

It's been tough for charity sector but challenges can be met

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Instability in WA charitable giving is the last thing our not-for-profit sector needs in 2021.

It's been a difficult year for the wider sector. It kicked off with one of the most devastating bushfire crises the nation has seen. While Australians rallied behind fundraising campaigns to the tune of \$500 million, this threatened to limit the amount of "giving" Australians might consider in 2020.

Then COVID hit WA in February, further compounding the challenges. Corporate donors have faced an uncertain year and the impact for the sector has been amplified with many West Australians out of work and businesses closing their doors.

Almost overnight, community fundraising events, often driven by everyday mum-and-dad volunteers, ground to a halt. And with fluctuating COVID restrictions, the ability to hold some of these

events is still compromised, hitting a valuable and crucial part of fundraising budgets.

Many individual donors have understandably made the economic choice to either reduce or re-prioritise their giving as the effects on the economy or length of the pandemic remain unknown.

Corporates have made the difficult decision to put proposals on hold as bottom lines have been hit and the long-term impacts of COVID-19 are still unknown.

For many charities in WA, including the Perth Children's Hospital Foundation where I am CEO, the JobKeeper program has been critical to riding out the toughest months of 2020. It has allowed us and others to continue to operate and to maintain services.

But survival is not certain for some, with the Centre of Social Impact estimating 14 per cent, or one in seven charities, are at risk of collapsing by September 2021 which could impact the jobs of almost 200,000 people in Australia. Some of these

organisations have seen a massive increase in demand for their services brought about by COVID-19, and it's important that we ensure their survival.

Despite the social and economic instability that COVID-19 has presented, the foundation has weathered the storm well — giving a record \$8.79 million in grants to help transform children's health care here in WA.

As we in WA emerge from the pandemic, there are some learnings from this period that we can implement as a sector to strengthen our industry:

- The industry needs to take a closer look at operating reserves and financial exposure. One thing COVID has taught us is having a financial cushion is vital and means we're not so reliant on government assistance. The foundation has a total asset portfolio of over \$40 million and the investment income has helped to ensure our administration expenses are largely covered.

- Streamlining and reducing

red-tape associated with regulatory reporting would take the pressure off already tight resources for many NFPs and charities.

- We must diversify our fundraising revenue streams. A traditional reliance on one-off events or campaigns has hurt some charities. COVID has shown us the need to approach fundraising from a fresh perspective.

- More than ever people are online for entertainment, information and engagement. The digital space can no longer be ignored by traditional fundraisers. We must acknowledge that the way people interact and engage with charities has changed and adapt accordingly.

- Organisations must maintain relationships with individual donors, corporates and loyal volunteers. Communicating beneficiary success stories and the fruits of donor's generosity helps to maintain trust and retains interest. Demonstrating real world impact is key.

- Vigilance from State regulators is needed now more than ever. Donors need the certainty that their donation is going to its promised destination and the industry is completely transparent in its distribution.

- With many organisations yet to recover to their pre-COVID volunteer numbers, we need to remind people that volunteering is now OK after COVID lockdowns put a stop to it.

While it's been a difficult year, WA has weathered the pandemic better than other States.

As a sector, we are looking at severely reduced rates of revenue for the next couple of financial years. For some, this will delay projects to fund beneficiaries, but with a strong mining and resources sector and confidence in the State Government at a record high, we can look to 2021 with optimism.

Carrick Robinson is CEO, Perth Children's Hospital Foundation