



# Community Council for Australia

The Community Council for Australia is an independent, non-political, membership organisation dedicated to building flourishing communities by enhancing the extraordinary work undertaken by the charities and not-for-profit sector in Australia. CCA seeks to change the way governments, communities and not-for-profits relate to one another. CCA provides leadership to the sector by being a national voice and a facilitator for sector leaders to act on common and shared issues affecting the contribution, performance and viability of not-for-profit organisations in Australia. This includes:

- promoting the values of the sector and the need for reform
- influencing and shaping relevant policy agendas
- improving the way people invest in the sector
- measuring and reporting success in a way that clearly articulates value
- building collaboration and sector efficiency
- informing, educating, and assisting organisations in the sector to deal with change and build sustainable futures
- providing a catalyst and mechanism for the sector to work in partnership with government, business and the broader Australian community to achieve positive change.

Our success will drive a more sustainable and effective charities and not-for-profit sector in Australia making an increased contribution to the well-being and strength of all our communities.

A list of Members is provided as Attachment A.

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# Our Partners

Community Council for Australia thanks our partners for their support and involvement in the *Owning Our Future: Making Better Use of Our Assets CEO Forums, October – November 2014*

## PwC Australia



PwC Australia helps organisations and individuals create the value they're looking for. We're a member firm of network of firms in 157 countries with more than 184,000 people who are committed to delivering quality in assurance, advisory, tax and legal, and private clients services.

PwC is one of Australia's leading professional services firms, bringing the power of our global network of firms to help Australian businesses, not-for-profit organisations and governments assess their performance and improve the way they work.

## Community Sector Banking



Proudly Australia's specialist in not-for-profit banking; we remain passionate about social change and finding real community solutions. Not-for-profit organisations have unique needs not always met by traditional banking products, and goals not driven by the bottom line.

Community Sector Banking formed as a 50:50 joint venture between shareholders Bendigo Bank and the Community 21 consortium of not-for-profit organisations including Oxfam, Scope and Yfoundations. Bringing together the best of business and the not-for-profit sector.

## Equity Trustees



Equity Trustees was established in 1888 by a special Act of Victorian Parliament with the purpose of independently and impartially providing trustee and executor services and helping Australian families protect their wealth. In 2014, Equity Trustees acquired ANZ Trustees. As well as providing traditional trustee services, Equity Trustees offers a comprehensive range of products and services for personal and corporate clients aimed at protecting, managing and growing wealth.

## Social Ventures Australia



Social Ventures Australia works with innovative partners to invest in social change.

We help to create better education and employment outcomes for disadvantaged Australians by bringing the best of business to the social sector, and by working with partners to strategically invest capital and expertise. SVA Consulting shares evidence and knowledge to build social sector capacity, while SVA Impact Investing introduces new capital and innovative financial models to help solve entrenched problems. We are a non-profit organisation established in 2002 by The Benevolent Society, The Smith Family, WorkVentures and AMP Foundation.

## Origin Foundation



We are a philanthropic Foundation founded by Origin. Our focus, chosen by the people of Origin, is to support programs that use education, in its widest possible definition, as a pathway to a brighter future for individuals and their communities.

# Executive Summary

*Right now charities are being blown by winds of uncertainty into a storm of increasing demands, funding pressure, increasing competition and a fast-changing world coming to terms with digital and other disruptors.*

For over a decade the not-for-profit sector (NFP) has been surfing a wave of growth that outstrips any other industry group in the economy. Turnover in the NFP sector has risen by 40 per cent in the last six years to above \$107 billion, a growth that any industry sector would happily aspire to. Assets now top \$175 billion and the sector employs over one million Australians with a further five million involved as volunteers.

Despite these figures the sector has never felt poorer. It seems the sector has more income, but along with the additional income, the needs of our communities and the expectations of funders have risen. Many organisations now have less discretionary money in their budgets than before. Some charities and NFPs are locked into negative cash flow contracts with governments, that is, the real cost (including overheads etc.) of meeting the contract deliverables is not covered by the amount provided by government.

The wave of growth is beginning to break. Increases in government funding and philanthropy are stalling and there is a thick fog of uncertainty largely due to Federal Government policy and funding indecision. In the annual Pro Bono Survey of the sector and the PwC Confidence Survey more than one thousand respondents from across the sector expressed their concern about the future of the sector and their organisations.

While the future seems challenging, the sector is rich in assets. There is opportunity for leaders to make those assets work harder to better achieve their mission and resilience.

It was towards this end, that the Community Council for Australia (CCA) worked with expert partners PwC Australia, Community Sector Banking, Equity Trustees, Social Ventures Australia and Origin Foundation to bring sector leaders together with experts to work through the barriers and opportunities to unlock the potential of sector assets, both at an individual organisational level and at a broader policy level.

The findings of the national round of CEO forums in the *Owning Our Future Forums Series 1: Better Using Our Assets* (OOFF1) suggest that there is great potential to improve both effectiveness and efficiency within the NFP sector by better leveraging assets. However, there are barriers that need to be addressed within organisations, across the sector and in broader policy settings.

The most important point to make, is that all future planning needs to be guided by the one true compass for NFP organisations, the mission or purpose.

Some organisations appear to have become almost entirely focused on rowing and bailing the boat – busily running and rescuing programs, fundraising for ongoing activity - without always taking a bearing on where they are on the journey towards achieving their purpose or how they might get there using the assets they have. The forums highlighted the need to put the organisation’s future firmly in the CEO’s in-tray and on the Board’s agenda; to be clear and focused on purpose; and, to have a vision for two, five, ten years hence. The plan to get there should include performance measures that indicate how well you are achieving the organisation’s purpose.

It was also noted that there is more than one way to make progress on mission. Some OOFF1 participants talked positively of their investment within the sector, investing in other NFPs that could contribute to better achieving their purpose. Investment driven by purpose is a good way to leverage assets.

It was clear from experiences related at the forums that the true nature of risk and risk management is not always fully understood within NFPs. Some OOFF1 participants pointed to a custodial sense of responsibility and a real fear of any potential loss inhibiting their Board’s decision-making. Conversely, it was highlighted that sometimes the risk of not doing anything, or simply continuing what has always been done can be much greater than trying a more innovative strategy. Risk itself is not positive or negative – the real question for organisations is how well they can manage the risk. It was agreed that well-managed risk sees organisations applying their expertise to realise opportunities, to innovate and to succeed.

Participants agreed that ‘asset’ needs to be thought of in broad terms, encompassing tangible and intangible assets to realise the real value within an organisation. A NFP organisation’s reach and connection to community, brand, intellectual property and, expertise were all identified as potentially valuable assets that could be leveraged toward achieving an organisation’s purpose.

Collaboration can improve purchasing-power or the ability to attract capital. It also provides an opportunity for the sector to muster its economic and social power to drive its own agenda. Examples include two of the partners for the series, Community Sector Banking (a partnership between Bendigo Bank and Community21 – a consortium of 20 NFPs) and Social Ventures Australia.

Mergers, collaboration, commercialisation and the growing areas of social enterprise and social impact investing all present opportunities to better leverage assets to achieve purpose. But they take time and are not a quick fix. Capacity limitations and the absence of infrastructure (such as brokerage intermediaries) were identified as barriers that need to be addressed.





# Key messages and recommendations

This report summarises recommendations drawn from discussion at eight CEO Forums for NFP leaders on the subject of Better Using Our Assets, the first national round of forums in the CCA series of *Owning Our Future Forums* (OOFF1).

It also draws on CCA's broader policy development work and previous submissions on related topics to provide recommendations for Government.

It is important to note that these recommendations may not reflect the views of all individuals or organisations involved in discussion, nor are they intended to be definitive.

## Key messages and recommendations for not-for-profit organisations:

### 1. Purpose

In all the charities and not-for profits (NFPs) participating in the OOFF1, the purpose of the organisation or its mission was clearly the reason they existed. At times, however, some organisations appear to become almost entirely focused on running their programs or raising the income they need to engage in their ongoing activities without always reflecting on how best they might seek to achieve their purpose with the assets they have.

*Achieving the purpose should be the primary focus of the organisation*

### 2. Measures

If the purpose of the organisation is the reason for existence, then the question of how best to achieve the purpose needs to be on the table as a key reference point for organisational decision-making. Measures are required to inform this discussion, whether they are fully developed and implemented research studies or approximate proxy measures of success. Some OOFF1 participants struggled to identify what success would look like for them in five years, particularly if they were asked to identify a measure. This makes it very difficult to work out how best to use assets. The danger here is that without measures of success, we may be rewarding failure.

*All organisations need to develop appropriate measures and reports about their success*

### 3. Time scale of planning and operation

Amongst some of the OOFF1 participants, short-term thinking can limit the potential of organisations. All leaders of NFPs organisations need to ensure planning for the medium and longer term future of their organisation is a task to be seriously attended to on at least a weekly basis. What should success look like in 2, 5 or 10 plus years? Are we as the decision-makers for today providing the foundation for the decision-makers of tomorrow?

*Put the future of your organisation in your in-tray*

#### **4. Nature of assets (tangible / intangible)**

While many NFPs understand their liquid financial assets, the true value of their intellectual property, relationships, data sets, skills, brand and standing in the community is not always well understood. The real value within NFPs is not always defined and opportunities to commercialise are not often considered.

*Regularly review the tangible and intangible assets of your organisation*

#### **5. Risk (better understanding / management)**

The true nature of risk and risk management is not always fully understood within NFPs or by funders. Sometimes the risk of not doing anything, or simply continuing what has always been done can be much greater than trying a more innovative strategy. Risk is not negative or positive. Risk is necessary to take opportunities, to innovate, to succeed. Avoidance of risk is a recipe for failure.

*All NFPs should seek to understand risk and opportunity as it relates to their organisation*

#### **6. Investing – cash is king**

The issue of how to identify and make investments relevant to an organisation's size was discussed in each OOFF1. It is important to note that holding passive assets such as a property does not always allow organisations to make investments. It is preferable to have a solid record of cash flow above core costs, but failing this, creating a specific cash flow for investment loans may be an option for some organisations. Passive assets alone will not make an investment strategy, there needs to be some form of business case around the investment.

*All investment should be informed by a sound business case*

#### **7. Demonstrating value and diversifying income streams**

An organisation's ability to leverage assets is usually determined by its cash flow and appropriate risk management. This in turn is often underpinned by the nature of contractual arrangements for services. There is significant short-termism in many of the income streams that drive NFPs. If an organisation cannot consistently articulate value it is vulnerable. An ability to demonstrate value and to diversify income streams is important.

*Communicate value and diversify income streams to address funding vulnerability*

## 8. Mergers and collaboration

Some of the participants in the OOFF1 identified the need to find efficiencies in an already very tight budget and were openly considering a back office merger or form of collaboration with similar organisations. There are a number of critical considerations in considering leveraging assets through mergers and collaboration that have to be worked through over a period of time based on sound relationships. Simply being bigger may not be better, but sometimes scale can drive efficiencies. A merger is just one governance model that might be a good option to improve efficiency and ability to achieve purpose. Organisations should challenge their governance and business model to ensure it remains fit for purpose.

*Mergers and collaboration may help leverage assets and better achieve purpose, but they are not a quick fix solution. Governance models should be challenged to ensure the best fit for purpose*

## 9. Impact investment / social entrepreneurship

Higher risk activities including investing in businesses and entrepreneurship has worked for some participants in the OOFF1, but not without a lot of work around establishing the business case as well as building the required expertise. Most successful investments are based on a very strong understanding of the market where the investment is to be made. Like other areas discussed in this report, this form of investment is not a quick fix solution to a looming funding shortfall.

*Impact investment and social entrepreneurship require time, effort and expertise to make a positive return*

## 10. Sometimes the best investment we make is in other NFPs

Some OOFF1 participants talked positively of investment in other NFPs that could contribute to better achieving their purpose. Investment driven by purpose is a good way to leverage assets, and some NFPs will achieve more success if they invest elsewhere rather than trying to offer services themselves.

*Investing in other NFPs can be an asset leveraging strategy that contributes to mission*

## 11. Role of Board

The Board has a critical role in ensuring the organisation does all it can to fulfill its purpose. This includes supporting risk taking in areas that may deliver better outcomes in measures related to organisational success. To this end, the Board need to do more than provide stewardship of existing assets. Several participants in the OOFF1 talked about the struggle of having a Board that was adverse to change or innovation, and had a

very negative view of any risk associated with generating new income streams or investments. For these organisations, the Boards had become an impediment to leveraging assets and better fulfilling their purpose.

*All Boards should have an investment policy and strategy informed by the need to better fulfill the organisational purpose*

## 12. Role of CEO

As with the role of the Board, the role of the CEO is critical in ensuring organisations do not have lazy balance sheets where assets remain passive rather than serving the purpose of the organisation. Sometimes this will require the provision of external assessments and advice for the CEO and the Board. Ideally the CEO will be a leader that encourages everyone in the organisations to regularly reflect on how things could be done better, how existing assets (financial and otherwise) might be best leveraged and how new investments might be created.

*All CEOs should recognise their responsibility to leverage whatever assets the organisations has to better fulfill the organisational purpose*

## 13. Role of intermediaries (facilitators of change)

The need for independent and skilled intermediaries was raised at each of the OOFF1. Many felt they would be able to much better leverage their assets if they had access to someone independent who could assist in: developing an investment strategy, creating a business model, helping identify assets, facilitating initial business planning, facilitating initial merger discussions, liaison with financial institutions, etc. In the business world, these types of intermediaries operate very effectively and generate income through providing savings to their clients. Such intermediaries are much less common in the NFP sector mainly because it is hard to generate an effective business model for their services. Helping a business make more money generates income. Helping a NFP better serve their purpose and their community does not often generate new income.

*There is a role for intermediaries to assist NFPs in better using their assets*

## 14. Owning the future

The sector is economically and socially significant. To turn significance into influence and success, leaders in the sector need to look long term and consider opportunities that build the sustainability of the sector, not just individual businesses.

*The sector needs to invest in itself to create the future that it wants*

# Key messages and recommendations for Government

*ABS statistics and the discussions from this round of national CEO forums indicate that the sector is rich in assets that can be leveraged to achieve social benefit, but there are barriers to the use of those assets that government could address both in policy and in the way it manages funding contracts.*

## 1. Uncertainty

Uncertainty, in a large part due to the current government funding and regulatory environment, is making it difficult for NFPs to manage resources and plan for the future. Sector wide surveys and the experience of OOFF1 participants point to a lack of confidence within NFPs about their ability to meet increasing demands in the current operating environment. This makes investment in their future problematic. Leaders want to work as partners with government to develop solutions, but government also needs to listen to the needs of the sector.

*Work with the sector to address national issues affecting its operating environment, particularly short-termism in government funding relationships and processes.*

## 2. Regulation

Regulatory certainty and regulation that works for the sector is fundamental to improving performance. The Australian Charities and Not-for-profits Commission (ACNC) is widely recognised as a world-leading approach to regulation developed with the sector. Its performance in providing transparency and a one-stop-information-shop to underwrite public confidence and support sector wide research, its action on complaints, and its work to reduce red tape through the development of a charity's passport is highly valued by the sector. The ACNC has won the confidence and support of the majority of the sector and should be retained.

*Drive red tape reduction and provide regulatory certainty through a solution that has the confidence and support of the sector by retaining and developing the ACNC.*

## 3. Red tape and micro-management (government contracts)

OOFF1 participants pointed to red tape and micro-management in government tender and contracting processes as inhibiting both efficiency and effectiveness. Gains could be made by working with the sector to streamline government's ability to match NFP expertise and capacity to deliver with intended program outcomes. Contract management also needs to shift from an emphasis on compliance, inputs and outputs to a focus on performance, quality and effective risk management working in partnership with NFPs.

*Improve social return on investment by working with the sector to improve tendering and contracting processes.*

#### **4. Infrastructure to support better access to capital and investment in the sector**

Discussion in the OOFF1 forums pointed to a lack of structural support for better access to capital and improving the investment readiness within the sector. International experience suggests there is a critical role for government in this area. There is also great scope to support groups such as Impact Investing Australia in attracting new capital into the charities and NFP sector.

*Establish a Social Finance Taskforce (as recommended by the Senate Economics References Committee) to identify and promote better access to capital for NFPs, and support the work of Impact Investing Australia.*

#### **5. A forward plan for the sector**

The sector has a critical role to play within the economy and society. It is almost inconceivable that a sector employing over a million Australians has no future planning or industry goals. A forward plan would help ensure its sustainability and maximise its contribution by guiding government policy and providing agreed targets and direction for the sector. Developing a strategy WITH the sector is critical to ensure its sustainability, performance and contribution to the economy and society.

*Support the development of a Future Blueprint with the NFP sector.*

# Introduction

*According to Australian Bureau of Statistics data released in July 2014, the 58,000 active NFPs in Australia employ over one million people, turn over more than \$107 billion, have \$175 billion in assets and contribute around 4 per cent to GDP. The sector has grown 40 per cent in six years, outperforming most industry sectors.*

The forward outlook, however, is one of low confidence and uncertainty according to the Pro Bono [State of the Not for Profit Sector Survey, September 2014](#), with more than half of the 1200 respondents expecting sector performance will deteriorate over the next 12 months. Respondents pointed to negative impacts from Federal Government funding (65 per cent), Federal Government policy and regulations (60 per cent) and State Government policy and regulation (49 per cent). The third [PwC – CSI Community Index](#) released in October 2014 indicated that confidence across the sector is negative, with charities concerned about their ability to deliver services to meet the level of need.

ABS data indicates that the sector is currently largely reliant on government funding (approximately 30 per cent); fundraising and philanthropy (approximately 30 per cent) and fee-for-service (approximately 30 per cent). Growth in government funding has driven growth in the sector. This growth in funding is now stalling, yet demand for services is increasing. Giving was increasing at 5 per cent per annum prior to the GFC, when it plunged by 10 per cent. It is yet to recover. Consequently the cost of achieving a return through fundraising has risen.

Competition from within the sector and from private enterprise is increasing. Moves away from program funding for service delivery to post-paid (driven by consumer choice) are challenging existing business models that are overly reliant on government funding. As is the pay-for-performance and dividend models we see emerging through new funding streams such as social benefit bonds.

Three things seem clear.

- 1.** Charities and NFPs need to diversify funding streams to achieve a resilient capacity to work for mission.
- 2.** The sector is rich in assets financial and otherwise that can be leveraged toward purpose, but this is not happening to the extent that it could be.
- 3.** Some of the drivers and infrastructure that do not allow capital assets to sit passively on 'lazy balance sheets' in the commercial world, are missing in the NFP sector.

*Growth in funding is now stalling, yet demand for services is increasing.*

# Objectives and methodology

*The core objective of the Owing Our Future series is to enable the sector to drive its own future rather than be reactive to the agendas of others. It aims to shift the focus of leaders in Australian charities and NFPs beyond short-term activities and reacting to the shifting agendas of governments, to a focus that is informed by longer term planning and investment in improving performance and achievement of purpose.*

Access to capital is a key issue identified by sector leaders in previous work undertaken by CCA and PwC Australia. The objectives of the Making Better Use of Our Assets national series of CEO forums are:

- Facilitate a practical exchange of experience, knowledge and expertise on the barriers, opportunities and ways forward to enable NFP leaders to better unlock the potential of their assets to achieve purpose.
- Inform national advocacy and policy development on issues related to access to capital that affect the performance and sustainability of the sector.

CCA worked with expert partners PwC Australia, Community Sector Banking, Equity Trustees, Social Ventures Australia and Origin Foundation to roll out a series of eight forums bringing sector leaders together with experts to work through the barriers and opportunities to unlock the potential of sector assets, both at an individual organisational level and at a broader policy level.

CEO forums were conducted around Australia in October and November 2014 in Canberra, Adelaide, Brisbane, Melbourne, Perth and Sydney. More than 100 attendees (predominantly NFP CEO and Chairs) contributed to a discussion of the issues, challenges, opportunities and barriers in better leveraging assets. (See Attachment A)

*The sector is rich in assets financial and otherwise that can be leveraged toward purpose, but this is not happening to the extent that it could be.*

# Summary of discussion and recommendations

In discussing what impacted their ability to better leverage assets, OOFF1 participants identified the key topic areas as Purpose, Measurement, Time scale of planning and operation, Assets (tangible and intangible), Risk Management, Mergers and Collaboration, Cash flow, Impact Investment and Social Entrepreneurship. The role of CEOs, Boards, governments and intermediaries in driving improvement was highlighted. A summary of discussion including quotes from participants (italicised) follows.

## Purpose

In all the charities and not-for-profits (NFPs) participating in the OOFF1, the purpose of the organisation or its mission was clearly the reason they existed. At times, however, some organisations appear to become almost entirely focused on running their programs or raising the income they need to engage in their ongoing activities without always reflecting on how best they might seek to achieve their purpose with the assets they have.

Clarity around purpose and how any strategy (investment or otherwise) contributed to achieving that purpose was agreed as a first essential step. It was suggested that the touch point for success needs to be **success in progressing mission**, not simply continuing to do what you already do.

*"Those of us who are seeking to solve a social problem should include in our mission 'we will no longer be needed'."*

*"If we have to rely on reserves to exist, we don't deserve to. Reserves are for changing the world!"*

Relating any investment activity directly to mission was also seen as the key to positive engagement with members, donors and stakeholders. Some participants identified expectations around what a 'not-for-profit' does and doesn't do as a barrier to investment. Examples included the legitimacy of making a 'surplus' and 'risking reserves' 'to make money'. Language is important.

*"Change the language, change the impact."*

*"An investment strategy might deliver an 8% return. So what? Don't talk to be about making an 8% profit, I'm interested in what the money will be used for, what's the difference it will make?"*

*"See the reward - work backwards from there to make a decision."*

1

*Achieving the purpose should be the primary focus of the organisation*

*'Those of us who are seeking to solve a social problem should include in our mission we will no longer be needed'.*

## Measure what matters

Currently most organisations report on what they do (i.e. activity), not what difference results (impact and effectiveness).

If the purpose of the organisation is the reason for existence, then the question of how best to achieve the purpose needs to be on the table as a key reference point for organisational decision-making. Measures are required to inform this discussion, whether they are fully developed and implemented research studies or approximate proxy measures of success. Some OOFF1 participants struggled to identify what success would look like for them in five years, particularly if they were asked to identify a measure. This makes it very difficult to work out how best to use assets. The danger here is that without measures of success, we may be rewarding failure.

*"If we don't measure against mission, how do we know we are being effective?"*

*"We need to measure for knowing (the difference we make), not just showing (the work we do)."*

Measurement is a key driver for directing the effort, the attention and the decision-making of the organisation towards achieving purpose. It was acknowledged that measuring outcomes and social impact can be difficult, but articulating value and performance is increasingly critical in a competitive environment.

2

*All organisations need to develop appropriate measures and report about their success*

## Time scale of planning and operation

Amongst some of the OOFF1 participants, short-term thinking can limit the potential of organisations. All leaders of NFPs organisations need to ensure planning for the medium and longer term future of their organisation is a task to be seriously attended to on at least a weekly basis.

A time-management litmus test for CEOs was shared, suggesting four domains for leaders:

<b>Infrastructure</b> staffing, capacity, back office, etc.	<b>Value of what you do</b> measures and improving what you do
<b>Communication</b> about what you do and the difference it makes	<b>Future</b> where are you going and how

*Planning for the medium and longer term future is a task to be seriously attended to on at least a weekly basis.*

Most CEOs spend a lot of their time on getting the infrastructure right, but spend a lot less time communicating or planning for their future. Effective leadership requires CEOs to find time between keeping things going to focus on improvement, to communicate value and to think about and plan for the future. This is clearly a challenge for some CEOs.

3

*Put the future of your organisation in your in-tray*

***Nature of assets (tangible / intangible)***

While many NFPs understand their liquid financial assets, the true value of their intellectual property, relationships, data sets, skills, brand and standing in the community is not always well understood.

Developing a business case and demonstrating a value proposition is central to partnerships, sponsorships and funding proposals. It was apparent that the real value within NFPs is not always realised and ‘leveraging assets to achieve purpose’ is best served by a broad interpretation of what represents an asset.

*“Need to understand what is an ‘asset’? What is it that you do, and how might that relate to economic language.”*

The definition of ‘asset’ was broadened, with PwC suggesting a useful continuum from tangible to intangible:

<p><b>Tangible</b> i.e. physical money/ buildings etc.</p>	<p><b>Expertise and People</b></p>
<p><b>Knowledge and Insights</b></p>	<p><b>Brand and Relationships</b></p>

4

*Regularly review the tangible and intangible assets of your organisation*

## **Risk (better understanding / management)**

The true nature of risk and risk management is not always fully understood within NFPs. Sometimes the risk of not doing anything, or simply continuing what has always been done can be much greater than trying a more innovative strategy. Risk is not negative or positive. Risk is necessary to take opportunities, to innovate, to succeed. Avoidance of risk is a recipe for failure.

NFP leaders believe the reasons for risk aversion within NFPs are multi-faceted and point to cultural and systems issues.

*"There are reasons for risk aversion: government compliance and rules around access to money; memory of being burned in the GFC. The implications for getting it wrong are so much more serious."*

*"The Board is paralysed by the fear of losing."*

*"We are here for the good of society, therefore we can't take risk."*

Conservatism is rewarded.

*"What is the goal of Boards? Preservation? No-one wants to stand up and suggest risk. No-one will smack you for being risk averse."*

Accountability is heavily compliance based (did we use the money the way we said we would, did we deliver the program or the service?) with less emphasis on performance (did we make the difference we were set up to work for?). This is reinforced systemically through the micro-management and compliance requirements of government contracts, upon which many NFPs are reliant.

A period of growth has allowed lazy balance sheets to go relatively unchallenged.

The emerging environment is less forgiving, and the risk of doing nothing in itself can pose a significant risk.

NFP leaders agreed with business experts that 'risk aversion' is not effective 'risk management'.

*"Risk of itself is not a bad thing. If we eliminate all risk, we achieve little. Need to identify where you are best placed to manage risk. What's our purpose? What risk might we take on? Do we have the expertise?"*

Well-chosen risk and effective risk management is core to success in the for-profit world, with language and culture that thinks in terms of opportunity and reward and strategies to identify and manage risk. Business opportunities are brought to fruition by business acumen that matches opportunity with the ability and expertise of the organisation to manage risks effectively.

While risk management is rewarded, risk aversion is often punished. Companies that fail to leverage assets are prime take-over targets for other performance focused organisations. Here we see shareholders driving accountability against performance, not just compliance.

*'There is a need to skill boards beyond 'liabilities'. Opportunity often requires taking a risk. The responsibility incumbent on boards and leadership, is not to avoid risk – but to understand and effectively manage risk.'*

This focus on real outcomes provides a lesson for the NFP sector whose expertise and capacity place it well to manage risk in its fields of operation, particularly human services. Yet NFP leaders observe that business people driving performance in the business world seem to 'check their business skills at the door' when serving on NFP boards. Reasons identified include:

- *"Governance and accountability expectations are different to the commercial world. Expectation in the not-for-profit sector is 'don't lose it'. The Board's role is seen as the custodian."*
- *"An attitude of 'Now I'm going to be nice.' The comfort of working the charity model - helping, feeling warm."*
- *"Social values driven."*

It is apparent that there is a need not only for skills in risk management, but also a need to change expectations about their use.

*"Not-for-profit' puts expectations around what a not-for-profit can do and can't do. This is a cultural issue - capitalism is counter to principles. Need to see capital as a friend."*

*"There is a need to skill boards beyond 'liabilities'. Opportunity often requires taking a risk. The responsibility incumbent on Boards and leadership, is not to avoid risk - but to understand and effectively manage risk."*

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*All NFPs should seek to understand risk and opportunity as it relates to their organisation*

### **Putting a lazy balance sheet to work**

Investment experts report surprise at a lack of investment strategy and policy in place to support what organisations within the sector are trying to do. Necessarily investment conversations begin with purpose and future plan.

*"What's the point of having the cash on the balance sheet? What do you want to achieve in five, ten, fifteen years? How will you fund that?"*

Equity Trustees suggests thinking about cash reserves in 'three buckets' as a useful frame to progress investment strategy:

**Short term - working capital**

**Mid-term – 3-5 years**

**Long-term - do not need to touch**

Organisational needs, risk tolerance and risk management can then be considered. Access and flexibility are typically required in the shorter term; a growth strategy may be considered longer term.

An Investment Policy might also be developed to guide the decision-making in developing an Investment Strategy. Are there investment options that are favoured or rejected (eg. ethical investing)? Is the social impact of the investment vehicle to be considered as part of the return-on-investment (eg. is investing within a mission-complementary part of the sector a preferred option?)

Another consideration is whether investment is the strategy to achieve optimal long-term outcomes. When will action produce the greatest impact? If we have 'reserves', should they be used on mission-driven activity now (to achieve a better long term impact, eg. intervention in early childhood underwriting better outcomes as adults) or invested to secure future income (eg. some advocacy organisations aim to invest capital that represents 10X operating revenue to secure self-funded independence).

## *Investing – cash is king*

The issue of how to identify and make investments was discussed in each OOFF1. It is important to note that holding passive assets such as a property does not always allow organisations to make investments. It is preferable to have a solid record of cash flow above core costs, but failing this, creating a specific cash flow for investment loans may be an option for some organisations. Passive assets alone will not make an investment strategy, there needs to be some form of business case around the investment.

Discussion with investment experts showed that borrowing capacity is dependent on the business case for cash flow. Banks are primarily interested in how the loan will be repaid. They do not want to foreclose on charities – a risk to their own brand they manage by evaluating the business case to generate the cash flow required for repayment.

*"If you want to borrow, first question is 'why?' Second is 'how can you repay?' Banks look for cash-flow. Understand the risk. Make sure you can manage the risk."*

*"Banks are more interested in business case than asset. What is your cash flow? Asset might be worth 'x', but amount you can leverage is likely less. The business plan is what's important."*

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*All investment should be informed by a sound business case*

## **Demonstrating value and diversifying income streams**

An organisation's ability to leverage assets is often determined by its cash flow and appropriate risk management. This in turn is often underpinned by the nature of contractual arrangements for services. There is significant short-termism in the nature of these arrangements. Diversifying income streams and establishing income streams independent of government contracts is a valuable strategy to secure an organisation's future.

Establishing and communicating value is another essential strategy in securing ongoing funding. Organisations unable to articulate value place themselves in a vulnerable position, again pointing to the importance of measuring and communicating value.

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### **Communicate value and diversify income streams to address funding vulnerability**

## **Mergers and collaboration**

Some of the participants in the OOFF1 identified the need to find efficiencies in an already very tight budget and were openly considering a back office merger or form of collaboration with similar organisations. Simply being bigger may not be better, but sometimes scale can drive efficiencies. For some organisations, mergers may be a good option.

There are a number of critical considerations when seeking to leverage assets through mergers and collaboration that have to be worked through over a period of time based on sound relationships.

*"Egos, logos can get in the way. There is strong resistance to mergers to drive change. In the not-for-profit sector it's about Board, egos, people, jobs. We have a strong perception of mission - that we are the only ones that can do it. Consolidation mostly only happens when legislative change forces it."*

A successful merger requires trust, shared vision and a working relationship:

*"We had people of good will and good intention. We knew we could do more together. Ego was less important as a leadership change was imminent. Common vision - coming together we will be stronger. Tender - if stood alone, one would fail. Put client at the centre. Starts with a relationship. Several years of conversation. Start by working complementary. Comes down to trust."*

*'In the not-for-profit sector it's about Board, egos, people, jobs. We have a strong perception of mission – that we are the only ones that can do it.'*

It was agreed that there are significant efficiency and effectiveness gains to be made through collaboration. It appears to be occurring more often within sectors, but perhaps opportunities for greater social impact and less 'turf' and competition related barriers can be realised with collaboration that puts the 'client at the centre' and happens across sectors.

*“Collaboration to achieve collective impact is a good way to begin working together. It requires shared measurement, sharing of data, and a consistent outcomes framework.”*

Collaboration, like mergers, can harness the power of scale. It may improve purchasing-power or the ability to attract capital. It also provides an opportunity for the sector to muster its economic and social power to drive its own agenda. Examples include Community21, a partnership of 20 NFPs that formed a partnership with Bendigo Bank to establish Community Sector Banking, and Goodstart Early Learning, that saw NFPs step in to form a social venture that could secure capital and succeed with a social-driven agenda where a for-profit failed.

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*Mergers and collaboration may help leverage assets and better achieve purpose, but they are not a quick fix solution*

## **Impact investment / social entrepreneurship**

Higher risk activities including investing in businesses and entrepreneurship has worked for some participants in the OOFF1, but not without a lot of work around establishing the business case as well as building the required expertise. Most successful investments are also based on a very strong understanding of the market where the investment is to be made. Like other areas discussed in this report, this form of investment is not a quick fix solution to a looming funding shortfall.

### **Commercialisation**

OOFF1 participants acknowledged that the sector is rich in expertise and a feature of the sector is its responsiveness to community needs and history in innovating to meet those needs. Commercialisation of intellectual property was identified as an opportunity.

*“We are strong in human services delivery -what’s our IP? How can we translate? Commercialise? Leverage via social enterprise?”*

NFP organisations have connection and reach into community and often generate and accumulate rich data through the course of their work. Both are potentially valuable assets or opportunities for asset creation.

The barriers to commercialisation of intellectual property and other assets include:

- The absence of the time and the expertise to do the work required to commercialise.
- The lack of intermediaries and incentives for intermediaries who can help develop business models and bring opportunity, partners and funders together (unlike in the for-profit space).

## Social enterprise

Social enterprise can provide a mechanism to generate an independent revenue stream by leveraging assets such as brand and expertise.

Sometimes it is created to fulfill a dual purpose: to generate revenue, and to undertake mission driven activity, although experts caution mixing the objectives of social enterprise and mission and emphasise due diligence.

*"It's important to have the right expertise... Need to know the space... and be able to perform better than a 'for-profit'. Must do due diligence."*

## Impact investing and hybrid sources of capital – are we investment ready?

Social enterprise, social impact investing and crowd-funding are just a few of the emerging avenues for capital. Traditional sources of funding are also changing, as we see a shift towards consumer-control and post-paid in areas such as the NDIS and investor dividend and pay-for-performance through initiatives such as social benefit bonds.

New opportunities for capital are available, but increasingly NFP organisations will need to sharpen their approach to developing a business case that manages risk and delivers performance. It should also be realised that different sources of capital may have different risk profiles, and this represents an opportunity for NFPs to pursue higher returns than might be possible relying on a single capital source.

*"Three types of investment funds available: bank or an organisation like Social Ventures Australia; people investing for a return; philanthropy. Sometimes you need them to all come together. Eg. Grant / risky debt from philanthropic investor/ safer debt from bank."*

Questions were raised about whether or not the sector was 'investment ready'. Feedback from OOFF1 participants and experts suggests this is an area that needs work and support.

Learning from overseas indicates that government has a role in providing the structural support for investment to come into the sector and some critical investment is required to achieve 'investment readiness' in the sector.

*"In the USA, Community Development Financial Institutions (CDFIs) are now a legitimate part of the mix."*

*"The UK brought in new structures – Community Interest Companies (CIC) – which work for the benefit of the community, but can attract investment and pay a dividend to investors."*

Under the UK's presidency of the G8, an independent taskforce was formed to report on 'catalysing a global market in impact investment' in order to improve society. Australia was invited to participate as an observer on the Social Impact Investment Taskforce. Its report, released in September 2014, is available at:

[http://www.socialimpactinvestment.org/reports/Impact%20Investment%20Report%20FINAL\[3\].pdf](http://www.socialimpactinvestment.org/reports/Impact%20Investment%20Report%20FINAL[3].pdf)

Recommendations for governments include:

- Consider setting up an impact investment wholesaler funded with unclaimed assets to drive development of the impact investment sector.
- Governments and foundations to consider establishing capacity-building grants programmes to boost social sector organisational capacity.

On behalf of the Australian Advisory Board to the Social Impact Investment Taskforce, Impact Investing Australia prepared *Delivering on Impact: The Australian Advisory Board Breakthrough Strategy to Catalyse Impact Investment*. The report articulates a leadership strategy to strengthen and support impact investment in Australia and is available at:

[http://impactinvestingaustralia.com/wp-content/uploads/0109Delivering\\_on\\_impact.pdf](http://impactinvestingaustralia.com/wp-content/uploads/0109Delivering_on_impact.pdf)

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*Impact investment and social entrepreneurship require time, effort and expertise to make a positive return*

### ***Sometimes the best investment we make is in other NFPs***

Some OOFF1 participants talked positively of investment in other NFPs that could contribute to better achieving their purpose. Investment driven by purpose is a good way to leverage assets, and some NFPs will achieve more success if they invest elsewhere rather than trying to offer services themselves.

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*Consider opportunities to progress mission by investing in other NFPs*

## **Role of Board**

The Board has a critical role in ensuring the organisation does all it can to fulfill its purpose. This includes supporting risk taking in areas that may deliver better outcomes in measures related to organisational success. To this end, the Board need to do more than provide stewardship of existing assets. Several participants in the OOFF1 talked about the struggle of having a Board that was adverse to change or innovation, and had a very negative view of any risk associated with generating new income streams or investments. For these organisations, the Boards had become an impediment to leveraging assets and better fulfilling their purpose.

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*All Boards should have an investment policy and strategy informed by the need to better fulfill the organisational purpose*

## **Role of CEO**

As with the role of the Board, the role of the CEO is critical in ensuring organisations do not have lazy balance sheets where assets remain passive rather than serving the purpose of the organisation. Sometimes this will require the provision of external assessments and advice for the CEO and the Board. Ideally the CEO will be a leader that encourages everyone in the organisations to regularly reflect on how things could be done better, how existing assets might be best leveraged and how new investments might be created.

The relationship between the CEO and Chair was highlighted as critical. Both had a role in ensuring that the agenda and the thinking space was created for the Board to think strategically about the direction and the future of the organisation.

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*All CEOs should recognise their responsibility to leverage whatever assets the organisations has to better fulfill the organisational purpose*

## ***Role of intermediaries (facilitators of change)***

The need for independent and skilled intermediaries was raised at each of the OOFF1. Many felt they would be able to much better leverage their assets if they had access to someone independent who could assist in; developing an investment strategy, creating a business model, helping identify assets, facilitating initial business planning, facilitating initial merger discussions, liaison with financial institutions, etc. In the business world, these types of intermediaries operate very effectively and generate income through providing savings to their clients. Such intermediaries are much less common in the NFP sector mainly because it is hard to generate an effective business model for their services. Helping a business make more money generates income. Helping a NFP better serve their purpose and their community does not often generate new income.

*"Social sector needs access to thoughtful, professional advice and services."*

*"To merge you need trust/relationship. An Intermediary can cut through (as in private sector), helping the broken to come willingly."*

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*There is a role for intermediaries to assist NFPs in better using their assets*

## ***Owning the future***

The sector is economically and socially significant. To turn significance into influence and success, leaders in the sector need to take an interest in the sector's future, as well as their individual organisation's future. The two are tied and leaders should consider opportunities that build the sustainability of the sector as well as their own success.

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*The sector needs to invest in itself to create the future that it wants*

## Government has a role

ABS statistics and the discussions from OOFF1 indicate that the sector is rich in assets that can be leveraged to achieve social benefit, but there are very real barriers to the use of those assets resulting from government policy and operation. These include:

- uncertainty created by current funding and regulatory environment
- funding processes that are deep in red tape and seek to micro-manage risk through compliance and reporting requirements
- lack of a forward plan for the sector that would recognise its economic and social role, guide government policy and provide some benchmarking, targets and an agreed direction for the sector
- infrastructure to support investment in the sector.

There is a significant opportunity for State and Commonwealth governments to work with the sector to improve tendering and contracting processes to alleviate unnecessary red tape and micro-management and to achieve a shift towards performance and quality improvement.

These discussions and recent sector surveys highlight the lack of confidence by the sector in meeting increased demand ([PwC – CSI Community Index 2014](#)) and the paralysis in planning largely due to the uncertain policy, funding and regulatory environment ([2014 State of the Not for Profit Sector Survey, Pro Bono and Net Balance Research Institute](#)). The majority of the sector favours the retention of the Australian Charities and Not for Profits Commission and the sector stands ready to work with Government in other policy areas and on the development of a forward plan for the sector.

Growing global interest and experience in social impact investing represents a significant opportunity to bring investment for social benefit to the NFP sector (and the Australian economy) from philanthropists and private and public investors. State and Commonwealth governments have a role to play in supporting the infrastructure and the capacity building that will unlock these investment streams.

CCA provided a [submission](#) to the Financial Systems Inquiry in March 2014 that identified four areas our members believe are critical to improving the financial sustainability of the NFP sector through diversifying the sources of capital:

- 1. the capacity of the sector** to use existing capital and equity, and absorb new capital and investment, noting that the NFP and social enterprise sectors have different and emerging needs;
- 2. access to capital** - how to increase access to long term capital for the sector including capital for construction of social infrastructure and growth of social enterprise. This includes considering the role of tax concessions and incentives in increasing access to finance over the longer term and building effective methods to measure impact;

3. strengthening **the role of intermediaries** and infrastructure to develop and support new markets; and
4. reviewing the **structural barriers to appropriate investment** including regulations, legislation and standard definitions that restrict new investment and leveraging of existing capacity within NFP organisations.

The CCA [submission](#) called on the Government to both review and implement recommendations from four reviews and inquiries conducted into the NFP sector over the past five years. The issues raised by NFP leaders in this latest discussion, reinforce the need for and validity of this action.

#### **Recommendations for Government:**

- 1 *Work with the sector to address national issues affecting its operating environment, particularly short-termism in Government funding relationships and processes.*
- 2 *Drive red tape reduction and provide regulatory certainty through a solution that has the confidence and support of the sector by retaining and developing the ACNC.*
- 3 *Improve social return on investment by working with the sector to improve tendering and contracting processes.*
- 4 *Establish a Social Finance Taskforce (as recommended by the Senate Economics References Committee) to identify and promote better access to capital for NFPs and support the work of Impact Investing Australia.*
- 5 *Support the development of a Future Blueprint for the NFP sector.*

# Next steps for Community Council for Australia

As a leadership network formed to provide leadership by the sector, for the sector, the OOFF1 discussions highlight some important work areas that the Community Council for Australia intends to progress.

Participants from OOFF1 have been invited to continue the conversation with each other and CCA via an online peer network that is intended to share issues, ideas and experience.

Collaborative work and two additional national rounds of CEO forums are planned in the *Owning Our Future* series, bringing NFP leaders and experts together to explore:

- **Benchmarking, collaboration and mergers:** discussing the opportunities and challenges in improving efficiency and effectiveness through back office mergers, scaling of effort, collective impact, etc.
- **Demonstrating value:** discussing better measuring performance and communicating value. How can NFPs demonstrate success and describe their contribution to the economy and community? What is the real value of the organisation?

Risk management was highlighted in OOFF1 as a significant area in which many NFPs could improve. CCA intends to progress the issues identified by working with the sector, the Australian Institute of Company Directors, the Risk Management Institute of Australia and others with expertise and an interest in improving governance and performance within the sector.

Collaboration  
Invest  
Together  
Leadership  
Own  
Value  
Purpose  
Future

## Conclusion - Owning our Future

The NFP sector faces a sea of shifting sands, as does the private sector.

*"There are lot of cues in the private sector if we look at how they are responding to mega trends and major 'disruptors': Demographic and Social Change; Climate Change; Urbanisation; Data."*

*"We will all look different in five years..."*

Status quo for NFPs is also being challenged by the uncertainty resulting from changes in government policy, a general stalling of government and philanthropic funding and increasing competition in traditional service delivery areas from the private sector (particularly where economies of scale can be created).

Reliance on 'business as usual' is increasingly not an option. Catalysts for change are brewing into a perfect storm of increasing demands, slowdown and changes in funding models, increasing competition and a fast-changing world demanding agility.

Change is not easy and requires leadership:

*"Change is hard. Getting someone to do something different is hard. Recommend 1. Establish a 'burning platform' - if we don't change, what are the consequences? 2. Paint a vision of what could be – opportunity etc. Building up capital, leveraging assets, collaboration, mergers etc. must be linked to vision."*

The discussions from OOFF1 show that clarity and focus on purpose is essential. Measuring and communicating impact is key. Taking risk is core to good business and it is time to better recognise the opportunity and rewards to be realised through effective risk management. Leadership is required within organisations and at a sector level. There is rich opportunity for governments to work in partnership with the sector to address uncertainty, cut burdensome red tape and pave the way for improved access to capital.

The sector is rich in values, rich in assets and rich in expertise. It sits at the heart of our communities and our economy. It is a powerful partner for government, for the private sector and for investors. Times have been difficult and challenged by uncertainty, but opportunities are at hand and it is time to chart a course, draw on our assets, and take more control of our destiny by better using the assets we already have in our sector.

*The sector is rich in values,  
rich in assets and rich in  
expertise.*

*It is time to take more control  
of our destiny by better using  
the assets we already have in  
our sector.*

# Attachment A: Case studies and useful links

## Putting cash reserves to work – a case study on creating an investment strategy

The CEO of a national membership organisation attended the first CCA Owing Our Future Forum in Canberra. They took back to their organisation a number of ideas and options about creating an investment strategy and drawing on external expertise to both refine and manage that strategy. The Board provided in-principle approval for this work, while also noting their low appetite for risk.

In a follow-up meeting a month later involving the CEO, key finance staff and Equity Trustees, the organisation was not only able to finalise their investment strategy, but also have a clear set of investment options to take to their Board. These options included short, medium and longer term investments with varying degrees of risk and return. Each investment option was aligned to the needs of the organisation including allowing appropriate draw-downs of capital as needed. Prior to the development of this approach, all money had been held in term deposits.

The relationship established between Equity Trustees and this organisation also opened up options for the organisation to submit for additional funding from one of the Equity Trustee managed charitable trusts.

## Investing in the sector (Community 21) – the sector creating the solutions it needs

The need for tailored banking products that respected the value, circumstances and funding arrangements of NFPs led 20 leading organisations from within the sector to come together to establish Community 21. An investment of \$20,000 each created a public company that in partnership with Bendigo Bank formed Community Sector Banking (CSB) – a Bank designed for not-for-profits with diversified business activity in building alternate capital flows for the sector through lending, crowd funding, impact investing, deposit taking and financial services capability.

Twelve years on CSB is a strong financial force, with:

- more than \$750 million balance sheet,
- competitive banking and finance products tailored to the needs of 9,000 not-for-profit customers,
- a track record of financing social impact projects and providing microfinance to disadvantaged Australians, and
- regular returns to the shareholders.

CSB is an example of the sector investing in itself to create the solutions it needs.

Community 21 currently has a share offer open to NFPs aimed at capital raising to build on CSB's success to create an innovative social finance model that opens up new funding pipelines for the sector. It hopes to broaden the shareholder base to allow for better representation from the sector and support CSB's relevance and responsiveness to emerging challenges and opportunities on the ground.

The capital raising share offer closes on 11 April 2014. More details at <http://community21.com.au/>

## Social entrepreneurship and social impact investing – links to information and case studies

Social Ventures Australia works with innovative partners to invest in social change. Case studies using social benefit bonds, social enterprises and impact investing are available at <http://socialventures.com.au/>

Social Ventures Australia also manages a [Social Impact Fund](#) established to provide loans and equity investments to social enterprises of between \$150,000 - \$1,000,000.

The Benevolent Society was successful in securing a \$10 million social benefit bond to fund its Resilient Families program and shares information and learning at: <http://www.benevolent.org.au/about/social-benefit-bonds>. This includes an overview and links to investor updates, the evaluation plan, and an evaluation of the joint development phase for the first two social benefit bonds in NSW (Benevolent Society and Newpin).

Foresters is a Community Development Finance Institution (CDFI). CDFI's are socially focused organisations that use community finance and social investment to generate financial returns as well as social, cultural, and environmental outcomes. Case studies showcasing investment and organisational finance in the NFP sector are available at: <http://foresters.org.au/case-studies>

## Purpose, measures, risk and transparency – practical learning and suggestions for best practice

The juror's report from the judging of PwC Australia's Transparency Awards provides some insights and suggestions CEOs and Board members may find relevant when considering some of this report's recommendations around purpose, strategy, measurement, risk and demonstrating value.

- [PwC Australia Transparency Awards](#) (in conjunction with Centre for Social Impact and Chartered Accountants Australia and New Zealand)
- [Jury Report](#) from judging of the 2013 Awards (released 2014).

The Centre for Social Impact shares knowledge and resources at <http://www.csi.edu.au/>

# Attachment B: Members of the Community Council for Australia

Organisation	CEO/Director
2Realise	Rowena Stulajter
Access Australia's National Infertility Network	Sandra Dill
Alcohol Tobacco and Other Drugs Association ACT	Carrie Fowlie
ANEX	John Ryan
Australian Council for International Development	Marc Purcell
Australian Healthcare and Hospitals Association	Alison Verhoeven
Australian Indigenous Leadership Centre	Rachelle Towart
Australian Institute of Superannuation Trustees	Tom Garcia
Australian Major Performing Arts Group	Bethwyn Serow
Australian Women Donors Network	Julie Reilly
beyondblue	Georgie Harman
Canberra Men's Centre Inc	Greg Aldridge
Charities Aid Foundation	Lisa Grinham
Church Communities Australia	Chris Voll
Churches of Christ Community Care VIC & TAS	Paul Arnott
Community Colleges Australia	Kate Davidson
Compass Housing Co Ltd	Greg Budworth
Connecting Up Australia	Anne Gawen
<b>Drug Arm Australasia</b>	<b>Dr Dennis Young (Director)</b>
e.motion21	Cate Sayers
ethicaljobs.com.au	Michael Cebon (Associate Member)
Family Life Services Australia	Jo Cavanagh
Foresters Community Finance	Belinda Drew
Foundation for Alcohol Research and Education	Michael Thorn
Foundation for Young Australians	Jan Owen
Fundraising Institute of Australia	Rob Edwards
<b>Good Beginnings Australia</b>	<b>Jayne Meyer-Tucker (Director)</b>
HammondCare	Stephen Judd (Director)
<b>Hillsong Church</b>	<b>George Aghajanian (Director)</b>
<b>Lifeline Australia</b>	<b>Jane Hayden (Director)</b>
<b>Life Without Barriers</b>	<b>Claire Robbs (Director)</b>
Maroba Lodge Ltd	Viv Allanson
Missions Interlink	Pam Thyer
Mission Australia	Catherine Yeomans
<b>Musica Viva Australia</b>	<b>Mary Jo Capps (Director)</b>
Opportunity International Australia	Robert Dunn
Our Community	Denis Moriarty (Associate Member)
Philanthropy Australia	Louise Walsh
Port Phillip Housing Association	Karen Barnett
PowerHousing	Julie Quaass
Pro Bono Australia	Karen Mahlab (Associate Member)
Relationships Australia	Alison Brook

Continued - Attachment B: Members of the Community Council for Australia

<b>Organisation</b>	<b>CEO/Director</b>
<b>RSPCA Australia</b>	<b>Heather Neil (Director)</b>
SANE	Jack Heath
SARRAH	Rod Wellington
Save the Children	Paul Ronalds
St John Ambulance Australia	Peter LeCornu
Social Ventures Australia	Michael Traill
The Australian Charities Fund	Edward Kerr
<b>The Benevolent Society</b>	<b>Anne Hollonds (Director)</b>
The Big Issue	Steven Persson
The Centre for Social Impact	Andrew Young
The Reach Foundation	Sarah Davies
<b>The Smith Family</b>	<b>Lisa O'Brien (Director)</b>
The Ted Noffs Foundation	Wesley Noffs
Variety Australia	Neil Wykes
Volunteering Australia	Brett Williamson
<b>Wesley Mission</b>	<b>Rev Keith Garner (Director)</b>
<b>World Vision Australia</b>	<b>Rev Tim Costello (Chair)</b>
YMCA Australia	Ron Mell
Youth Off The Streets	Fr Chris Riley
YWCA Australia	Dr Caroline Lambert

# Attachment C: Owning Our Future: Better Using Our Assets CEO Forums

## Participants – Not-for-profit Sector

Name	Title	Organisation
Rowena Stulajter	CEO	2Realise
Garry Ellender	CEO	Access Housing
Sophie Holmes	Chair	Action on Disability Within Ethnic Communities
Keith Hitchen	CEO	Action on Disability Within Ethnic Communities
Ivan Frkovic	National Operations	Aftercare
Carol Bennett	Incoming CEO	Alzheimer's Australia
Tracey Gaudry	CEO	Amy Gillett Foundation
Ian Carter	CEO	Anglicare WA
Ross Coverdale	CEO	Araluen
David Bedson	CEO	Asthma Foundation SA
Mal Lewis	Director of Finance and Operations	Australian Conservation Foundation
Alison Verhoeven	CEO	Australian Health and Hospitals Association
Murray Coates	General Manager	Australian Indigenous Leadership Centre
Graeme Mulligan	Director of Finance	Baptist Care
William Hopkins	Director of Social Finance	Benevolent Society
John Frame	CFO	Bethanie Housing
Georgie Harman	CEO	Beyondblue
David Cant	CEO	BHC
Jak Dennison	Executive Director	Canefields Clubhouse
Ethan Song	Rehabilitation Officer	Canefields Clubhouse
Peter Sparrow	CEO	Carer Support
Mary Reid	Business Manager	Carers Australia
Elena Katrakis	CEO	Carers NSW
Wendy Cox	General Manager	Centre for Cerebral Palsy
Karen Dimmock	Business Manager	Centre for Multicultural Youth
Gina Anderson	Philanthropy Fellow	Centre for Social Impact
Lisa Grinham	CEO	Charities Aid Foundation Australia
Paul Arnott	CEO	Churches of Christ in Victoria and Tasmania
Jon Bisset	General Manager	Community Broadcasting Association of Australia
Kate Davidson	CEO	Community Colleges Australia
David Crosbie	CEO	Community Council for Australia (Panel – All cities)
Emma Lang	Communications Advisor	Community Council for Australia
Deborah Smith	Director, Membership and Partnerships	Community Council for Australia
Josh Goodwin	Executive Manager, Business and Partners	Connecting Up
Mark Tucker-Evans	CEO	COTA Queensland
Jody Wright	Executive Officer	Drug ARM Australasia
Dennis Young	Executive Director	Drug ARM Australasia / CCA Board

*Continued - Attachment C: Owing Our Future: Better Using Our Assets CEO Forums*

<b>Name</b>	<b>Title</b>	<b>Organisation</b>
Cheryl Pollard	CEO	Duo Services Australia Ltd
Franky So	Finance Manager	Family Life
Sharrin Wells	CFO	FARE
Matthew Grant	CFO	Feros Care
Kathleen Gregory	CEO	Foundation Housing
Cam Walker	Campaign Coordinator and Board member	Friends of the Earth
Jayne Meyer Tucker	CEO	Good Beginnings /CCA Board
Catherine Richards	General Manager - Corporate Services	Good Shepherd Microfinance
John Cherry	Advocacy Manager	Goodstart Early Learning
Paula Chegwidden	Manager	Granville Multicultural Community Centre
Helen Creigh	Convenor - ACT region	Habitat for Humanity
Mark Davey	Executive Director	Health Support Queensland, Department of Health
Peter Ridley	CFO	Hillsong
John Cranwell	CEO	Inclusive Sports SA
Julie Edwards	CEO	Jesuit Social Services
Scott Langford	CEO	Junction and Women's Housing in Adelaide
Bill Petch	CEO	Leukaemia Foundation Queensland
Cherie Dewhurst	National Manager Commonwealth Programs and ACT	Life Without Barriers
Mitchell Giles	CEO	Lives Lived Well
Sharyn Broer	CEO	Meals on Wheels SA
Martin Fisk	CEO	Menslink
Mary Jo Capps	CEO	Musica Viva / CCA Board
Debra Kay	Board member	NPS
Robert Dunn	CEO	Opportunity International
Krystian Seibert	Policy and Research Manager	Philanthropy Australia
Ian Wishart	CEO	Plan International
Gino DeGennaro	Deputy CEO	Principals Australia Institute
Karen Mahlab	Founder	Pro Bono
Alison Brook	National Executive Manager	Relationships Australia
Cameron Sinclair	CEO	Road Trauma Support Services Vic
John King	CEO	RSL Australia
Greg O'Brien	CEO	RSPCA Victoria
David van Ooran	CEO	RSPCA WA
Rod Wellington	CEO	SARRAH
Elaine Montegriffo	CEO	SecondBite
Chantal Roberts	Executive Officer	Shelter WA
Ian Torrance	CFO	Smith Family

*Continued* - Attachment C: Owing Our Future: Better Using Our Assets CEO Forums

Name	Title	Organisation
Rob Koczcar	CEO	Social Ventures Australia (Panel - Sydney)
Mark Peacock	Director, Impact Investing	Social Ventures Australia (Panel - Brisbane)
Alex Oppes	Social Impact Fund Manager	Social Ventures Australia (Panel - Melbourne)
Jenna Palumbi	Director, WA	Social Ventures Australia (Panel - Perth)
Josh Bond	Founder	Sonlife International
Peter Mann	General Manager	Special Transport Assistance Redlands Inc
John Berger	CEO	St Bartholomew's House
David Smith	Board Member	St Bartholomew's House
Peter LeCornu	CEO	St John's Ambulance Australia
Mark Fitzpatrick	CEO	St Vincent de Paul Society WA
Greg Nance	CEO	Surf Lifesaving Australia
Gerrie Mitra	Deputy CEO	SYC
Sarah Davies	CEO	The Reach Foundation
Ian Bandesh	Management Committee	The Samaritans
George Schaefer	Management Committee	The Samaritans
Barbara Ward	Managing Director	The San Foundation
Tony Dudley	Head of Financial and Corporate Services	Transport Accident Commission
David Thomas	Board Member	UnitingCare West
Lyn Levy	Director of Sector Service Development	WACOSS
Steven Roth	CE	West Australian Ballet
Mark Watts	CEO	White Lion
Annabelle Daniel	CEO	Women's Community Shelters
Tim Costello	Chair /CEO	World Vision / CCA Chair
Alan Bray	CEO	YMCA Brisbane
Ross Kyrwood	CEO	YMCA Perth
Samantha Kennerley	CEO	Youngcare
Mark Twomey	Director of Corporate Services	Youth off the Streets
Liz O'Brien	CEO	YWCA in Adelaide
Kate Tully	CEO	YWCA Queensland
Leanne Stevens	Chair	YWCA Queensland

**Expert Panelists (in addition to CCA and Social Ventures Australia listed above) and partner attendees**

Name	Title	Organisation
Bruce Papps	Partner, Assurance	PwC Australia (Panel – Canberra)
Kevin Reid	Partner, Assurance	PwC Australia (Panel – Adelaide)
Lisa Woolmer	Principal, Assurance	PwC Australia (Panel – Melbourne)
Kris Isles	Partner	PwC Australia (Panel – Brisbane)
Mark Reading	Partner	PwC Australia (Panel – Sydney)
Iain McGuire	Partner	PwC Australia (Panel – Sydney)
Craig Heatley	Partner, Assurance	PwC Australia (Panel – Perth)
Damien Angus	Principal	PwC Australia (Panel – Melbourne)
Greg Peel	CEO and Managing Director	Community Sector Banking (Panel – Sydney, Perth)
Joe Sheehan	Head of Projects and Funding	Community Sector Banking (Panel – Canberra, Adelaide, Brisbane, Melbourne, Sydney)
Peter Quarmby	Executive Director Strategic Planning	Community Sector Banking
Jim Hardy	Senior Business Manager	Community Sector Banking (Panel – Melbourne)
John Goodwin	Senior Business Manager	Community Sector Banking
Keiran Turner	Senior Business Manager	Community Sector Banking
Shuvra Dutt	Senior Business Manager	Community Sector Banking
Joanna Fulton	Communications and Media Manager	Community Sector Banking
David Stewart	Business Development Manager	Equity Trustees (Panel – Canberra, Adelaide, Brisbane, Melbourne, Sydney, Perth, Melbourne)
Ian Westley	General Manager, Business Development	Equity Trustees (Panel – Melbourne)
Lisa Barp	Executive General Manager, Marketing and Communications	Equity Trustees
Lachlan Haughey	Business Development Manager	Equity Trustees

## **Community Council for Australia**

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