

Why the Charity Sector Must Be Included in the Australian Government's COVID-19 Relief and Economic Stimulus Package

Prepared by OzHarvest on behalf of Australian Charities

Charities that provide social services, emergency and food relief and vital services that care for the vulnerable are on the frontlines of COVID-19 Response

Our hospitals as well as community health centres and aged care services will continue to be hit hard by the coronavirus. Most of those organizations are charitable organisations looking after vulnerable people. We also cannot forget that other organisations are increasingly in demand such as OzHarvest and Foodbank which provide food crisis relief services to their regular at-risk clientele, in addition those affected by recent bushfires and drought, plus the growing number of individuals who will come to depend on food relief during this pandemic.

There are already over 5 million people already experiencing food insecurity and this figure is rising daily, with families from drought and fire-affected communities needing support to this extent. Millions of jobs are at risk, anxious families worry about how they will put food on their table, keep their kids safe, and have safe shelter. Vital services also include shelters, domestic violence services, refuges and more organisations that are being called on to feed, house, and care for people whose lives have been disrupted by closures, job loss, mental health and sickness. This sector cannot and must not be forgotten.

The greatest area in need of Government support is to assist this sector who are dealing directly with providing critical health, mental health, social and emergency services including food relief.

- In Australia, approximately **8,000 charities** directly handle emergency and relief, housing, mental health and crisis intervention, health service delivery and social services
- **1,200 of those charities work directly in the category of emergency and relief** [including food relief], of which 91.9% of these are classified as extra small to medium sized.
- The vital and critical services that these charities provide to the community during times of crisis are necessary offering basic care and essential human rights to those most at-risk.
- However, it is these charities that are also vulnerable and at risk as their funding comes from various sources including government grants and other sources which during crisis is undependable due to major disruptions to funding streams.
- COVID-19 has put emergency and relief services charities at high risk of not being able to deliver crucial services, due to operational difficulties, funding challenges yet demand will continue to increase.

Policy Solution: Demanding Government funding to support the charities sector providing a bail-out. In particular those dealing directly with social services, emergency and food Relief, the disability sector to continue to deliver vital services to vulnerable communities and to bridge the funding gap caused by COVID-19. Demands for these critical services will continue to rise because our economy and safety net was not built for a pandemic of this degree.

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The Australian charity sector is a significant employer of workers

- The Australian charity sector as a whole employs **1.3 million** people with an economic contribution of more than **\$150 billion**, contributing more than 5% to GDP
- The total asset value of the Australian charity sector equates to **\$305 billion** in commercial value
- Charity workers make up **10% of the Australian workforce**
- Australian charities attract **3.3 million volunteers**
- In 2014-15, the charity sector benefited from 328 million unpaid volunteering hours which equated to **\$12.8 billion in value**
- The sector is employs **more workers** than the **Australian retail sector, education and training, construction** or the **public administration and safety sector**
- **The charity sector are already at risk with increasing pressure on charity budgets arising from;**
 - Greater demand for our services partly due to an aging population, increasing income inequality, recent bushfires and droughts affecting regional communities and now increasing vulnerable communities directly resulting from COVID-19
 - Continuing pressure on government's budgets putting grant funding at risk. Governments at both Federal and State level are facing budget deficits, driven by limited growth in government revenues concurrent with significant expenditure commitments.

Policy Solution: The charity sector requires a government stimulus package to ensure we can continue to function through this time of unprecedented crisis to support millions of Australians affected and those who will be affected.

(Sources: Australian Charities Report, ACNC 2017, Deloitte Access Economics 2017, Australian Government Department of Employment)

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Most charities are small businesses

Most charities are relatively small with more than 60 per cent of Australian charities operating with an average revenue of \$500,000 - equivalent to approximately 36,445 charities. The typical charity focuses on the needs of the local community and can respond to their communities, in particular in times of crisis.

- 163 charities operate with an average of \$430 million equating to a total value of \$70.3 billion
- 1,826 operate with an average of \$26 million per year equating to \$47 billion
- 6,157 charities operate with an average of \$3 million a year

Policy Solution: Charities **must be** included in economic stimulus relief packages targeted similar to small businesses.

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CHARITY SECTOR URGING GOVERNMENT TO PROVIDE ECONOMIC STIMULUS MEASURES IN RESPONSE TO COVID-19



Nourishing Our Country



And dozens more.

Please email louise.tran@ozharvest.org to add your organisation to this list of charities who are calling for Government Action.

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