

RESET 2020»»

NATIONAL IMPACT+NEED RESEARCH STUDY
Phase 2 - September 2020 Survey Interval

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COLLECTIVE
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The RESET 2020 National Impact+Need Research Study is an initiative of The Xfactor Collective.

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INTRODUCTION

When the pandemic first hit Australia in March 2020, we knew that it would have a significant impact on the social sector. As a group of consultants and businesses focused on the sector, we wanted to help. However, we wanted to start from an evidence base, and so the RESET 2020 research study was conceived. The first survey, back in April, highlighted significant impacts on service delivery, and finances, as well as impacts on staff and volunteer wellbeing.

The study informed a series of live, online workshops which were well received. However, as the pandemic continued, it became evident that further support would be required. Again, we wanted to ensure it reflected the need. So, in September, we ran a second survey.

The current findings highlight the significant and concerning impact of the pandemic on those who lead our social sector organisations, and provides further evidence of systemic issues for the sector's future.

Aligned to the Collective's purpose and mission, and of most concern to us, is the wellbeing indicators. In this report you will find the addition and development of "wellbeing indicators" (pre pandemic and during pandemic) which we plan to grow through our Foundation/charity arm in 2021. These are the indicators we will need to monitor - to ensure the human side of leading change can be a sustainable and fulfilling vocation.

We again thank **Equity Trustees** for their support through the Sector Capacity Building Fund, as well as our outreach partners including Philanthropy Australia, the Australian Charities and Not-for-profits Commission (ACNC), Lord Mayor's Charitable Foundation, the Foundation for Rural and Regional Renewal, Pro Bono Australia, Fundraising Institute of Australia, Australian Community Philanthropy, Social Change Central, the Non Profit Alliance and all those who helped make this study possible.

I also thank the seven Xfactor Collective specialist businesses that have helped make this possible, especially Brenda Mainland from Survey Matters.

We hope you find this research valuable and as informative as we do.

Julia Keady
CEO/Founder
The Xfactor Collective

METHODOLOGY

This report is based on research commissioned by The Xfactor Collective, supported by Equity Trustees through the Sector Capacity Building Fund, and conducted by Survey Matters (a specialist business member of The Xfactor Collective).

The research consisted of a quantitative, anonymous online survey, directly distributed by The Xfactor Collective, Equity Trustees, Lord Mayors Charitable Foundation, Fundraising Institute Australia, and other outreach partners through newsletters and social media. The survey was open to participants between 28 September 2020 and 30 October 2020.

A total of 338 completed responses were received, providing 95% confidence that the results are within a 5% confidence interval.

The results are intended to provide an update on the impacts of the COVID-19 pandemic on the social purpose sector. Where significant differences are apparent between different types of organisations, these are mentioned in the report. This report also draws heavily on the free text comments to provide context to the data. Their inclusion provides richness to the quantitative results.

We aim to replicate this study periodically to track changes in circumstances. This will provide further opportunities for grant-makers and others to understand the support that is required as we navigate the effects of the pandemic.

RESPONDENTS

Primary Organisation Focus	Responses	%
Animal Welfare/Rights	3	1%
Arts/Culture/Creative	31	9%
Education/Schools/Universities	34	10%
Disability	21	6%
Disasters/Emergencies, Emergency Relief	15	4%
Employment, Enterprise, Leadership	17	5%
Environment	14	4%
Health and Medical Research	36	11%
Housing/Homelessness	13	4%
Human Rights / Legal	6	2%
Human Services	31	9%
Indigenous	2	1%
International Development	5	1%
Migrants/Refugees	13	4%
Social Enterprise & Entrepreneurship	7	2%
Sport, Recreation & Tourism	16	5%
Other	74	22%

What is your role?	Responses	%
CEO/Managing Director/Executive Director	160	47%
CFO/COO/CIO	22	7%
Board Chair/Director/Member	45	13%
Fundraising	48	14%
Sales/Marketing/Events	6	2%
Operations	17	5%
Corporate Services (Finance, HR etc.)	7	2%
Other	33	10%

Organisation Type	Responses	%
Company Limited by Guarantee	48	14%
Incorporated Association	77	23%
Not-for-Profit	110	33%
Tax deductible charity (DGR1)	77	23%
Business or Sector supplier	18	5%
Other	8	2%

Years Operating	Responses	%
< 2 years	12	4%
2 – 5 years	21	6%
6 – 10 years	38	11%
11 – 20 years	83	25%
21 – 50 years	129	38%
51 – 100 years	35	10%
More than 100 years	18	5%
Don't know	2	1%

Where do you operate?	Responses	%
ACT	12	4%
NSW	78	23%
NT	7	2%
SA	15	4%
QLD	39	12%
TAS	8	2%
VIC	132	39%
WA	15	4%
Nationally	89	26%

Location	Responses	%
Capital city	211	62%
Regional city / town	60	18%
Rural	58	17%
Remote	9	3%

EXECUTIVE SUMMARY

The prolonged impacts of the COVID-19 pandemic in Australia continue to have a detrimental effect on social purpose organisations and their ability to deliver programs and services.

In May 2020, The Xfactor Collective conducted research with the social purpose sector to understand the initial impacts of the COVID-19 pandemic on organisations that provide support and assistance to their communities of interest.

The research revealed serious financial impacts, largely due to an inability to provide services normally. Lockdown restrictions and social distancing requirements severely disrupted the ability to hold fundraisers and events, forced the closure of community meeting places and halted the sales of products and services.

There were also concerns emerging at that time about the mental health and wellbeing of those people who work in the sector, from leaders through to staff and volunteers. The impacts extended to their communities of interest, with concerns about the ability of the beneficiaries to withstand the pandemic.

At the end of September 2020, with Victoria experiencing a 'second wave' of coronavirus, including harsher restrictions and border closures, and the majority of the rest of Australia having contained the virus, a second survey was conducted within the sector.

The primary purpose of this second survey was to track changes in circumstances and understand the longer-term impacts on organisations. While many of the same questions were asked, the research included a new section on wellbeing. With the social purpose sector's success often measured in economic terms, or through the lens of social outcomes, there is little known about the overall health and wellbeing of those who work to achieve positive outcomes for social change.

The good mental health and wellbeing of those who effect social change is critical to successful outcomes. This survey serves to better understand the wellbeing of those who work in the sector.



This research included a new section on the mental health and wellbeing of those who seek to effect positive social change.

The ongoing impacts of the pandemic continue to affect business as usual.

The overwhelming majority of responding organisations continue to report disruption to their usual service delivery. Over nine in 10 respondents (91%) are still experiencing some or significant impacts on their ability to deliver services. Unsurprisingly, given the survey timeframe, those that primarily operate in Victoria are significantly more likely than other states or territories to report considerable impacts on business as usual.

This disruption is manifesting in different ways. While there are still organisations reporting falling demand for their services, nearly half (48%) are now experiencing increasing demand. Over two in 10 (22%) indicate the increase is significant.

When asked about the specific factors that are having an impact, uncertainty about the coronavirus situation is the most problematic for over a third (36%) of organisations. And, in what will become a prominent theme throughout this report, 34% report that managing the mental health and wellbeing of staff and volunteers is having the greatest impact. The inability to run events and fundraising and managing online service delivery are impacting approximately three in 10 respondents.

The impact on business as usual is still affecting the financial situation of social purpose organisations.

Despite almost half of respondents experiencing an increase in demand for their services, nearly six in 10 report a continued loss of revenue since the beginning of June 2020. Only 9% say that their revenues increased in the period. The majority of that increase is from government grants and funding not related to the COVID-19 pandemic.

Of those continuing to lose revenue since June 2020, the primary sources of loss are income from community events and fundraising (57%) and from sales of products and services (46%). Over two in five (41%) have also seen a decline in general donations, while 31% have lost income from partnerships or sponsorships.

Many organisations have had to draw on their reserves to continue operating.

While over half (52%) of participating organisations have been eligible for Cash Flow Boost from the Australian Government, and 37% have had support from state government grants, 31% have not received any government grants. To survive, 44% of responding organisations have drawn on their reserves to continue operating.

At 52%, small organisations (revenues <\$250,000) are far less likely to have access to any form of government support. Organisations in regional and rural areas are also less likely than those in capital cities to have received Cash Flow Boost.

Consequently, small organisations and those operating in rural locations are significantly more likely to have drawn on their reserves than their counterparts.

Workforce capacity impacts – a tale of two parts?

There is a stark divide in workforce impacts across the sector. While 42% have either stood staff down, reduced staff hours or asked staff to take leave without pay since the beginning of June, 11% have reinstated staff to their usual hours and 38% report that staff are working longer hours to deal with the increase in demand for their services.

The situation with JobKeeper support payments is similar, with 51% of organisations receiving JobKeeper for some or all of their staff and 49% having no access to this form of government support.

Organisations with revenue between \$1 million and \$5 million are significantly more likely to be receiving support payments for some or all of their staff. There is also a stark contrast between the proportion of those receiving JobKeeper in capital cities (62%) and in regional (42%) or rural (22%) areas.

Regardless of demand, the effects of the pandemic are taking a toll on staff mental health and wellbeing.

The levels of uncertainty caused by COVID-19, coupled with the inability to deliver their services, is leading to issues with staff and volunteer morale and mental health and wellbeing.

Up from 28% in the May 2020 survey, 34% of organisations say that the greatest impact on their workforce is the effects of the pandemic on health and wellbeing. Thirty-one per cent (31%) are concerned about staff and volunteer morale, up from just 16% in the previous survey.

There are no significant differences in these impacts across focus area, turnover or location, suggesting this is widespread across the social purpose sector.

Respondents commented that “fear and anxiety, and loss of work, is leading to an increasing sense of depression and mental distress”. Others are concerned that the increased demand for their services and subsequent additional workloads are impacting “mental health and wellbeing, due to the double blow of increased workload/demand for services and dealing with COVID-19”.

The constraints faced by the sector, like funding uncertainty, exacerbate the impacts of COVID-19.

To quantify the impacts of the pandemic on the overall health and wellbeing of those who work in the social purpose sector, a new section was added to assess the signs of burnout among the workforce. And there are worrying signs that those who lead organisations in the sector are severely impacted.

The signs of workplace burnout have increased exponentially among respondents since the start of the pandemic. More than two in five respondents reported that they often or always feel stressed or anxious, frustrated, cynical or exhausted and that they are not taking good care of themselves at the moment. Feeling overwhelmed and that their workload was unachievable is also frequently cited.

This is of concern, given that this cohort’s purpose is to help their communities of interest achieve positive outcomes. If their own wellbeing is compromised, their ability to offer effective services and programs is also at risk.

Eight in 10 respondents also agree that the constraints within the social purpose sector, like scarcity of resources and funding uncertainty, exacerbate the mental health and wellbeing impacts for themselves, their staff and volunteers. Being “always asked to do more with less” and the “uncertainty of upcoming grant funding” leads to “increasing anxiety and feelings of helplessness”.

These findings should be of major concern both to those who work in the sector, and those who support or fund them.

Continued advocacy and help to manage the mental health and wellbeing of staff and volunteers are the most valuable forms of assistance that could be provided to the sector.

Alongside the need for continued advocacy to government to support their activities, responding organisations would also value help to find new revenue streams or diversify their existing income. These activities were ranked as the most valuable support that could be provided by 30% and 22% respectively.

Up from 18% in the May 2020 survey, 31% of respondents cite help to manage the mental health and wellbeing of their staff and volunteers as the most valuable form of workplace assistance.

It is eight months since the pandemic started, and it is clear that it continues to have a significant impact on the social purpose sector. Perhaps these findings will give rise to a greater focus on the health and wellbeing of those who work so hard to support their communities of interest.

Key Findings

1

The COVID-19 pandemic continues to affect service delivery.

Being unable to provide usual services and programs remains an issue for a large majority of responding organisations. Revenues are still being affected, and almost half of respondents have accessed reserves to continue operations. The inability to provide services in the usual way is now exacerbated by many reporting an increase in demand from their communities of interest, making it harder to provide the levels of support required.

2

An increase in demand for services has staff working longer hours.

More organisations are reporting an increase in demand for their programs and services, which means staff and volunteers are working longer hours. The higher workloads and the continuing uncertainty of the pandemic are impacting the mental health and wellbeing of staff and volunteers, leaving them less effective and prone to stress and anxiety.

3

Respondents report worrying signs of burnout and fatigue.


Signs of workplace burnout, such as lack of motivation, feeling stressed, anxious and overwhelmed, along with not practising good self-care, have increased exponentially among respondents since the start of the pandemic. This is of concern, given that the social purpose sector contributes so much to the economy and supports a vast array of communities of interest. If their own wellbeing is compromised, their ability to offer effective services and programs is also at risk.

4

Organisations need help to diversify revenue streams and to support staff and volunteer wellbeing.

While advocacy to government about their activities remains a valuable support mechanism, many respondents would also value help to either find new, or diversify existing, forms of revenue. Help to support staff and volunteer mental health and wellbeing is also a form of assistance that would be valuable. With the issue of wellbeing a recurring theme in the research, many need strategies and ideas to help keep their workforce safe and healthy.

1. THE ONGOING IMPACT OF COVID-19



The disruption to the social purpose sector due to the COVID-19 pandemic is continuing.

The first RESET 2020 Impact+Need Research Study examined the initial impacts of COVID-19 on the sector at the outset of the pandemic from March to May 2020.

The survey found that the Australia-wide restrictions in place at that time had a severe effect on the sector, with many responding organisations unable to provide their usual services to their communities of interest. The inability to hold fundraising activities and events or sell products and services also placed financial strain on many. Organisations were experiencing lower demand for their programs and services during that time, which affected their financial viability.

This second survey was run to examine ongoing and emerging effects of COVID-19. This survey sought to understand what has changed between the start of the pandemic and now, and how or if organisations have been able to adapt to what is essentially a 'new normal'.

The first part of the survey looked at the impact on operations since the beginning of June 2020 and to ascertain whether COVID-19 was still affecting service delivery.

It examines the factors that are having the greatest impact on organisations and assesses whether they remain the same as those identified in May 2020.

An overwhelming majority of respondents report that COVID-19 continues to impact their service and program delivery.

Respondents who operate primarily in Victoria are significantly more likely to indicate that the pandemic continues to have a significant impact on their service delivery, most likely caused by the additional restrictions and lockdown provisions that were imposed in July 2020. There are no other significant differences across focus areas, turnover or location.

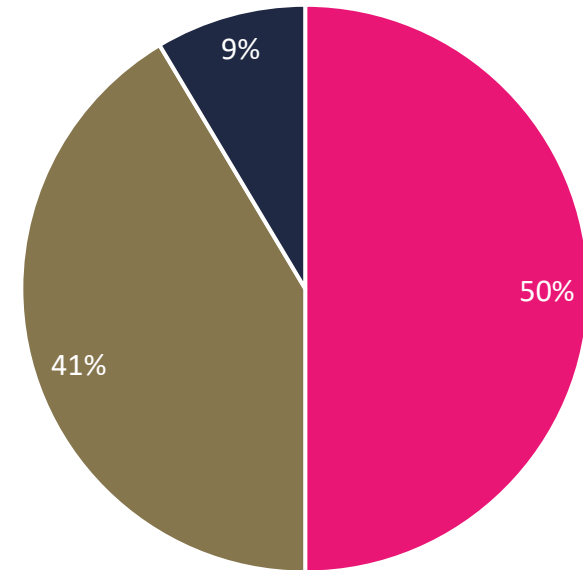
Many report that they “still can’t run events due to COVID-19 health restrictions” and that the “inability to run programs based on group attendance which had formed the base of our future growth plans” was impacting their usual service provision.

Others are concerned about the impacts on wellbeing, with reports that “fear of the unknown” and “preparing for the demand we were told to expect but hasn’t happened yet... is causing anxiety”.

91%

Proportion of organisations for which COVID-19 is still impacting service delivery

Impact of COVID-19 on Usual Service Delivery



- Yes, it continues to have a significant impact on our service delivery
- Yes, it has had some impact on our service delivery
- No, it has had no impact on our ability to provide our usual services

Since 1 June 2020, has the COVID-19 pandemic impacted your ability to provide your usual services? N=338

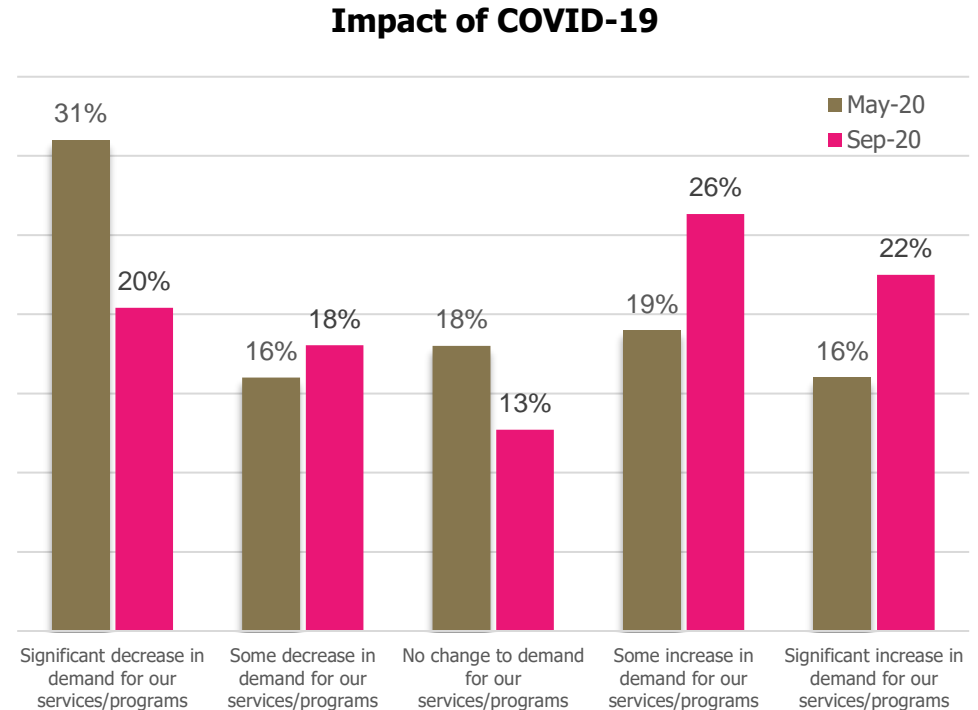
Despite some social purpose organisations still reporting decreasing demand, many more are now seeing an increase in the need for their services.

In the period from March to May 2020, 47% of respondents reported a decrease in demand for their services. While 38% are still seeing demand fall, that trend has been reversed in this survey, with nearly half (48%) now experiencing some or a significant increase in the need for their programs and services.

Only 13% have experienced no change in demand for the services and support they provide.

As with the first RESET2020 Impact+Need research, small organisations with revenues of <\$250,000 (33%) and those in Arts & Culture (48%) and Sport, Recreation & Tourism (69%) are more likely to report a significant decrease in demand than those in other sectors.

Those operating in capital cities are significantly less likely to indicate that demand for their services has decreased than those in regional, rural or remote locations.



Thinking about your primary focus, what impact has COVID-19 had on your organisation since 1 June 2020? N=338

Although COVID-19 continues to impact demand in the sector, the trend has reversed, with more organisations reporting an increase in demand for their services and programs.

To understand the factors having the greatest impact on the social purpose sector, respondents were asked to specify the issues that are affecting them most.

General uncertainty about the coronavirus situation is an issue for over a third of respondents (36%), while 34% report that the inability to run fundraising events and managing the impacts of the pandemic on the mental health and wellbeing of staff and volunteers are the biggest burdens on their organisation.

Managing online service delivery (30%), staff and volunteer capacity (27%) and a lack of financial security (26%) are also issues for organisations in the sector.

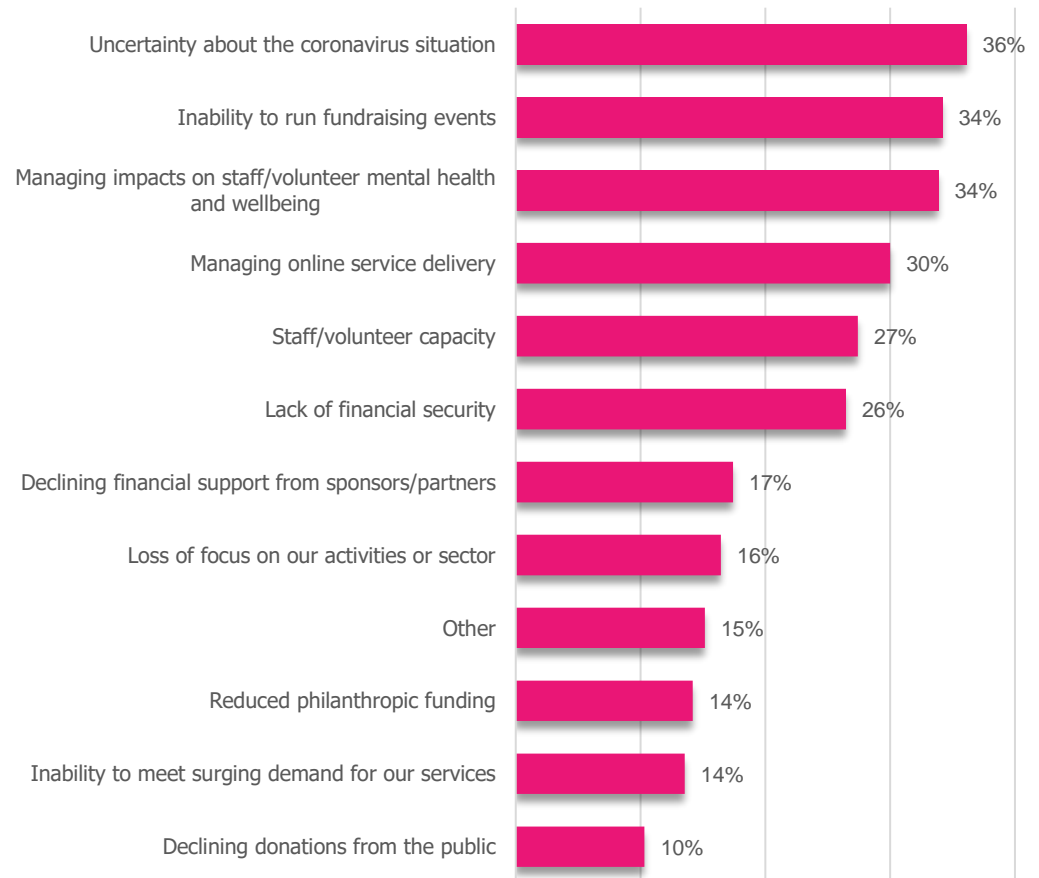
Given the increase in demand being experienced by nearly half of the respondents to this survey, it may not be a surprise that the impacts being felt most acutely are on staff and volunteers.

Those working in the Housing and Homeless sector are significantly more likely to report an inability to meet surging demand for their services than others, with 50% of respondents citing this among their top three issues.

The inability to run fundraising events is significantly more impactful for small organisations (those with revenues of <\$250,000) than organisations with a higher turnover. Small organisations are much less likely to report that managing staff and volunteer wellbeing is an issue, possibly because they have fewer staff or volunteers to manage.

Managing online service delivery (37%) is a much greater issue for those operating in capital cities than their regional and rural counterparts.

Factors Impacting Social Purpose Organisations



Which of the following factors are having the greatest impact on your organisation right now?

Base n=310; n=853 Respondents could choose a maximum of 3 responses




"Substantial costs increases for cleaning, sanitation and PPE, for internet dongles/sims for remote internet access and for welfare support for students losing casual work or not eligible for Centrelink payments."

Primary Focus – Education, Size \$1m - \$5m



2. THE FINANCIAL EFFECTS



Given the ongoing impact on service delivery, the financial situation of many social purpose organisations continues to be affected.

Having determined that there are continuing impacts on service delivery, this next section of the survey sought to examine the financial effects on responding organisations.

In the first survey, almost two-thirds of responding organisations had seen a decline in revenue from the beginning of March 2020. This has been tested again, and questions added to understand the sources of any revenue falls or increases since the beginning of June 2020.

This survey was also expanded to examine eligibility for the various federal and state government support programs that are available, such as Cash Flow Boost, to determine whether organisations in the sector had access to additional financial assistance during the pandemic.

The survey also canvassed the amount of operating reserves responding organisations held, as well as whether they had had to use these during the pandemic to continue to operate.

The effect of the pandemic on revenues in the sector remains significant.

While there has been a fall in the number of respondents reporting that their organisation is struggling to deliver services due to revenue loss, or it needs immediate financial assistance, 11% still remain in a precarious financial position. A further 47% have continued to lose revenue since the beginning of June 2020, but can continue operating for now.

Moreover, of the 58% of responding organisations that have lost revenue, 28% have seen a decline of more than 50%. Those that operate in the Sport, Recreation and Tourism sector appear to have been most affected, with half of those organisations reporting a revenue loss of more than 75%.

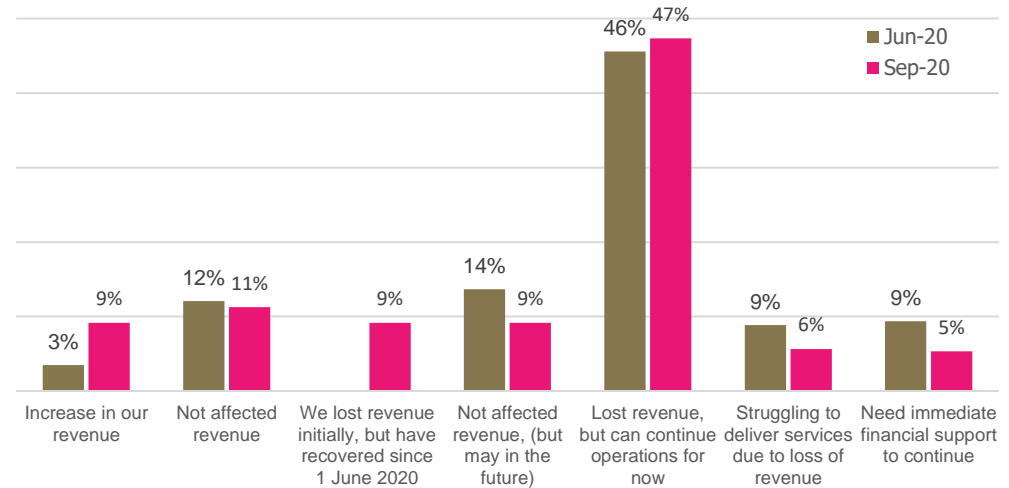
Small organisations (revenues of <\$250,000) and those operating in rural areas are also significantly more likely to report revenue losses of more than 75% as a result of the pandemic.

In some good news, and up from 3% in May 2020, 9% of responding organisations report an increase in revenue. A further 9% have seen a revenue recovery since the beginning of June 2020.

58%

Proportion of organisations that have seen a decline in their revenue since June 2020.

Impact of COVID-19 on Organisational Revenue



Which of the following best describes the impact COVID-19 has had on your organisation's revenue since the beginning of June 2020? N=338

Decline in Revenue	June - September
Up to 15%	17%
15% - 30%	35%
30% - 50%	17%
50% - 75%	10%
More than 75%	18%
Don't know	4%

Approximately what has been the decline in your revenue? N=197

While an inability to earn income from fundraising and events continues to be the biggest drain on sector revenues, donations and sponsorship support also remain lower.

At 57%, income from community events and fundraising remains the primary source of revenue decline. Income from sales of products and services also continues to be impacted for 46% of respondents.

Up from 36% in May 2020, four in 10 respondents have seen a decline in general donations since the beginning of June 2020. While the specific reasons for this are unknown, it could be speculated that the prolonged effects of COVID-19 on the overall workforce and economy are impacting people’s ability to donate as much as they have previously.

Just over a quarter (26%) continue to report a decline in philanthropic grants and funding.

Organisations with revenues between \$5 million and \$50 million are significantly more likely to report that revenues from sponsorships or partnerships have declined than smaller or larger organisations.

64%

Proportion of organisations with revenues between \$5m and \$50m that have seen a decline in partnership or sponsorship income

Sources of Revenue Loss	May 20	Sept 20
Sample	238	197
Income from community events / fundraising	60%	57%
Income from our products / services	53%	46%
General donations	36%	41%
Sponsorships / partnerships	30%	31%
Philanthropic grants / funding	26%	26%
Events, webinars, courses etc.	24%	23%
Government grants / funding	21%	16%
Other	6%	11%
Material aid donations (not monetary)	8%	8%

In which specific areas has your organisation's revenue decreased?

Base n=197 n=508

Respondents could choose more than one response

Only one in 10 organisations has seen a revenue increase since 1 June 2020.

For those organisations that reported an increase in revenue, almost half (48%) is from government grants or funding, excluding any COVID-19 support.

Thirty-two per cent (32%) report an increase in general donations, and just over a quarter (26%) have improved their sales of products or services.

Reflecting the continuing social-distancing restrictions and the numbers of people who can gather together in one place, only 10% have seen an increase in revenues from community events or fundraising, or other events, webinars or courses.

Sources of Revenue Increase	Sept 2020
Government grants / funding (excl. COVID support)	48%
General donations	32%
Income from our products / services	26%
Philanthropic grants / funding	19%
Income from community events and fundraising	10%
Events, webinars, courses etc.	10%
Sponsorships / partnerships	6%
Material aid donations (not monetary)	6%

In which specific areas has your organisation's revenue increased?

Base n=31 n=51 Respondents could choose more than one response. **Please note small sample**



A new question was included in this survey to understand the uptake or eligibility of government grants among the social purpose sector.

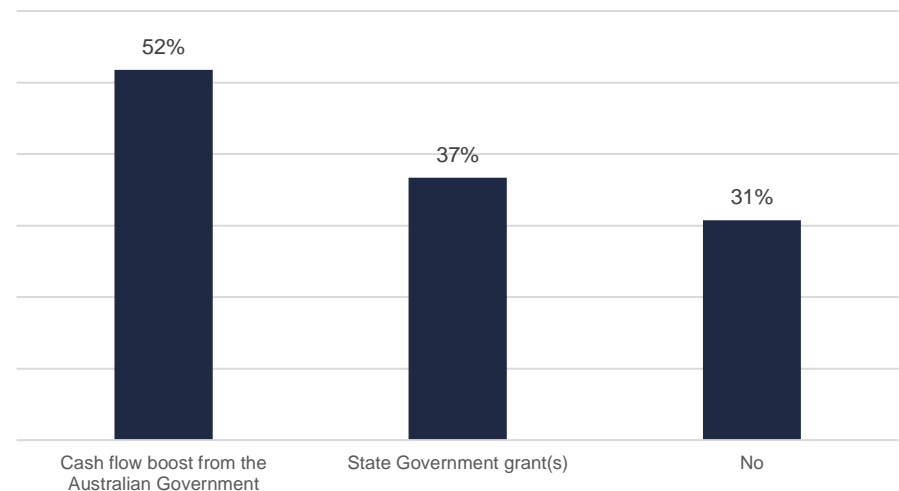
Over half (52%) of responding organisations have been eligible for the Cash Flow Boost from the Australian Government, and a further third (37%) have received assistance through various state government grants.

However, more than three in 10 have not received any assistance from governments.

At 78%, organisations with revenues of \$1 million to \$5 million are significantly more likely to have received both the Cash Flow Boost from the Australian Government and state government assistance than smaller or larger organisations. Conversely, at 52%, small organisations with revenues <\$250,000 are much more likely to have not qualified or accessed any form of government support.

Those operating in capital cities are also much more likely to have received Cash Flow Boost from the Australian Government than those in regional, rural and remote areas.

Government Support



Government Support	<\$250k	\$250k - \$1m	\$1m - \$5m	\$5m - \$50m	>\$50m
Cash Flow Boost	27%	63%	78%	54%	40%
State government grant(s)	29%	37%	49%	33%	32%
None of the above	52%	25%	11%	20%	40%

Has your organisation received any of the following? N=338

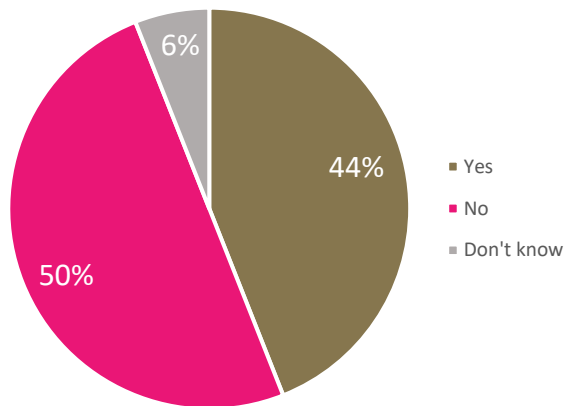
Over two in five (44%) respondents have drawn on their reserves to continue operating since the pandemic began.

Forty per cent (40%) of organisations have 6 months or less in operating reserves, compared to 45% in May 2020. Up from 18% in the May 2020 survey, just over a quarter (26%) report reserves of 18 months or more.

Those indicating they don't know the levels of reserves they have are largely from organisations with revenues of more than \$5 million, suggesting that the respondents were not in roles with access to that information.

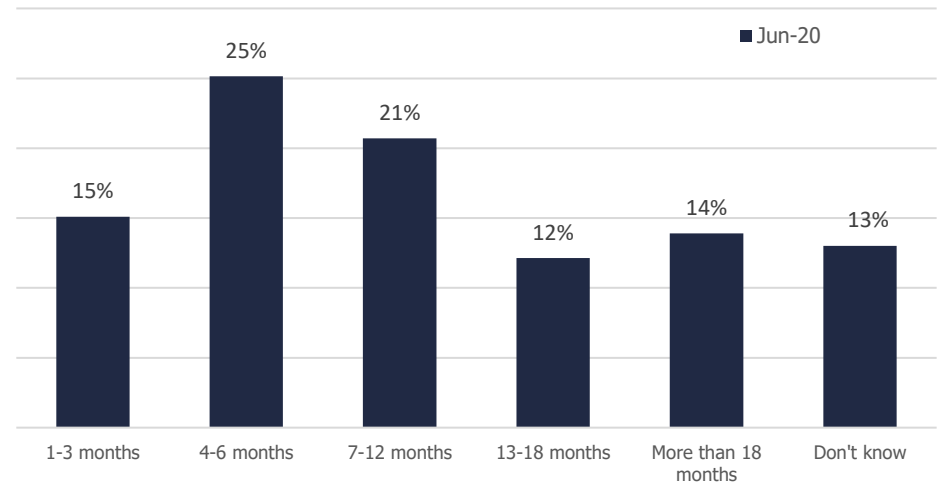
Reflecting lack of access to government support, small organisations are significantly more likely to have had to call on their reserves to allow them to continue operations. Those operating in rural locations are also significantly more likely to indicate they have used reserves to continue operations than their regional and city counterparts. Again, these organisations were much less likely to have received any form of government assistance.

Given organisations with revenues between \$1 million and \$5 million are far more likely to have received both state and federal government assistance, it is unsurprising that more of them have not had to use reserves to continue operations.



Since the pandemic commenced, has your organisation drawn on your reserves to continue operating? N=338


Operating Reserves



What level of operating reserves do you have? N=338

Reserve Level	% Drawn on Reserves
<\$250k	64%
\$250k - \$1m	38%
\$1m - \$5m	28%
\$5m - \$50m	33%
>\$50m	44%

3. WORKFORCE IMPACTS



One of the most significant findings from this research is the increase in workloads, and the impact this is having on mental health and wellbeing in the sector.

In the first survey, just over a third of responding organisations had reduced their workforce capacity in some way. While some lost staff and volunteers to illness or caring responsibilities, others had stood staff down and/or reduced staff hours. Some had also asked staff to take leave without pay.

The impact of the pandemic on workforce capacity has been tested again in June 2020 to understand the current situation. The survey also tested access and eligibility for the Australian Government's JobKeeper support payments.

It also looked at the factors that are impacting staff and volunteers, such as workloads, inability to provide services, and health and wellbeing. This was done to compare with the first survey and determine whether any changes were occurring.

The impact on the social sector workforce is mixed. While some organisations continue to stand staff down or reduce hours, the workload in many organisations is increasing.

In the first survey, 9% of respondents reported that they had stood staff down or made redundancies, and 19% had reduced staff hours. Many indicated that they were doing all they could to retain staff, and that any reduction in employees was the last action they would take.

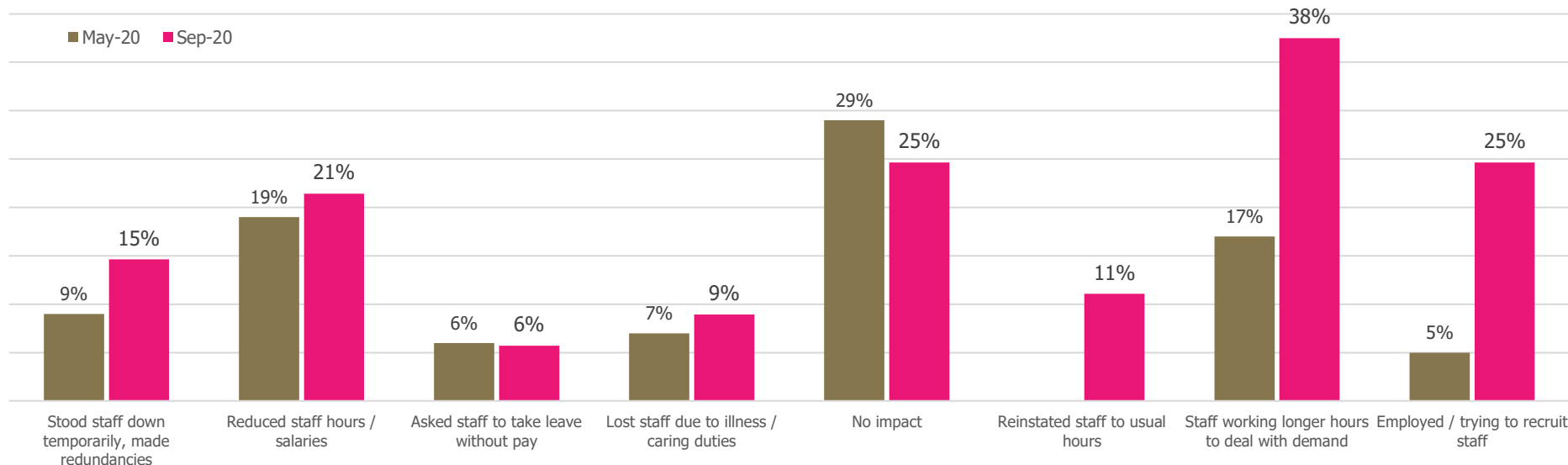
Unfortunately, the results from this survey show that more organisations have stood staff down or made redundancies (15%). The number that have reduced staff hours (21%) has also increased slightly.

In contrast, and reflecting that nearly half of respondents are now reporting increased demand for their services, there has been a significant increase in the number of organisations reporting that their staff are working longer hours. Almost four in 10 (38%) indicate that employees are working longer hours to deal with demand, up from only 17% in the first survey.

In addition, a quarter (25%) have either employed more staff or are trying to recruit employees, presumably to cope with the increased demand. This is also a substantial increase from the first survey.

On a positive note, 11% have reinstated staff to their usual hours, and there has been no impact for 25% of responding organisations.

Impact on Workforce Capacity



While many organisations were eligible for federal and state government support through Cash Flow Boost and various grants, almost half have not received the JobKeeper support payments.

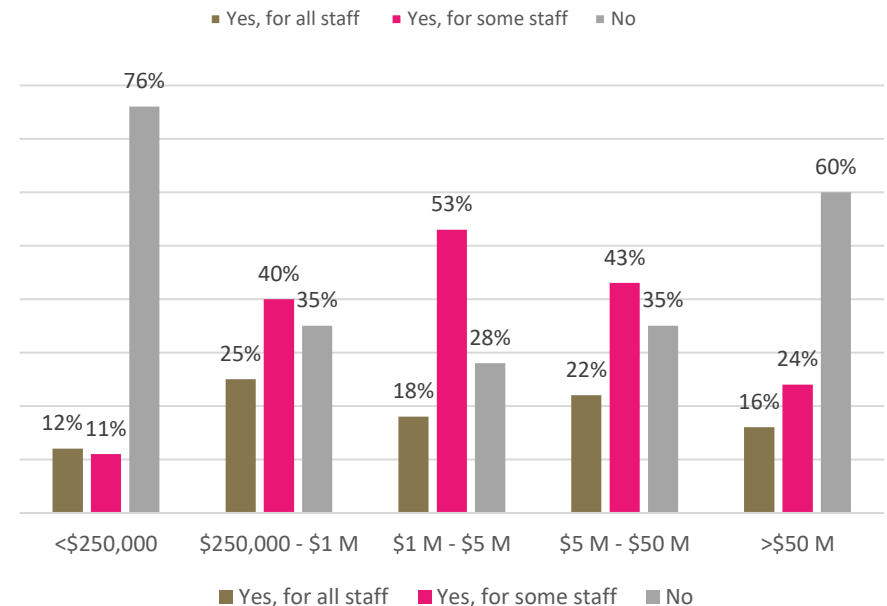
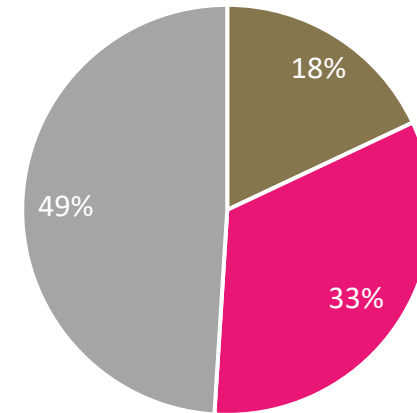
Only 18% of survey respondents are receiving JobKeeper support for all of their employees. This falls to just 12% for small organisations (revenues of <\$250,000).

In contrast, a quarter (25%) of medium organisations (revenues between \$250,000 and \$1 million) are receiving the support payment for all of their staff. Another third (33%) are receiving JobKeeper for some of their staff, rising to over half (53%) for organisations with revenues between \$1 million and \$5 million.

The starkest contrasts are the small and very large organisations, where 76% and 60% respectively are not receiving any form of employee wage support.

There are also significant geographic differences. Sixty-two per cent (62%) of organisations in capital cities are receiving JobKeeper support for some or all of their staff. This compares to just 22% for those operating in rural areas.

JobKeeper Support



Has your organisation been receiving the JobKeeper support payments? N=338

78%

Proportion of organisations in rural locations that are not receiving any form of JobKeeper support payments.

Fewer organisations are letting volunteers go, although hours continue to be reduced.

Responding organisations reported that they had over 172,000 volunteers as at 1 March 2020. While it is unclear whether the difference is due to a reduction in volunteers because of COVID-19, fewer volunteers being available during the pandemic, sample composition or a combination of these factors, when asked the same question against a 1 June 2020 timeframe the number was just over 78,000.

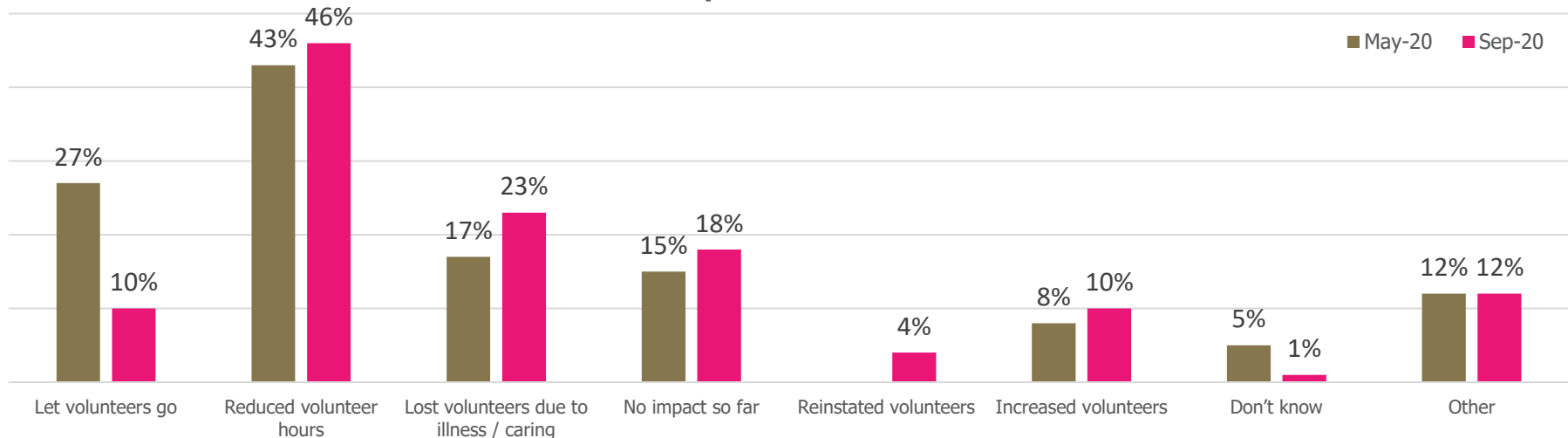
While fewer organisations let volunteers go after 1 June 2020 than at the beginning of the pandemic, more (23%) report losing volunteers to illness or caring responsibilities than in the previous survey wave. The proportion of responding organisations that have reduced volunteer hours has remained static.

Only 4% have reinstated volunteers since 1 June 2020.

Comments indicate that organisations have had less for volunteers to do, which may also explain the reduced volunteer numbers reported. There were comments that they “haven’t needed to use volunteers as schools have been closed” and there were “no volunteer opportunities available at present”.

Others indicate that the restrictions due to the pandemic meant that they “haven’t been able to manage volunteer participation while working from home. Reduced volunteer activities” or that the “volunteering program is on pause”.

Impact on Volunteers



The impacts of the pandemic are starting to be felt. An increasing number of organisations are concerned about the effects of additional workload on the mental health and wellbeing of their staff.

When asked about the factors having the greatest impact on their staff and volunteers, concerns about mental health and wellbeing are evident. Additional workloads and the resulting extra hours, the levels of change and uncertainty, and the inability to do the job they enjoy all link to the overall wellbeing of staff and volunteers.

Down from 53% in the first survey, 46% still believe the levels of uncertainty and change as a result of the COVID-19 pandemic present the greatest issue. Those not able to provide their usual services are also concerned about the impacts of this on their staff and volunteers, although this has fallen from 46% in the first survey to just over a third (35%).

Conversely, the increase in service demand since the beginning of June is having an increasing impact on the workforce. More than a third (37%) report that the additional workload on staff and volunteers is the greatest impact, up from less than a quarter in the first survey.

Of most concern, up from 28% and 16% respectively, over three in 10 responding organisations are concerned about the effect of the pandemic on staff and volunteer mental health and wellbeing (34%) and morale (31%).

There are no significant differences in the impacts on the workforce based on organisational purpose, income or location, suggesting concerns about mental health of staff and volunteers is prevalent across the sector.

Workforce Impact



46% feel the greatest impact on their workforce are the levels of uncertainty and change (*down from 53%*)



37% believe the additional workload on staff and volunteers is having the greatest impact (*up from 24%*)



35% believe the inability of staff and volunteers to deliver support services due to restrictions has had the biggest impact on their workforce (*down from 46%*)



34% report staff and volunteer mental health and wellbeing is being affected (*up from 28%*)



31% report staff and volunteer morale is being impacted (*up from 16%*)

Which of the following are having the greatest impact on your workforce? N=338



"Fear and anxiety are the major impacts and loss of work – an increasing sense of anxiety and depression.


Mental distress ... added stress trying to deliver services online and by phone to the disadvantaged sector (with a 30% increase in demand). Increased anxiety about job loss and the isolation is not helping mental health-wise.

Physically (health) harder to exercise, too much work and time in front of the computer – Zoomed Out – restricted socialising, lack of social interaction, decreased physical fitness. Work/life balance affected in the negative."

Primary Focus – Human Services; Size <\$250,000



4. IMPACTS ON WELLBEING



The overall health and wellbeing of those who provide support is critical to the sector being able to deliver their services to their communities of interest.

To quantify the impacts of COVID-19 on the overall health and wellbeing of the people who work in social purpose organisations, a new section was added into this survey.

This section asked respondents to think about seven statements that contribute to workplace burnout. The factors include feeling a lack of motivation, frustration, ineffective at work, stressed and/or anxious, overwhelmed and that their workload was unachievable, and a lack of self-care.

Respondents were asked how often they felt these symptoms both prior to the pandemic and now.

This section of the survey also asked if the common constraints of running charitable organisations, like scarcity of resources and funding uncertainty, exacerbate the mental health and wellbeing of those who work in the sector, to understand more about other, pre-pandemic contributing factors.

The COVID-19 pandemic is having a significant impact on the mental health and wellbeing of those who work in all facets of the social purpose sector.

To better understand the extent of the impact, respondents were presented with seven statements commonly related to workplace burnout. They were asked how often they had felt these, both pre-COVID-19 and now.

And the results are concerning. Across all factors, respondents indicating that they felt these burnout factors 'often' or 'always' has increased considerably during the pandemic.

Feelings of frustration and exhaustion, anxiety and stress have been elevated in the wake of the pandemic, with 41% and 45% respectively reporting that they have often or always felt that way since the pandemic began. These are up 32%, from 9% and 13% respectively, before COVID-19.

A lack of motivation and feeling ineffective at work is also more prevalent for over two in 10 respondents, while two in five (40%) admit to not taking good care of themselves and feeling overwhelmed.

Respondents commented about the "increased workload on an already stretched team" that was causing "high anxiety, adding to exhaustion and reducing effectiveness".

Others spoke about how it was "increasingly difficult to maintain a sense of hopefulness" and that "some organisational leaders are extremely concerned about the future viability of their operations and services, while at the same time having to manage and respond to dramatic increases in the demand for those services".

This in turn "places considerable stress on NFP leaders and their staff, who care deeply about being able to make a meaningful difference in the lives of the people they support".

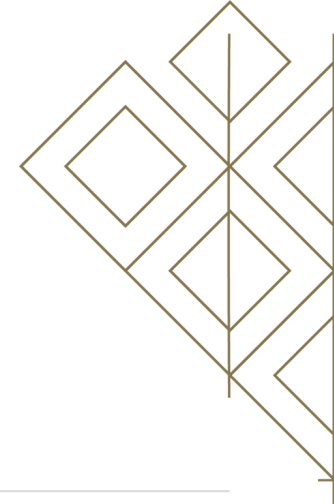


Sector Burnout

% who often / always feel...

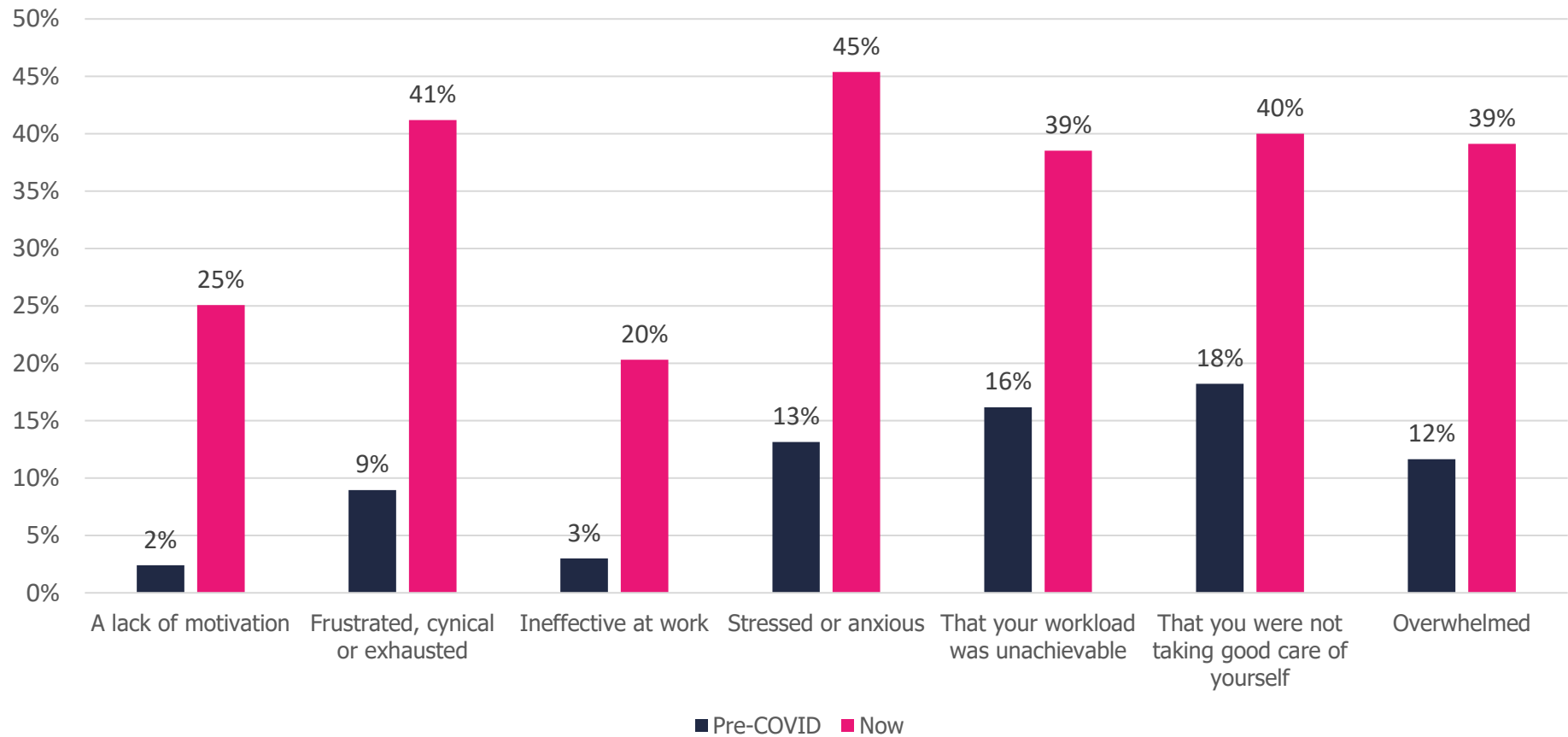
	Pre-COVID	Present	Change
Stressed or anxious	13%	45%	+32%
Frustrated, cynical or exhausted	9%	41%	+32%
That you were not taking good care of yourself	18%	40%	+22%
That your workload was unachievable	16%	39%	+23%
Overwhelmed	12%	39%	+27%
A lack of motivation	2%	25%	+23%
Ineffective at work	3%	20%	+17%

These findings should be of major concern to both those within the social purpose sector, and those who fund or support them.



Sector Wellbeing

How often did you feel...
% who responded Often / Always



It is well documented that the charitable sector faces enormous constraints not necessarily experienced by the private sector. Trying to drive social change and deliver positive outcomes is not for the fainthearted, and those who choose to work in these areas often face challenges on multiple fronts.

The social purpose sector typically operates under great uncertainty. Funding and grants are up for review or renewal frequently, with future support not necessarily guaranteed, regardless of past performance. Further, this cohort usually does not have the funding it needs to resource projects adequately, resulting in fewer people doing more work to achieve outcomes.

Regardless of the current pandemic, there are considerable constraints that social purpose organisations operate under.

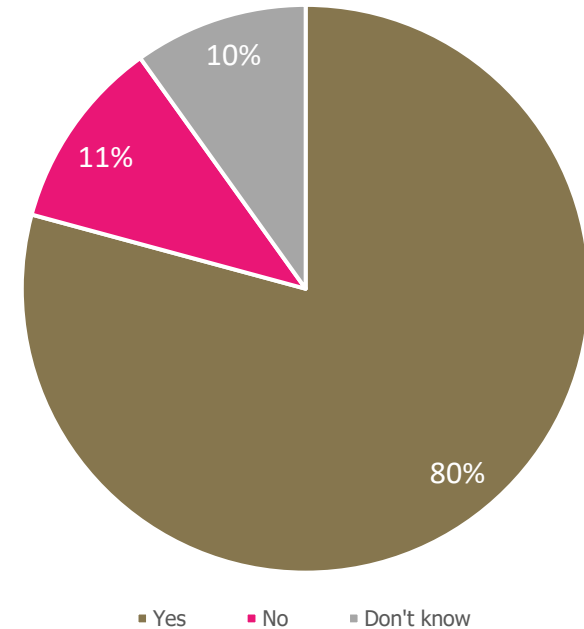
When asked if these constraints exacerbate the impacts on their wellbeing, and that of staff and volunteers, the answer was a resounding yes.

Many spoke about “always being expected to do more with less, when the more increases and the less becomes lesser things become challenging...” and of “uncertainty of upcoming grant availability to help cover costs” which “... add to the overall uncertainty, increasing anxiety and feelings of helplessness”.

There were many calls for all funding organisations, regardless of type, to use the pandemic to rethink the way they provide grants and funds. There were comments that “many philanthropists see staffing as an unnecessary administration cost. But the simple fact is that a charity is a business, not a project, and it should run like a business” and that “the most useful thing a philanthropist can ask is how to support the overheads and human resources that enable the charity to flourish”.

Others indicated that “extreme frustration is endemic because governments maintain short-term funding ‘strategies’ with less than 3 months notification if funding will be renewed, even if organisations are performing well and meeting outcome / output targets...” and that this is “dreadful grants management practice”.

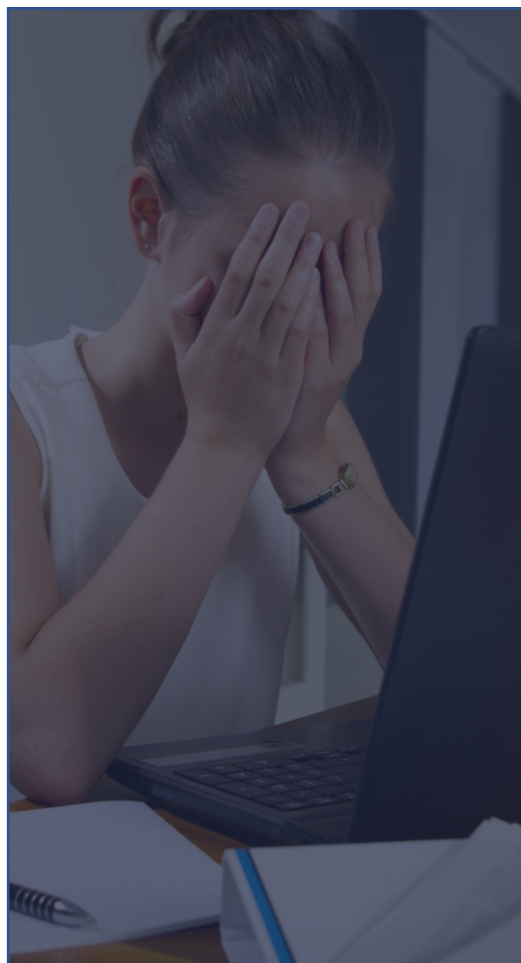
Impact of Sector Constraints on Wellbeing



Do you think the constraints that are common across the sector (such as scarcity of resources, uncertainty of funding etc.) exacerbate the impacts on the mental health and wellbeing of you, your staff and / or volunteers? N=337



Impact of Sector Constraints on Wellbeing



Funding uncertainty

"Uncertainty of funding streams weigh on staff. Inability to attract long-term 'safety net' funding. Most funders don't want to provide that. [We] need funders to understand and support and move away from program / project-based funding. Move towards 'Core' and 'Capacity-building' funding."

Primary Focus – Health; Size \$1m - \$5m

Resource scarcity

"It means we are always trying to deliver more with fewer staff, increasing workloads and stress, because people who work in this sector really care about the people we serve."

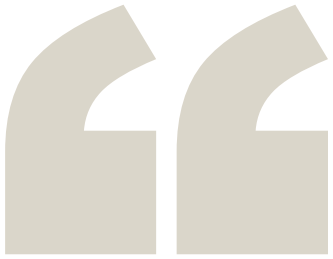
Primary Focus – Other; Size \$5m - \$50m

COVID-19

"I feel like it's an exacerbation of the pre-COVID situation; that there is an expectation for the For Purpose sector to solve all the issues, but on the smell of an oily rag. Now that has become even more pronounced."

Primary Focus – Disability; Size \$5m - \$50m

In your own words, please tell us how these constraints impact on you, your staff and/or volunteers' mental health and wellbeing. N=224



"Many philanthropists see staffing as an unnecessary administration cost. But the simple fact is that a charity is a business, not a project, and it should run like a business. The most useful thing a philanthropist can ask is how to support the overheads and human resources that enable the charity to flourish ..."

Primary Focus – Environment; Size \$250k – \$1m



The impact on wellbeing is being felt across the spectrum, from volunteers and staff to leadership teams.

More than seven in 10 responding organisations rate the overall impact of COVID-19 on their volunteers and staff as extremely or somewhat negative. A further 69% rate the impact on their leadership teams as negative.

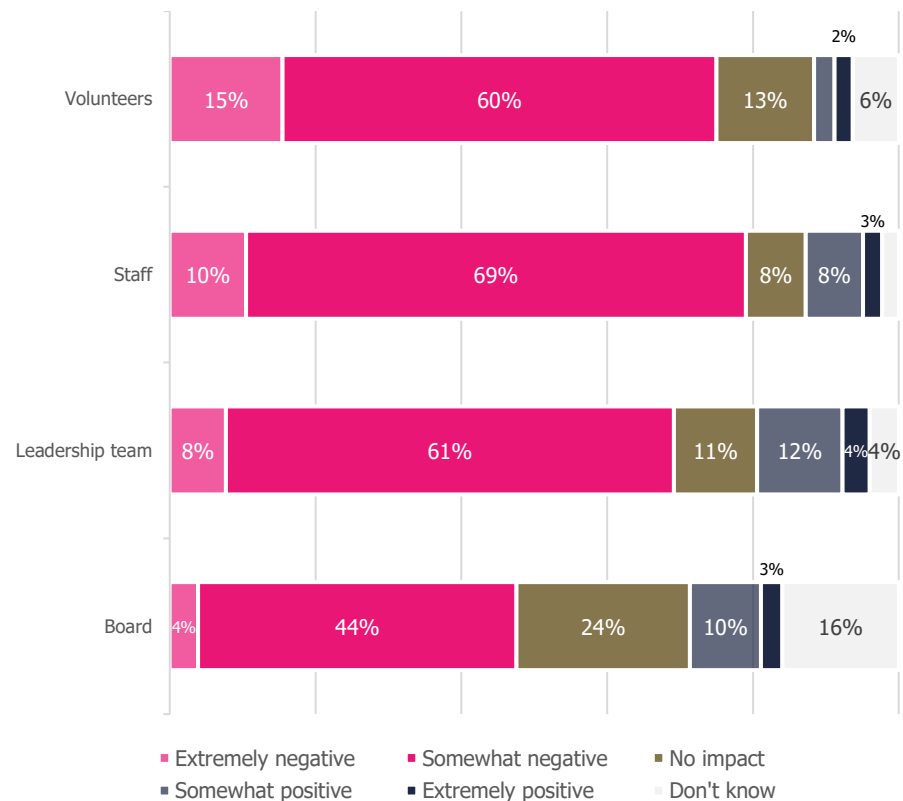
While more respondents rate the overall impact on staff as negative (79%), the effect on volunteers appears to have been extremely negative. This is borne out in the verbatim comments provided by respondents, with mentions that “all of us are unpaid volunteers ... our funding ends 30 June 2021, with no indication of funding thereafter (which is) very distressing” or “volunteers care about the support they provide, not being able to provide that support as they once did takes away much of what they get out of the work they do”.

Many who manage staff are concerned about their wellbeing. Some spoke about the “added pressure as most people are concerned about keeping their jobs”. Others mentioned the “constant uncertainty and readjustments that have required extra hours ... and placed challenges on staff” as issues they are dealing with. Concern that the “increased workload on an already stretched team” heightens “the risk of future burnout” was also evident. Others worry that the “social isolation has been very damaging to staff morale” and that “the distinction between work and home life has become increasingly blurred” which is also leading to “high anxiety that adds to exhaustion and reducing effectiveness”.

Those who lead teams are also feeling the effects of the prolonged impacts of COVID-19, with many expressing feelings of “self-doubt, fear, frustration” and indicating that they are “exhausted by the uncertainty” of the situation.

There are also major concerns with ongoing viability of organisations and the effects on communities they support. Comments that “funds becoming even more limited since COVID-19, it is quite stressful to keep the funding at the level it was prior” reflect the pressure on individuals and organisations, and that “we are unable to offer families the service they need/want due to constraints in funding and not being able to get funds to expand our service” leave them feeling “exhausted, it definitely affects my wellbeing and emotional health”.

Impact on Stakeholder Wellbeing



How would you rate the overall impacts of COVID-19 on the wellbeing of the following groups? : N=337

Organisations are taking many steps to support the wellbeing of their staff and volunteers.

When asked what measures were being taken to help with wellbeing both for respondents and their stakeholders, many mentioned the use of Employee Assistance Programs (EAP) or an equivalent program, while others frequently commented on the need to regularly connect and check in with their stakeholders. Some mentioned that they “have a very strong wellbeing policy for the team, we are flexible and dedicated to strong positive mental health” and that “remaining in constant touch with those working from home” was helping them manage through the crisis.

Others mentioned self-care, and that they were “trying to exercise most days, get enough sleep, talk with colleagues on Zoom etc.” and “keeping up my own personal exercise and eating well” as methods they had adopted to deal with the additional burdens on their health and wellbeing.

The need for a relaxed approach was mentioned by some who were “offering reduced hours, flexible working conditions around appointments and/or other personal needs, and extra leave” as measures they were taking to support wellbeing.

Some, however, while recognising the importance of self-care, have found it difficult to manage their own mental health and wellbeing as well as those of their stakeholders. There were frequent mentions of “burnout” and that while they had taken measures to support their wellbeing “in early days of COVID-19 (like walks, more home time, etc.)”, now they are “busier than ever and not doing those things, working longer hours, reduced family time, reduced home time”.



“Unlimited EAP. Fortnightly casual catch-ups as a whole team. Daily team check-ins with managers to teams. Weekly management meetings.”

Primary Focus – Housing/Homeless; Size \$5m - \$50m

"Our organisation has a staff EAP. We discuss mental health and wellbeing regularly. We are very transparent about the organisation's financial wellbeing and how that affects staff employment contracts and JobKeeper. Everyone has been encouraged to take time out when they need it." Primary Focus – Human Rights; Size \$250k - \$1m

"Added an additional wellbeing day (in addition to sick/annual leave) for all staff. Added an additional week of annual leave for staff that work in our 24/7 crisis refuges. Distributed additional resources around wellbeing, resilience and mental health. Increased Employee Assistance Program sessions available to unlimited (from 3 per year)." Primary Focus – Housing/Homeless; Size \$1m - \$5m

"As we are a small team, working together and knowing about family struggles helps. Flexibility to keep the community service running while realising we each need time off throughout the week is very helpful and positive." Primary Focus – Other; Size <\$250k

"Encourage staff to balance work, adhere to structured hours. However, it is evident that they are working many more hours than their rosters." Primary Focus – Other; Size <\$250k

"Flexible working hours has allowed me to take better care of my own mental health." Primary Focus – Education; Size \$1m - \$5m

"I take on more so that they don't have to. It is going to end badly for me if there is no let-up soon. But, once we are on this path it's difficult to get off it." Primary Focus – Sport, Recreation, Tourism; Size <\$250k

"I'm trying to exercise most days, get enough sleep, talk with colleagues on Zoom, thank our volunteers and acknowledge their efforts during such a difficult time." Primary Focus – Human Services; Size \$5m - \$50m

"Staff are being given increased flexibility in hours and duties, and have been provided with leave when needed. We have regular catch-ups over Zoom. My own wellbeing is harder to manage as there is no-one to whom I can delegate work." Primary Focus – Other; Size \$250k - \$1m


If you are taking any measures to support your own wellbeing, and that of your colleagues and stakeholders, please outline them here. N=245



"Having regular Teams meetings while staff work from home. Informal catch-ups. As the CEO, I sent a personalised card and small token gift to all staff and Board members to thank them for the job they were doing. EAP was offered and promoted. Offered a wellbeing webinar series to carers."

Primary Focus – Disability; Size \$5m - \$50m

5. SUPPORT NEEDS



One of the most valuable forms of assistance that could be provided to the sector is support to manage the mental health and wellbeing of staff and volunteers.

The final section of the survey asked respondents about the forms of strategic, operational and workforce assistance that would provide them with the most value.

In the first survey, the most prolific needs were for additional funding and continued advocacy to government to help navigate through the pandemic.

From a workforce perspective, there was a need for practical help to set up and manage staff working from home.

This second survey again asked respondents to rank in priority order the most valuable strategic and workforce support that could be provided.

It also sought to understand if there were any particularly helpful strategies that respondents had put in place that had proved beneficial.

Aside from calls for continued advocacy to government, help with identifying new or diversifying existing revenue streams has widespread appeal.

Three in 10 respondents report that continued advocacy to government for support of their activities is the most valuable form of support they could receive to deal with the strategic and operational effects of the pandemic. This rises to nearly six in 10 (58%) when the three most valuable forms of support are considered.

In a sign that social purpose organisations are starting to reflect on the future, 22% want assistance to either find new revenue streams or to diversify existing income sources. Again, this rises to nearly six in 10 (59%) when organisations rank the three most useful forms of support they could receive.

Continued support to attract, retain and engage donors, sponsors and partners would be valued by 20% of responding organisations.

Possibly in a sign that over time responding organisations have learnt to manage online service delivery and are developing operational plans post-COVID-19, these forms of support are lower on the list of requirements.

30%

Proportion of organisations that indicate they would most like support with advocacy to government to continue support of their activities.

Most Valuable Support to Deal with Strategic and Operational Impacts

Support	Number 1 Rank	Top 3 Rank
Advocacy to government for continued support of our activities	30%	58%
Identifying new or diversifying existing revenue streams	22%	59%
Support to attract, retain and engage donors, sponsors and/or partners	20%	55%
Support for online service delivery	7%	26%
Help to formulate a strategy to continue operations and/or for when COVID-19 is over	7%	26%
How to communicate through the pandemic, including keeping a focus on the issues and needs of our beneficiaries	6%	19%
Strategies to enhance efficiencies	4%	24%
Help to explore alliances and/or collaboration with other organisations	4%	33%

Thinking about the operational and strategic issues you face right now, what support would be most valuable to your organisation to help you deal with the impacts of COVID-19? (Please rank these in order, where 1 is the MOST valuable. Please rank at least 3 options) n=310

Reflecting the themes throughout this research, managing the health and wellbeing of staff and volunteers would provide the most valuable form of support.

Over three in 10 respondents rank help to manage the mental health and wellbeing of staff and volunteers as the most valuable form of workforce assistance they could receive. This is up from just 18% in the first survey, and is clearly the issue that is of most concern with comments that “an online comprehensive mental health program I can roll out to the staff” would be valuable.

To meet the needs of increasing demand and subsequent additional workloads on staff, 20% of responding organisations would value help to recruit additional staff and volunteers. Respondents commented that “additional financial resources so that we can recruit more staff and engage further volunteers” and “support staff to ramp up our resources to provide more work ready programs next year” would be beneficial.

Assistance with developing online support systems for staff and volunteers would also be valuable, as would help with managing staff working from home.

“Financial support allows us to continue to employ staff and serve our clients. Beyond this we need to support the mental health and wellbeing of our staff and volunteers; programs that assist with this are extremely beneficial.”

Primary Focus – Disability; Size \$5m - \$50m

Most Valuable Support to Deal with Impacts on Staff and Volunteers

(Number 1 Rank)



31% would like help to manage staff and volunteer mental health and wellbeing *(up from 18%)*



20% would like assistance to recruit additional staff and volunteers *(up from 10%)*



19% would like assistance to develop online support systems for staff and volunteers *(up from 11%)*



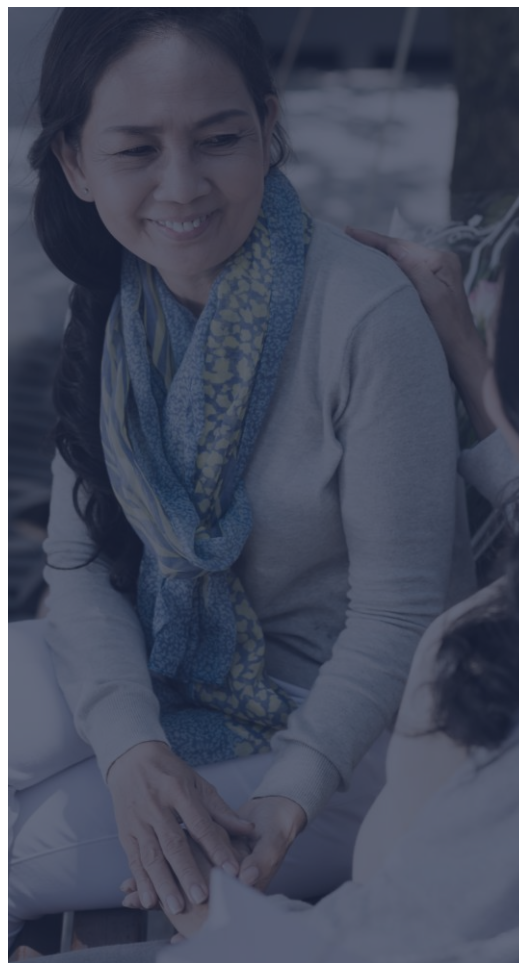
15% would like help with managing staff working from home *(up from 4%)*

Thinking about the issues relating to your staff and volunteers, what support would be most valuable to your organisation to help you deal with the impacts of COVID-19? *(Please rank these in order, where 1 is the MOST valuable. Please rank at least 3 options) n=310*



"More direct intervention in our self-care. I know from my work that just opening a door and hoping people walk through is rarely enough, because we will downplay our problems. Strategies and tactics that lead us in and proactively get us all working on our mental health will be more effective."

Primary Focus – Disability; Size \$1m - \$5m



Help with wellbeing

"EAP for Vic staff! We have a strong culture of wellbeing and support within our organisation, but in a team of 14 we don't have an HR professional or counsellor."

Primary Focus – Animal Welfare; Size \$1m - \$5m

Funding / financial assistance

"Funding will be challenging in the next years and competition for it even greater. Any assistance in how to navigate this would be very helpful."

Primary Focus – Education; Size \$5m - \$50m

Staff / volunteer recruitment

"Help locating willing staff and volunteers with a varietal skill set."

Primary Focus – Human Services; Size \$ <250,000



Organisations are employing many strategies to deal with the COVID-19 pandemic. While some are taking the opportunity to review and renew their strategies, the strongest theme was about the need to stay connected.

Clear, consistent and frequent communication was the primary topic among the verbatim comments when asked what strategies had been adopted to assist them through the pandemic.

Respondents commented that “encouraging and supporting people to use digital methods of communication has been useful” and that “communicating often, honestly and transparently” was important.

The need to keep staff “in the loop about what’s going on” was also frequently mentioned, as was to “keep everyone busy and engaged while socially isolated”.

Managing staff and volunteer wellbeing was a prominent theme with comments that they put in place “regular and formal 'health check-ups' for staff working from home with immediate follow up if unhappiness reported” and had “invested in a health and wellbeing review of staff early on to ensure they had strategies in place to have a physically and mentally safe working environment”.

Some had used the time to investigate and review their longer term strategies and plans, with mentions that “this time has allowed time to stop and assess our charity, policies and strategic direction”. Others were “exploring additional commercial revenue streams to aid our philanthropic work with a long-term view to self-fund more of our work”.

"Reduce workload on staff – do only what matters most. Look 12 - 24 months ahead, map it out and then cull any 'nice to haves' that rely on resourcing stability... If you have had to pull together remote working capacity in a rush, review it and prioritise getting it right, including investing time in training staff/volunteers to all use it in the same way, not just how to use it technically. Remote working will be here to stay for many."

Primary Focus – Health; Size \$5m - \$50m



"Coaching and support for me to manage it all! I have been diagnosed with early exhaustion and burnout and simply need a break/relief for time out but financially I have to keep showing up to steer the ship through the storm.

We're getting there though and I've taken the plunge and recruited a senior manager to relieve my load even though financially this will come at a personal cost to me for the next 3-6 months.

But I've taken this step to protect my own health and wellbeing and to protect our organisation's future."

Primary Focus – Human Services; Size <\$250,000





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