The Contribution of the Not-for-Profit Sector

Submission to the Productivity Commission

Dr. Rhonda Galbally, AO
CEO, Our Community
www.ourcommunity.com.au

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The Contribution of the Not-for-Profit Sector

The Productivity Commission has been asked to report to the government on the contributions of the not-for-profit sector, focusing on

* improving the measurement of the sector's contributions, and

* removing obstacles to maximising its contributions to society.

Our Community's submission to the Commission covers the following issues.

The Not-for-Profit Sector

It is assumed that the Commission is aware of the size, reach, and economic significance of the not-for-profit community sector and these issues will not thus be addressed in depth in this submission[1].

Before addressing the individual headings of the Commission's inquiry, however, there are some additional points that will be made about the composition of the sector.

It is noted that the Commission 'has been asked to adopt a broad definition of the not for profit sector to encompass most types of not-for-profit organisations'. While such a broad ambit is obviously necessary in the light of the immense variability displayed by the sector, it is recommended that the Commission take into account the value of differentiating between the contributions made by different models of not-for-profit groups and the different problems these models present.

Size

The Commission should not underestimate the significance of the differences in size and resources between Australian groups. The vast majority (85%) of not-for-profit organisations are locally focused groups that employ no staff, while others – universities, large charities, religious, arts, sporting, and hospital groups – reach the size of big business.

Function

Size is closely aligned with another; not-for-profit organisations engaged (either independently or as agents of government) in service delivery for various populations in need, as opposed to those groups where the emphasis is on the participation of the members.

Service Delivery organisations – professional services provided by salaried staff to individuals, some of whom are disadvantaged (although of course many art galleries, museums, and spectator sports also operate on such a model). Provision of services is individualized, rather than dealing with communities, and clients and audiences are

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[1] It might be noted, however, that the sector has disproportionately little weight at the level of government decisionmaking compared to smaller but better organised groups such as mining or agriculture.

expected to pass through the system without greatly influencing either the service or the individual beyond the particular need being serviced.

*Membership-focused not-for-profit organisations - t*hese are not-for-profit organisations where people join up as members, usually paying a membership fee. They might play a game, sing in a choir, learn, worship, or plant trees - established by community impetus in towns and communities struggling to reinvent themselves and develop a new raison d'être for their existence. These work for economic and social renewal and survival, and are participative and goal focused.

*Participative not-for-profit organisations - *not-for-profit organisations offering participative opportunities – neighbourhood houses, community halls, landcare, community broadcasting, sports, CWA, faith and spiritual, learning, arts and culture - covering every issue, interest and need. Members are seen as one of the group, not as an individual receiving a service or a benefit.

The importance of distinguishing between participative organisations and professional service organisations is highlighted by the very significant research findings linking not-for-profit participation to health and welfare issues.

The Contribution of the Not-for-Profit Sector

The contribution of the sector to Australia's economy obviously includes its role as employer and as producer of goods and services (its outputs must also include the contribution to the economy made by its recruitment of most Australians as volunteers[2]). There are, however, other benefits to Australian society arising from not-for-profit community group activities that are more general and harder to quantify, and these have to date been largely overlooked in government policies in relation to the sector.

Participation and Wellbeing

International social epidemiological research into health and wellbeing increasingly stress social factors such as isolation and lack of control over traditional health promotion factors such as obesity and lack of activity. Professor Michael Marmot's longitudinal study of 25,000 British civil servants, for example, found that heart disease is linked less with risk behaviours (smoking, food, exercise) than with lack of a sense of control[3]. Marmot's research shows that at every level down from the top, the all-causes death rate increases in tandem with perceived lack of control in the workplace, the risk doubling between the top level and the second level and increasing by a factor of five at the bottom level of the workplace hierarchy.

There are a number of direct health benefits arising from social participation. As Berkman and Kawachi[4] have found, "Over the last 20 years 13 large prospective cohort

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[2] ABS, 2000, Volunteering Australia

[3] Marmot MG et al. Contribution of job control and other risk rehabilitation factors to social variations in coronary heart disease incidence. Lancet, 1997, 350:235–239

[4] Kawachi I & Berkmann L, 2000, "Social cohesion, social capital and health", in Berkmann, L. and Kawachi, I. (eds.), Social Epidemiology, New York, OUP

studies across a number of countries from the United States to Scandinavian countries to Japan have been conducted that show that people who are isolated or disconnected from others are at increased risk of dying prematurely … the relative risks associated with social isolation were not centred in one cause of death; rather those who lacked social ties were at increased risk of dying from ischemic heart disease, cerebrovascular and circulatory disease, cancer, and from other causes in a final category that included respiratory, gastrointestinal, and all other causes of death." Furthermore, the health benefits of social participation can also extend to better health promoting behaviours such as not smoking, healthy eating and regular exercise where these are the norms within a community.

While the benefits of community participation are difficult to measure directly, they are profound. Well-run not-for-profit community groups provide participants with a valued social role and a meaningful occupation: people joining up and joining in, shoulder to shoulder with others in their community, develop capacity and resilience both individually and as a community. This influence is clearly shown in a range of epidemiological studies[5].

The evidence shows, in fact, that "Controlling for your blood chemistry, age, gender, whether or not you jog, and for all other risk factors, your chances of dying over the course of the next year are cut in half by joining one group, and cut to a quarter by joining two groups."[6]

These advantages are not accounted for by current project-focused modes of outcome evaluation. Furthermore, these socially-produced vulnerabilities are grouped in lower socio-economic sectors, in disadvantaged groups, and in localities[7] under stress.

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[5] Cohen S, Doyle WJ, Skoner DP, et al., 1997, Social ties and susceptibility to the common cold. Journal of the American Medical Association, 277(24):1940-1944.

Eng PM, Rimm EB, Fitzmaurice G, Kawachi I, 2002, Social ties and change in social ties in relation to subsequent total and cause-specific mortality and coronary heart disease incidence in men, Am J Epidemiol. 155(8):700-9.

Mattsson B & Mattsson M, 1988, To sing in a choir and be healthy--which are the mediating mechanisms? Scand J Soc Med. 26(3):238

Piliavin JA & Siegl E, 2007, Health benefits of volunteering in the Wisconsin longitudinal study, J Health Soc Behav. 48(4):450-64
Rodriguez-Laso A, Zunzunegui MV, Otero A, 2007, The effect of social relationships on survival in elderly residents of a Southern European community: a cohort study, BMC Geriatr. 1;7:19

Seeman TE, 1996, Social ties and health: the benefits of social integration, Ann Epidemiol. 6(5):442-51

[6] Putnam, R., 2001, Social Capital Measurement and Consequences, Canadian Journal of Policy Research , 2(1):41-51

[7] Berkman LF, Syme SL. Social networks, host resistance and mortality: a nine year follow-up of Alameda County residents. American Journal of Epidemiology, 1979, 109:186–204.

Syme, S. L., 2003, Social Determinants of Health: The community as an empowered partner, preventing chronic disease. 2004 January; 1(1): A02.

Disadvantaged Areas

Our Community's Community Audit project, researched by David Wain[8], shows that one way of measuring the strength of not-for-profit infrastructure in different communities is by:

- The number of not-for-profit organisations per population

- The comprehensive spread of groups (is there a group for every person's interest, issue, and need? Are there, for example, groups for every lifespan group, from youth onward?)

- The strength of the groups (are the groups viable and well run, using modern business skills, and marketing, with strong governance?)

The strongest indicator for community cohesion is the density (numbers) and strength of community infrastructure.

Unfortunately, research shows that the more disadvantaged the area, the less likely there will be strong community infrastructure[9], reinforcing entrenched patterns of disadvantage[10]. Wain found that the number of not-for-profit organisations, and the participation rates in not-for-profit organisations, were lowest in disadvantaged metropolitan areas with high rates of people born overseas (the methodology in the Wain study provides a model for assessment of the quantity and quality of not-for-profit group formation and organisation across different localities).

This imbalance compounds the problems of disadvantaged areas; in that strong participative not-for-profit community infrastructure is necessary not only for the health and wellbeing of individual community members, but also to attract necessary human services, businesses and regional economic development. Not-for-profit group capacity is a vital contributor to social cohesion, social trust, and community cooperation[11].

It is also true that bringing about change in disadvantaged communities has been shown to depend crucially on the involvement of the communities themselves in the process via participative not-for-profit community groups. Top-down reform leaves fundamental issues of power and potential unaddressed and underdeveloped[12] and leaves communities unable to respond to fresh challenges.

Wilson N, Syme SL, Boyce WT, Battistich VA, Selvin S. 2005, Adolescent alcohol, tobacco, and marijuana use: the influence of neighborhood disorder and hope, Am J Health Promot. 20(1):11-9.

[8] Wain, D., 2008, Community Group Audit Project: Final report, Our Community, Melbourne

[9] Wilkinson, R.G., Pickett, K.E. (2006) Income inequality and population health: a review and explanation of the evidence. Soc Sci Med 62: 1768-1784.

[10] Vinson T (2007) Dropping off the Edge,: the distribution of disadvantage in Australia, Jesuit Social Services and Catholic Social Services Australia. Sydney
[11] Kawachi & Berkman, 2003, op. cit.

[12] The William and Flora Hewlett Foundation
Hard Lessons about Philanthropy & Community Change from the Neighborhood Improvement Initiative

It is at this point that the not-for-profit role in ensuring participation must be taken into account in project evaluation as an outcome that is valuable in its own right, and it is at this point where the differences emerge between the modes previously identified.

Examining wellbeing in the light of the classification structure suggested earlier, it is clear that different not-for-profit group models have different effects. Each of these models needs to be separately assessed for its contribution to improved health and wellbeing in the community through such undercounted indices as an increased sense of control, a stronger feeling of belonging, and greater hope.

Service Delivery organisations

Larger service organisations with large numbers of paid staff operate in many ways like business or the public sector, minimising community input except in limited areas (fundraising, and occasionally governance) with limited impact in building community capacity. While providing valuable and important services, they do not, in the main, contribute to community participation; the nature of these enterprises dictate that clients will be primarily objects (often of charity), compared with participative groups where people are autonomous subjects taking action on their own behalf. Because service delivery not-for-profits do not generally promote participation by disadvantaged people, there is little health gain from the nature of the interaction, although there may be significant health and wellbeing gains from the provision of the actual service - depending on quality, timeliness, and intensity of the service delivery modalities.

Participative organisations – a thousand flowers should bloom

These not-for-profit organisations add value to the community through the value they provide to participants and through their effects on health[13] and wellbeing. They maximise sustainable and transferable capacity building in community[14] and citizenship structures. The capacity building process in this context has a high health and well-being value.[15] They engage citizens as autonomous actors, strengthening their social resilience and building their reformist skills.

Different approaches should thus be applicable to these different aspects of the not-for-profit universe. For example, it should be possible to increase the efficiency and effectiveness of larger entities by well-directed rationalisation, co-location, or increased central direction, putting the client's convenience at the centre of the organisation's goals, and the government should encourage such collaboration. With

(www.hewlett.org/Publications/NII)

[13] Mattsson B, Mattsson M. To sing in a choir and be healthy--which are the mediating mechanisms? Scand J Soc Med. 1998 Sep;26(3):238

[14] Kawachi I et al. A prospective study of social networks in relation to total mortality and cardiovascular disease in men in the USA. Journal of Epidemiology and Community Health, 1996, 50(3):245–251.

Kawachi I, Berkman L, eds. Neighbourhoods and health. Oxford, Oxford University Press, 2003.

[15] Greenfield EA, Marks NF. 2004, Formal volunteering as a protective factor for older adults' psychological well-being. J Gerontol B Psychol Sci Soc Sci. 2004 Sep;59(5):S258-64.

small participative groups, however, such instruments of rationalisation would be counterproductive, in that they reduce the degree of involvement of not-for-profit members. Here the appropriate principle should be "Let a hundred flowers bloom, let a thousand schools of thought contend" – to encourage citizens to establish vigorous participative groups to engage fully with any and every topic that concerns them.

Action taken to strengthen participative groups in disadvantaged areas has a correspondingly significant effect on community cohesion at a smaller cost to government than alternative strategies.

Strengthening Participative Not-for-Profit Community Groups

Not-for-profit community organisations at their best allow people to be in a group that works better than most families or workplaces. Shoulder to shoulder community group members develop, design, advocate, play, learn, fight fires, fight for rights, play games, paint community halls, look after the foreshore, plant trees, sing, put on theatre, celebrate, worship, support each other and provide services.

At their worst, however, community groups are inward, exclusive, elitist, hierarchical, and clogged up with the same old faces. They can be racist, sexist, ageist, intolerant of disability, or homophobic, and can exclude new blood and new visions. These groups do not support the development of social capital, nor do they promote wellbeing.

Challenges

Our Community has developed, through the Communities in Control conference, the Communities in Control Manifesto. This sets out the major challenges facing the sector.

Challenge 1. Research
Australia needs a well-funded socio-epidemiological capacity to generate good-quality large-cohort data at the local level (and this research must involve research subjects in decisions about its use).

Challenge 2. Assessment and Evaluation
Community groups should be assessed on their own and their aggregated contribution to participants, consumers, the sector, and society rather than on narrow input-output criteria.

Challenge 3. Participation
Community groups should be supported to reach out to new populations to expand, revive and refresh and diversify their membership.

Challenge 4. Governance and Learning
Community Group Boards need to regularly overhaul themselves to balance safety with dynamism. To maintain their relevance and legitimacy and learning, Boards should reflect the diversity of their communities, consumers, and society.

Challenge 5. Infrastructure and organisational capacity building

More concrete support is needed for community groups to make the most effective use of limited staff numbers and physical resources and to build their infrastructure capacity - skills, management, systems, equipment, training and shared resources.

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More concrete support is needed for community groups to make the most effective use of limited staff numbers and physical resources and to build their infrastructure capacity - skills, management, systems, equipment, training and shared resources.

Challenge 6. Funding
Tax law, Australian giving culture, and government priorities and systems must change to encourage us as individuals, as a government, and as a society to fund community groups adequately.

Challenge 7. Technology
Community groups need to be supported to adopt new technologies in administration, advocacy, networking, learning strategy transfer and social support.

Challenge 8. Cooperation & collaboration
Greater sharing of policies, procedures and strategies between community groups should be facilitated. Larger organisations should respect, value and support small groups in delivering programs within a locally designed and locally relevant framework.

Challenge 9. Business-community partnerships
Partnerships between businesses and community groups should be facilitated to provide improved access to finances, knowledge and skills and a commitment to work together towards a commitment to social responsibility and a healthy and viable society.

Challenge 10. Leadership and advocacy
Leaders should be supported and celebrated to advocate for social change, take risks, defend unpopular positions, and pioneer new approaches. More people from a wider range of backgrounds must be included in courses and mentored for leadership roles.

Support to Improve the Participation and Diversity of Not-For-Profit Organisations

The means exist to enable not-for-profit groups to meet these challenges. Extensive resources are currently available that can educate under-performing groups in the practices that would allow the development of greatest operational, organisational, and governance capacity. What Australia lacks is any incentives to bring the worst groups up to the standard of the best.

Government funding and government grant-making for not-for-profit groups should carry obligations on the grantee to reach desired levels of participation and diversity,

which should also be reflected in high standards of operational and governance excellence. The government should also consider as a health issue whether its financial transfers to the services sector should be accompanied by obligations on those organisations to ensure that their clients are able to engage in participative not-for-profit groups.

For example, the largest and most comprehensive Australian directory of participative community groups is now available online as part of the Our Community Join in Join Up centre, as is a resource focusing on the inclusion of disadvantaged people in community groups. Both could be utilised for this purpose. This Join in Join up centre provides (free) many help-sheets to assist in ensuring that community groups become inclusive.

In a new addition to service practice, service delivery agencies might not only dispense their specific service offering but also assist disadvantaged people to join community groups (and, where necessary, assist community groups to include them).

Such moves would need to be accompanied by financial support for capacity building especially focusing on how to include disadvantaged people in community participation.

The Role of Our Community in the Not-for-Profit Sector

Our Community has a considerable background of experience in the issues confronting the not-for-profit sector. Our Community, established in 2000, provides resources, training, advice, and support to Australia's 700,000 community groups and schools, as well as practical linkages between the community sector and the general public, business and government.

Our Community has developed Australia's largest free information source for community groups with its expanding subscriber base of 55,000 not-for-profit sector organisations across Australia. It directly assists community organisations to operate and to govern themselves more effectively and efficiently and, in doing so, to become more viable and more sustainable. Our Community researches continually into their needs, characteristics, problems, and issues, and is thus in close touch with the culture and structures of the sector.

Our Community has specifically identified the following operational, organisational and governance weaknesses hindering the not-for-profit community sector from achieving its full potential, and has provided services to remedy these weaknesses, as follows:

Improving Not-for-Profit Organisational, Operational and Governance Practice

MANY NOT-FOR-PROFIT COMMUNITY GROUPS ARE WEAK IN OPERATIONAL AND ORGANISATIONAL EXPERTISE AND LACKING IN KNOWLEDGE OF WHERE AND HOW TO ACCESS HIGH QUALITY INFORMATION, ADVICE, AND SERVICES.

The free and low-cost resources provided by Our Community cover every aspect of operating and organising a community group and are located on its award winning website as Centres of Excellence, covering:

(1) The Community Funding Centre
provides services, newsletters, books, training, and free help sheets to help
not-for-profit groups improve their fundraising abilities and become healthier
and more viable.

- Free online donations service

- Helpsheets

- Newsletters
Easy Grants is the only completely comprehensive database of
philanthropic, corporate, and federal, state and local government grants in
Australia. It is updated daily, and an 80-page newsletter of indexed,
linked, and fully described grants is circulated monthly.

- Books

(2) The Community Financial Centre
assists not-for-profit groups improve their financial management by providing
help with financial literacy and access to better and more cost-effective
banking services.

- Treasurer's Guide

- Help-sheets

- Banking solutions

(3) The Community Jobs Centre
Assists not-for-profit community groups to find high quality human resources
and to upgrade their HR practices.

(4) The Marketing, Media and Post Centre
providing not-for-profit groups with the resources and tools to develop and
spread their message to the wider community, and to build greater public
awareness and support.

- Letterwriting Guide

- Help-sheets

- Photo bank

- Layout bank

- Media contacts listing

(5) The Boards, Committees, and Governance Centre
helping not-for-profit groups and their board/committee members to build a
better board, be a better board member, and find or advertise board
positions.

- Books

- Help-sheets

- Governance Code

- Policy Bank
  a range of free policies and procedures relevant to not-for-profit Boards and Committees and the organisations they govern.

- Consultants register

(6) The Community Insurance & Risk Management Centre
helping Australian not-for-profit groups to get practical information, support and resources on risk management and to buy affordable insurance.

- Insurance guide

- Help-sheets

- Risk management checklists

(7) The Community Marketplace
providing Australian not-for-profit groups with access to products and services that have been tailored to meet their unique needs.

(8) The Community Leadership Centre
helping community leaders, potential community leaders and community groups to develop the skills they need to provide true not-or-profit leadership.

- Leadership course directory

- Help-sheets

- Leadership interviews

(9) The Community Advocacy Centre
assists in equipping and educating individuals and groups who wish to challenge the status quo and bring about change in our society.

- Advocacy tools

- Help-sheets

- Media contacts

- Political representatives

(10) The Community Technology Centre
helping not-for-profit groups to understand technology better, use it more effectively, and find out where to get what they need.

Improving Governance for Not-For-Profit Organisations

MANY NOT-FOR-PROFIT COMMUNITY GROUPS LACK DEPTH AND CONFIDENCE AT THE LEVEL OF POLICY MANAGEMENT, HAVE DYSFUNCTIONAL APPROACHES TO GOVERNANCE, AND LACK NETWORKS FOR THE DISSEMINATION AND DFFUSION OF GOOD PRACTICE

Our Community administers a number of other institutions serving the not-for-profit community sector at the governance and policy level.

(1) The [Australian Institute of Community Practice and Governance (AICPG)](#) provides Australia-wide accredited training, half-day workshops and conferences designed specifically for the staff, volunteers, board/committee members, and supporters of Australian not-for-profit organisations.

- [Help-sheets](#)

- [Training](#)

- The Code of Governance
  http://www.ourcommunity.com.au/files/governancecode.pdf

At the completion of training participants become fellows of the AIPCG and can attend refresher courses and become part of a not-for-profit governance network.

Improving Corporate Responsibility and Promoting Business-Community Partnerships

(2) The [Australian Institute for Corporate Responsibility](#) (AICR) provides corporate responsibility resources for large, medium and small business and community organisations. The AICR provides Australian companies with access to the practical knowledge needed to manage, implement, sustain and measure high-quality community engagement and corporate responsibility programs.

- [Newsletter](#)
  practical, easy-to-read publication designed specifically for the Australian business scene, with an eye to best practices and cutting-edge corporate responsibility thought leadership from this country and abroad.

- [Help-sheets](#)

- [Corporate responsibility index](#)

- [Matching service](#)

- [Corporate responsibility initiatives](#)

Improving Strategic Knowledge Transfer

(3) The [Centre for What Works](#)
  Australia's learning exchange, where not-for-profits can learn from others, save time and money, and help reduce duplication of effort. The Centre's four key knowledge banks take the hard-won knowledge of one organisation and share

it with many, allowing groups to extract the lessons of others or contribute their own - "None of us is as smart as all of us".

- **Lessons Bank**: Allows groups to find out what projects others have worked on - what worked, what didn't, and what could have been done differently - before they start a similar project/program.
- **Plans and Tools Bank**: Allows groups to download useful plans or handy tools (marketing plans, business plans, etc.) that will save you time and money when putting in place a new project/program.
- **Policy Bank**: Allows groups to find a range of template policies and procedures relevant to community organisations.
- **Linkages Bank**: Provides web links to **Our Community** information pages and other community resources from around Australia and across the world, bringing together the best knowledge and resources for community groups.

Encouraging Australians to Give to Not-For-profit Organisations

MANY NOT-FOR-PROFIT COMMUNITY GROUPS ARE TOO SMALL TO EASILY TAP THE GOODWILL AND ASSISTANCE OF THE AUSTRALIAN PUBLIC.

(4) The **GiveNow.com.au** website provides free online donation facilities available to any Australian not-for-profit, and represents an essential fundraising tool for all Australian not-for-profits.

- Online donation facilities

    o **Giving money**

    o Giving to **Emergency appeals**

    o Giving **shares**

    o Giving a **bequest**

    o **School** giving

    o Giving **blankets**

    o Giving **blood**

    o Giving **clothes and furniture**

    o Giving **land**

    o Giving **computers**

    o Giving **organs**

    o Giving **bicycles**

    o Giving **mobile phones**

    o Giving **corks**

- [Volunteering](#) service

- [Board matching service](#)

- [Giving Week](#)

Encouraging Australians to Join Community groups as participants

(5) The [Join in Join Up](#) program, supported by the [Pharmacy Guild](#), is designed to increase the participation in not-for-profit organisations of social groups at risk of social isolation.

- [Interactive groups directory](#)

- [Inclusivity tools](#)

- [Help-sheets](#)

[Our Community](#) is a self-sustaining social enterprise founded to build on firm and well-founded research on the importance of a vibrant and vital network of participative not-for-profit groups.

[Our Community](#) provides the one-stop portal for not-for-profit organisations seeking continuing improvement with governance, training, technology, fundraising, marketing, and administration. Our Community also provides an enormous range of thousands of [help-sheets](#), [newsletters, tools and manuals](#) on aspects of governance for Australian not-for-profits.

[Our Community](#)'s offerings provide the response to the capacity building needs of the not-for-profit sector.

Recommendations

Under the Commission's mandate to

> ** assess current and alternative measures of the contribution of the not for profit sector and how these can be used to better shape government policy and programs so as to optimise the sector's contribution to society*

[Our Community](#) recommends:

> *Challenge 1.* **Research**
>
> > ➤ *Australia needs a well-funded socio-epidemiological capacity to generate good-quality large-cohort data at the local level (and this research must involve research subjects in decisions about its use). Funding for this research must be provided by government.*
>
> *Challenge 2.* **Assessment and Evaluation**
>
> > ➤ *Community groups should be assessed on their own and their aggregated contribution to participants, consumers, the sector, and society rather than on narrow input-output criteria. Measures of the*

> *contribution of the not-for-profit sector must register not simply outputs and deliverables but also the wider social impacts of the process of working through community groups.*
> ➢ *The Government should increase spending on research in the not-for-profit sector.*
> ➢ *Funding-related assessment measures of the contribution of the not-for-profit sector should register not simply outputs and deliverables but also the wider social health and wellbeing impacts of the process of working through participative not-for-profit groups. Such social measures would also assess Social Return on Investment[16], including in that the effect of not-for-profit group participation on service clients, volunteers, members, and unpaid participants.*

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[16] new economics foundation (NEF), 2004, Social Return On Investment: Valuing what matters, Findings and recommendations from a pilot study,
http://www.neweconomics.org/gen/z_sys_publicationdetail.aspx?pid=180

Under the Commission's mandate to

> ** identify unnecessary impediments to the efficient and effective operation of not for profit organisations and measures to enhance their operation*

Our Community recommends:

Challenge 3. Participation

> ➤ *Community groups should be supported to reach out to new populations to expand, revive and refresh and diversify their membership. The contribution community group involvement makes to the development of productive citizenship among migrant communities should be recognised and supported*

Challenge 4. Governance and Learning

> ➤ *Community Group Boards need to regularly overhaul themselves to balance safety with dynamism. To maintain their relevance and legitimacy and learning, Boards should reflect the diversity of their communities, consumers, and society. The development of governance capacity in community groups should be adopted as a goal of government at all levels*

Challenge 5. Infrastructure and organisational capacity building

> ➤ *More concrete support is needed for community groups to make the most effective use of limited staff numbers and physical resources and to build their infrastructure capacity - skills, management, systems, equipment, training and shared resources. Government funding should be available for capacity development activities in community groups.*
>
> ➤ *Government grant-making should support programs that develop participation in not-for-profit organisations and, in particular, those programs that develop such participation among underserved and disadvantaged groups (and should measure success in this area as part of its assessment process) and in disadvantaged areas.*
>
> ➤ *Government grant-making should support programs that build the collective memory and judgment of the not-for-profit sector. At present the sector suffers particularly from a lack of any means of collecting and diffusing the wisdom of experience. Grantees should be encouraged to package the project learnings for use by other groups - if necessary by placing conditions on funding.*
>
> ➤ *For the same reason, the Government should consider funding an Australian equivalent to the American Social Innovation Fund to identify successful high-impact programs prime for further development and expansion and then use government dollars as a catalyst to raise sustainable financing from foundations and businesses*
>
> ➤ *The Government should provide financial and other support for not-*

for-profit groups to increase their diversity, providing, for example, capital assistance with accessibility measures to allow greater participation by members with physical disabilities.

➢ *The operation of not-for-profit organisations should be enhanced by:*

- ▪ *Reformed legislation on tax, registration, fundraising, and governance that is less complicated, less convoluted, more coherent, and more transparent.*

- ▪ *Relationships with Commonwealth, State, and Local government that are based on partnership - mutually understanding, appreciative, and helpful.*

Under the Commission's mandate to

> ** consider ways in which the delivery and outcomes from government funded services by not for profit organisations could be improved*

Our Community recommends:

Challenge 7. **Technology**

> ➢ *Community groups need to be supported to adopt new technologies in administration, advocacy, networking, learning strategy transfer and social support. The development of technological capacity in community groups should be adopted as a goal of government at all levels.*
> ➢ *The government should ensure support for not-for-profit social entrepreneurship technology enterprises such as Connecting Up Australia (CUA).*

Challenge 8. **Cooperation & collaboration**

> ➢ *Greater sharing of policies, procedures and strategies between community groups should be facilitated. Larger organisations should respect, value and support small groups in delivering programs within a locally designed and locally relevant framework.*
>
> ➢ *Improvement of outcomes from not-for-profit organisations should be measured not simply on outcomes-related indices but also on the organisation's success in building up capacity in governance, finance and risk management in not-for-profit organisations through capacity-building initiatives.*

Under the Commission's mandate to

examine recent changes in the relationships between government, business and not-for-profit organisations and whether there is scope to enhance these relationships so as to improve outcomes delivered by the not for profit sector

Our Community recommends:

Challenge 9. Government-Business-Community Partnerships

- ➢ *Partnerships between businesses and community groups should be facilitated to provide improved access to finances, knowledge and skills and a commitment to work together towards a commitment to social responsibility and a healthy and viable society.*

- ➢ *It is important that any action taken by the government to support the needs of the not-for-profit sector does not simply involve reproducing the support services already covered by existing non-governmental services. Indeed, the government should contemplate using the proven capacities of such bodies as a means of delivering on its capacity-building goals.*

Under the Commission's mandate to

* examine the impact of the taxation system on the ability of not for profit organisations to raise funds and the extent to which the tax treatment of the sector affects competitive neutrality.

Our Community recommends:

Challenge 6. **Funding**

➢ *Tax law, Australian giving culture, and government priorities and systems must change to encourage us as individuals, as a government, and as a society to fund community groups adequately. The development of funding networks for community groups should be adopted as a goal of government at all levels.*

➢ *The most pressing need in the taxation sector is for certainty and ease of use. It is simply ridiculous that the law in this area is still governed by the Statute of Elizabeth from 1604. Reform is imperative.*

➢ *Our Community supports and endorses the recommendations of the Inquiry into the Definition of Charities and Related Organisations.*

➢ *The Government should specifically fund greater citizen participation in not-for-profit sector activities.*

Challenge 10. **Leadership and advocacy**

➢ *Leaders should be supported and celebrated to advocate for social change, take risks, defend unpopular positions, and pioneer new approaches. More people from a wider range of backgrounds must be included in courses and mentored for leadership roles.*
Advocacy should be recognised in law as a legitimate activity for public benevolent institutions.