipated for months leading to the release of Gross Domestic Product (GDP) figures relating to the period of the Pulse Survey. National Accounts indicate that between March and June 2020, GDP fell by 7%<sup>xxvii</sup>. 74% indicated that operating conditions in the NFP sector had worsened (see Figure 11). Very few respondents indicated that conditions had either remained the same or improved across all three operating areas. These responses align with the previously reported policy attitudes, whereby three-quarters of the respondents indicated that recent events have put a financial strain on their organisation.

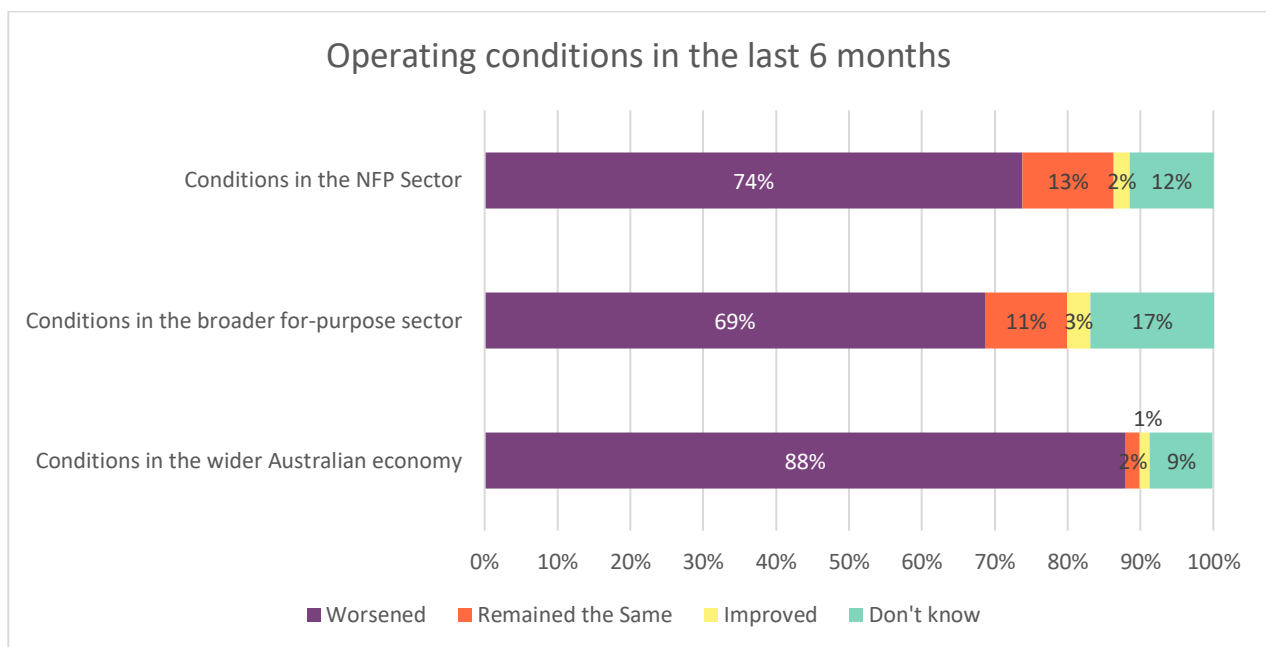


Figure 11: Perceptions of the for-purpose sector operating conditions and the wider Australian economy (n = 416)

## LOOKING TO THE FUTURE: COLLABORATION, MERGERS AND WORKFORCE

Collaboration and mergers across the sector are important to understand when planning for sector-wide recovery from a disruptor such as COVID-19. This is both in relation to organisational recovery, but also in addressing complex social problems that will need multiple organisations to play varying roles to improve social issues. Previous recommendations by the Productivity Commission have recommended that the social sector focus on integration and ‘joined-up’ working across multiple systems, but should be largely actioned by the Federal Government<sup>xxviii</sup>. The response to complex social problems requires multiple actors, and the role of government, not-for-profits, and other third sector parties have, globally, shifted towards responses based on partnership and collaboration<sup>xxix</sup>.

Collaborative and partnership activities were very common amongst respondents: 74% said that in the last 12 months they had collaborated with other providers to advocate for the sector, and 66% said they had agreements or MOUs with other organisations (see Figure 12).

Some collaboration activities varied depending on organisation type. A significantly larger proportion (43%) of philanthropy and grant making organisations indicated they participated in outsourcing back office functions compared to community and social service organisations (23%), social enterprise and industry (31%), and ‘other’ organisations (28%;  $\chi^2= 15.82, p = .015$ ).

Similarly, a significantly larger proportion of industry and social enterprise organisations (60%) said they subcontract the provision of some services or products compared to community or social service (34%), philanthropy and grant making organisations (37%), and ‘other’ organisations (40%,  $\chi^2= 17.40, p = .008$ ).

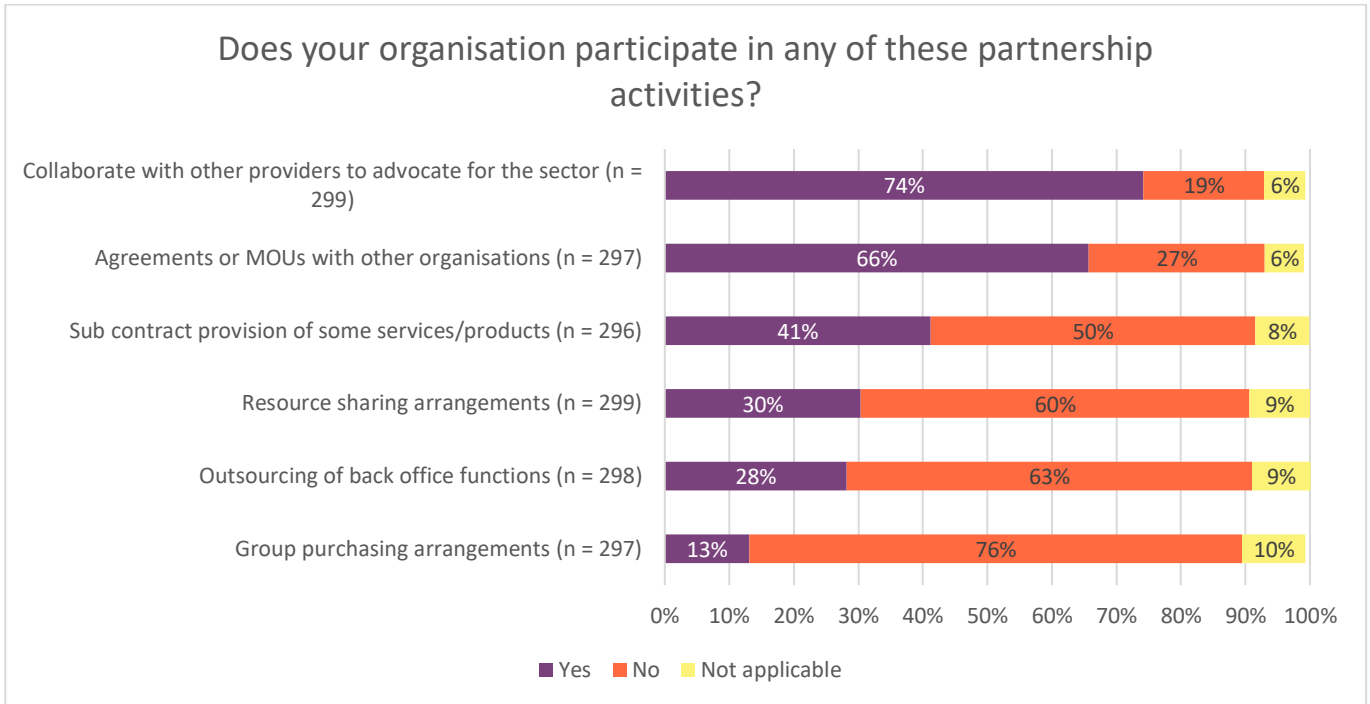


Figure 12: Participation in partnership activities

Note: 'Don't know' responses excluded

For respondents that took part in this module (n = 376), mergers are for the most part not being considered (see Figure 13). Seventeen percent of respondents said their organisation had discussed mergers with another organisation, but only 4% reported planning to undertake one. Organisations were more likely to have discussed closing the organisation (11%), than planning to undertake a merger.

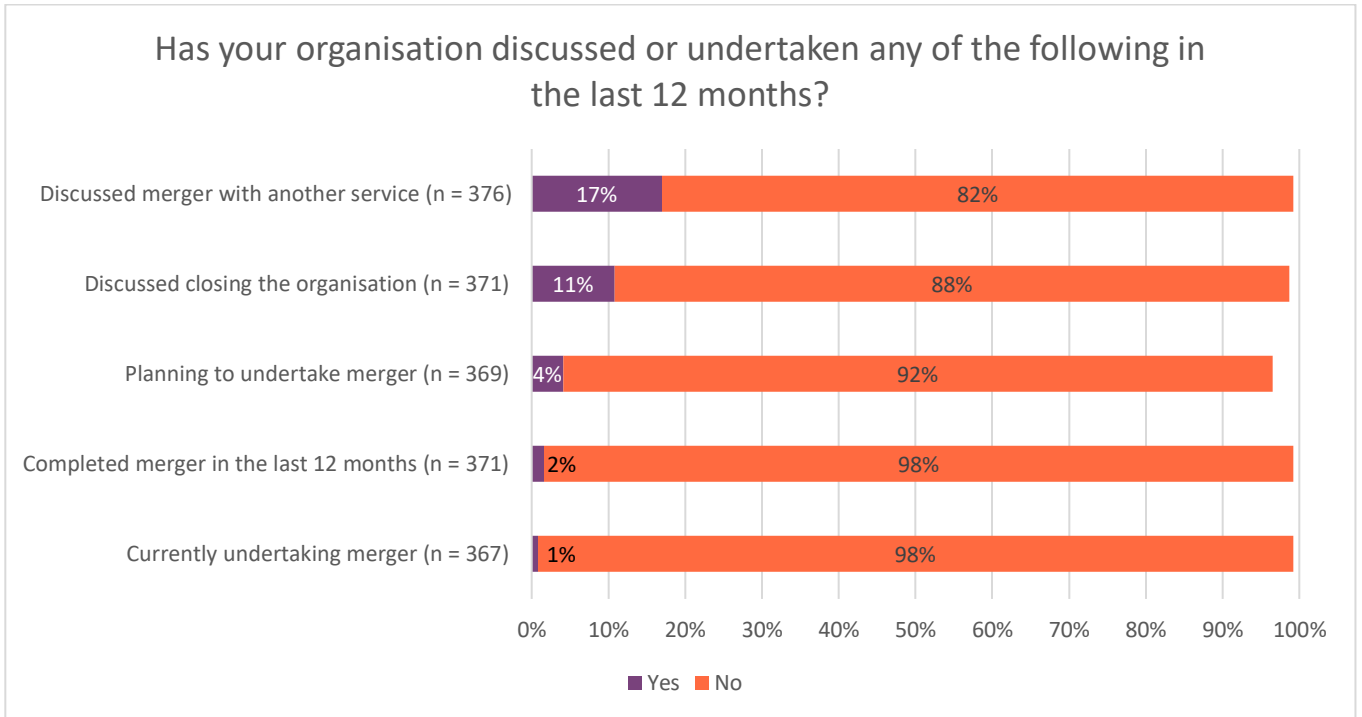


Figure 13: Merger plans and discussions

Note: 'Don't know' responses excluded



## CONCLUSION

2020 has continually been referred to as an unprecedented year, with significant external shocks to our social institutions and communities including bushfires, a pandemic and an interconnected recession. Not surprisingly, this has been reflected in the findings of our Pulse of the For Purpose sector survey. At the time of the Pulse Survey, organisations are operating with higher demand for services and supports than ever before, within a more financially constrained environment. While Jobkeeper has enabled many organisations to stay financially viable, there are still reported losses of income. Critically, Jobkeeper will end on 28 March 2021. Given decreased resources, increased demand and the slow recovery of recessions for more vulnerable groups, this is likely to have a detrimental impact on for-purpose organisations' ability to continue to meet service demand. This may be buffered to some extent by the flexibility philanthropy has shown in its response to supporting the sector and the communities during this time of crisis, however tracking this over time will be important as the effects of the recession will also flow onto the philanthropic sector in-time.

Despite the considerable challenges faced by the sector, a number of organisations have managed substantial digital uplifts during the pandemic, been able to reorient to emerging service needs and operating environments, increased collaboration, and expanded in both content and delivery to meet current challenges. Tracking how the sector is faring in coming months and years through the Pulse survey will be critical to determining what supports it needs to continue to serve communities.

## APPENDIX 1: METHODOLOGY

Data for this report is drawn from wave 1 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 wave 1, 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

Of the 524 organisation responses, approximately half (51%, n = 268) represented community organisations delivering services, particularly in areas of social and welfare services. The majority (70% n = 366) of organisations deliver programs to external clients or beneficiaries. Figure 1 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 (78.6%, n = 411) 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*

	<b>n</b>	<b>%</b>
<b>ACNC Register</b>	<b>411</b>	<b>78.6</b>
<b>Other Organisations</b>	<b>59</b>	<b>11.3</b>
Australian Private Company	21	4.0
Australian Public Company	11	2.1
Other Incorporated Entity	14	2.7
Other Unincorporated Entity	2	0.4
Sole Trader	3	0.6
Commonwealth Government Entity	2	0.4
State Government Entity	2	0.4
Discretionary Investment Trust	1	0.2
Discretionary Trading Trust	2	0.4
Fixed Unit Trust	1	0.2
<b>ABN not provided</b>	<b>53</b>	<b>10.1</b>
<b>Total</b>	<b>523</b>	<b>100.0</b>

Of those that completed up to the Social Enterprise Survey Module (n = 364), just under a third (27.2%, n = 99) indicated that their organisation operated at least one social enterprise. The majority (79.8%, n = 79) of the social enterprises were operated by ACNC registered charities.

### **Charity size**

Across the ACNC registered charities (n = 411), just under half (44.5%, n = 183) were considered small with annual turnover of less than \$250,000, 17.3% (n = 71) were considered medium with an annual turnover between \$250,000 and \$1 million, and a third (32.6%, n = 134) were large with an annual turnover of over \$1 million (5.6%, n = 23 had no size data). The mean organisation age of the ACNC registered charity respondents was 26.75 years (SD = 22.66, minimum = 0.36, maximum = 119.50).

### **Organisation type**

For the purpose of comparative analysis, the 470 organisations who indicated their organisation type were grouped into four organisation categories: Community and social services (comprising of social services/welfare, environmental, arts/cultural, health, religious, club or community group), Philanthropy and grant making (philanthropic/grants, intermediary), Industry and social enterprise (training, social enterprise, business or sector supplier), and 'other'. 53% of organisations were categorised as community and social services (n = 249), 11% were philanthropy and grant making (n = 53), 24% were industry and social enterprise (n = 115), and 11% were 'other' (n = 53).

### **Beneficiaries**

Approximately half of the organisations that took part in the survey (51%, n = 268) represented community organisations delivering services, particularly in areas of social and welfare services. The majority (70% n = 366) of organisations indicated that they deliver programs to external clients or beneficiaries. Figure 14 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 (see Figure 15).



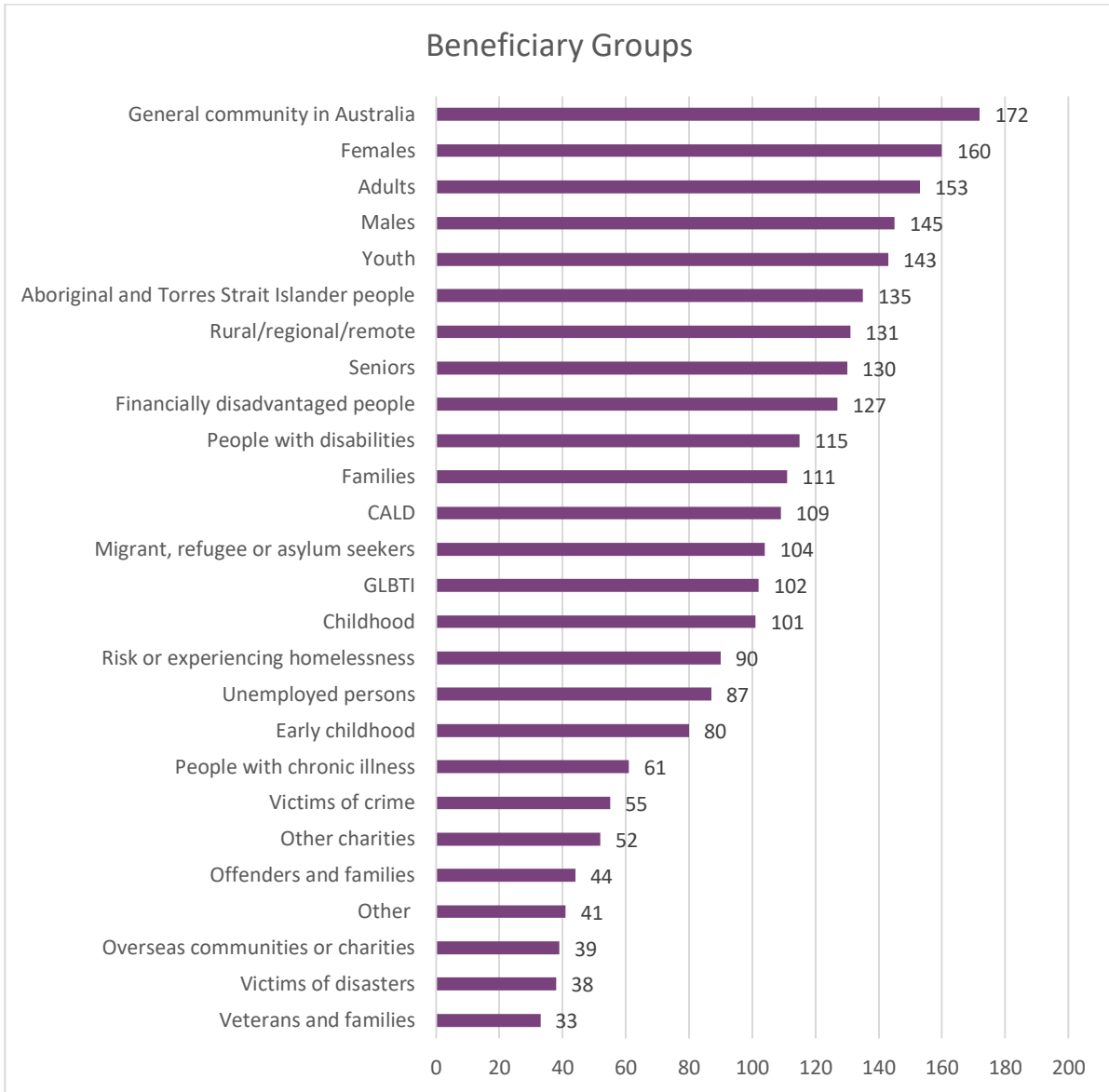


Figure 14: Beneficiary groups of responding organisations (multiple responses allowed)

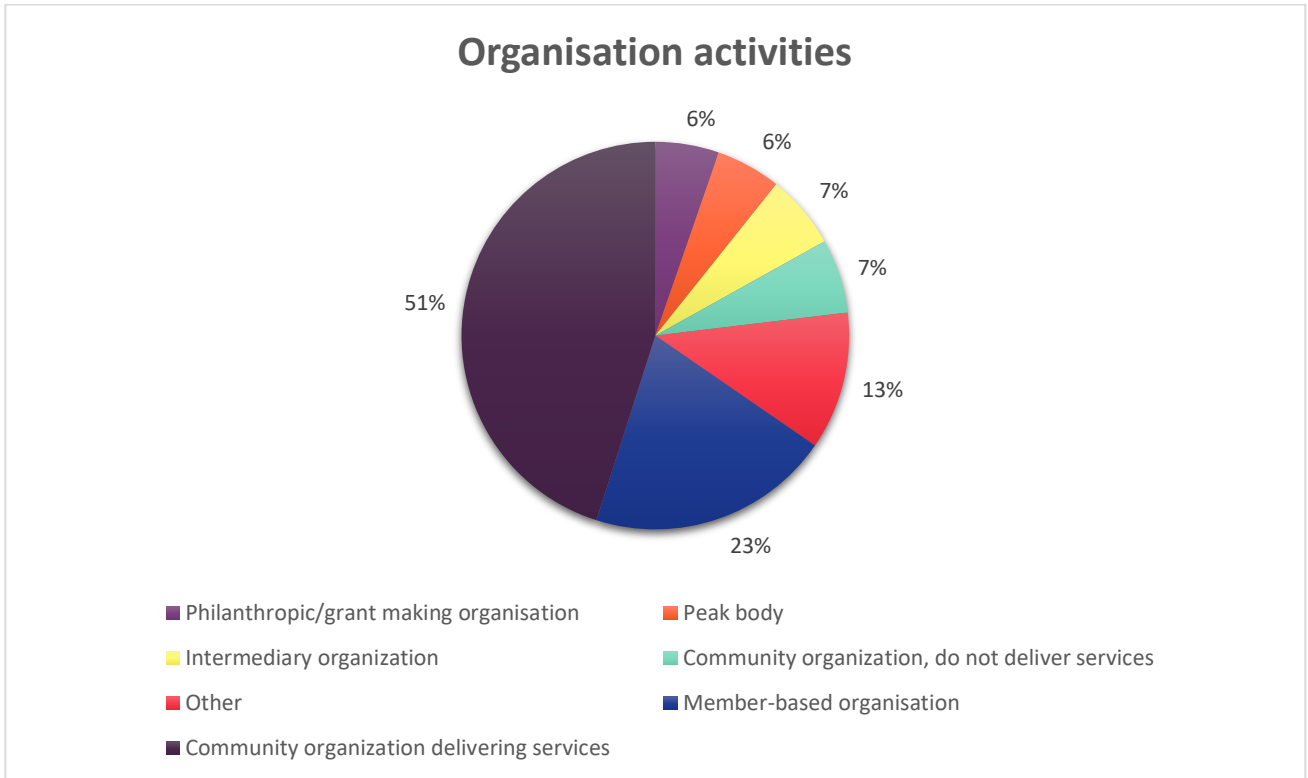


Figure 15: Organisation activities (multiple responses allowed, proportion of 524)

### **Employees and volunteers**

The majority of responding organisations (76%) indicated that they engage paid employees (see Figure 16). 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 7,200. The median number of FTE employees reported by 164 organisations was 9.5. The survey was not representative, and thus may be skewed towards organisations with paid employees by virtue of who did and did not respond.

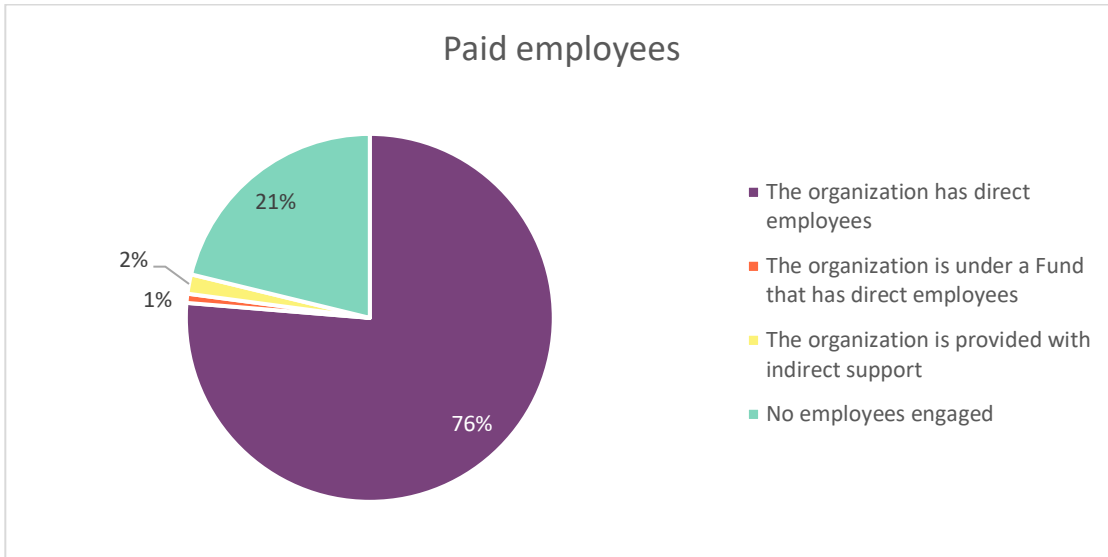


Figure 16: Paid employees engaged (n = 241)

The majority of responding organisations also reported engaging volunteers (77% of 300 organisations). Of those organisations, nearly one in three (32%) reported that have the full-time equivalent of 20 or more volunteers (see Figure 17). However, the majority (61%) of organisations are operating with 10 or fewer FTE volunteers. Volunteer availability within the sample appears to be remaining the same, but may be gradually decreasing (see Figure 18). Thirty-six percent of responding organisations indicated that they had the same number of volunteers as six months prior, and 29% said there were fewer volunteers compared to six months prior. This reduction may be partly explained by the impact of COVID and lockdown or temporary closures reducing the amount of opportunity for volunteer involvement. It is worth noting again, that the sample is not representative. Tracking volunteer engagement will be important when seeking to understand how for-purpose organisations rebuild during and after COVID-19.

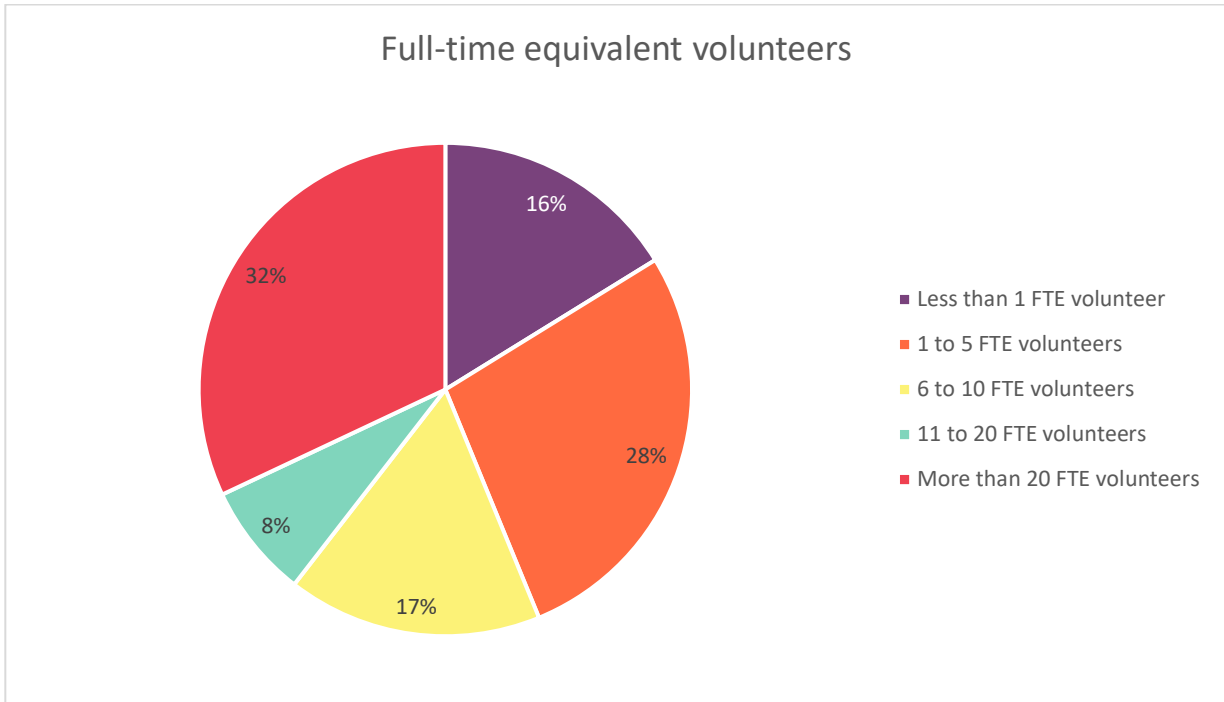


Figure 17: Full-time equivalent volunteers (n = 228)

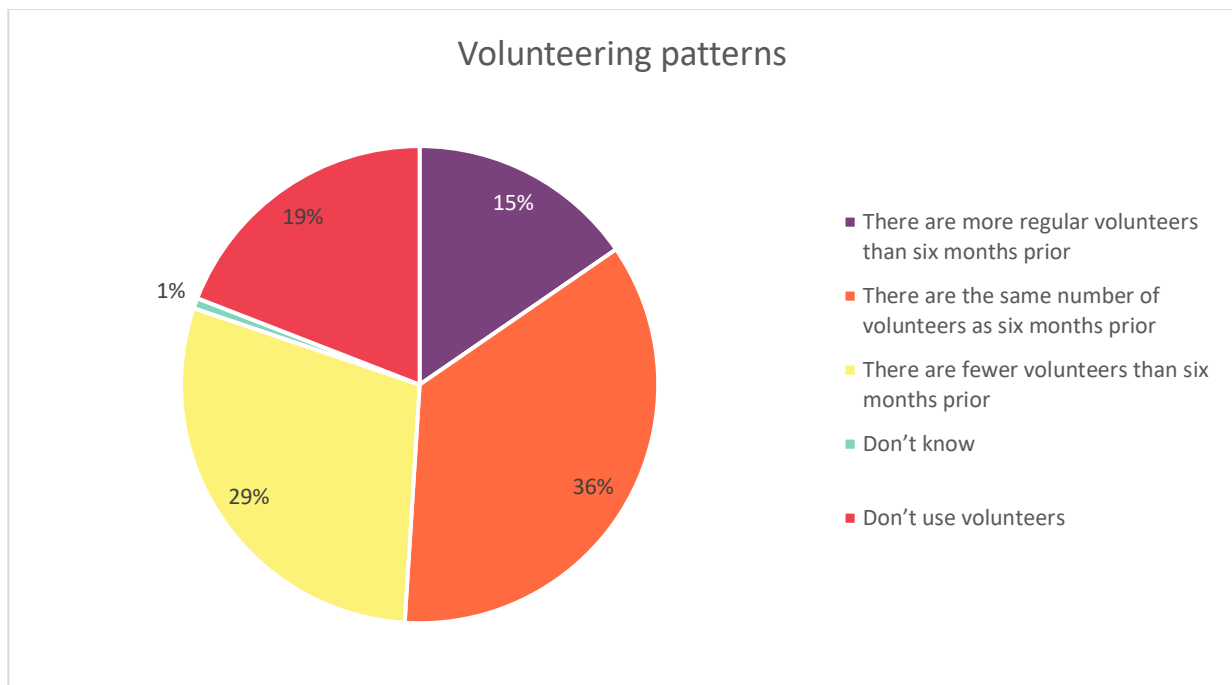


Figure 18: Change in volunteering patterns (n = 298)



Table 2: Sample size by primary location

State or Territory	Number	% of sample
NSW	172	33%
VIC	119	23%
QLD	41	8%
WA	32	6%
SA	24	24%
TAS	14	3%
ACT	18	3%
NT	3	1%
Not specified	101	19%

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

Focus area	Number	% of sample
Economic, social and community development	115	22%
Other activity	89	17%
Social services	86	16%
Other education	57	11%
Employment and training	50	10%
Mental health and crisis intervention	48	9%
Other health service delivery	45	9%
Culture and arts	43	8%
Civic and advocacy studies	42	8%
Religious activities	39	7%
Environmental activities	38	7%
Housing activities	34	6%
Other recreation and social club activity	34	6%
Emergency relief	33	6%
International activities	29	6%
Grant-making activities	28	5%
Primary and secondary education	25	5%
Research	24	5%
Aged care activities	23	4%
Higher education	16	3%
Other philanthropic intermediaries and voluntarism promotion	15	3%
Animal protection	10	2%
Hospital services and rehabilitation activities	10	2%

<b>Sports</b>	8	2%
<b>Law and legal services</b>	5	1%
<b>Income support and maintenance</b>	3	1%

Table 4: What is the best description of your organisation's activities? Select all that apply

<b>Activity</b>	<b>N</b>	<b>% of sample</b>
<b>Community organization delivering services</b>	268	51%
<b>Community organization, do not deliver services</b>	35	7%
<b>Intermediary organization</b>	35	7%
<b>Peak body</b>	33	6%
<b>Member-based organisation</b>	123	23%
<b>Philanthropic/grant making organisation</b>	31	6%
<b>Other</b>	70	13%

Table 5: Does your organisation deliver programs to external clients or beneficiaries?

	<b>N</b>	<b>% of sample</b>
<b>Yes</b>	366	70%
<b>No</b>	129	25%

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

	<b>N</b>	<b>% of 366*</b>
<b>General community in Australia</b>	172	46%
<b>Females</b>	160	43%
<b>Adults</b>	153	41%
<b>Males</b>	145	39%
<b>Youth</b>	143	38%
<b>Aboriginal and Torres Strait Islander people</b>	135	36%
<b>Rural/regional/remote</b>	131	35%
<b>Seniors</b>	130	35%
<b>Financially disadvantaged people</b>	127	34%
<b>People with disabilities</b>	115	31%
<b>Families</b>	111	30%
<b>CALD</b>	109	29%
<b>Migrant, refugee or asylum seekers</b>	104	28%
<b>GLBTI</b>	102	27%
<b>Childhood</b>	101	27%

<b>Risk or experiencing homelessness</b>	90	24%
<b>Unemployed persons</b>	87	23%
<b>Early childhood</b>	80	21%
<b>People with chronic illness</b>	61	16%
<b>Victims of crime</b>	55	15%
<b>Other charities</b>	52	14%
<b>Offenders and families</b>	44	12%
<b>Other</b>	41	11%
<b>Overseas communities or charities</b>	39	10%
<b>Victims of disasters</b>	38	10%
<b>Veterans and families</b>	33	9%

\*Sample based on 366 organisations who indicated they delivered programs to external clients or beneficiaries

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

	<b>N</b>	<b>% of sample</b>
<b>Business or sector supplier</b>	24	5%
<b>Intermediary</b>	25	5%
<b>Environmental</b>	30	6%
<b>Philanthropic/grant</b>	37	7%
<b>Training</b>	42	8%
<b>Arts/cultural</b>	43	8%
<b>Religious</b>	42	8%
<b>Club or community group</b>	50	10%
<b>Health</b>	56	11%
<b>Other (please specify)</b>	77	15%
<b>Social enterprise</b>	77	15%
<b>Social services/welfare</b>	145	28%

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

	<b>N</b>	<b>% of sample</b>
<b>Registered charity with income tax exemption</b>	155	30%
<b>Public Benevolent Institution</b>	128	24%
<b>Not for profit not covered by other categories</b>	93	18%
<b>Deductible Gift Recipient named in legislation</b>	76	15%
<b>Health promotion charity</b>	24	5%
<b>Ordinary corporate taxpayer</b>	23	4%
<b>Other (please specify)</b>	17	3%

<b>Ordinary taxpayer</b>	11	2%
<b>Listed on Register of Environmental Organisations</b>	11	2%
<b>Listed on the Register of Cultural Organisations</b>	10	2%
<b>Public ancillary fund</b>	9	2%
<b>Private ancillary fund</b>	7	1%
<b>Overseas aid fund</b>	7	1%
<b>Unknown</b>	7	1%
<b>Public library, museum, art gallery</b>	6	1%
<b>Scholarship fund</b>	5	1%
<b>Necessitous circumstances fund</b>	3	1%
<b>Australian disaster relief fund</b>	1	0%
<b>School building fund</b>	1	0%
<b>Public hospital</b>	0	0%
<b>Public university</b>	0	0%
<b>Listed on the Register of Harm Prevention Charities</b>	0	0%
<b>Developed country disaster relief fund</b>	0	0%

### *Organisation service type*

Respondents were provided the opportunity to give more detail about the services or activities that their organisation offers. Two hundred and ninety-four respondents took part in this module. Social services (n = 98), education and research (n = 80), and culture and recreation activities (n = 70) were the most common focuses of activities or services offered by organisations (see Figure 19).



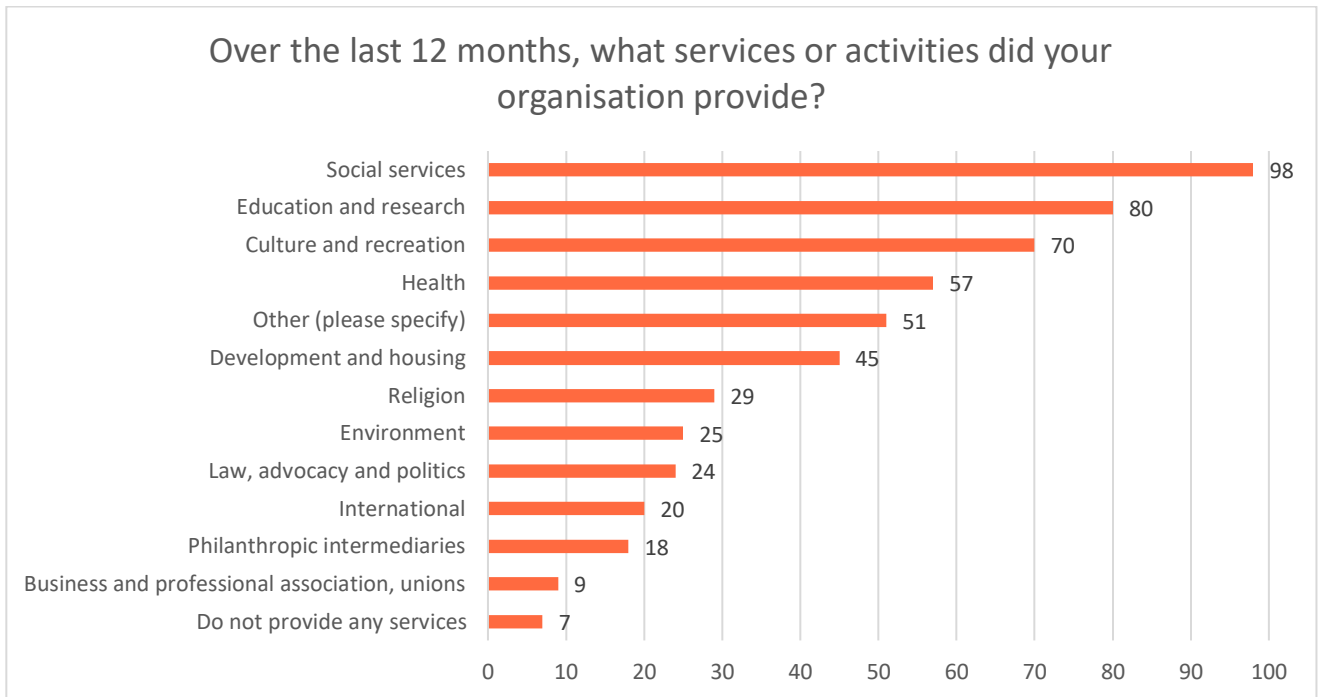


Figure 19: Focus of organisation services or activities

i For the purposes of the study, we define the ‘for-purpose sector’ as any Australian organisation that has a focus on contributing to Australian society and/or addressing inequality. This includes charities and not-for-profits, philanthropic organisations, social enterprises, and Corporate Social Responsibility units.

ii Social Ventures Australia and the Centre for Social Impact (2020) Taken for granted? Charities’ role in our economic recovery. Social Ventures Australia, Sydney NSW. Accessed at: [https://www.socialventures.com.au/assets/200804\\_Taken-for-granted-Charities-role-economic-recovery\\_CSI-SVA-Ig.pdf](https://www.socialventures.com.au/assets/200804_Taken-for-granted-Charities-role-economic-recovery_CSI-SVA-Ig.pdf); Australian Charities and Not-for-Profit Commissions (2020). Australian Charities Report, 2018. ACNC, Canberra ACT. Accessed at: <https://www.acnc.gov.au/tools/reports/australian-charities-report-2018>.

iii Carey, G., Weier, M., Barnes, E. & Muir, K. (2020). Why are we always crashing the same car? A decade of reform recommendations for the community services sector. Centre for Social Impact, UNSW, Sydney NSW.

iv Originally, the JobKeeper payment was targeted towards private enterprise and did not include NGOs and charities, leaving out significant parts of the for-purpose sector. The JobKeeper program was amended to include charities and NFPs who had lost 15% of their revenue. The JobKeeper payment of \$1,500 per fortnight is available until September 27 to any employee of an eligible business who on March 1 was full-time, part-time, or who has been a continuing casual employee for over 12 months. The payment was also available to employees of NFPs, although universities have been deliberately excluded from eligibility. The JobKeeper payment was extended in October 2020, but reduced to \$1,200 per fortnight from September 28, and will reduce again to \$1,000 per fortnight from January 4, 2021. To continue to be eligible for the payment from this date, businesses and charities will need to demonstrate that they have met the relevant decline in turnover test in the December 2020 quarter. Registered charities and not-for-profits will need to demonstrate a 15 percent decline in turnover. Australian Government Department of Treasury (October 15, 2020). JobKeeper Payment Extension. Australian Government, Canberra ACT. Accessed at [https://treasury.gov.au/sites/default/files/2020-10/Fact\\_sheet-JobKeeper\\_Payment\\_extension\\_0.pdf](https://treasury.gov.au/sites/default/files/2020-10/Fact_sheet-JobKeeper_Payment_extension_0.pdf)

v Australian Government Services Australia (October 12, 2020). JobSeeker payment – Who can get it. Australian Government, Canberra ACT. Accessed at: <https://www.servicesaustralia.gov.au/individuals/services/centrelink/jobseeker-payment/who-can-get-it>

- vi Our Community (2020). COVID-19 Community Sector Impact Survey. Our Community and Institute of Company Directors, Melbourne VIC. Accessed at: <https://communitydirectors.com.au/research/covid19-community-sector-impact-survey>
- vii Social Ventures Australia and the Centre for Social Impact (2020) Taken for granted? Charities' role in our economic recovery. Social Ventures Australia, Sydney NSW. Accessed at: [https://www.socialventures.com.au/assets/200804\\_Taken-for-granted-Charities-role-economic-recovery\\_CSI-SVA-Ig.pdf](https://www.socialventures.com.au/assets/200804_Taken-for-granted-Charities-role-economic-recovery_CSI-SVA-Ig.pdf)
- viii Volunteering Australia (2020). Research briefing: The experience of volunteers during COVID-19. Volunteering Australia, Canberra ACT. Accessed at: <https://www.volunteeringaustralia.org/research/research-briefing-the-experience-of-volunteers-during-covid-19>
- ix A motivator for starting the Pulse of the For-Purpose Sector Survey was to understand how operating conditions have changed across the sector in response to disruptor events, specifically the outbreak of COVID-19. Respondents were asked to indicate the extent their organisation had been impacted by COVID, both in changes to operations but also the impact on grants and employment.
- x The Australian Government Department of Treasury (2020). The JobKeeper payment: Three month review. Australian Government, Canberra ACT. Accessed at: [https://treasury.gov.au/sites/default/files/2020-07/jobkeeper-review-2020\\_0.pdf](https://treasury.gov.au/sites/default/files/2020-07/jobkeeper-review-2020_0.pdf)
- xi The Australian Government Department of Treasury (October, 2020). JobKeeper Extension Factsheet. Accessed at: [https://treasury.gov.au/sites/default/files/2020-10/Fact\\_sheet-JobKeeper\\_Payment\\_extension\\_0.pdf](https://treasury.gov.au/sites/default/files/2020-10/Fact_sheet-JobKeeper_Payment_extension_0.pdf)
- xii Comparing 2018 data from ACNC (2020), Australian Charities Report 2018 with Australian Parliamentary Library (2018). Trends in use of non-standard employment. Parliament of Australian Department of Parliamentary Services, Canberra ACT. Accessed at: [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/rp1819/NonStandardEmployment](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1819/NonStandardEmployment)
- xiii JBWere estimated that total giving will fall by around 7.1% in 2020 and a further 11.9% in 2021, McLeod, J. (2020) *Where to from here? The outlook for philanthropy during COVID-19*, JBWere. Accessed at: <https://www.jbwere.com.au/content/dam/jbwere/documents/where-to-from-here-the-outlook-for-philanthropy-during-covid-19-pdf.pdf>
- xiv Social Ventures Australia and the Centre for Social Impact (2020) Taken for granted? Charities' role in our economic recovery. Social Ventures Australia, Sydney NSW. Accessed at: [https://www.socialventures.com.au/assets/200804\\_Taken-for-granted-Charities-role-economic-recovery\\_CSI-SVA-Ig.pdf](https://www.socialventures.com.au/assets/200804_Taken-for-granted-Charities-role-economic-recovery_CSI-SVA-Ig.pdf); Australian Charities and Not-for-Profit Commissions (2020). Australian Charities Report, 2018. ACNC, Canberra ACT. Accessed at: <https://www.acnc.gov.au/tools/reports/australian-charities-report-2018>.
- xv Thomas, J, Barraket, J, Wilson, CK, Holcombe-James, I, Kennedy, J, Rennie, E, Ewing, S, MacDonald, T, 2020, Measuring Australia's Digital Divide: The Australian Digital Inclusion Index 2020, RMIT and Swinburne University of Technology, Melbourne, for Telstra. Accessed at: [https://digitalinclusionindex.org.au/wp-content/uploads/2020/10/TLS\\_ADII\\_Report-2020\\_WebU.pdf](https://digitalinclusionindex.org.au/wp-content/uploads/2020/10/TLS_ADII_Report-2020_WebU.pdf)
- xvi Infoxchange (2020). Digital technology in the not-for-profit sector: October 2020. Infoxchange, Melbourne, VIC. Accessed at: [https://www.infoxchange.org/sites/default/files/digital\\_technology\\_in\\_the\\_not-for-profit\\_sector\\_2020.pdf](https://www.infoxchange.org/sites/default/files/digital_technology_in_the_not-for-profit_sector_2020.pdf)
- xvii Pfitzner, Naomi; Fitz-Gibbon, Kate; True, Jacqui (2020): Responding to the 'shadow pandemic': practitioner views on the nature of and responses to violence against women in Victoria, Australia during the COVID-19 restrictions. Monash University. Report. <https://doi.org/10.26180/5ed9d5198497c>
- xviii Roy Morgan (August 26, 2020). Two-thirds of working Australians have had their employment impacted by COVID-19 – Victoria, NSW and Tasmania hardest hit [website]. Accessed at: <http://www.roymorgan.com/findings/8501-roy-morgan-coronavirus-crisis-impact-on-employment-july-2020-202008250212>
- xix Centre for Social Impact (October 9, 2020). CSI Budget Response [website]. Accessed at: [https://www.csi.edu.au/media/CSI\\_Budget\\_Response\\_-\\_October\\_2020.pdf](https://www.csi.edu.au/media/CSI_Budget_Response_-_October_2020.pdf)
- xx Philanthropy Australia (2020). Policy priorities for a post COVID-19 Australia. Philanthropy Australia, Melbourne VIC. Accessed at: [https://www.philanthropy.org.au/images/site/misc/Tools\\_\\_Resources/Policy\\_\\_advocacy/PHI0022\\_Policy\\_Platform\\_PFO\\_LR.pdf](https://www.philanthropy.org.au/images/site/misc/Tools__Resources/Policy__advocacy/PHI0022_Policy_Platform_PFO_LR.pdf)
- xxi <https://www.philanthropy.org.au/tools-resources/philanthropy-and-covid-19/>
- xxii Australian Charities and Not-for-Profit Commissions (2020). Australian Charities Report, 2018. ACNC, Canberra ACT. Accessed at: <https://www.acnc.gov.au/tools/reports/australian-charities-report-2018>.
- xxiii Volunteering Australia (2020). Research briefing: The experience of volunteers during COVID-19. Volunteering Australia, Canberra ACT. Accessed at: <https://www.volunteeringaustralia.org/research/research-briefing-the-experience-of-volunteers-during-covid-19>

xxiv Philanthropy Australia (2020). Policy priorities for a post COVID-19 Australia. Philanthropy Australia, Melbourne VIC. Accessed at:

[https://www.philanthropy.org.au/images/site/misc/Tools\\_Resources/Policy\\_advocacy/PHI0022\\_Policy\\_Platform\\_PFO\\_LR.pdf](https://www.philanthropy.org.au/images/site/misc/Tools_Resources/Policy_advocacy/PHI0022_Policy_Platform_PFO_LR.pdf)

xxv The aim of asking these questions consistently over time is to identify where there are trends or changes in attitudes that may be aligned with specific events or policy responses.

xxvi Qian, J., & Barraket, J. (2020). Pulse of the For-Purpose Sector: Social Enterprise. Centre for Social Impact, Sydney NSW.

Accessed at: [https://www.csi.edu.au/media/Pulse\\_of\\_the\\_For-Purpose\\_Sector\\_Social\\_Enterprise\\_November\\_2020.pdf](https://www.csi.edu.au/media/Pulse_of_the_For-Purpose_Sector_Social_Enterprise_November_2020.pdf)

xxvii Australian Bureau of Statistics (2020). 5206.0 - Australian National Accounts: National Income, Expenditure and Product, Jun 2020 <https://www.abs.gov.au/ausstats/abs@.nsf/mf/5206.0>

xxviii Carey, G., Weier, M., Barnes, E. & Muir, K. (2020). Why are we always crashing the same car? A decade of reform recommendations for the community services sector. Centre for Social Impact, UNSW, Sydney NSW.

xxix Barraket, J. (2008). Strategic Issues for the Not-for-profit Sector. In Barraket, J (Ed.), *Introduction* (pp. 1–15). University of New South Wales Press, Sydney NSW.