

## **Address to the Australian Council for International Development Forum**

**Senator The Hon Ursula Stephens**

**Wednesday 12 March Public Theatre, Parliament House**

Welcome everyone to Parliament House and thank you for the opportunity to speak to you today about the Rudd Government's Social Inclusion Agenda and how we want to work in partnership with the non-government sector to build civic engagement and civil society.

Congratulations to ACFID on the ten-year anniversary of the ACFID code. The fact that the code is widely recognised as 'the' measure of accountability for international development organisations is certainly reason to celebrate.

I would also like to congratulate Myles for his work as both Chair of the ACFID Conduct Committee and for work he is driving in his real job as Director of the Australian Centre for Philanthropy and Non-Profit Studies – at QUT. Myles is at the forefront of thinking around the challenge of improving governance structures and the policy and regulatory environments in which non-government organisations operate.

There is much to learn from the development and implementation of the ACFID code for Australia's non-profit sector.

As a voluntary, self-regulatory code it has been widely adopted and is recognised as the key indicator for accountability and transparency, building public confidence in the sector and in Australia's role in international development. As the sector has grown and changed, the code itself has also reflected those changes. It has been an effective mechanism to build trust in, and recognition of, the sector.

### **What is social inclusion?**

I would like to take a few minutes to speak about my portfolio responsibility, the social inclusion agenda. It is an agenda in which the non-profit sector plays a crucial role. I have been asked frequently, since becoming Parliamentary Secretary for Social Inclusion and the Voluntary Sector, what is social inclusion really about?

We believe that social inclusion is about active citizenship and participation. It is not acceptable that during Australia's long period of economic prosperity, too many Australians face limited opportunities in their lives. Social exclusion is not just about poverty, although this is a dramatic manifestation of it.

It is about ensuring all Australians can participate in the economic, social and civic life of the nation. We want to ensure that this is not just an ideal, but that it becomes a reality because for too long there have been many Australians, living on the edge, or dropping off the edge of society.

We understand that this is often because of complex needs of those who are marginalised in our society, and their lack of access to services that can improve that. So, you will hear this government speaking often about the importance of 'case' and 'place' in our policy development. There is plenty of evidence upon which to base this approach to addressing entrenched disadvantage.

By looking holistically at these issues we recognise that size, location and service delivery all matter and must be taken into consideration to deliver good policy outcomes. We do not believe that the agenda can be delivered in isolation by one entity, department or organisation – that is an old-fashioned policy approach. Our approach must be about putting people at the centre of our policy making.

But we cannot tackle disadvantage and exclusion without 'joined up' solutions and we are busy constructing some whole-of government processes to address the complexity of needs.

### **The role of the non-profit sector in social inclusion**

The non-profit sector is vital to the Government's social inclusion agenda. It is the non-profit sectors which are so often the first point of call for the vulnerable and excluded and provide so much of the ongoing support to excluded communities. They are well placed to ensure that 'missing voices' are heard and to advocate on behalf of those who are marginalised.

Enhancing public confidence in the non-profit sector and the celebrating the work they are doing in the delivery of services and the building of community here in Australia is essential; so too is recognising that more can be done to reduce the regulatory burden on those organisations.

The Rudd Government is committed to building (and in some cases re-building) trust, strong relationships and partnerships with the business and non-profit sectors which are fundamental achieving our goal of genuinely addressing entrenched disadvantage in Australia. We want to be partners in this journey, not contract managers.

I am certainly of the view that in the contractual environment that has emerged in recent years in Australia, it is the non-profit sector than can best promote social inclusion – they are well placed to ensure that missing voices are heard; and, in fact, that excluded groups are mobilised to claim rights that are theirs as citizens.

The Deputy Prime Minister, Julia Gillard has signalled this in her recent announcement relating to the so-called 'gag clauses'. She acknowledged that the previous government had generated an environment of fear and intimidation about advocacy activities. She has moved quickly to alleviate that fear, and has tasked me with identifying clauses in government contracts that prevent groups from undertaking their advocacy role; she has given the sector a commitment that those contracts will be amended – and we have already begun working on this important task.

Having placed advocacy back at the centre of the Government's relationship with the sector, this puts the onus back on the sector to promote social inclusion by:

- helping change attitudes and perceptions that underpin exclusion;
- opening up public space around social inclusion –fostering discussion and policy development;
- promoting innovation – to identify and try new approaches;
- acting as a bridge between organisations and communities and helping to forge new alliances that will deliver outcomes.

We want this new partnership approach to work, and intend to make it happen. To demonstrate our approach, we are putting in place new mechanisms to build trust, enhance public confidence and work more closely with the sector. For example:

1. We are working on developing a Compact with the sector, which will underpin the new relationship we want to build with the sector.

Such a compact could set in place principles for the relationship between the sector and government in contracts, tendering and regulation; it could also provide a structure that ensures government is doing everything it can to help, not hinder, this important sector of our society and economy. I look forward very much to the consultations that we have begun to put in place to advance this process.

2. We want to better understand the sector and its role in our communities. This is difficult without a credible and comprehensive evidence base.

The best data we have is that Australia has more than 700,000 non-profit organisations, including 180,000 bodies corporate, 100,000 incorporated associations, 10,000 companies limited by guarantee and 3,500 cooperatives, and that in 2006-07, the sector involved 5.5 million volunteers, had a turnover of some \$50 billion, and employed some 700,000 people.

The Government intends to ask the Productivity Commission to construct a new tool to measure the direct and indirect contributions of third-sector organisations to our economy. This is the starting point for maximising the sector's contribution to our society, in terms of social inclusion, environmental and social health, employment and economic growth.

3. We are serious about improving the regulatory burden on the sector. Regulatory reform programs to date have generally ignored the sector. We don't want our non-profit organisations to be strangled by red tape, but we do want them to be accountable for public monies- these two outcomes don't have to be mutually exclusive.

I start by asking what we should be doing to provide greater consistency in approaches to issues of incorporation and tax regimes for the sector.

Inconsistencies exist across jurisdictions, making it a difficult maze for community organisations to navigate. This is exemplified by the complications for the sector across jurisdictions, so have just begun scoping a project to begin consultations around harmonisation of state based regulation, something I know is the bane of many of your lives.

There are many lessons we can learn, to share, and to collaborate in this new environment.

I recently addressed the Fundraising Institute of Australia's Asia-Pacific Forum in Perth and through that discussion found many opportunities for sharing of information with the international development sector. For example, successful

development policy demonstrates how programs that respond to location-specific challenges have better and more long-lasting outcomes. It also demonstrates how using the 'expertise of the poor' to develop solutions and define problems promotes engagement and ownership.

And as the ACFID Code of Conduct has demonstrated, concurrent agendas to strengthen the non-profit sector and to tackle disadvantage and social exclusion are essential.

Few organisations are better placed than the non-profit sector to foster solutions to exclusion. The sector is already at the forefront of changing lives and tackling disadvantage. But there is much more we can do in partnership to make serious inroads into disadvantage. Exclusion can only be overcome through collective action and requires joined up action.

It also requires us to acknowledge that there are issues on both sides that must be resolved to improve the relationships between Government and the non-profit sector.

So, let's commit to sharing information and working as partners and use this learning to foster new relationships with the sector as we start on this new journey for the nation.

I wish you every success with your forum this afternoon. Thank you again for your invitation to share some of our thinking with you – I'm sure we'll be speaking again soon.

**Senator The Hon Ursula Stephens**

Parliamentary Secretary for Social Inclusion

Parliamentary Secretary for the Voluntary Sector

Parliamentary Secretary Assisting the Prime Minister for Social Inclusion