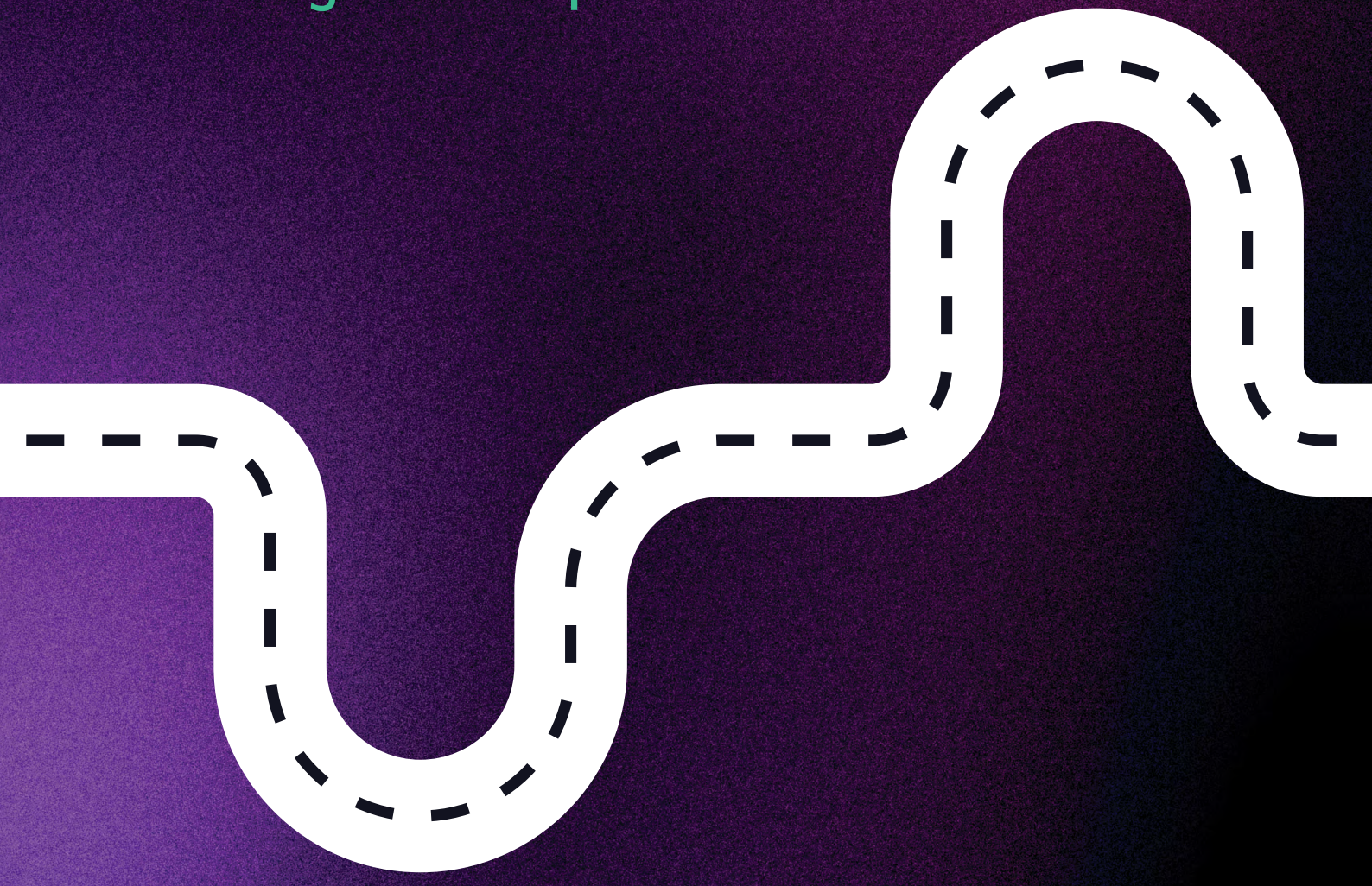
Not-for-profit Sector Roadmap 2030

Towards a sustainable and thriving not-for-profit sector



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Not-for-profit Sector Roadmap 2030:
Towards a sustainable and thriving community sector

Published by Our Community Pty Ltd
Melbourne Victoria Australia

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Publisher:

Our Community Pty Ltd
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North Melbourne 3051
Victoria, Australia

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Contributors:

This report was written by Adele Stowe-Lindner, executive director of the Institute of Community Directors Australia (Community Directors).

Community Directors is grateful to all the not-for-profit sector leaders, staff, volunteers and others who contributed the data that forms the basis of this report.

Thanks also to Cat Yen from the SmartyGrants data science team for her data analysis and curiosity, and to Paola Oliva-Altamirano for her analysis of the 2019 survey data. We at Community Directors are endlessly lucky to be their neighbours. Thanks to Kerryn Burgess for her editorial wisdom (always), Amy Johannsohn for thoughtful design, and the communications team of Matthew Schulz, Nick Place and Meg Singleton, led by Lachlan Pollock – they ensure that the stories worth telling are shared with the community.

First published November 2026

Acknowledgement of Country

The authors and publishers of this book acknowledge and offer our deep respects to the traditional owners of the lands on which we live, work, play and learn. Sovereignty was never ceded. We support the reforms outlined in the Uluru Statement from the Heart. Treaty, Justice, Truth.

Foreword

The Institute of Community Directors Australia (Community Directors) has worked alongside boards, chief executives and staff across Australia's not-for-profit sector for more than 20 years. In 2026, we asked more than 1,000 of those people to tell us how their organisations are governed, resourced and led. We then compared their responses with over 1,800 responses gathered in 2019 to produce one of the most substantial pictures available of governance across the sector.

The seven years between those two surveys have seen a global pandemic, multiple international conflicts, a rapid shift in how organisations use technology, an even faster rise in artificial intelligence, mounting pressure on funding, and increased demand for services. Roadmap 2030 highlights what these huge shifts could mean for the sector in the years ahead.

The purpose of this report is practical. It sets out clear, evidence-based recommendations on what boards, organisations, and the sector as a whole should prioritise between now and 2030 in order to remain sustainable, well-governed, and equipped for the challenges still to come.

Adele Stowe-Lindner

Executive Director,
Institute of Community Directors Australia



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Executive summary

Across Australia, tens of thousands of charities and not-for-profit organisations are committed to their missions, with board members, executives, staff and volunteers working hard – but often with no idea how their organisation is doing in comparison to others. That's why the Institute of Community Directors Australia (Community Directors) has examined the sector's engine rooms to ask: What's going well? What are your struggles? What do you excel at, and what could you do better – especially in terms of governance?

Not-for-profit Sector Roadmap 2030 provides that perspective. It draws on the views of almost 3,000 people who govern and lead Australian not-for-profit organisations, comparing more than 1,000 responses gathered in 2026 with more than 1,800 from 2019. The result is a rare seven-year view of how governance in the sector is changing, where organisations are struggling, and where boards can make a difference.

The picture that emerges is of a sector not in crisis, but under chronic pressure. Funding instability, cost-of-living pressures and regulatory demands weigh heavily on organisations. Yet many of the factors associated with a well-functioning board are within the board's own control. Practices such as good induction, board review, financial literacy, training and measurement can make a significant difference without requiring significant additional funding.

Money is a constant challenge

Financial sustainability is the single biggest concern identified by respondents, ranking first in all eight sectors examined. Just over half (52%) describe their organisations as being in good financial shape, while 30% are breaking even and 18% are struggling.

Yet financial position does not appear to determine whether directors stay on a board. Directors in financially struggling organisations are no more likely to be planning to leave than those in financially healthy organisations. Their experience of serving on the board matters much more: 60% of directors who do not enjoy their role plan to leave soon, compared with 18% of those who do.

Smaller organisations have less access to good governance

Access to governance practices and tools is strongly shaped by organisational size. Smaller organisations are much less likely to conduct formal board reviews, use board portals or measure their success. Almost one in five respondents from the smallest organisations say their organisation does not measure its success at all.

This matters because every board, regardless of the size of its organisation, faces governance responsibilities and needs the tools and skills to meet them.

Boards are changing

Board diversity has improved since 2019 in gender, cultural background and LGBTQI representation, although representation of directors with disability has not increased. Boards also remain considerably older than the populations they serve: nearly three-quarters of directors are aged 50 or over.

The sector's training needs are changing too. Governance has overtaken fundraising as the most commonly identified training need, while demand for cybersecurity training has tripled since 2019. Artificial intelligence, barely mentioned in 2019, now accounts for more than half of technology-related concerns.

Mid-career directors are an opportunity

Directors aged 26–49 enjoy their roles and feel valued at similar rates to other directors, but they are less likely to have completed governance training and more likely to want it. Many are also relatively new to board service. In short, they are arriving in numbers, under-prepared, and asking for help.

Good induction makes a difference

Only 55% of directors say they received a good induction when they joined their board, unchanged since 2019, and directors of smaller organisations are particularly likely to miss out.

The consequences are striking. Directors who did not receive a good induction are almost twice as likely to be planning to leave and are more likely to say they do not understand their responsibilities or feel valued. Most strikingly, respondents who did not receive a good induction are 10 times as likely to say they do not enjoy their role as those who did.

Next steps

Not-for-profit Sector Roadmap 2030 sets out 10 recommendations for achieving a thriving community sector by 2030. Many of the most promising interventions are also among the least expensive. Good inductions, board reviews, financial literacy, measurement and early governance training are within reach of organisations of all sizes.

Financial pressure remains significant, but the findings offer grounds for optimism: some of the most important influences on how well a board functions are things boards and organisations can change themselves.



1,040

surveyed in 2026



2→62

increase in unprompted mentions of AI as an external challenge 2019→2026



85%

of not-for-profit boards now have **at least 40% women** members



49%

say **governance** is their leading training need



1 in 4

not-for-profit boards manage sensitive documents through a **dedicated board portal**



9% vs 67%

small vs large not-for-profits using a board portal to protect sensitive documents



96%

of not-for-profit board **chairs enjoy their role**, the highest of any leadership position surveyed

Methodology

In 2019, Community Directors invited the not-for-profit sector to complete a survey about a wide variety of governance questions. It received 1,878 responses. The results were published in a report titled **Roadmap 2020**.

In early 2026, the survey was repeated (March 4 to April 26). The 2026 survey drew 1,040 complete responses.

The survey questions, seven years apart, were identical, to enable a comparison across the period. The seven years between surveys encompassed major changes in the operating environment, including the COVID-19 pandemic and the rapid adoption of generative AI.

The 2026 survey was distributed via emails, newsletters and social media. Board members, staff and volunteers at not-for-profit sector organisations were invited to respond.

Privacy and consent

Survey responses were anonymous unless respondents chose to provide contact details for follow-up or to enter the prize draw. Personal identifying information was removed before the data was analysed, and no individual respondent or organisation is identifiable in this report. Respondents quoted in the report gave consent for their comments to be published.

How to read the results

Almost all respondents told us their role, age and gender, while around two-thirds of respondents answered questions that required them to respond in their own words.

Unless otherwise stated, percentages in this report are based on the number of people who answered the relevant question, rather than from all 1,040 survey respondents. This applies to both single-response questions and questions where respondents could select more than one answer. The number of responses underlying individual findings therefore varies throughout the report.

Where a question offered a "don't know" option, those responses were generally included in the base. For example, the proportion of boards reported to have at least one director with disability is calculated from all respondents asked the question, including those who did not know their board's composition. Where the "don't know" share is large enough to affect interpretation, this is noted in the report.

Some questions were relevant only to people serving on boards. Although staff members were also presented with these questions, many appropriately selected "not applicable". Findings about the experience of serving on a board are therefore based only on respondents who identified themselves as board members.

Responses were also interpreted in the context of how not-for-profit organisations operate. For example, many not-for-profits (NFPs) are entirely volunteer-run and have no CEO. A response of "not applicable" to a question such as "Does the CEO have a formal review?" was therefore excluded rather than treated as evidence that the organisation lacked this governance practice.

"Don't know" responses were treated differently. Where a respondent could reasonably be expected to know about a governance practice – for example, whether their board reviews its own performance – a "don't know" response was counted as indicating that the practice was not in place.

Percentages are rounded to the nearest whole number and may therefore not always add to exactly 100%. Where a finding is based on a notably small number of responses, this is identified in the report.

Unless a comparison with 2019 is explicitly stated, all figures in this report are from the 2026 survey.

Limitations

The 2026 survey was distributed primarily through the Institute of Community Directors Australia's networks, and respondents chose whether to participate. It was not a random sample of the Australian not-for-profit sector and should not be regarded as statistically representative of the sector as a whole.

People and organisations connected with Community Directors are likely to be more engaged with governance, board practice, training and professional development than the sector generally. The findings should therefore be read as reflecting the experiences and views of a large, governance-engaged group within the sector, rather than as a representative snapshot of Australia's approximately 63,000 registered charities or more than 300,000 not-for-profit organisations.

The same recruitment approach was used for the 2019 survey, making comparisons between the two surveys useful for identifying changes among the populations reached by Community Directors. However, this does not establish that changes observed between 2019 and 2026 occurred across the not-for-profit sector as a whole.

Entry into a prize draw for a Certified Community Directors course, valued at $990, was offered as an incentive to participate. This may have influenced who chose to respond and should be considered alongside the survey's broader self-selection bias.

Because responses were anonymous, it is not possible to determine how many distinct organisations are represented. More than one person from the same organisation may have completed the survey. Findings about organisational characteristics should therefore be understood as the proportion of respondents reporting that characteristic about their organisation, rather than the proportion of Australian not-for-profit organisations with that characteristic.

Recommendations for future surveys

Analysis of the 2026 data identified several areas that would benefit from more direct investigation in future surveys.

The next survey should ask respondents who intend to remain in their board roles about their reasons for staying. In the 2026 results, motivations for remaining – particularly among mid-career directors – could be inferred only from responses to other questions and from free-text comments. Asking directly would help distinguish between directors who stay because they find the role satisfying and those who remain primarily out of a sense of duty or because a replacement cannot be found.

Artificial intelligence should also be addressed directly. AI accounted for more than half of responses identifying technology and cyber risk as a challenge in 2026, after being almost absent from the 2019 data. A dedicated question would allow future surveys to examine the effect of AI on governance and organisational operations, and track changes over time.

Climate change, too, deserves attention. It was mentioned more than 100 times in free-text responses, often by people from organisations whose core purpose was unrelated to climate or the environment. A dedicated question could explore how climate change is affecting the operations, services and governance of organisations across the not-for-profit sector.

Including dedicated questions on these issues would reduce reliance on inferences from free-text responses and provide a stronger basis for comparison in future reports.

Who we heard from

Roadmap 2030 draws on responses from 1,040 people working and volunteering across Australia's not-for-profit sector.

The respondents were predominantly women and tended to be older and experienced. Women made up 69% of respondents, while 71% of respondents were aged 50 or over.

People in governance roles were particularly well represented: 60% of respondents held board roles, compared with 40% in staff roles. Board chairs made up 18% of all respondents, while CEOs and executive directors were the largest staff group, at 26%.

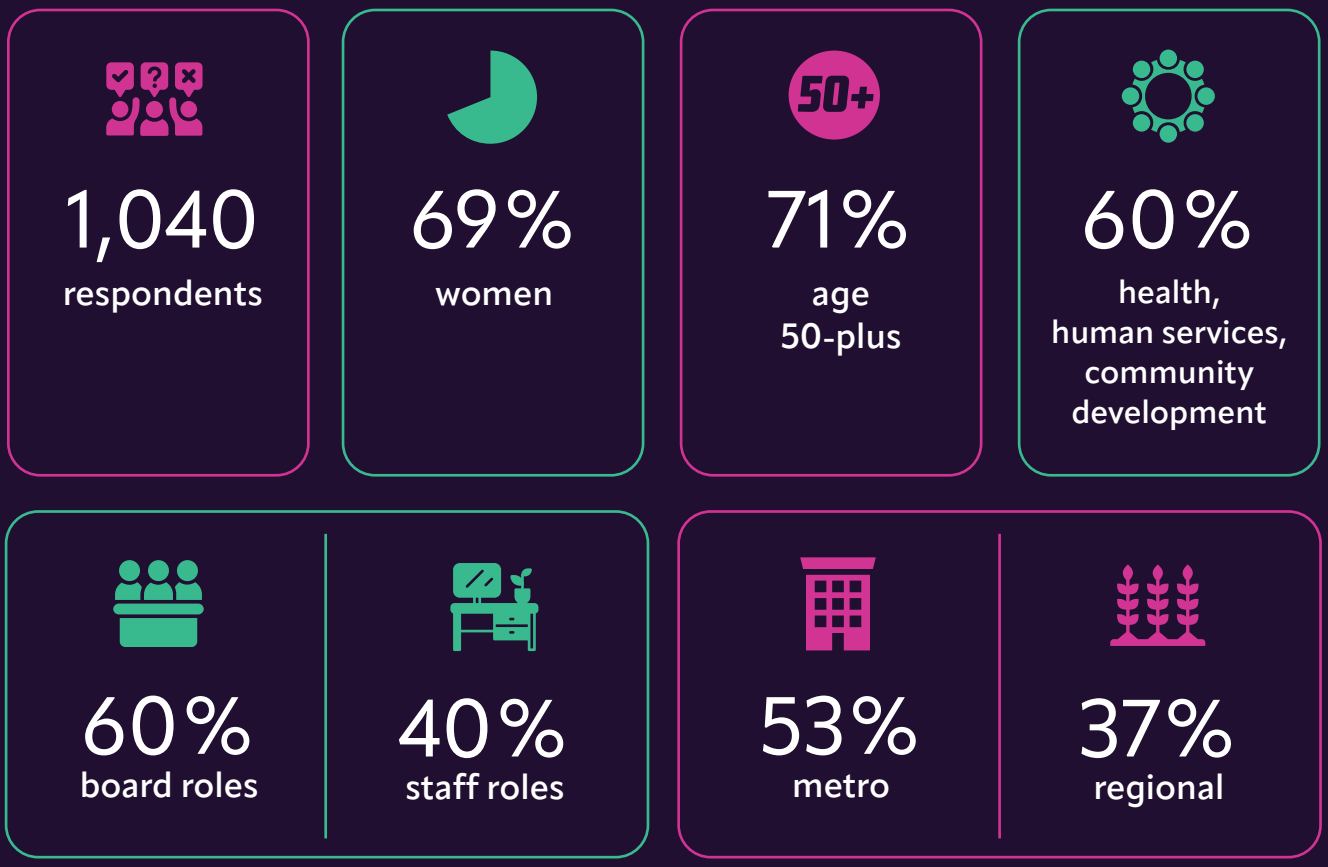
Respondents came from every state and territory, although Victoria (33%) and New South Wales (23%) were more strongly represented than other jurisdictions. Just over half of respondents were from organisations in metropolitan locations (53%) and just over a third (37%) from regionally located organisations.

Respondents ranged from small, entirely volunteer run groups to large organisations employing hundreds of people. Of the 918 who reported annual revenue, 34% were from organisations earning under $250,000 and 11% from those earning $10 million or more. Fourteen per cent said their organisation had no paid employees.

Respondents came from a wide range of not-for-profit fields. Of those who identified their sector, 37% were in human services and health, and 23% in community development, rights and public affairs. Together, these two groups made up around 60% of respondents and have a particularly strong influence on the overall results.

The characteristics of the respondent group should be kept in mind when interpreting the findings that follow, particularly its older age profile, strong representation of people in governance roles, and concentration in Victoria and New South Wales.

Respondents across Australia's not-for-profit sector



Financial health

Of the 887 respondents who reported on their organisation's financial position, 52% describe themselves as in good financial shape, 30% as breaking even and 18% as struggling financially.

The survey explored financial health through a range of questions, touching on self-reported financial position, annual revenue, primary organisational concern, government relationships, success measurement practices, self-rated data capacity, and actions taken under financial pressure, including layoffs, mergers, and collaboration with other organisations. Read together, responses to these questions build a picture of financial health across the sector that goes beyond a single self-rating.

The proportion of respondents reporting that their organisation was "struggling financially" increased by three percentage points between 2019 and 2026. This is only a small change and does not indicate a sudden or dramatic rise in financial instability.

Instead, the 2026 results paint a picture of persistent financial strain across the sector, and show some of the ways organisations manage that strain.

Financial health and organisational characteristics

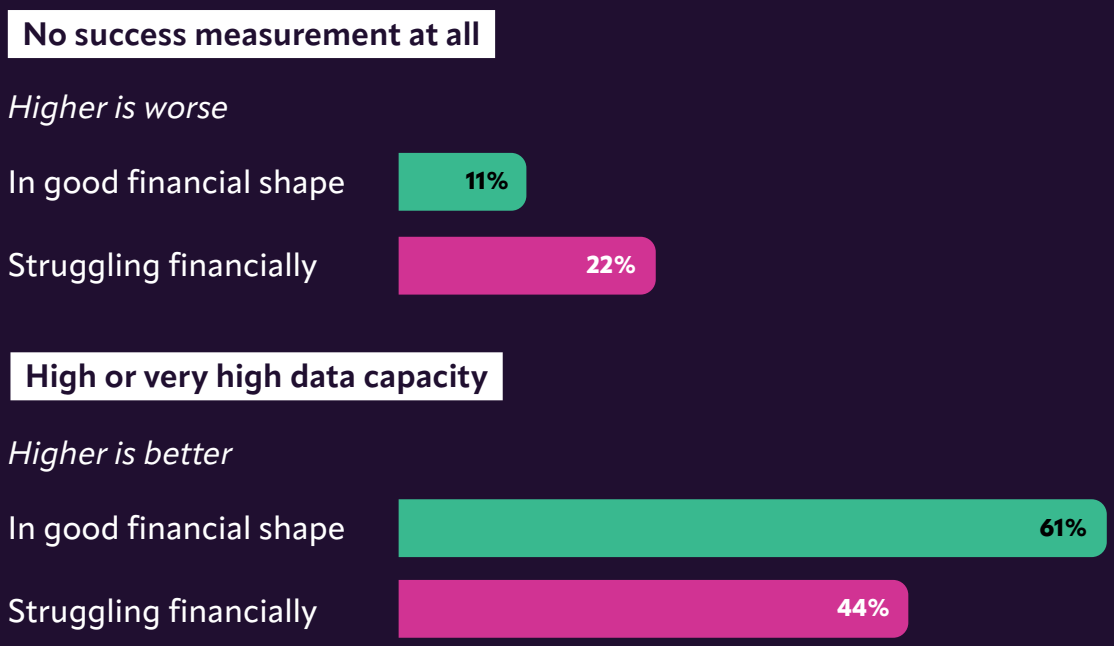
- In 2026, organisations in good financial shape were under-represented among those with annual revenue below $250,000 and over-represented among those with revenue of $10 million or more.
- Among the 342 respondents whose primary concern was financial sustainability, 61% described their organisations as breaking even or struggling.
- Respondents who nominated concerns other than finances were more likely to be from organisations in good financial shape. This was particularly true for respondents with technology and digital concerns (71% in good financial shape) and governance and board culture concerns (68%). The direction of causation is uncertain.
- Respondents from financially struggling organisations were more likely to rate their government relationships as poor. Among those who rated their relationship with the federal government, 41% of respondents from struggling organisations rated it as poor, compared with 15% from financially healthy organisations.
- Conversely, 54% of respondents from financially healthy organisations rated government relationships as good or excellent, compared with 30% from struggling organisations. A similar pattern was evident for relationships with state and local governments and peak bodies.
- Among respondents from financially struggling organisations, 22% reported having no success measurement process at all, compared with 11% from financially healthy ones. The direction of causation is uncertain: financial pressure may reduce an organisation's capacity to measure success, or the absence of measurement may contribute to poor financial decisions.
- Respondents from financially healthy organisations were more likely to report strong data capacity (an organisation's ability to collect, manage, analyse and use data effectively). High or very high data capacity was reported by 61% of respondents from financially healthy organisations, compared with 44% from struggling organisations.

Organisational responses to financial pressure

- Mergers show no significant association with financial health. Collaboration with other organisations to reduce administrative expenses does show an association with financial health, and organisations that are breaking even or struggling financially collaborate with other organisations at higher rates than financially healthy organisations.
- Organisations with more employees, more revenue or both are more likely to have laid off staff (deliberately reduced staff numbers) or to be planning layoffs. This is true even though larger organisations are less likely to be financially struggling, although financial distress was evident across all levels of revenue.

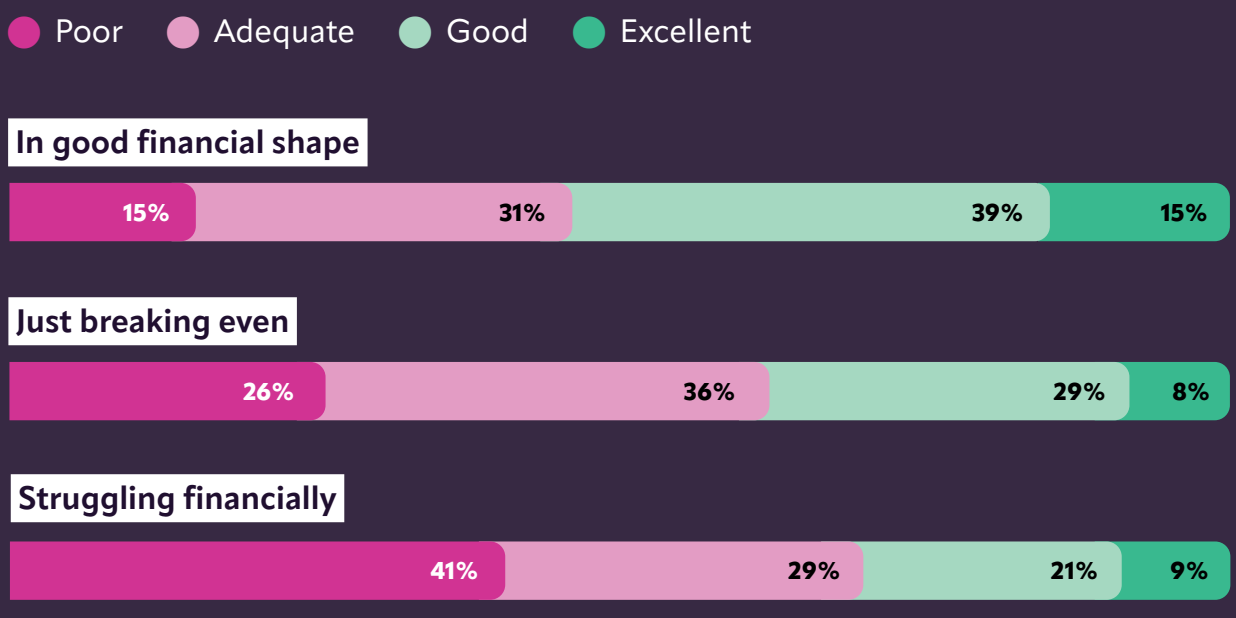
Struggling organisations measure their impact less

Success measurement and data capacity by financial position, 2026



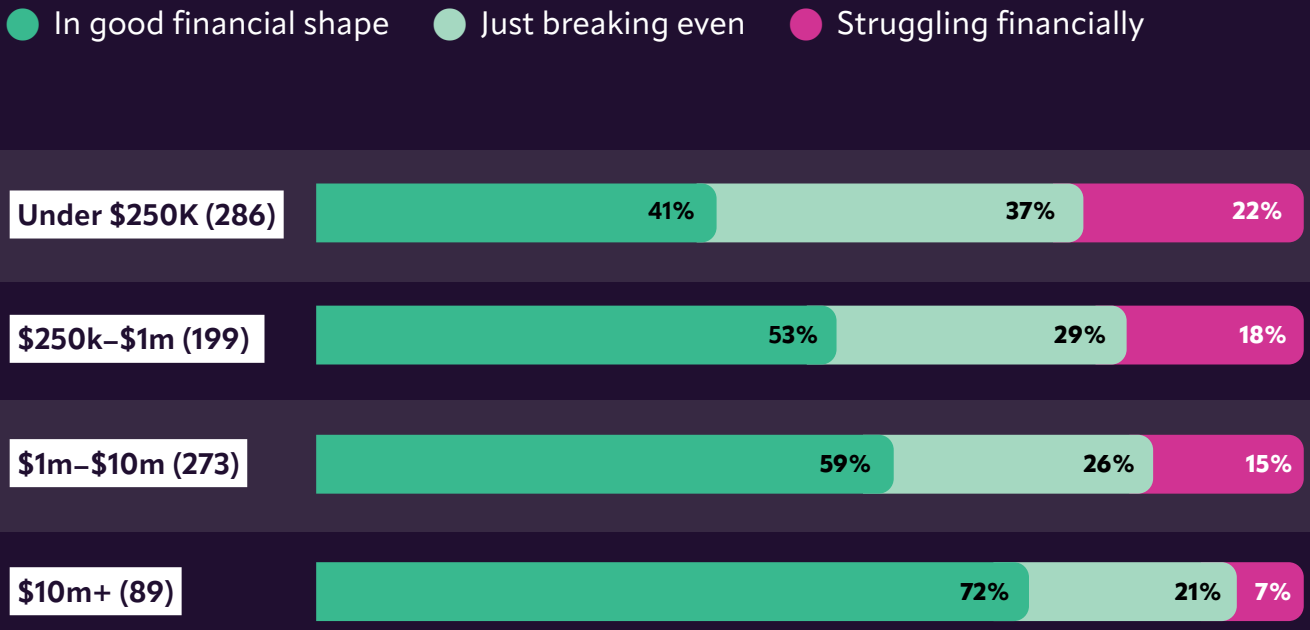
Struggling organisations rate relationships with federal government lower

Rating of relationship with federal government, by financial position, 2026



Larger organisations report stronger finances

Self-reported financial position by revenue band, 2026



> *I am deeply concerned about the reduction in government funding, escalating demands on organisations, and the limited support for staff training. These challenges, compounded by decreased client funding, are expected to significantly impact our ability to deliver quality services and maintain workforce development."*
>
> *(Mary, board chair, Vic)*

Board retention

Board retention in the 2026 survey is measured through directors' own reported intention to leave their role, rather than confirmed departure data. Board retention is strongly associated with directors' enjoyment of their role, whether they feel valued, and whether they received a good induction.

Enjoyment, feeling valued, and induction

- Feeling undervalued is strongly associated with not enjoying the role. 19% of board members who report that they do not feel valued also report that they do not enjoy their role, compared to just 3% of board members who do feel valued reporting non-enjoyment of the board role.
- Not enjoying the role is the clearest predictor of leaving a board. Among board members who do not enjoy their role, 60% said they were planning to leave soon, compared to 18% of those who enjoy their role.
- Enjoyment of being a board member was relatively consistent across organisations of different sizes. However, 9% of board members in financially struggling organisations reported not enjoying their role, compared with 4% in financially healthy organisations.
- Directors who report that they did not receive a good induction are much more likely to be planning to leave their board role, at 27%, than those who did receive a good induction, at 15%.

Financial health and length of service

- Financial health of an organisation shows no clear relationship with a director's intention to leave. 21% of directors in financially healthy organisations report planning to leave their role soon, compared with 25% in financially struggling organisations and 16% in organisations that are just breaking even.
- Over a third (37%) of board directors with five to 10 years of service say they are planning to leave, the highest proportion of any group based on length of board service. Yet only 6% of directors in the 5–10 year group are in a financially struggling organisation, compared with 21% of those in the group that has served for less than two years. This suggests that the higher intention to leave among directors with 5–10 years of service is not primarily explained by organisational financial distress. We posit that it is likely to reflect natural turnover.

2 in 10

board members who enjoy their role plan to leave



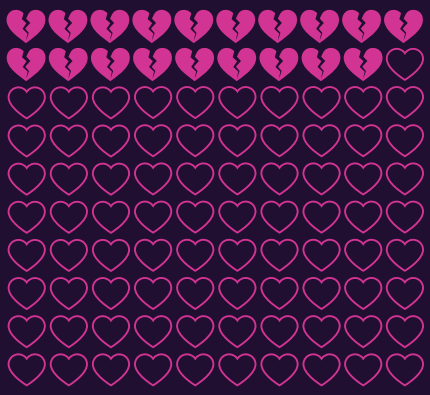
6 in 10

board members who don't enjoy their role plan to leave



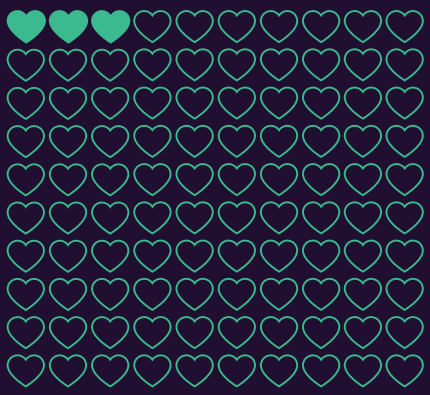
19 in 100

directors who DON'T FEEL VALUED say they don't enjoy their role



3 in 100

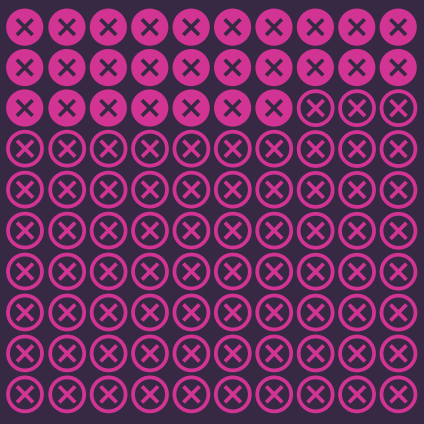
directors who FEEL VALUED say they don't enjoy their role



Feeling valued is closely linked to enjoying the role, and enjoyment is the strongest predictor of whether a director stays on a board.

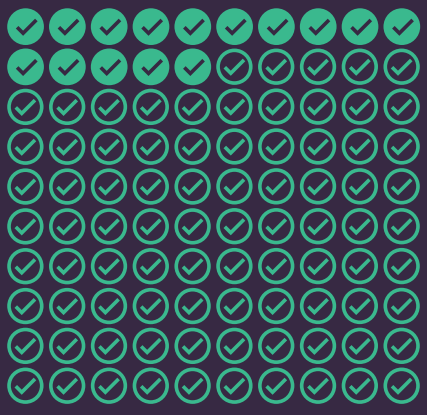
27 in 100

directors who DIDN'T RECEIVE A GOOD INDUCTION plan to leave soon



15 in 100

directors who DID RECEIVE A GOOD INDUCTION plan to leave soon



Giving directors a good start is one of the few ways every board can improve retention, regardless of its size or budget.

Board diversity

The board diversity questions asked about eight specific characteristics of people on boards: gender (gender balance was defined as at least 40% women), age (age diversity was defined as at least one person under 25, or at least one senior citizen or retiree), people with disability, Aboriginal and Torres Strait Islander people, people from culturally and linguistically diverse backgrounds (non-Anglo-Celtic backgrounds), LGBTQI people, and beneficiaries (people from the community served by the organisation).

Between 2019 and 2026, there were no statistically significant changes to board diversity in terms of age, Aboriginal and Torres Strait Islander, and beneficiary representation. Reported disability representation on boards remained effectively flat, at 28% in 2019 and 28.7% in 2026, so this is not a clear diversity gain.

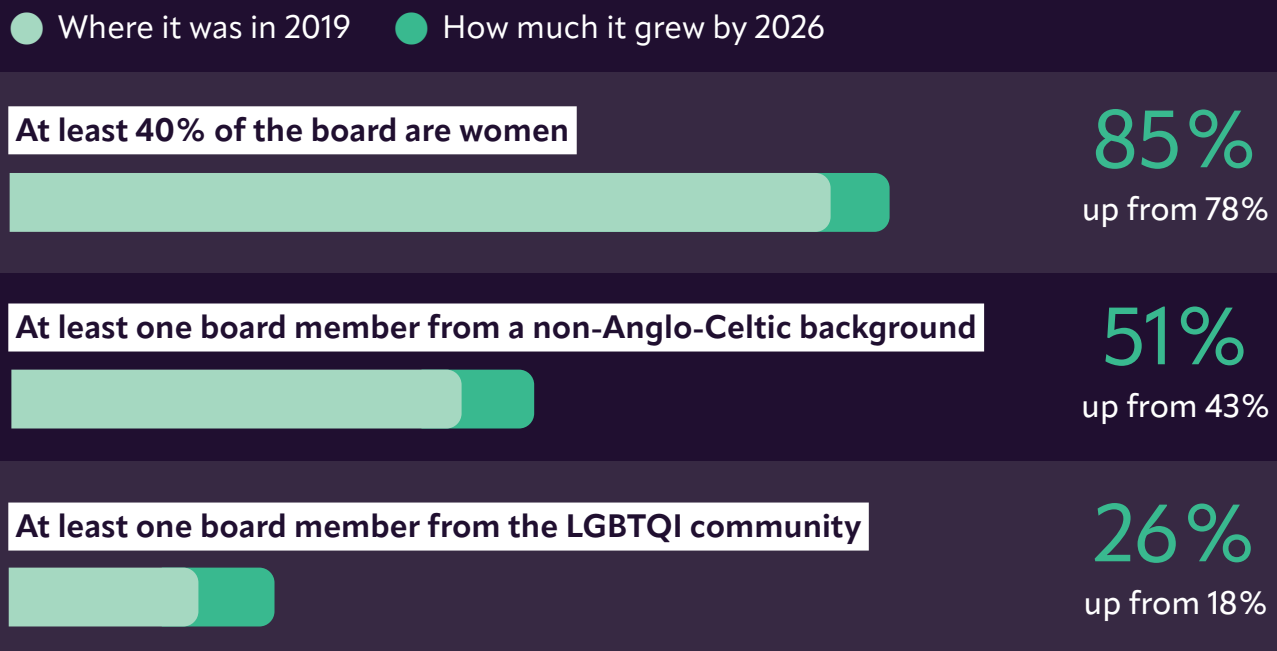
What changed between 2019 and 2026 is that more boards said they did not know whether they had a director with disability, rising from 10.7% to 17%. This points to growing uncertainty about disability representation.

The 2026 data set demonstrated statistically significant increases in three areas compared with the 2019 data set:

- Respondents reporting 'At least 40% women' increased significantly from 78.1% in 2019 to 85% in 2026 (+7 percentage points).
- The proportion reporting 'At least one person who comes from a non-Anglo-Celtic background' increased significantly from 43% in 2019 to 51% in 2026 (+7.9 percentage points).
- The proportion reporting 'At least one person from the LGBTQI community' increased significantly from 18% in 2019 to 26% in 2026 (+8 percentage points).
- In 2026, 30% of boards did not know whether they had an LGBTQI director, a share that has held steady since 2019.
- In 2026, among respondents able to answer yes or no, the proportion reporting LGBTQI representation was 37%.

Boards became more diverse between 2019 and 2026

Out of all boards surveyed, the share reporting each kind of representation



Governance outcomes

We looked at six governance mechanisms together:

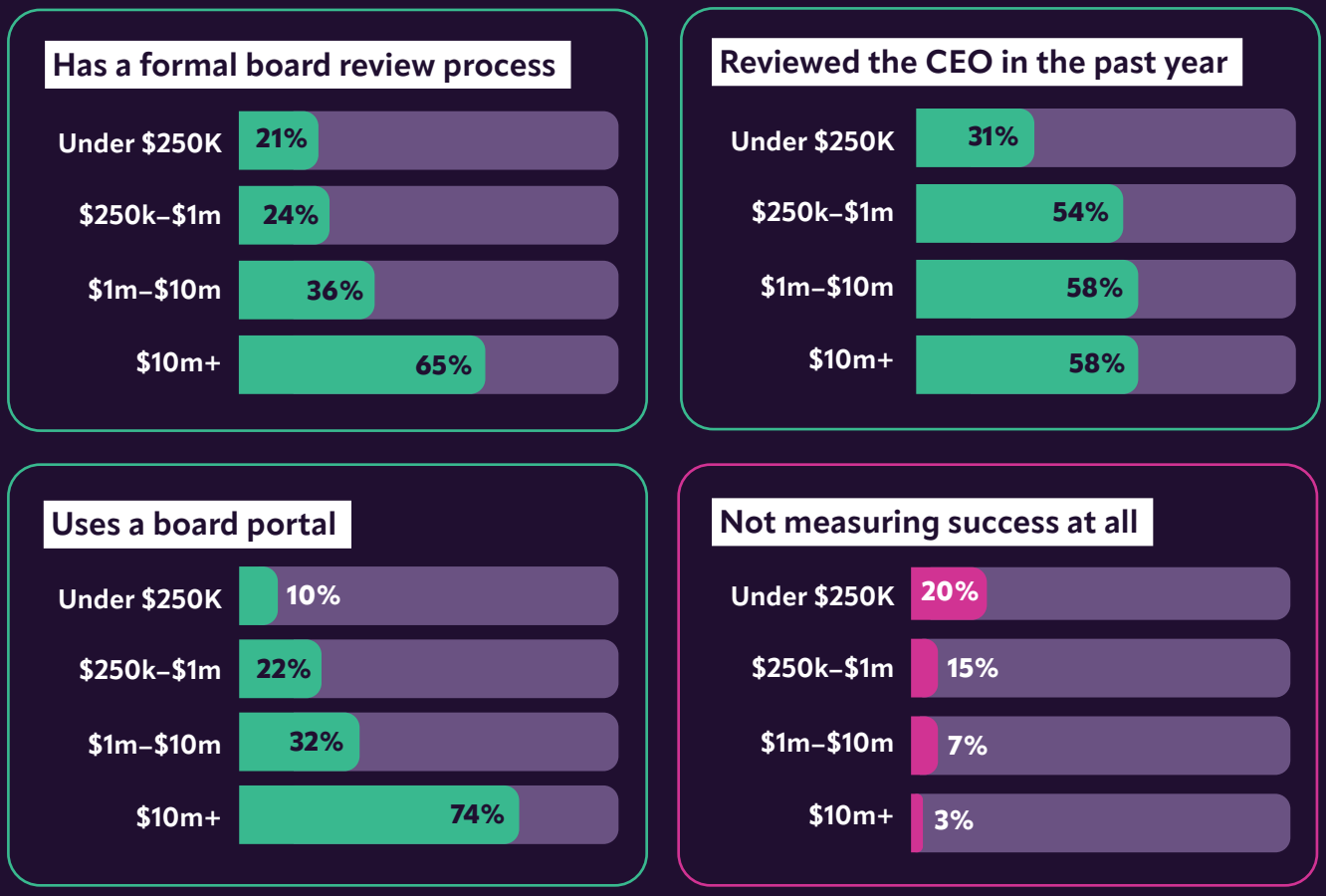
- whether an organisation measures its success in some way
- whether board members have had governance training
- whether the board understands the organisation's finances
- whether the CEO has been reviewed in the past year
- whether the board formally reviews its own performance
- whether the board uses a board portal to manage sensitive documents securely.

The figures are drawn from several parts of the survey, including whether organisations have a formal board review process in place, how recently the CEO's performance was reviewed, what proportion of the board understands the organisation's finances, whether the board uses a portal for sensitive documents, and directors' own agreement with statements such as "I received a good induction when I joined the board" and "I have participated in governance training."

The data shows an increase in *formal* board review processes between 2019 and 2026, but a decrease in *informal* review processes in favour of not reviewing at all. Smaller organisations are consistently less likely to have formal governance infrastructure in

Smaller organisations have fewer governance practices

Share of organisations using each practice, by revenue band, 2026



Based on organisations that answered each question. CEO reviews stop increasing above $250K in annual revenue, while the other three governance measures keep rising with revenue.

place, including board review processes, recent CEO reviews, board portals, and success measurement, though governance training participation itself does not follow this pattern.

In 2026, regarding technology to assist with board governance:

- One in four respondents reports that their board uses a board portal.
- 74% of large organisations (revenue $10 million+) use a board portal, compared with only 10% of small organisations (revenue under $250,000).
- The sector with the highest use of board portals is human services and health (36%) and the sector with the lowest is arts and culture (14%).

Also in 2026:

- Of the 890 respondents who described their board's review practices, 34% reported an informal process, while formal review and no review at all are evenly matched at 31% each, with the remainder unsure.
- 21% of respondents whose organisations have revenue under $250,000 report having a formal board review process. This figure rises steadily to 65% of organisations at $10 million or above.
- 31% of respondents from the smallest organisations report having conducted a CEO review within the past year. This figure rises to 58% for the largest.
- Almost one in five respondents from organisations with revenue under $250,000 report not measuring success at all (i.e. not measuring against a strategic plan and not measuring against financial indicators.)
- Respondents from organisations with a formal board review process are two to three times more likely to report also having had a recent CEO review, having strong board financial literacy, and using a board portal, and their organisations are considerably more likely to participate in governance training and measure their own success than organisations without a review process. Respondents from organisations with a formal board review process in place are consistently and substantially more likely to also have every other governance mechanism in place in their organisation:
    - 70% have also had a recent CEO review, compared to 31% of organisations without a formal board review process
    - 71% report high or full board financial literacy, compared to 33% without a formal board review process
    - 45% use a board portal, compared to 14%
    - 88% have participated in governance training, compared to 68%
    - 97% measure their success in some way, compared to 69%.
- Of the 643 respondents who could report on all six governance mechanisms, most respondents (97%) reported at least one mechanism in place. Very few are starting from nothing, and very few have finished.
    - Just over a quarter (26%) sit at the midpoint with three governance mechanisms.
    - Almost half (45%) have four or more mechanisms in place and 2.5% of respondents report none in place.

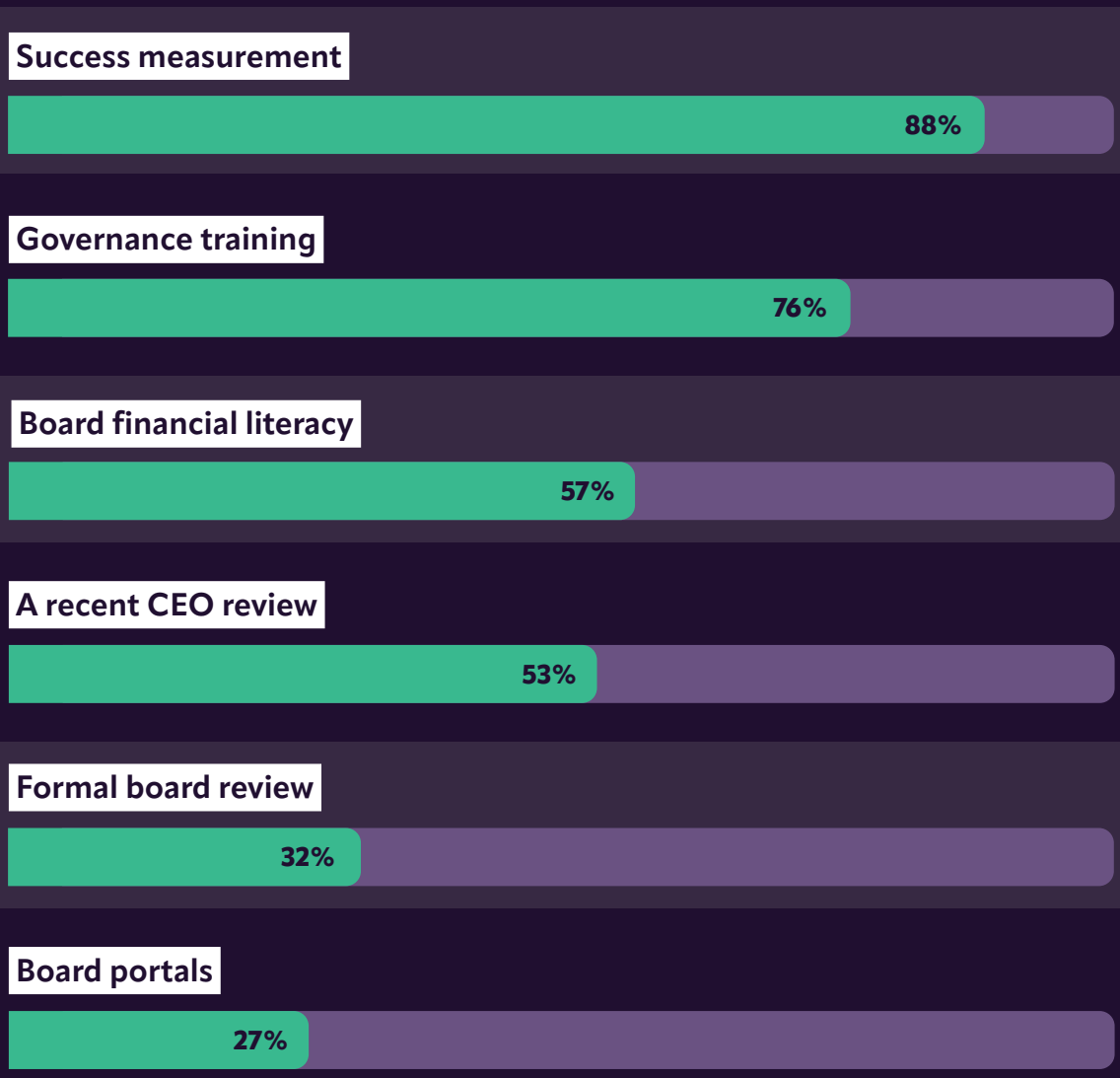
Governance mechanisms tend to cluster together, and some are much more commonly used than others. Organisations generally do not pick and choose between the six at random; roughly half of organisations hold the more common mechanisms and none of the rarer ones, which suggests a broad order of adoption. The two things most organisations are still missing are formal board reviews and a board portal. The survey measured uptake of each governance mechanism as follows:

- 88% success measurement
- 76% governance training
- 57% board financial literacy
- 53% a recent CEO review
- 32% formal board review
- 27% board portals.

- Respondents from organisations with a formal board review process report holding on average 4.8 of the six mechanisms, and 90% of them report four or more.
- Respondents from organisations without a formal board review process report an average 2.6 mechanisms, and only just under a quarter (24%) report four or more.
- Respondents from organisations where board members have completed governance training report that their organisation employs an average of 3.8 governance mechanisms, against two governance mechanisms where governance training is not in place.

- Directors' assessment of their board's financial understanding strengthens steadily with their own length of service. 48% of directors in their first two years say most or all of their board members understand the organisation's finances, rising to 55% at two to five years, 61% at five to 10 years, and 70% among those with 10 or more years of service.
- 20% of board members who self-report that they have not participated in governance training say they do not understand their responsibilities clearly.
- 11% of board members who self-report not receiving a good induction also report not clearly understanding their responsibilities.

Uptake of governance mechanisms, 2026



Primary concerns of respondents

Do board members and staff worry about the same things, and does it matter?

This section draws on two related 2026 survey questions, and it compares the responses of board members with the responses of senior staff. Respondents were first asked, in an open-ended free-text question, to describe their organisation's single primary concern, and these responses were subsequently grouped into themes for analysis.

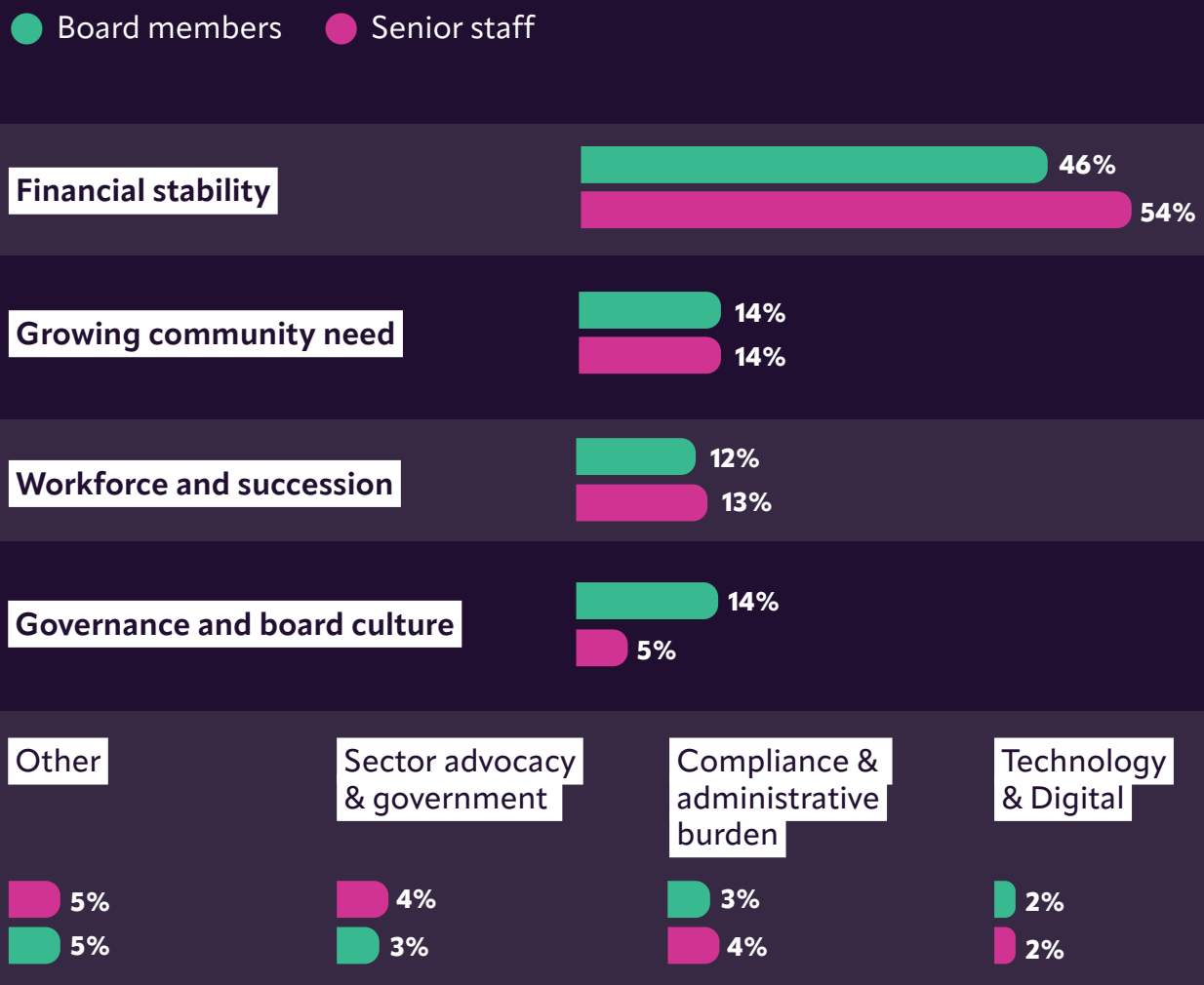
Separately, respondents were asked to describe in free text the external challenges facing their organisation. Their responses were coded into one or more challenge categories, since a single response could reasonably list more than one challenge, unlike the primary concern question, which reflects one main theme per respondent.

692 respondents described a primary concern and 693 described an external challenge, so both sets of figures rest on roughly two thirds of the sample. Where results are broken down by sector the base falls further. Each respondent named a single concern in their own words, so each group (directors, staff) adds up to 100%.

Across eight themed areas of concern, governance

Boards and staff share concerns, except on governance and culture

Primary concerns, 2026



and board culture is the only area where senior staff and board members differ meaningfully in their response. On the other seven themed areas of concern, board directors and staff are closely aligned.

What people worry about defines their resourcing priorities and risk appetite, which in turn affects organisational strategy and the annual operational plan. The question of alignment between the board and staff is important because an organisation should be unified and streamlined in its direction.

The results suggest that board culture is a concern felt much more strongly by board members than senior staff, even though a CEO commonly has a place at the board table, and the culture on a board can have a significant impact on an organisation's internal culture, ethos and strategic decision making.

Money worries top the list across the sector

Number of organisations in every 10 naming financial stability as their biggest concern



Findings:

- 14% of board members demonstrate concern for governance and board culture compared with 5% of staff.
- Both board members and staff demonstrate high levels of concern for the financial sustainability of their organisations: 46% of board members and 54% of staff.
- Financial sustainability is the leading primary concern in every one of the eight sectors. It ranges from 59% in arts and culture down to 37% in agriculture, fisheries and animal welfare, with community development, human services and health, and sport and recreation all sitting close to the sector-wide figure of 52%.
- Staffing succession and volunteer retention weigh most heavily on organisations with no paid staff at all. 37% of respondents from fully volunteer-run organisations name volunteer and staff retention and succession as an external challenge, compared with 20% of respondents from all organisations that employ any paid staff. The difference does not widen further with size. Every band of employee numbers from one employee upwards sits between 16% and 23%.

Regarding external challenges named by respondents:

- **Community development, rights and public affairs** organisations are more likely to name rising community demand, at 19% against 11% across all other sectors.
- **Environment** organisations are more likely to name volunteer and staff retention and succession, at 40% against 21% across all other sectors, the largest single sector gap on this question.
- **Human services and health organisations** are close to twice as likely to name regulatory and compliance burden, at 22% against 12% across all other sectors, consistent with operating in the most heavily regulated parts of the sector.
- **Religious organisations** also report regulatory and compliance burden at a high rate, at 40%.
- Regulatory and compliance burden rises steadily with organisation size, from 11% of organisations with revenue under $250,000, to 13% with revenue between $250,000 and $1 million, 18% with revenue between $1 million and $10 million, and 25% with revenue over $10 million.

All-volunteer organisations are twice as likely to struggle with retention

Number of organisations in every 10 naming retention as a major challenge

Run entirely by volunteers, with no paid staff



4 in 10
identify retention as a major challenge

Have at least some paid staff



2 in 10
identify retention as a major challenge

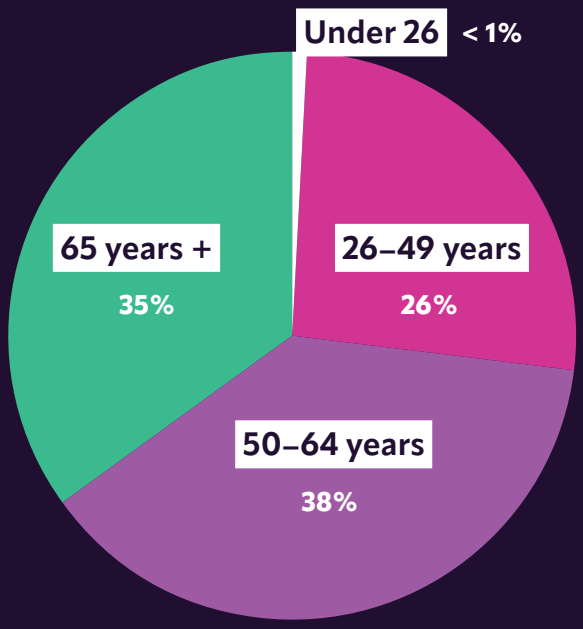
Retention problems drop as soon as an organisation hires its first paid staff member. From then on, about 2 in 10 organisations report struggling with retention, regardless of how large they grow.

Age of board members

This section examines board members' age in 2026 alongside their tenure (number of years on the board), governance training participation, and stated intention to leave, as well as their organisations' revenue, to look at how age intersects with governance behaviour and organisation size.

Most community directors are aged 50 or over

Ages of board members, 2026



- Board members in small organisations skew older: 42% of respondents from the smallest organisations (revenue under $250,000) are aged 65 and older, compared to 30% in the largest (revenue over $10 million).
- Board members aged 26 to 49 are markedly newer to their boards than other age groups. 62% are in their first two years of board service, compared with 43% of board members overall.
- Board members aged 26 to 49 have the lowest governance training completion rate, at 63%, compared with 74% for those aged 50 to 64 and 87% for those aged 65 and over.
- Board members aged 26 to 49 report the highest desire for more governance training, at 77%, compared with 73% for those aged 50 to 64 and 53% for those aged 65 and over.
- Board members aged 26 to 49 report the least confidence in understanding their responsibilities (86% report confidence), compared with 93% of those aged 50 to 64 reporting confidence, and 99% of those aged 65 and over reporting confidence. This gap is widest among directors in their first two years of service, with 82% of these directors aged 26–49 reporting confidence, versus 96% of all other directors in their first two years of service. The gap closes by five years of service, when all three age groups report near-universal confidence.
- Board members aged 26 to 49 are the least likely to say they are planning to leave their board role, at 13%, compared with 23% for those aged 50 to 64 and 22% for those aged 65 and over. Intention to leave rises with length of service across all age groups, from 10% among directors in their first two years to 25% at two to five years and 37% at five to 10 years. Among directors in their first two years in the job, intention to leave across the three age groups is indistinguishable.

Technology

Our survey showed that technology use is growing across the not-for-profit sector, but organisations are not benefiting equally: larger organisations are pulling ahead in digital tools, data capability and access to specialist support.

Respondents were given a list of training topics and asked to name the training they needed, choosing as many as they wished. Separately, they were asked which digital tools their organisation uses, and which consulting services they engage, and to rate their own organisation's data capacity (its ability to collect, manage, analyse and use data effectively) on a banded scale from low to very high.

Organisations report generally stable levels of data capacity between 2019 and 2026, with no meaningful shift in the proportion reporting high or very high capacity. However, there were other significant shifts.

- Demand for cybersecurity training nearly tripled since 2019, rising from 9% to 26%.
- In 2026, the need for cybersecurity training is dominated by large organisations. 43% of respondents from large organisations said they needed it, compared to 16% from small organisations.
- Fundraising training demand dropped significantly between 2019 and 2026, from 50% to 41% of respondents.
- Demand for governance training climbed from 42% of respondents in 2019 to 49% in 2026, to become the top training need overall in 2026.
- In 2026, demand for fundraising and grants training is highest among small organisations. 52% of respondents from small organisations nominated it, compared to only 21% from large organisations.
- Higher-revenue organisations tend to have stronger data capacity. The proportion of respondents rating their organisation's data capacity as high or very high was 44% for organisations with revenue under $250,000, 50% for those with revenue of $250,000–$1 million, 67% for those with revenue of $1– $10 million, and 60% for those with revenue of $10 million or more.
- The use of digital tools has significantly increased between 2019 and 2026. For example, board portals were rarely used in 2019, whereas in 2026 they are used by more than one in four boards. However, take-up of board portals in 2026 is uneven across organisations of different sizes, with 74% of organisations with over $10 million in revenue using a board portal compared with 10% of organisations with under $250,000 in revenue.
- Demand for consulting services diverges by organisation size. 35% of respondents from the smallest organisations report employing legal services, and this rises to 64% from the largest. For strategic planning services, the figures are 26% and 54%. Respondents from the smallest organisations (25%) are more likely to report employing fundraising and grants services than respondents from the largest (12%).
- Demand for legal and human resources services increased between 2019 and 2026, particularly among larger organisations. The proportion of respondents reporting that their organisation uses legal services rose from 49% to 53%, while use of human resources services rose from 22% to 28%.
- The use of human resources consultants does not rise steadily with organisation size as the use of legal and strategic planning services does. Instead, it peaks among mid-sized organisations, those with $1 million to $10 million in revenue, of which 43% engage HR consulting services. This use is notably higher than in the smallest organisations, under $250,000 in revenue, at 10%, and the largest, $10 million or above, at 24%. This suggests mid-sized organisations occupy a niche: they are large enough to need formal HR support but not large enough to have that expertise in-house.

Demand for cybersecurity training has tripled

Number of organisations in every 10 that identified cybersecurity as a training need

In 2019



1 in 10

In 2026



3 in 10

Over a quarter of boards now use a board portal

Share of boards using dedicated software to manage papers and decisions, 2026



1 in 4

Take-up varies sharply with size: 74% of organisations with revenue above $10 million use a portal, compared with just 10% of those under $250,000.

Sector

The sector an organisation works in is strongly associated with how it operates. Organisations in different sectors vary substantially in their revenue, board size and review practices, the data they collect, and how they measure success.

79% of respondents in the 2026 sample identified a sector.

- Sport and recreation, environment, and arts and culture organisations are more likely to be in a lower revenue bracket. 55% of sport and recreation organisations, 51% of environment organisations, and 51% of arts and culture organisations report annual revenue under $250,000, compared to 19% of human services and health organisations, the lowest proportion of any sector.
- Human services and health organisations are slightly over-represented among small boards, with 19% reporting a board of one to five members, compared to 16% of respondents across all boards. At the other end, education organisations are over-represented among large boards, with 31% reporting a board of 10 or more members, compared to 16% across all respondents.
- Human services and health organisations are considerably more likely than other sectors to have a formal board review process, at 44%, compared to 31% across all respondents.
- Environment and religious organisations are both considerably more likely than other sectors to report that their board does not review its performance at all. This applies to 49% of environment organisations and 60% of religious organisations, compared to 31% across all respondents.
- Human services and health organisations are far less likely than others to collect membership or donor data, at 50%, the lowest of any sector, compared to a high of 82% among environment and sport and recreation organisations.
- Environment organisations are more likely to say they do not measure success at all, at 28%, compared to 9% of human services and health organisations and 13–15% of organisations across most other sectors.



Spotlight on...

Sport and recreation

Community Directors works closely with sport and recreation organisations across Australia. The sport and recreation sector consists of organisations ranging from local sport clubs for children and adults to statewide and national organisations. Many of Australia's volunteers are active in this sector. The 2026 survey offers a snapshot.

Sport and recreation organisations are disproportionately small by revenue: 55% report annual revenue under $250,000. The workforce is lean, with 29% of organisations having no paid employees at all, and a further 31% have only one to five employees. Boards cluster tightly around the median size and 74% report six to nine members.

Financial health

Despite being disproportionately small by revenue, the sport and recreation sector reports better financial health than the sector average. 55% of respondents from the sector describe their organisations as in good financial shape, against 52% across all sectors, and only 10% describe them as struggling, well below the 18% average across all sectors. One respondent from the sector wrote of the challenges, "Maintaining a sustainable and affordable business while the cost of everything keeps rising. Customers are eventually going to stop coming to our venue." (Craig, CEO, NSW) This captures the "breaking even, not struggling" pattern, in which respondents acknowledge cost pressures without resorting to the language of crisis.

Governance

Board review practices in sport and recreation are close to the average of all sectors. 33% have a formal review process (against 31% overall) and 31% have no review process at all (against 31% overall). Board portal use sits slightly below average at 20%, against 26% overall.

Board experience and retention

Respondents' experience of board service in the sport and recreation sector is in line with that of the NFP sector as a whole. 97% of sport and recreation board members agree they enjoy their role, against 95% overall; 81% feel valued, against 82% overall; and 27% are planning to leave, against 20% overall. None of these differences is statistically significant on a base of around 30 board members in this sector.

Primary concerns and external challenges

Financial sustainability is this sector's leading primary concern, with 53% of respondents nominating this concern, slightly above the 49% average across all sectors. Volunteer and staff retention and succession is a more pronounced external challenge here than elsewhere, nominated by 31% of respondents, against 23% across all sectors. One respondent reflected, "Volunteer capability and organisational knowledge are my biggest concerns. With limited capacity and reliance on a small group, there's a real risk of burnout, gaps in governance, and loss of critical knowledge when people step away." (Board secretary, sport and recreation organisation)

Rising community demand is not a concern for this sector: no respondents nominated it, compared with 12% of respondents across all sectors.

Training needs

Communications stands out sharply as a training need, selected by 33% of sport and recreation respondents, well above the 15% average across all sectors, and this is easily the largest gap of any training topic for this sector. Compliance training is also notably elevated at 31%, against 24% overall, and fundraising and grants sits slightly above average at 43%, against 41% overall. Governance training need sits slightly below the sector average, at 45% for sport and recreation against 49% overall.

Data, technology and consulting

Organisations in the sport and recreation sector are strong collectors of membership and donor data. 82% collect it, well above the 64% average across all sectors, which most likely reflects the membership-based nature of most sporting and recreation organisations.

By contrast, it lags in outcomes measurement: only 27% of sector organisations collect data on how their services improve people's lives, against 55% across all sectors. Financial consulting use is higher than average at 44%, against 38% overall, and legal consulting use is roughly in line with the average at 50%, against 52% overall.

Changes over time

Fewer sport and recreation sector respondents are from very small organisations

The percentage of respondents from the smallest sport and recreation organisations (those with revenue under $250,000) dropped from 69% in 2019 to 55% in 2026, while those from the $1 million to $10 million band grew from 10% to 23%. This mirrors the compositional shift seen across the whole survey.

Financial health has softened but isn't in distress

The proportion of sport and recreation organisations describing themselves as in good financial shape dropped between 2019 and 2026 from 64% to 55%, but this shift landed almost entirely in "breaking even," which grew from 26% to 35%. Organisations describing themselves as struggling stayed flat, at around 10% in both years. This does not represent a shift towards serious distress, but rather a wider distribution in the middle income band.

More boards are having formal reviews, a welcome divergence from the sector-wide pattern

Organisations undertaking formal board review processes nearly doubled, from 18% to 33%, while the incidence of informal reviews dropped from 47% to 33%. Critically, "no review at all" barely moved, going from 33% to 31%. This pattern is meaningfully different from the sector-wide finding, where informal reviews have largely been replaced by no review at all.

The increase in formal reviews in this sector makes sport and recreation a useful case study.

Training needs have shifted sharply towards cybersecurity and communications

From 2019 to 2026, sport and recreation organisations wanting cybersecurity training rose from 2% to 24%, an even steeper rise than the sector-wide near-tripling. The desire for training in other areas rose too: communications from 27% to 33% of organisations, and compliance from 23% to 31%. Respondents from sport and rec bodies reported less need for fundraising and grants training, which dropped from 56% of organisations to 43%, and financial management, which eased from 34% to 25%.

External challenges centre on financial sustainability

In 2026, financial sustainability as an external challenge was nominated by 47% of sport and recreation respondents, down from 63% in 2019, while market crowding fell from 19% to 6%. Volunteer and staffing succession held steady, nominated by 31% to 32% of respondents in both 2019 and 2026.

Arts and culture

Community Directors works with arts and cultural organisations across Australia, from small volunteer-run organisations and local historical societies to museums and arts bodies nationally. The sector encompasses community and amateur theatre, choirs, orchestras and music groups, galleries, museums, festivals, writers' centres, and multicultural and First Nations arts organisations. Many operate with substantial volunteer involvement.

Arts and culture organisations are often disproportionately small by revenue: in 2026, 51% reported annual revenue under $250,000. The workforce is lean, with 30% of respondents reporting having no paid employees at all, and a further 33% reporting between one and five paid staff. Arts and culture boards are slightly larger than average, with 21% reporting 10 to 15 members, against 15% reporting that size across all sectors.

Financial health

The arts and culture sector reports weaker financial health than the sector average. Only 40% of organisations describe themselves as in good financial shape, against 52% across all sectors, and 27% describe themselves as struggling, well above the 18% average across all sectors. Along with religious organisations, this represents the highest "struggling" rate of any sector in the survey. On the theme of financial fragility, one respondent wrote, "Similar organisations are folding around us, or navigating bridging finance and finding off-ramp processes to wind down over coming months or years." (Kent, CEO, Vic)

Governance

Arts and culture shows a clear governance gap. Only 16% of arts and culture organisations have a formal board review process, against 31% across all sectors, and 44% have no review process at all, well above the 31% average. One respondent reflected, "Board members are volunteers and end up getting involved operationally, becoming an extension of existing staff. So, in summary, a governance risk." (Sandra, board member, Vic) Board portal use is notably low, at 14% against 26% across all sectors.

Board experience and retention

Despite the sector's weaker financial and governance picture, arts and culture board members report enjoyment and retention broadly in line with, or better than, the sector average. 94% agree they

enjoy their role, which is close to the 95% average across all sectors, and only 11% are planning to leave, below the 20% average. Financial strain and governance weakness have not translated into a retention problem.

Primary concerns and external challenges

Financial sustainability dominates as this sector's primary concern, at 59%, well above the 49% average across all sectors, and the highest of any sector. Policy instability is also a more pronounced external challenge for arts and culture organisations than elsewhere, at 27% against 21% overall, while regulatory and compliance burden is notably lower, at 7% against 15% overall.

Training needs

Fundraising and grants is the largest training need for arts and culture organisations, selected by 59% of respondents, well above the 41% average across all sectors. Financial management training is also elevated at 31%, against 26% overall. Compliance training sits below average at 13%, against 24% overall, consistent with compliance and regulatory burden being less of a concern for these organisations than for others.

Data, technology and consulting

The arts and culture sector collects output data at a slightly higher rate than average, at 83% of organisations against 79% overall, and also collects membership or donor data at a higher rate than average, at 69% of organisations against 64% overall. Finance consulting use is elevated, at 49% against 39% overall, while strategic planning consulting is notably lower, at 22% against 33% overall.

Changes over time

The most actionable finding about the arts and culture sector is its backwards steps between 2019 and 2026 in the combination of weak or no processes for board reviews, declining financial health, and a sharp rise in demand for cybersecurity and governance training. Together, these suggest that arts and culture boards may be increasingly aware of a capability gap, but lacking the formal structures needed to close it.

The share of arts and culture organisations with annual revenue under $250,000 fell from 63% in 2019 to 51% in 2026, while the share with revenue of $1 million to $10 million rose from 7% to 21%.

This reflects the broader shift towards higher-revenue organisations in the 2026 survey.

Financial health has declined

The share of respondents reporting their arts and culture organisation was in good financial shape fell from 44% to 40%, while those struggling rose from 24% to 27%. The decline is modest but notable, since the sector already shares the highest "struggling" rate of any sector in 2026 with religious organisations.

Board review processes have moved backwards

Board review practices among arts and culture organisations became less formal between 2019 and 2026. The proportion with a formal board review process fell from 19% to 16%, while the proportion with no review process rose from 40% to 44%. This decline coincides with relatively low use of board portals among arts and culture organisations in 2026, and with the sector's weakness in terms of overall governance infrastructure.

Training needs have shifted towards cybersecurity and governance

The proportion of respondents identifying cyber-security training as a need for their organisation rose sharply, from 3% in 2019 to 20% in 2026. The proportion identifying governance training as a need also increased, from 39% to 45%.

Board experience is stable

Board members' experience in arts and culture shows no significant change between 2019 and 2026. Enjoyment of the role held at 95% and 94%, feeling valued moved from 78% to 87%, and intention to leave fell from 21% to 11%. None of these movements is statistically significant on a base of around 50 arts and culture board members in 2026. Arts and culture is not very different from the overall NFP sector in terms of board members' enjoyment of their board roles and their feeling of being valued, despite arts and culture's weaker financial and governance position.

> Financial sustainability as an external challenge was nominated by 60% of arts and culture respondents in 2026.

The main external challenges are financial sustainability and policy instability

Financial sustainability as an external challenge was nominated by almost two thirds (60%) of arts and culture respondents in 2026. Policy instability rose from 23% in 2019 to 27% in 2026, a notable increase. Concerns about volunteer and staffing succession eased slightly over the years, from 32% to 24%.

Education

In the Australian not-for-profit context, "education" organisations span a broad range, including early learning and childcare providers, independent and faith-based schools, vocational and adult education providers, universities, tutoring and literacy programs, and educational foundations or trusts.

This is a notably larger and better-resourced sector than most others in the survey. 37% of education organisations report revenue between $1 million and $10 million, and a further 16% report $10 million or more, both well above the sector-wide averages. Only 22% are under $250,000, among the lowest of any sector. Boards in the education sector are also larger than average: 26% report 10 to 15 members, against 15% across all sectors, consistent with this sector's over-representation among large boards.

Financial health

Education organisations report stronger financial health than many other sectors, and 59% describe themselves as in good financial shape, against 52% across all sectors. Even so, finances remain a concern to board members. One survey respondent, reflecting on what kept him up at night, wrote, "Ensuring the organisation remains financially sustainable while delivering meaningful impact is the greatest concern. Balancing limited resources, volunteer capacity, governance obligations, and long-term strategy can be challenging." (Miguel, board member)

> Governance stands out as the education sector's leading training need.

Governance

The board review practices of education organisations lean towards informal rather than formal. 41% of respondents report an informal review process, which is above the 34% sector-wide figure, while 25% have a formal process, which is slightly below the 31% sector-wide figure.

Board portal use by education organisations is above average at 31% against 26% overall, consistent with this being a larger, better-resourced sector.

One board member in the sector noted, "We don't have a CEO and are volunteer dependent, and we are all educators. What keeps me awake is worrying what we are missing as far as governance, how to be smarter about bringing in funds, how to make sure we put those funds to good use, how to be accountable. We are all great educators, not sure we are all good governors." (Lisa, chair, ACT)

Board experience and retention

The board experience of respondents from the education sector sits close to the experience of not-for-profit board members overall, with 98% enjoying their role, against 95% overall, 86% feeling valued, against 82% overall, and 19% planning to leave, against 20% overall.

Primary concerns and external challenges

Financial sustainability remains the leading concern for education organisations, reported by 47% of respondents, which is close to the 49% survey-wide figure. Policy instability is a slightly more pronounced external challenge in the education sector than elsewhere, at 25% against 21% overall, as is regulatory and compliance burden, at 18% against 15% overall. These figures are consistent with a sector that skews towards larger, more heavily regulated organisations.

Training needs

Governance stands out as the education sector's leading training need. It was identified by 58% of respondents in the 2026 survey, well above the 49% across all sectors. This relatively high demand is notable because education organisations tend to be financially stronger than those in some other sectors and are more likely to have formal board review processes, suggesting that demand for governance training is not confined to organisations with fewer resources or less formal governance practices. Compliance training is also more commonly identified as a need, at 33% compared with 24% across all sectors.

Data, technology and consulting

Human resources consulting use is slightly higher than average for education organisations, at 34% against 28% overall, which is consistent with this sector's larger, more complex workforces.

Changes over time

Demand for governance training has increased, and at the same time, board members report feeling more valued and are less likely to want to leave. Read together, this seems to suggest a sector building up its governance skills from a position of relative strength, rather than because it is in distress.

Among education organisations represented in the survey, the proportion with annual revenue under $250,000 fell from 43% in 2019 to 22% in 2026, while the proportion with revenue of $10 million or more rose from 6% to 16%.

Board composition and board reviews have shifted

The proportion of education sector boards with six to nine members grew sharply, from 43% to 60%, while the proportion of the smallest boards, with one to five members, shrank from 22% to 9%. On review practices, the proportion of respondents reporting formal board reviews fell slightly, from 28% to 25%, and the proportion of organisations with no review held steady, at 33% in both years.

The key change was in the rate of informal reviews, which were reported in 41% of organisations, up from 33%. This pattern differs from those observed in other sectors and in the not-for-profit sector as a whole, in that it is neither a shift towards formal reviews, nor a slide towards no reviews, but rather a shift towards the informal middle ground.

Governance and impact evaluation are now the biggest training needs

The proportion of respondents indicating a need for governance training rose from 45% to 58%, making this clearly the leading training need in the education sector. The need for impact evaluation training also rose substantially, from 20% to 29%, and cybersecurity training need nearly tripled, from 10% to 27%, in line with the pattern seen across most other sectors.

Board experience is stable

The experience of board members in the education sector shows no significant change between 2019 and 2026. Enjoyment of the role moved from 93% to 98%, feeling valued was steady at 86% in both years, and intention to leave moved from 29% to 19%.

Education organisations have distinct training needs

Share of education organisations identifying each area as a training need



However, these movements are not statistically significant on the small base of education sector board members who responded to the survey in 2026.

The proportion of respondents who reported having undertaken governance training rose substantially, from 60% in 2019 to 73% in 2026. Together with the increase in respondents identifying governance training as a need, this suggests that the sector is both seeking and undertaking more governance development.

Financial sustainability and regulatory burden are the main external challenges

The proportion of survey respondents nominating financial sustainability as an external challenge for their education organisation rose from 56% in 2019 to 63% in 2026. The proportion nominating regulatory and compliance burden also increased, from 10% to 18%. In contrast, the proportion identifying policy instability fell from 29% to 25%. Volunteer and staffing succession dropped from 23% to 19%.

Human services and health

Community Directors works with human services and health organisations across Australia, from national youth mental health services and community health providers to consumer-led advocacy groups and professional colleges. The sector spans disability and aged care providers, family and children's services, homelessness and housing support, alcohol and other drug services, mental health programs, settlement and multicultural services, and the peak and member bodies that represent them.

> Human services and health organisations have the strongest formal governance infrastructure of any sector.

This is the largest sector in the 2026 survey, with 298 respondents, and the results offer a snapshot of how it is governed.

Human services and health is the most substantially resourced sector. 46% of respondents report revenue between $1 million and $10 million, and a further 18% report $10 million or more, both well above the sector-wide averages. Only 19% report revenue under $250,000, the lowest proportion of any sector. 18% employ between 101 and 500 people, twice the sector-wide figure of 9%. Boards are tightly clustered around the median size, with 73% of respondents reporting six to nine members, against 67% across all sectors.

Financial health

This sector's financial position is close to the sector average. 54% of respondents described their organisations as in good financial shape, against 52% across all sectors; 29% are breaking even, and 17% are struggling financially, marginally below the 18% across all sectors.

Governance

Human services and health organisations have the strongest formal governance infrastructure of any sector. 44% of respondents report a formal board review process, well above the 31% sector-wide average and the highest of any sector, while 25% report no review process at all, against 31% across all sectors. CEO review is also more common, with 60% of respondents reporting that their organisation has reviewed the CEO within the past year, against 54% across all sectors.

Board portal use in the human services and health sector is the highest of any sector, at 36%, against 26% across all sectors, and board financial understanding is stronger, with 66% of respondents reporting that most or all of their board understands the organisation's finances, against 55% across all sectors.

Board experience and retention

Board experience in the human services and health sector is at or slightly above the sector average. 95% of sector board members report enjoying their role, the same as across all sectors, 85% feel valued (against 82% across all sectors), and 21% are planning to leave (against 20% across all sectors). Induction is better than average, with 61% of respondents reporting a good induction against 55% overall, and governance training participation is notably higher, at 84% against 76%.

Primary concerns and external challenges

Financial sustainability leads as the primary concern in the human services and health sector, at 53%, slightly above the 49% reported across all sectors. Regulatory and compliance burden is a markedly more pronounced external challenge here than elsewhere, at 21% against 15% overall, the highest of any substantially represented sector, consistent with operating in the most heavily regulated parts of the not-for-profit sector.

Training needs

Cybersecurity training is more commonly reported as a need in the human services and health sector than across the not-for-profit sector as a whole (36% versus 26%). Demand for training in impact evaluation is also slightly higher (38% versus 32%).

Governance training demand is slightly below average, at 46% against 49%, and communications training (9%) and human resources training (8%) are both markedly lower, against 15% and 13% across the whole not-for-profit sector. This is a sector asking for help with risk and evidence rather than with governance fundamentals.

Data, technology and consulting

The human services and health sector is the strongest collector of outcomes data of any in the survey, with 64% of respondents reporting that their organisation collects measures of how their services improve people's lives, against 55% across all sectors, and 71% measuring performance against a strategic plan, against 61% overall.

It is, however, the weakest collector of membership and donor data, at 50% against 64%, the lowest of any sector, reflecting a service delivery rather than membership model.

Legal consulting use is the highest of any sector, at 59% against 52% overall, and human resources consulting is also elevated, at 32% against 28%.

Changes over time

This sector has grown larger, more formally governed and more preoccupied with risk. It has also become more likely to review its performance formally or not at all, with the informal middle ground shrinking.

Larger organisations account for a growing share of respondents

The share of respondents from human services and health organisations reporting revenue under $250,000 fell from 30% to 19% between 2019 and 2026, while the $1 million to $10 million band grew from 35% to 46%. Boards in this sector are getting smaller, with the percentage of those reporting 10 to 15 members shrinking from 17% in 2019 to 8% in 2026.

Board review practices are polarised, and the informal middle ground has shrunk

Formal board review instances did not increase in a significant way. What did move significantly was the informal middle, which fell from 39% to 30%, while respondents reporting no review at all rose from 19% to 25%. This mirrors the sector-wide pattern in which informal review is giving way to no review, and this is the opposite of the movement seen in education.

Training needs have shifted decisively towards risk and evidence

Demand for cybersecurity training rose from 14% in 2019 to 36% in 2026, and demand for impact evaluation rose from 30% to 38%, both significant increases. Governance training demand barely moved, from 43% to 46%, and fundraising training demand eased from 44% to 39%.

External challenges have changed

Financial sustainability as an external challenge rose from 61% in 2019 to 70% in 2026, and regulatory and compliance burden rose from 12% to 21%, both significant increases. Two external challenges fell significantly: market crowding, from 19% to 5%, and policy instability, from 32% to 23%.

Board experience is stable, but the workload has grown

Board members' enjoyment of the role remained high, moving from 98% to 95%, and feeling valued was stable at 85% in 2026 and 2019. Governance training participation rose significantly, from 74% in 2019 to 84% in 2026, the largest increase of any sector.

Two movements in the sector fall just short of statistical significance but are suggestive of a pattern. Intention to leave the board rose from 13% in 2019 to 21% in 2026, and the proportion of board members agreeing the role takes up too much of their time rose from 22% in 2019 to 31% in 2026, patterns the sector should keep an eye on.

Leadership roles

We segmented the data to understand the picture in 2026 for the key leadership roles of chair, secretary, treasurer and CEO.

Of the 1,040 respondents in 2026, 18% are board chairs, 6% treasurers, 11% secretaries and 26% CEOs or executive directors. Together these four roles make up 61% of the sample, with the remainder being general board members and other senior staff. The data suggests that:

- enjoyment is high in all four leadership roles: 93% of secretaries report enjoying their role, as do 97% of treasurers, who report the highest rates of enjoyment
- chairs report a high rate of enjoyment at 96%, yet they also report an intention to leave at the highest rate
- treasurers have the highest representation in the 26–49 age bracket and the most even male–female split of the leadership roles examined
- secretaries report the weakest induction and lowest sense of being valued of any role
- CEOs are notably less likely than chairs to name governance and board culture as their primary concern, even though both roles sit close to board leadership.

Board chairs

- Board chairs tend to be older than other board members. Of those surveyed, 41% of chairs are aged 65 or over, compared with 27% of other board members. Women account for 67% of chairs.
- 51% of board chairs report that their organisations are in good financial shape.
- Financial sustainability dominates as the primary concern among chairs. 52% of chairs say it is their primary concern, compared to 65% of treasurers.
- Only 13% of chairs say governance and board culture is their primary concern.
- Chairs report enjoyment of their board role at a high rate (96%). 83% of chairs feel valued. However, they also report intending to leave at the highest rate of the four leadership roles, at 25%. Over half, 55%, report receiving a good induction.
- Governance training is the leading training need for board chairs (49% report needing it, followed by fundraising and grants training, at 43%).
- 34% of board chairs name impact evaluation as a training need. This rate of need is similar to that of CEOs (33%) but higher than that of the other leadership roles.

What keeps chairs awake at night?

"Financial sustainability in a challenging economic and political landscape." (Fred, chair, Vic)

"Potential loss of board members and dysfunction within the board." (Michael, chair, WA)

"Lack of skilled volunteers and lack of financial resources. Having one of these would compensate for the other, but at the moment, having neither means that the organisation is being run by a handful of burned-out people who care deeply about sustaining what we do." (Megan, chair, SA)

Board treasurers

- Board treasurers have the youngest age profile of the leadership positions examined, with 31% in the 26–49 age bracket, a higher percentage than among chairs or secretaries. Women account for 55% of treasurers who participated in the study, making treasurer the most gender-balanced of the four leadership roles. Unsurprisingly, financial sustainability dominates overwhelmingly as the primary concern for board treasurers, with 65% nominating this concern, the highest percentage of any role.
- Treasurers report the lowest governance training participation of the four roles, at 70%, and 59% report a good induction. Even so, only 19% plan to leave, close to the 20% average across all leadership roles.
- Governance is the top reported training need for board treasurers, with 53% nominating this training, just ahead of fundraising and grants training, at 45%.

What keeps treasurers awake at night?

"As treasurer I'm worried about finances, so I want to look at ways we can increase our income and expand our capabilities." (Michael, treasurer, Vic)

"Ensuring the organisation remains sustainable while

Board chair

High enjoyment,
but most likely to leave



96%

enjoy the role



25%

plan to
leave soon

(highest of the four roles)

Board treasurer

Youngest board role,
closest to gender parity



55%

are women

(the closest to gender parity)



31%

are aged 26–49

(highest of the four roles)

Board secretary

Least likely to feel valued
or well inducted



47%

received a
good induction

(lowest of the four roles)



78%

feel valued

(lowest of the four roles)

CEO

Feels valued, but has the
greatest financial concerns



90%

feel valued

(highest of the four roles)



47%

say their
organisation is
financially healthy

(lowest of the four roles)

demand continues to rise. I'm concerned about balancing strong governance with operational realities, particularly funding instability, workforce capacity, and increasing compliance obligations, without losing sight of mission impact. Ultimately, it is whether we can continue delivering meaningful outcomes to those who rely on us most." (Jacob, treasurer, NSW)

"Securing sustainable operational funding keeps me awake at night. Without it, volunteer boards are pulled into running sessions and managing day-to-day operations instead of governing strategically." (Erin, treasurer, Vic)

Board secretaries

- 71% of board secretaries surveyed are women, the highest proportion of the three board roles examined.
- Financial sustainability is the top external challenge named by secretaries, at 31%. This figure is higher for other roles, while workforce and succession concern is markedly higher for secretaries than any other role, at 24%.
- Secretaries are the least likely of the four leadership groups to report feeling valued in their role (78%) or to report receiving a good induction (47%).
- Governance is the most commonly identified training need among secretaries (46%), while secretaries are also more likely than those in the other three leadership roles to identify a need for information technology training (27%).

What keeps secretaries awake at night?

"Are we ready for the next wave of reforms? Policy reforms, changing audit requirements, new reporting obligations, technology expectations." (Daniel, secretary, NSW)

> Secretaries are the least likely of the four leadership groups to report feeling valued in their role

"Volunteer capability and organisational knowledge are my biggest concerns. With limited capacity and reliance on a small group, there is a real risk of burnout, gaps in governance, and loss of critical knowledge when people step away. Ensuring continuity, compliance, and sustainable leadership is what keeps me awake at night." (Unnamed secretary, NSW)

CEOs (executive directors)

- Not-for-profit sector CEOs/executive directors represent the largest single group of respondents in the survey.
- They are concentrated in the mid- to late-career age group, with 59% aged 50–64, and are markedly less likely than other roles to be over 65, at 17%, against 27% of all respondents and 41% of chairs.
- 74% of these CEOs are women.
- 47% report that their organisations are in good financial shape, the lowest percentage of the four roles
- Financial sustainability dominates as an external challenge for this group, nominated by 72% of respondents
- Governance and board culture is named as a primary concern by only 5% of CEOs, compared with 13% of chairs, suggesting CEOs and board leaders experience governance tension differently
- Nonetheless, governance is a key training need for CEOs, nominated by 48%, followed by fundraising and grants training, at 43%, and impact evaluation training, at 33%.

What keeps CEOs awake at night?

"The biggest concern is balancing the increasing demand for services with limited funding. The pressure of supporting vulnerable families, managing rising operational costs, and the challenge of securing sustainable funding keep me awake at night." (Tanya, CEO, WA)

"Sustaining staff. We are forced into short-term project funding just to keep people employed, which diverts our attention from our strategic priorities." (Kerry-Anne, CEO, NSW)

"Succession and long term planning. Our board is too short term focused." (David, CEO, Vic)

Gender balance

We examined the responses of board members to the 2026 survey to identify differences between men and women. Looking at specific roles, men are over-represented as board treasurer (9% men, 5% women) and general board member (23% men, 17% women), while women are over-represented as other senior staff (13% women, 5% men). CEO representation is fairly close at 28% women against 22% men, as is board chair representation at 18% women, 21% men, and board secretary representation at 11% women, 10% men.

Gender appears to have little bearing on board retention, with 22% of women and 18% of men saying they intend to leave their roles soon.

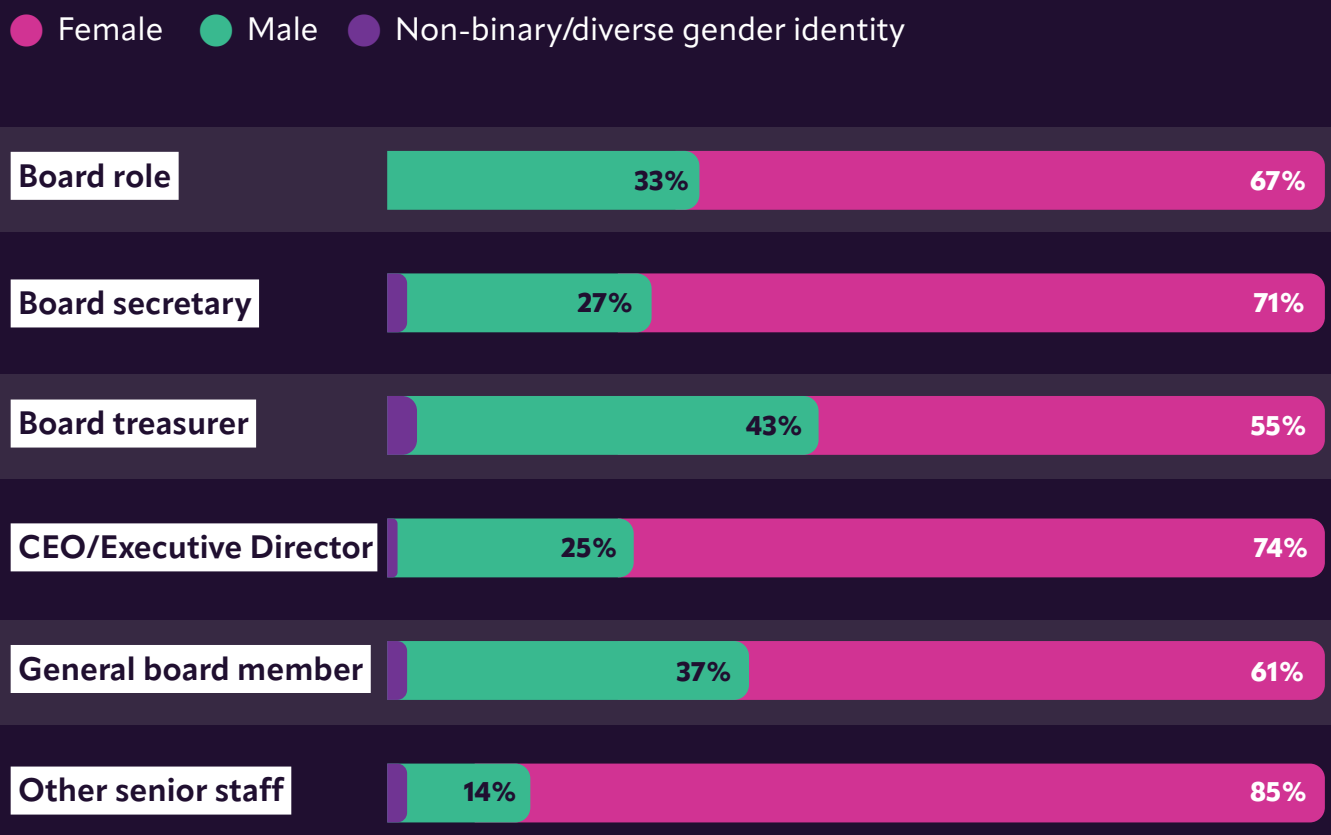
There is also no significant difference by gender in whether board members feel valued, with 81% of women and 82% of men agreeing that they do.

There is a small and statistically insignificant gender gap in respondents' enjoyment of their board role, with 93% of women agreeing they enjoy their role, against 97% of men.

Induction quality shows the clearest gender gap, with only half (50%) of women board members agreeing they received a good induction, against two thirds (64%) of men. This is important, as good induction is linked to both enjoyment of the role and intention to stay.

Women are the majority in every board and senior role

Respondents by gender and role, 2026



Technology and AI

Nearly all NFPs now rely on email, and online meeting tools such as Zoom have become almost as universal, used by 86% of organisations in 2026, up from 35% in 2019. File management software, such as Dropbox or Google Drive, is now used by 61% of organisations, up from 54% in 2019. Just over a quarter of respondents (26%) use a board portal.

Although this survey asked no direct question about artificial intelligence (AI), respondents mentioned AI, unprompted, in several free text fields in 2026. In response to an open-ended question about external challenges, 62 respondents explicitly named AI in 2026, compared with just two in 2019.

AI's emergence in mainstream workplaces has effectively reshaped what "technology and cyber risk" means as an external challenge. Of the 94 organisations who regarded this risk as a challenge in 2026, just over half (48) specifically named AI in their own words, meaning AI is now the single largest identifiable driver of this entire challenge category, more than cybersecurity, IT systems and data management combined.

Some respondents use AI to better understand beneficiary needs, to identify grants, and to generate fundraising leads, while others refer to it in anxious terms. One respondent described it as "a rather frightening thing," and several expressed concern that governance and policy are not keeping pace with the technology. A smaller number of respondents raised AI in the context of ethics or governance, questioning how boards should oversee its use responsibly.



In the words of respondents

Respondents were asked to name up to five external threats facing their organisation, in their own words. The combinations they chose are as revealing as the individual answers. Very few described a single pressure. Most described several arriving at once, each making the others harder to absorb. Answers such as this one give a strong flavour of the challenges facing not-for-profits today:

"The cost-of-living crisis changes donor, grantmaker and volunteer priorities. Short term funding cycles pull the rug out from programs as they hit their stride. AI and other rapid tech changes, risks and associated requirements. Increasingly detailed administrative requirements that are valuable and well-intended but hard for smaller orgs where skills tend to cluster on topic expertise rather than administrative specialities." (April, CEO, Vic)

Organisational sustainability

Financial sustainability is the leading primary concern among respondents from every one of the eight sectors, named by almost half (49%) of respondents, and it appears in free text as an external challenge for 68%.

In their own words, many respondents describe not only a simple shortage of money. They describe funding that arrives in short cycles and stops before a program matures, can be scaled or enters the mainstream; demand that grows while income stays flat; increased cost-of-living pressures; and reduced investment in staff or volunteer training and development.

"I am deeply concerned about the reduction in government funding, escalating demands on organisations, and the limited support for staff training. These challenges, compounded by decreased client funding, are expected to significantly impact our ability to deliver quality services and maintain workforce development." (Mary, board chair, Vic)

"What concerns me most is volunteer sustainability – recruiting new people, supporting an ageing volunteer base, and avoiding burnout among those who already give so much. Without enough engaged volunteers, our capacity to deliver projects, secure funding, and keep the group active is at risk." (Fiona, board member, Vic)

"Ongoing sustainability – we are big enough to keep going, but not big enough to keep going forever. How do we get over that next hump for ongoing sustainability?" (Ben, board member, NSW)

Volunteer workforce

In 2026, volunteer and staff retention was named as an external challenge by 23% of organisations, rising to 37% of those with no paid staff at all. Free text responses highlight that the difficulty is less about willingness to volunteer time than what volunteering now involves. Compliance hours, grant acquittals, qualifications and reporting obligations come up repeatedly. Several respondents describe volunteers who will readily do the work of the mission but not the administration that has increased around it.

"I'm also concerned about maintaining strong governance while relying heavily on volunteer leadership in an increasingly complex policy and compliance environment." (Regan, CEO, ACT)

"As a volunteer (not paid) the number of hours required to uphold the requirements of government regulations is an external force that is hard. The time it takes to satisfy the requirements when applying for grants and the time to acquit and promote the successful applications." (Lesley, board secretary, Vic)

"We are entirely volunteer-run, so it is a constant challenge to find new volunteers in a country town." (Marie, board secretary, NSW)

"Ageing population and volunteer base. Many long-term volunteers are older, making succession and continuity harder. Declining younger participation in volunteering. Younger generations are less likely to commit to ongoing volunteer roles. Changing expectations about volunteering. People increasingly prefer flexible, short-term involvement rather than regular long-term service" (Kane, CEO, Qld)

Staying relevant

Rising community demand is named as a primary concern by 14% of respondents, and technology by only 2%, yet free text responses suggest both are being felt more widely than those figures imply.

Respondents write about members whose needs have changed faster than the organisation's processes, and about policy reforms being introduced before the last set has been implemented entirely. Free text answers raise questions about whether an organisation is still the right answer to the problem it was built for.

"Our organisation was established 50 years ago. Sometimes I question when it's time to close the doors acknowledging the job is done, and sometimes I grieve that we aren't changing our processes to meet the needs of our members." (Neale, board member, Vic)

"What keeps me awake is ensuring we continue to listen to our members and adapt to changing community needs. Increasing regulatory requirements, pressures on volunteer capacity, and the need to better resource roles are driving up the cost of participation, making long-term accessibility and sustainability an ongoing challenge." (Tanya, CEO, WA)

"Honestly, it's sustainability. We have incredible supporters, but not enough of them, and not enough younger ones coming through." (Sam, senior manager, Qld)

"Are we ready for the next wave of reforms?" (Daniel, board secretary, NSW)

Board and staff succession

Workforce and board succession is the primary concern for 12% of respondents, and it is a leading concern for board secretaries specifically. 20% of board members say they plan to leave their role soon, with departures peaking among directors who have served between five and 10 years.

The responses that follow describe what that means from inside an organisation: the same few people carrying the load, reluctance among others to step up, and knowledge that leaves when a long-serving member does. The concern is less commonly about filling a seat, and more frequently about whether anyone will take on what the role requires.

"How to encourage members of the sporting organisation to nominate for all positions and then stay on the board for the required number of years so that their knowledge is continued and maintained [for] the profit of everyone" (Hazel, board member, Vic)

"Sustaining the organisation beyond individual effort is my greatest concern. With limited volunteers and growing community need, the risk of burnout, governance gaps and loss of momentum is real. I worry about building a strong leadership pipeline and ensuring we remain sustainable, inclusive and impactful for the long term." (Jan, board chair, Vic)

"Our lack of committee sustainability/resilience. Most of the work is done by a few committee members, and there is reluctance by others to take on their work when they take a break." (Elizabeth, board chair, Qld)

"Long term, maintaining people on the board who are passionate about what we do." (Chris, board chair, WA)

Constraints

The following comments describe the gap between what respondents can see needs doing and what they have the capacity to do, and how that gap affects their own time and thinking. Time spent chasing funding is time not spent "doing". Effort spent on compliance is effort not spent directly on members.

"Are we making the best use of our scarce resources? Are we serving our stakeholders effectively? Do we have the right model to maximise our impact?" (Leonard, CEO, NSW)

"We operate on lean resources with a small team driving meaningful systemic change. The gap between what we know needs to be done and our capacity to do it is a constant tension. Losing momentum because of resource constraints, not lack of relevance, is what concerns me most." (Kerry, board chair, national organisation)

"Trying to get funding and sponsorship takes up 80% of my time, not leaving much capacity to run the operations, marketing and logistics side." (Sara, CEO, WA)

"The pressure we are putting on our fantastic staff in an already stressful society and uncertain world." (Anne, board member, WA)

Board culture

Board culture is the one concern in this section that looks inward rather than outward. Board members name it at a rate of 14%, against 5% of staff, so it is largely directors describing their own boards.

In their own words, respondents describe boards that are not functioning as they should, and the consequences they fear: decisions made without proper transparency, regulatory attention, reputational damage and the loss of community trust. What comes through is that a poorly functioning board is understood as a risk to everything else the organisation is trying to do.

"Potential loss of board members and dysfunction within the board." (Michael, board chair, WA)

"Lack of expertise in our governance. Need more education for new board members in technology

as well as management. Also issues around group dynamics and HR skills needed to keep the peace." (senior manager, Vic)

"What concerns me most is governance culture and leadership accountability" (board member, Vic)

Climate change

The 2026 survey did not ask about climate change. No question invited respondents to raise it, and none of the eight external challenge categories used in this report captures it. What follows is therefore entirely unprompted, which makes it significant: every respondent who raised climate change did so in place of something else they could have named.

45 respondents raised climate change, extreme weather, disaster impacts or environmental degradation in their own words, which is roughly one in 15 of those who described an external challenge. That is not a large number, but the distribution is interesting. Only 17 came from environment organisations. The other 28 came from community development, human services and health, sport and recreation, arts and culture, or education and agriculture, organisations whose missions are not primarily concerned with the environment.

For environment organisations, climate is the mission. What respondents from these organisations describe is a gap between urgency and capacity, and, in several responses, a sense that public and political attention has moved away from an issue that is very much alive.

"The urgency in the need for climate and environment action, the lack of funding and capacity to deliver at scale what is required." (board chair, WA)

"We are an environment organisation. At present, environment issues have really dropped off the radar of government priorities. We are concerned this will make our work harder." (CEO, Vic)

"Climate change impacts accelerating faster than awareness or action. The urgency of environmental issues is growing, but public attention and policy responses can be inconsistent or delayed." (board member, national body)

"Increased droughts, heatwaves and unpredictable rainfall reduce plant survival rates, damage restoration works, and extend project timeframes and costs." (board member, Vic)

Where climate change appears as an operational risk rather than a mission, respondents highlight the increased demand their service faces and the lack of resources to adequately respond. For everyone else, climate change arrives as an operating condition for organisations that are not funded to absorb the disasters it causes, resulting in damaged infrastructure and disrupted programs, insurance and energy costs, and volunteers unavailable because their own communities are recovering. These organisations are describing a change in the conditions under which they deliver services.

"Increased frequency and severity of climate related disasters on demand. Overlapping and cumulative disaster impacts on our communities." (board chair, Vic)

"Bushfires, storms and power outages continue to disrupt the region, increasing demand for emergency information, community connection and resilience-building initiatives. We are often relied upon as a trusted local hub during and after emergencies, stretching capacity." (CEO, NSW)

"Climate variability and water levels: drought conditions and reduced inflows can limit water availability, directly impacting events, recreation, and club operations." (board secretary, NSW)

"No bushfire recovery grants so having to fundraise to rebuild impacted rail trail. How to support recovery of grieving communities with loss of 12 historical trestle bridges in bushfires." (CEO, Vic)

"The urgency in the need for climate and environment action, the lack of funding and capacity to deliver at scale what is required."

(board chair, WA)

What this means for not-for-profits

Larger, better-resourced organisations tend to have both stronger governance and stronger finances at the same time, but this does not mean one causes the other. It is more accurate to say that governance, resources and financial performance tend to exist together, rather than one reliably producing the next.

In practice, this means a small organisation should not expect that simply adding a board review process or a financial literacy session will fix a funding problem on its own. However, the evidence does show clearly that improving governance still matters in its own right, particularly for keeping good board members and building a board that feels confident and capable, regardless of financial position.

Financial health

Taken together, this report's findings paint a picture of chronic and persistent financial strain across the sector, rather than a sudden or dramatic decline between 2019 and 2026. The modest increase in the proportion of organisations describing themselves as struggling is only part of the story. It sits alongside a much larger set of findings, on measurement practice, government relationships, data capacity, and the actions organisations take under pressure, that all point in the same direction. Read on its own, no single finding here would justify alarm. Read together, they highlight a need for sustained attention.

Our data shows that layoffs rise steadily with organisation size and revenue, even though larger organisations are, overall, less likely to describe themselves as struggling. This suggests two distinct pathways are at play. For some organisations, layoffs are a strategic or efficiency decision, made from a position of relative financial strength. For others, they are a survival response to organisational distress. The same action, laying off staff, appears to mean quite different things depending on the organisation making that decision, and the sector's response to workforce reduction should possibly account for that difference rather than treating all layoffs as evidence of the same underlying problem.

Organisations that describe themselves as financially healthy are also more likely than organisations that are struggling to have strong systems for collecting and using data, including tracking their programs, their finances and their impact properly. 61% of financially healthy organisations report high or very high data capacity, compared to 44% of struggling organisations.

This does not necessarily mean good data systems make an organisation financially healthy. It may simply be that organisations with more money to spare can afford better systems in the first place. Either way, it fits with the broader idea that having good information about your own organisation helps it run well and informs good questions and decisions by the board.

If financial pressure was pushing directors off boards, we would expect the number of board members leaving to climb steadily as an organisation's finances worsen. They do not. Directors in organisations that are just breaking even are the least likely of the three "financial pressure" groups to be planning to leave, and the difference between the healthy and struggling groups is not statistically significant. This means that succession planning is important across the board, whatever the financial health of an organisation, rather than being a particular concern for those under financial pressure.

Financial literacy on a board tends to build up over time, which suggests boards may need more deliberate support in this area during a director's early years, rather than assuming understanding will develop on its own.

Board retention

Two key variables affect board retention, both of which offer opportunities to organisations for improved governance and cultural practices. These variables are enjoyment of the board role and feeling valued.

Directors who leave after five to 10 years of service are not, on the whole, being pushed out by organisational distress. Financial health shows no meaningful relationship with a director's intention to leave, and directors who are planning to go are no more likely to be in a struggling organisation than those who are planning to stay.

The pattern is consistent with natural attrition, directors completing a reasonable term and moving on, rather than being pushed out by organisational distress. This reading is strengthened by the wider

finding that financial health shows no meaningful association with board retention at all. What predicts a director leaving is not the state of the organisation's finances, but the quality of their own experience on the board, whether they enjoy the role, and whether they feel valued. This is a useful finding for the sector, because it means board retention is a governance and culture problem that boards themselves have power to address, not a funding problem that depends on circumstances outside their control.

Board succession planning was named by a number of respondents in the free text answers. Diversity on a board is an aspect of retention and succession, as ensuring as many people as possible feel welcome on a board automatically increases the pool of possible board members. The 2026 survey showed more women, more people identifying as having a non-Anglo culture and more people identifying as LGBTQI+ on boards. How to ensure boards have diversity of thought, age, ability and demographic remains a challenge for boards across Australia, as a path to sustainability rather than a tick box, as this comment demonstrates: "Having appropriate people on the board with the right skill set is a challenge, whilst it would be good to have diversity we struggle to even have enough people to fill roles we have." (John, board chair, Vic)

Governance outcomes

The finding that governance mechanisms cluster, with organisations that adopt one substantially more likely to adopt the others, suggests governance capability tends to be built holistically rather than piece by piece.

This has practical implications for how governance support is designed and delivered. Rather than treating board review, CEO review, financial literacy and outcomes measurement as standalone topics, organisations may benefit more from building an integrated governance practice from the outset. The data suggests this is closer to how good governance develops in organisations that have it.

Technology & consultancy access

Several findings in this report point to a similar underlying pattern: that access to governance-supporting tools and expertise tracks how well-resourced an organisation is, not how much it actually needs that support.

Board portal use is a strong example of this. Board portals are used by only 10% of small organisations compared to 74% of large ones, yet small organisations have the same duty to protect sensitive board documents as large ones.

HR consultant use shows this from a different angle. Mid-sized organisations ($1 million to $10 million in revenue) use HR consultants at nearly double the rate of larger organisations and four times that of smaller ones, possibly because this is where workforce complexity outpaces in-house capability.

In the case of both board portal use and HR consulting use, closing the gap requires resources that the organisations most in need of support may not have. Subsidised access could help address this imbalance.

There are many other governance measures, however, that boards and senior staff can implement at little or no cost.

> Rather than treating board review, CEO review, financial literacy and outcomes measurement as separate, standalone topics, there may be more value in helping organisations build an integrated governance practice from the outset.

Mid-career cohort

Board members aged 26–49 present a distinctive profile when the findings from a variety of questions are read together.

Enjoyment of the role and a sense of being valued show no meaningful variation by age. 95% of board members aged 26–49 agree they enjoy their role, against 94% of those aged 50–64 and 95% of those aged 65 and over. On feeling valued, the figures are 81% for the mid-career cohort, 79% for those aged 50–64 and 84% for those aged over 65. Neither difference is statistically significant.

What sets them apart is preparation rather than experience. Mid-career board directors are the least likely of any age group to have completed governance training, at 63%, against 87% for those aged 65 and over, and the least confident that they understand their responsibilities as a director. They are also, by a wide margin, the most likely to say they would benefit from more governance training.

The training gap is an important finding, because it is not simply a function of having joined more recently. This cohort is markedly newer to their boards than other age groups, with 62% in their first two years of service, against 43% of board members overall, and much of their lower confidence about responsibilities is explained by that newness.

The training gap, however, persists within every tenure band (number of years of service), and it is widest among directors who have already served two to five years, where completion runs at 53% for the 26–49 group against 85% for those aged 65 and over. Directors in the mid-career cohort are reaching their second and third years on a board without the training their older colleagues have. This same cohort is also the least likely to say they are planning to leave.

> Mid-career directors are the sector's governance pipeline. They are arriving in numbers, but they are under-trained and asking for support.

Read together, this makes the cohort a distinctive opportunity rather than a problem. They are the sector's governance pipeline, they are arriving in numbers, they are under-trained relative to every other age group, and they are asking for support more than anyone else. That is a receptive audience at the point in a board career where the return on training investment, measured in years of future service, is highest.

Why do they stay?

To understand more about why this cohort stays on boards, we studied the free text responses of this age group, since these offered the best available window into how they talk about their role. The survey never directly asked why people stay on their board, so what follows is a reading of the themes that emerge consistently when people are given space to describe their concerns and reflections, based on the 116 responses available from this group.

Themes include:

A strong sense of personal responsibility, sometimes bordering on irreplaceability

Several respondents frame the organisation's wellbeing as resting specifically on them. One person wrote plainly that if they left the committee, "the long-term planning will leave with me" (Narelle, board chair, WA). Another described feeling "burdened with workload on the board, in addition to being a Mum, partner and paid employee of another company", yet still framed the organisation's people problems as "my responsibility to fix." (Jen, board chair, NSW) This suggests that at least part of this cohort stays because they do not see anyone else positioned to take on their role. This may be as much a succession problem as an age-related one.

Direct emotional connection to the people the organisation serves

A notable number of responses are framed in terms of specific, named groups of beneficiaries rather than the organisation in the abstract: "the children and young people in our care rely entirely on us"; "whether we can continue to provide for LGBTQIA+ people in [their region]"; ensuring "continuity of care" for young people ageing out of a service (Sarah, board member, Vic). This kind of language reads as mission attachment and a felt obligation to specific people rather than to the institution itself, which is a different, and more emotive, motivation than institutional loyalty.

Worry framed as care for their team and volunteers, not just the organisation

Many responses focus on concern for staff and volunteer wellbeing, including worries about burnout, an ageing volunteer base and psychological safety for frontline staff. This suggests a caretaking orientation extending to colleagues, not just to governance duties, which may make stepping away feel like abandoning people rather than simply leaving a role.

The picture that emerges from these themes is of a cohort that stays less because the board experience itself is rewarding, and more because they feel a strong personal sense of duty to the organisation, its beneficiaries, and its people (staff and volunteers), sometimes to the point of feeling irreplaceable.

What the free text responses suggest, and what the survey cannot yet confirm, is that some of this cohort remain because they cannot see who else would step in, rather than because they enjoy their role. It is of concern that this kind of retention, driven by obligation rather than satisfaction, is often the profile associated with eventual burnout rather than durable, healthy engagement, which is a succession planning problem.

> *"I am deeply concerned about the reduction in government funding, escalating demands on organisations, and the limited support for staff training. These challenges, compounded by decreased client funding, are expected to significantly impact our ability to deliver quality services and maintain workforce development."*
>
> *(Mary, board chair, Vic)*

Recommendations for the road towards 2030

1. Build board financial literacy as a standing governance priority

Financial literacy is one of the few variables in this dataset that predicts both organisational financial health and board member retention, independent of organisation size or existing resources. Boards with low financial literacy show higher departure intention among their members and are less likely to measure their progress against a strategic plan.

This points to a gap that governance education providers are well placed to close through structured board finance training. Organisations, peak bodies and councils would do well to invest in financial literacy capacity building for entire boards of governance, ensuring that the whole board is financially literate, not just one or two individuals.

2. Treat induction and board review as retention tools

The data shows that a good induction and a formal board review process are both associated with board members enjoying their role, feeling less overloaded, and being less likely to plan their departure. Role overload, in particular, is roughly halved in organisations with a formal review process in place.

Since board retention depends far more on the quality of the board experience than on financial position, the sector would benefit from treating induction and review as central to retaining good directors, rather than as tick-box exercises.

Training providers such as Community Directors can support this shift by developing practical tools and templates, offering training in effective induction and board review, and raising awareness of their importance through sector publications.

3. Ensure access to an affordable board review process

Between 2019 and 2026, the prevalence of formal board review processes grew modestly, but the larger shift was that informal reviews are tending to be replaced by no review at all.

This suggests the sector needs accessible, low-barrier board review options that sit between the two extremes of formal, resource-intensive review processes at one end and nothing at all at the other.

Affordable, simple self-assessment tools aimed specifically at smaller and volunteer-run organisations would directly address this gap.

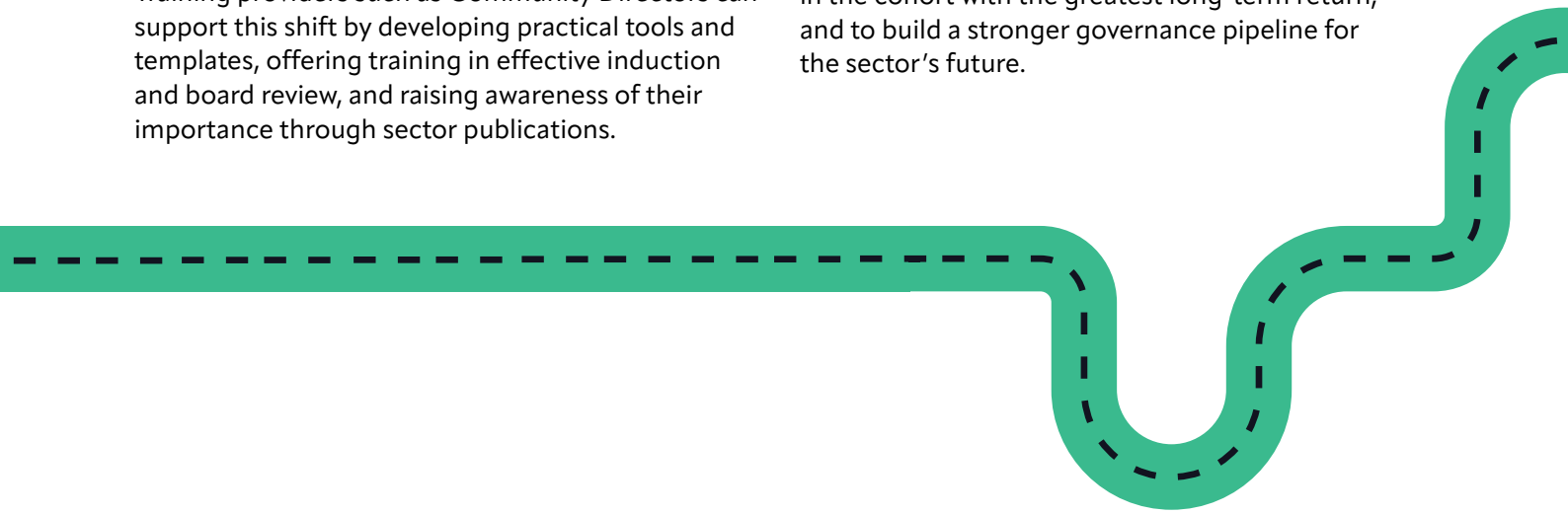
Boards should also add a board review to their annual calendar to ensure it is not missed.

4. Direct governance training towards the mid-career cohort

Board members aged 26–49 have the lowest governance training completion rate of any age group (excluding 18–25 year olds, whose sample size was too small for reliable comparison), at 63%, against 87% for those aged 65 and over, despite being most likely to have years of board service remaining.

This cohort is also the most likely of any age group to say they would benefit from more governance training, at 77%. The demand is there and is not being met.

This is a clear opportunity to lift training completion in the cohort with the greatest long-term return, and to build a stronger governance pipeline for the sector's future.



Training providers should check whether current formats, scheduling and cost suit this cohort's likely constraints, such as paid work and caring responsibilities, rather than assume one format fits all age groups. Self-paced and modular options are likely to matter more here than for older cohorts.

Boards should ensure that new directors receive governance training early in their tenure, alongside their induction to the board, rather than after they have found their feet. Survey respondents report a confidence gap in their first two years of board service, which closes considerably by the five-year mark. Addressing this earlier will help directors to feel more confident in their role, which should help improve retention of this cohort.

Governance training aimed at this cohort should be paired with attention to workload and role clarity, not offered as a standalone fix. Boards should build succession plans that spread responsibility deliberately.

5. Support small and volunteer-run organisations with succession and volunteer retention

Staffing succession and volunteer retention are flagged as concerns by a third of small and fully volunteer-run organisations, compared to roughly one in 10 large organisations.

Combined with the finding that board directors of small organisations skew older than those of large organisations, this indicates a succession risk concentrated at the smaller end of the sector.

A dedicated resource or program for succession planning in small and volunteer-led organisations would give organisations tools they could use to respond to the consistent concerns represented in the data.

6. Respond to rising cybersecurity training demand, with attention to smaller organisations

Demand for cybersecurity training has nearly tripled since 2019 and is now a leading training priority overall, according to our survey results.

However, large organisations are more than twice as likely as small organisations to identify this need, which may reflect awareness as much as actual risk exposure.

The sector would benefit from cybersecurity guidance made accessible to smaller organisations in terms of cost, content and delivery method, given they are less likely to have dedicated information technology resources to draw on.

7. Encourage collaboration between organisations as a legitimate financial strategy

Collaboration to reduce administrative expenses is common among organisations at every level of financial health and is especially common among smaller organisations.

This suggests the sector would benefit from practical guidance on how to collaborate effectively, including through shared services and back-office arrangements, positioned as sound organisational strategy available to any organisation, rather than as a last resort for those in difficulty.

Governments, peak bodies and training providers are well placed to create opportunities for this collaboration to take place.

8. Use the sector's board diversity gains as a foundation for further progress

Board diversity has improved significantly since 2019 across gender balance, cultural background and LGBTQI representation.

This sector-wide achievement strengthens the case for extending the same attention to other dimensions of board diversity not yet consistently improving across the sector, including disability representation and First Nations representation.

9. Build affordable access to legal, strategic and HR expertise

Organisations in the midsize revenue band ($1 million to $10 million) are almost twice as likely to seek HR consulting as larger organisations and four times as likely to seek HR consulting as smaller organisations, possibly because this is the point at which an organisation's workforce and people issues become more complex, with multiple staff, award and compliance obligations and performance management requirements, without yet being large enough to justify a dedicated in-house HR function.

The sector would benefit from lower-cost, shared or scalable access to legal advice, strategic planning help and HR expertise aimed specifically at organisations that have outgrown informal, ad hoc approaches to these functions but have not yet reached the size where dedicated in-house expertise is viable.

This could take the form of panel arrangements with providers offering sector rates, shared or fractional service models, or governance-specific guidance that helps smaller and mid-sized organisations know when and how to seek this kind of support.

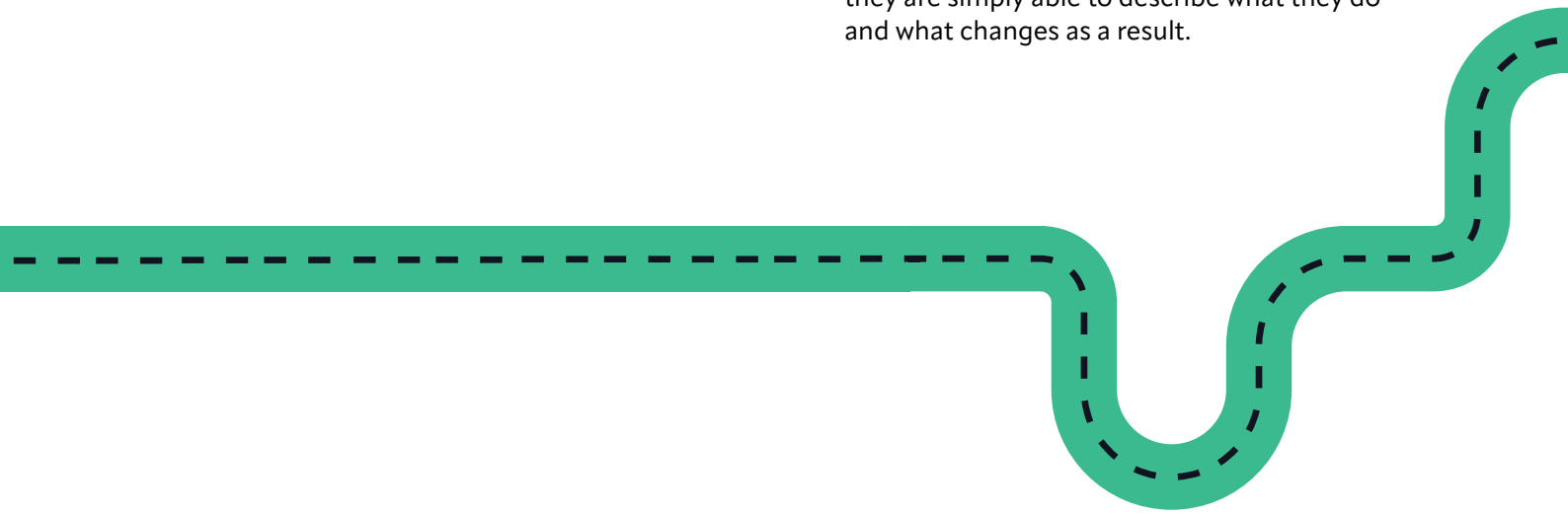
10. Build measurement capability as a step towards stronger funder relationships

Financially struggling organisations are markedly more likely than healthy ones to describe their relationships with government as poor. Among organisations that rated the relationship, 41% of those struggling financially rate the federal relationship as poor, compared with 15% of those in good financial shape, while 54% of financially healthy organisations rate it good or excellent, against 30% of struggling ones. The same pattern holds with state government, local government and peak bodies, and it runs through the middle group as well, with organisations breaking even sitting between the other two on every measure.

This report cannot establish the direction of that relationship. Poor relationships may restrict access to funding, financial pressure may consume the capacity needed to maintain relationships, or both may follow from a common cause such as organisational size or staff continuity.

Among financially struggling organisations, those who nevertheless report good government relationships are far more likely to measure their success in some way and far more likely to report high data capacity. This suggests that:

- organisations under financial pressure should treat impact measurement as a relationship asset rather than a compliance overhead, and resist cutting it first when resources tighten.
- support providers should offer measurement and data support at a scale small organisations can use immediately. The organisations that buck the link between financial distress and poor government relationships are not necessarily running sophisticated evaluation frameworks; they are simply able to describe what they do and what changes as a result.



Conclusion

Across two surveys conducted seven years apart, almost 3,000 people have given Community Directors a picture of how not-for-profit governance in Australia has changed over time.

What comes through most clearly is that governance capability and financial capacity, while closely linked, are not the same thing, and they do not automatically improve together.

Equally, the sector's board retention and succession challenge is not, at its heart, only a funding problem. It is a question of whether the people who volunteer their time to govern these organisations feel valued, capable, and supported in the role they have taken on, something every organisation, regardless of size or revenue, has power to influence.

The 10 recommendations in this report are the practical expression of that finding. Some call for new resources, more affordable governance tools for small organisations, better access to legal and HR expertise for those that have outgrown informal arrangements, or dedicated support for succession planning where it is needed most.

Others call for a shift in how the sector thinks about the governance work it does, treating induction and board review as tools for keeping good directors rather than compliance boxes to tick, and recognising that the mid-career board members carrying so much of the sector's governance load need deliberate support in the short term, before perseverance gives way to burnout.

The sector responding to this survey is, by and large, resilient, engaged, and clear about its own challenges, which is a meaningful finding in a period that has tested it as much as the last seven years have.

Roadmap 2030 draws on evidence and the sector's own views to build a shared understanding of where action is needed most, and what can realistically be achieved by 2030.

Community Directors is committed to acting on what this report has found, and to continuing this conversation with the sector as that work unfolds.

The sector responding to this survey is, by and large, resilient, engaged, and clear about its own challenges, which is a meaningful finding in a period that has tested it as much as the last seven years have.

Acting on the recommendations

Community Directors offers free and low-cost support for the not-for-profit sector on the road towards maintaining sustainability and increasing impact by 2030.

Community Directors offers training for board members designed specifically for the following roles:

- board chair
- board secretary
- board treasurer
- CEO

It also offers the following leadership training:

- NFP Leadership Certificate
- Executive Leadership Certificate
- Advanced Leadership for Board Chairs

https://www.communitydirectors.com.au/training

In acknowledgement of the compliance burden faced by many community board members, Community Directors hosts a free Policy Bank:

https://www.communitydirectors.com.au/tools-resources/policy-bank

See our comprehensive list of resources for putting the recommendations into practice.

Recommendation 1: Build board financial literacy as a standing governance priority

Finance for treasurers hub:

https://www.communitydirectors.com.au/tools-resources/finance-for-treasurers

Financial management hub:

https://communitydirectors.com.au/icda/finance

Questions every not-for-profit board should ask about the finances:

https://www.communitydirectors.com.au/help-sheets/help-sheet-questions-every-not-for-profit-board-should-ask-about-the-finances

Five financial questions for not-for-profits:

https://www.communitydirectors.com.au/help-sheets/five-financial-questions-for-not-for-profits

The role of the treasurer:

https://www.communitydirectors.com.au/help-sheets/the-role-of-the-treasurer

Financial management and your community group:

https://www.communitydirectors.com.au/help-sheets/financial-management-and-your-community-group

Damn Good Advice for Treasurers (PDF booklet):

https://files.ourcommunity.com.au/advice-guides/Damn-Good-Advice-for-Treasurers.pdf

Recommendation 2: Treat induction and board review as retention tools

Developing an effective induction process:

https://www.communitydirectors.com.au/help-sheets/developing-an-effective-induction-process

Tips on successful board induction:

https://www.communitydirectors.com.au/help-sheets/tips-on-successful-board-induction

Induction checklist (downloadable, covers staff, board and volunteers):

https://www.communitydirectors.com.au/help-sheets/induction-checklist

Recruitment, induction and succession hub:

https://www.communitydirectors.com.au/tools-resources/recruitment-and-induction

CEO induction and onboarding plan:

https://www.communitydirectors.com.au/help-sheets/ceo-onboarding-tool

Board evaluation hub:

https://www.communitydirectors.com.au/tools-resources/board-evaluation

Recommendation 3: Ensure access to an affordable board review process

Board self-assessment tool (free, scored, with links to further resources):

https://www.communitydirectors.com.au/tools/board-self-assessment-tool

Board self-assessment tools help sheet, with individual and whole-board versions:

https://www.communitydirectors.com.au/help-sheets/board-self-assessment-tools

Board evaluation hub, including the discounted Board Benchmarking partnership for members:

https://www.communitydirectors.com.au/tools-resources/board-evaluation

Board diversity, experience and skills matrix:

https://www.communitydirectors.com.au/tools/board-skills-and-experience-matrix

Recommendation 4: Direct governance training towards the mid-career cohort

Online compact course units:

https://training.communitydirectors.com.au/certified-community-director

Diploma of Governance overview:

https://www.communitydirectors.com.au/training/diploma-overview

Training specialities, for tailored board development:

https://www.communitydirectors.com.au/training/training-specialties

Ten questions on succession planning, for the "share the load" element:

https://www.communitydirectors.com.au/help-sheets/10-questions-succession

Keeping your board fresh:

https://www.communitydirectors.com.au/help-sheets/keeping-your-board-fresh

Paying board members and community directors, and the Board Payment Wizard, both relevant to recognising contribution:

https://www.communitydirectors.com.au/help-sheets/paying-board-members-and-community-directors

https://www.communitydirectors.com.au/help-sheets/board-payment-wizard-resources-page

What not-for-profit leaders need to know in 2026, covering burnout and leadership:

https://www.communitydirectors.com.au/articles/what-not-for-profit-leaders-need-to-know-in-2026

Upcoming initiatives:

In 2027, Community Directors will offer scholarships for mid-career board members aged 26–49 to undertake governance, finance, chair and secretary training.

Recommendation 5: Support small and volunteer-run organisations with succession and volunteer retention

Ten questions every board director needs to ask about succession planning:

https://www.communitydirectors.com.au/help-sheets/10-questions-succession

The same thing, as a printable PDF:

https://www.communitydirectors.com.au/uploads/general/Tools/Top10-HelpSheet-SuccessionPlanning.pdf

Board succession part 3, selecting the right board members:

https://www.communitydirectors.com.au/help-sheets/board-succession-part-3-selecting-the-right-board-members

Where to find new board members:

https://www.communitydirectors.com.au/help-sheets/where-to-find-new-board-members

Keeping your board fresh:

https://www.communitydirectors.com.au/help-sheets/keeping-your-board-fresh

Recruitment, induction and succession hub:

https://www.communitydirectors.com.au/tools-resources/recruitment-and-induction

Recommendation 6: Respond to rising cybersecurity training demand, with attention to smaller organisations

Ten questions every board director needs to ask about cyber security:

https://www.communitydirectors.com.au/help-sheets/10-questions-cyber

Cyber security policy template, donated by 4walls Cyber Security Advisory:

https://www.communitydirectors.com.au/policies/cyber-security-policy

Why this free privacy policy is essential protection:

https://www.communitydirectors.com.au/articles/free-privacy-policy-for-not-for-profits

Building a policy manual, the gateway to the Policy Bank:

https://www.communitydirectors.com.au/help-sheets/building-a-policy-manual

What not-for-profit leaders need to know in 2026, which argues for treating cybersecurity and incident planning as standard governance:

https://www.communitydirectors.com.au/articles/what-not-for-profit-leaders-need-to-know-in-2026

Recommendation 7: Encourage collaboration between organisations as a legitimate financial strategy

Mergers: A Primer for the Not-for-Profit Sector:

https://www.communitydirectors.com.au/help-sheets/mergers-a-primer-for-the-not-for-profit-sector

Collaboration in advocacy:

https://www.communitydirectors.com.au/help-sheets/collaboration-in-advocacy

Peer power can help with resourcing:

https://www.communitydirectors.com.au/articles/peer-to-peer-support-for-not-for-profits

Recommendation 8: Use the sector's board diversity gains as a foundation for further progress

Ten questions to ask about diversity:

https://www.communitydirectors.com.au/help-sheets/10-questions-diversity

Ten questions about getting more women on the board:

https://www.communitydirectors.com.au/help-sheets/ten-questions-a-board-director-should-ask-about-getting-more-women-on-the-board

Ten questions about neurodiversity:

https://www.communitydirectors.com.au/help-sheets/ten-questions-every-board-director-needs-to-ask-about-neurodiversity

Board diversity, experience and skills matrix:

https://www.communitydirectors.com.au/tools/board-skills-and-experience-matrix

What is your diversity and inclusion strategy?

https://www.communitydirectors.com.au/articles/whats-your-diversity-and-inclusion-strategy

Pushing for more diversity on company boards:

https://www.communitydirectors.com.au/articles/push-for-more-diversity-on-company-boards

Board Matching Service, for recruiting beyond existing networks:

https://www.ourcommunity.com.au/icda/board/search/

Recommendation 9: Build affordable access to legal, strategic and HR expertise

Training specialities, which includes a strategic planning workshop:

https://www.communitydirectors.com.au/training/training-specialties

Peer power can help with resourcing, which collates HR links across recruitment, performance management, organisational culture, diversity, child safety and paying board members:

https://www.communitydirectors.com.au/articles/peer-to-peer-support-for-not-for-profits

Building a policy manual and the Policy Bank:

https://www.communitydirectors.com.au/help-sheets/building-a-policy-manual

Board and staff relationships, for the CEO employment and performance elements:

https://www.communitydirectors.com.au/help-sheets/board-and-staff-relationships

Recommendation 10: Build measurement capability as a step towards stronger funder relationships

Outcome measurement resource hub:

https://www.communitydirectors.com.au/tools-resources/outcomes

How to improve things for your community and your not-for-profit by measuring outcomes:

https://www.communitydirectors.com.au/help-sheets/how-to-measure-outcomes-in-your-not-for-profit

Monitoring and evaluation framework template, free to download:

https://www.communitydirectors.com.au/tools/monitoring-and-evaluation-framework-template

Reporting and transparency hub:

https://www.communitydirectors.com.au/tools-resources/reporting-and-transparency

Ten questions every board director needs to ask about impact evaluation, on the ten questions series page:

https://www.communitydirectors.com.au/tools-resources/ten-questions-series

Local government support for not-for-profit organisations:

https://www.communitydirectors.com.au/help-sheets/local-government-support-for-community-organisations

What's the board's role in seeking grants?

https://www.communitydirectors.com.au/articles/whats-the-boards-role-in-seeking-grants

Grants and fundraising hub:

https://www.communitydirectors.com.au/tools-resources/grants-and-fundraising

Developing data capability in your not-for-profit: A six-step guide:

https://www.communitydirectors.com.au/advice-guides/data-capability

ourcommunity.com.au
Where not-for-profits go for help

OurCommunity.com.au

Our Community is a world-leading social enterprise that provides advice, connections, training and easy-to-use tech tools for people and organisations working to build stronger communities.

The Our Community group of enterprises are:

CommunityDirectors.com.au

The Institute of Community Directors Australia is the leading governance and leadership network for members of Australian not-for-profit and government boards, and their senior staff.

Succession Media

A news service for Australia's not-for-profit sector including *The Community Advocate*.

OCHouse.com.au

Our Community House is a green and creative co-working space for the social sector in Melbourne, Victoria.

GiveNow.com.au

GiveNow is Australia's first and best giving platform, providing donations, ticketing and membership services for Australian not-for-profits.

FundingCentre.com.au

The Funding Centre is Australia's smartest grants database and fundraising capacity building website.

SmartyGrants.com.au

SmartyGrants delivers software, data science and grantmaking intelligence for funders.

SmartyFile.com.au

SmartyFile is a red tape-busting data-storage and data-sharing tool for not-for-profits and other grant applicants.

Institute of Grants Management

A hub for tools, research, innovation, and professional development for grantmakers.

Our Community International

Taking the Australian-born grantmaking revolution to the UK, Europe and beyond.