

SUBMISSION TO THE PRODUCTIVITY COMMISSION DRAFT RESEARCH REPORT ON THE CONTRIBUTION OF THE NOT-FOR-PROFIT SECTOR

Mission Australia welcomes the Productivity Commission's draft research report on the contribution of the not-for-profit sector and the opportunity to comment on the draft recommendations prior to finalisation of the report. We support in general the draft report and its recommendations as a timely analysis of the challenges facing the sector and a practical roadmap on ways to improve sector performance and contribution.

We welcome the report's recommendations with regard to:

- harmonisation of regulation across jurisdictions;
- a standard chart of accounts;
- government funding and tendering.

Mission Australia supports the principles articulated with regard to providing clarity on government funding obligations and, in particular, Draft Recommendation 11.1 that governments fully fund those services and activities that they would otherwise fund directly. We would also wish to see this principle extend to governments recognising and funding the administration costs incurred by providers in delivering such services.

While noting and supporting the Commission's arguments for a Registrar for Community and Charitable Purpose Organisations, Mission Australia's preferred position would be for these and other functions, including the proposed Centre for Community Service Effectiveness, be the responsibility of a Charities Commission at arms length from the Government. Mission Australia would also wish to see the appointment of a designated minister for the not-for-profit sector to drive reform.

Draft Recommendation 5.4

As an organisation that makes a significant investment in research and evaluation through its Research & Social Policy Unit and external partnerships, Mission Australia would support the establishment of a Centre for Community Service Effectiveness to provide a portal for evaluations, promote 'best practice' approaches to evaluation and 'meta' analyses of evaluation results. As noted above, such a Centre could sit within a Charities Commission but we would welcome the opportunity to work with government and other partners in establishing the framework for the scope of its work.

Draft Recommendation 7.4

Mission Australia would support further investigation of obstacles to not-for-profits raising capital and alternative sources of capital. Capital raising for social innovation projects, community service initiatives and housing projects is an ongoing challenge for Mission Australia and other smaller organisations taking programs to scale. We would welcome the opportunity of being involved in a cross-sector approach to identify new capital raising models and avenues.

Draft Recommendation 9.1

Mission Australia has long advocated the value of social innovation funds supported by business and government investment as a means to enable piloting and scaling programs that demonstrate effective responses to emerging social need. The need for business and government to investment in such funds and what funding models might be used were one of the recommendations of the 2008 Social Innovation Summit, a joint initiative of the Macquarie Group Foundation, Mission Australia, Social Ventures Australia and the Centre for Social Impact. We would therefore welcome government initiatives to facilitate and support emerging partnership models in support of social innovation.

Mission Australia would be pleased to discuss with the Commission any of the matters raised in this response or in our earlier submission and we look forward to the release of the final report.

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