

Stronger Community Organisations Project

DISCUSSION PAPER
May 2007



Foreword

Community organisations are a major and valued feature of Victoria's social, community and economic landscape. They cover a diverse range of areas – from health and community services, to cultural groups, sporting organisations, and the arts. These organisations play a critical role in our society. They deliver important services, identify and promote local and national issues, create a sense of 'community' and 'place', and foster a healthy, active and involved society. They are an important part of the wider not-for-profit sector.

The *Stronger Community Organisations Project* has been established by the Minister for Victorian Communities to look at the trends and challenges facing community organisations now and into the future, and to develop approaches for improving the capacity of the sector. The Steering Committee for the Project which I chair includes representatives from the community sector, business leaders and academics.

There is a wealth of knowledge and experience across Victoria about these issues, and the Steering Committee is keen to hear a range of views. The Committee is now calling for submissions to the Project, and welcomes advice from community organisations, business, government and academia, and interested individuals. We are also interested in hearing from philanthropic trusts and foundations which play an important role in supporting community organisations and their activities.

This Discussion Paper has been prepared to assist organisations in making a submission to the Project. The paper outlines some of the challenges facing community organisations now and into the future, questions to stimulate ideas around a future vision, and questions about the key strategies required. Responses to these questions will inform the Committee's thinking and recommendations to Government.

This Project is an opportunity to think strategically about the community sector, and to plan for the future. I look forward to hearing from organisations and individuals across the community about this important task.



Professor Allan Fels AO
Chair
***Stronger Community Organisations Project* Steering Committee**
May 2007

1. Making a submission

The *Stronger Community Organisations Project* Steering Committee invites all interested organisations and individuals to make a submission to the Project.

This Discussion Paper has been prepared to assist in making a submission. This paper provides information about the *Stronger Community Organisations Project*, and identifies questions on which the Committee is seeking advice.

While this Discussion Paper outlines a number of questions for feedback, the paper is not intended to limit comment, and those making submissions should include any information or views that they consider to be relevant to the Terms of Reference.

Submissions can be lodged in two ways

By mail:

**Stronger Community Organisations Project
Department for Victorian Communities
GPO Box 2392
Melbourne
Victoria 3001**

By e-mail:

e-mail: scop@dvc.vic.gov.au

The closing date for all submissions is **Friday 20 July 2007**.

If you would like to make a submission by telephone, or if you would like further information about the Project please contact Ms Babette Angell by telephone on 9208 3842.

Any information that an organisation or individual does not wish to be published or quoted by the *Stronger Community Organisations Project* should be clearly identified in the submission or any covering documentation.

A list of individuals and organisations that lodge submissions, along with a short summary of issues raised, will be included in the Steering Committee's report to the Minister for Victorian Communities.

2. The Stronger Community Organisations Project

Background

In April 2005 the Victorian Government released *A Fairer Victoria* - the Government's framework for addressing disadvantage and creating opportunity. *A Fairer Victoria* acknowledges the community sector's role in building stronger communities and includes strategies to change the way Government works with communities.

In June 2006 the Government released *A Fairer Victoria Progress and next steps*. This statement announced the *Stronger Community Organisations Project* (SCOP) initiative to work with Victorian Council of Social Services and other community sector, philanthropic and business leaders to develop a strategic approach to improving the capacity of the community sector and plan for the key challenges for not-for-profit sector sustainability and growth over the next 10 years.

The Government recently released *A Fairer Victoria Building on our commitment – May 2007*. This document continues the Government's commitment to strengthening community organisations through a number of new initiatives, and confirms the attention to act on the recommendations of the *Stronger Community Organisations Project* to ensure a strategic approach to the sustainability, growth and effectiveness of community organisations.

The Project

The *Stronger Community Organisations Project* Steering Committee was established by the Minister for Victorian Communities in February 2007. The Terms of Reference for the Project focus on the trends, influences and challenges that are impacting community organisations now and into the future, and on providing a strategic outlook for the sector.

The Project is being led by an expert Steering Committee, chaired by Professor Allan Fels AO and comprised of experts from the community sector, business and academia. The Terms of Reference for the Project, and details on members of the Steering Committee are at Attachment 1. The Steering Committee will report to the Minister for Victorian Communities in October 2007.

Consultation

The Steering Committee is now undertaking a consultation process to inform its thinking and recommendations. Consultation is being undertaken through a public call for submissions and targeted discussion groups.

The Committee is interested in views and ideas from a range of community organisations, as well as those from business, academia, government, philanthropic foundations and trusts and interested individuals.

Community organisations in focus

The *Stronger Community Organisations Project* is focusing on a broad range of community organisations across the State including but not limited to community welfare; environmental; sporting and recreation; community arts and cultural; adult and community education; community housing; peak bodies and other advocacy groups. Community organisations fall within the broader category of not-for-profit organisations.

While many schools, university research institutes, and hospitals together with business and professional associations, and trade unions are also part of the not-for-profit sector, these organisations are not a focus of this Project.

3. State Services Authority: Review of Not-for-Profit Regulation

In September 2006, the Premier and the Treasurer requested the State Services Authority to undertake a *Review of Not-for-Profit Regulation*. The review is examining the impact of Government regulation and other reporting requirements on the not-for-profit sector, and identifying areas for improvement. The goal is to reduce the administrative and compliance burden for not-for-profit organisations.

The review is required to make recommendations regarding simplifying and clarifying regulatory, contractual and accountability requirements and mechanisms for the not-for-profit sector, with a view to the outcomes to be delivered by the regulatory arrangements. The State Services Authority has commenced the review and is undertaking a separate submission and consultation process. The State Services Authority Review is required to report no later than 30 September 2007.

With respect to the impact of law and regulation on how community organisations carry out their work, the *Stronger Community Organisations Project* will be informed by the State Services Authority's *Review of Not-for-Profit Regulations*. Submissions received by the *Stronger Community Organisations Project* that relate to the impact of law and regulation will be forwarded to the State Services Authority, and submissions received by the State Services Authority's Review on broader issues affecting the sector will be forwarded to the *Stronger Community Organisations Project*, unless submissions are marked as confidential.

4. Victoria's community organisations

Victoria's community organisations are diverse in terms of the size, their purpose and range of activities they undertake, the sources of funding, and the nature of organisational arrangements.

It is estimated that there are between 120,000 and 150,000 informal and formal not-for-profit organisations in Victoria including member based organisations and organisations with a broad social and community mission. Of these, only around one-third are incorporated. Many do not employ staff, and rely heavily on the contribution of volunteers.

The key characteristics of community organisations are that they are established and operate for a social or community mission, are not carried on for the profit or gain of individual members, and are self-governing. While a number of terms are used interchangeably to describe community organisations (such as charities and non government organisations), the focus of the *Stronger Community Organisations Project* is on not-for-profit organisations that are driven by, and exist for, the community.

Community organisations undertake a variety of activities within the community across the social, environmental and economic landscape. Not only do these organisations provide important services and supports, they also foster civic engagement, encourage social participation, and build a sense of community. They provide a structure for community issues to be identified and promoted, and they enable a 'voice' in national and local issues.

Many parts of Victoria's social, cultural and community life are influenced by the work of community organisations:

- Not-for-profit community organisations account for over 50% of community services expenditure in Victoria;
- There are an estimated 7,800 small arts organisation in Victoria. These organisations provide opportunities for creative endeavour, and contribute to the cultural fabric of Victoria;
- There are an estimated 16,000 sporting organisations in Victoria. In regional Victoria these organisations are often considered to be the life-blood of local communities. 64% of these organisations have less than 200 members, and many are a key place for meeting up and sharing local news;
- More than 430 community based organisations in Victoria are funded to deliver adult community and further education programs. These organisations provide locally responsive and accessible learning options; and
- There are an estimated 1,600 landcare, urban conservation, and coast care groups in Victoria. These groups have been instrumental in influencing the way we care for our environment.

In performing these activities community organisations are supported by those who volunteer time and money. In 2005, an estimated 46% of rural and 40% of metropolitan Victorians volunteered, and 87% of Victorians gave money to not for profit organisations, including many community organisations.

Many community organisations work in partnership with Commonwealth, State and Local Government, as well as with business and philanthropic trusts and foundations.

5. Victoria's community organisations: challenges, trends, and influences

Challenges

While community organisations are a crucial part of the Victorian community, many are facing challenges in terms of their sustainability. Some of these challenges are 'organisational', and some relate to the changing needs of people in the community. Key examples include:

- having the right skills and processes to manage the business side of the organisation;
- attracting and retaining staff and volunteers;
- having the capacity to innovate, and respond to changing social and community needs; and
- meeting the range of problems facing individuals and communities.

Furthermore, regulation, reporting and funding arrangements with governments can also have an impact on organisations and can affect sustainability.

Trends and influences

In addition to these current challenges, a number of significant demographic, economic, social and environmental trends have implications for the role and function of community organisations, and expectations of these organisations into the future. Some of these key trends are outlined below. In considering these trends, it is worth thinking about the challenges and the opportunities they each create for community organisations and the sector more broadly.

Demography: The population is ageing and the proportion of people of working age will decline. There are a number of social and economic consequences of this demographic shift including a greater need for supports for older people; availability of skills; and the need to increase workforce participation across the population, including disadvantaged groups.

Changes in Employment Patterns: There are changes in industry and employment arrangements. Traditional industries are declining as new industries emerge, and Victorians will require new skill sets. People are working longer hours, reducing their capacity to participate in community activities and organisations.

Locational Trends: Changes in demography, labour and housing markets have led to changes in where people live and work. Some areas are growing rapidly while other areas are experiencing a relative decline in population.

Family and Social Changes: Victorian households are getting smaller, fewer households include children, and there has been an increase in single-parent families. Disadvantage is complex and often concentrated within particular locations and groups.

Environment: Environmental issues, and concerns about the natural environment, are at the forefront of community concern and debate. Initiatives to improve environmental sustainability and to address the consequences of environmental changes are likely to increase into the future, with a greater focus across the community and individual actions.

Government: New approaches to public policy are emerging. There is a growing emphasis on creating better outcomes in the community through 'place-based' strategies, partnerships between organisations and government, broader client focused services delivery and a local community focus. Innovation, service redesign and new approaches to dealing with issues are also being promoted.

Business: Business is increasing its focus and role in supporting community and social issues. Business is also emerging as a provider of services in areas traditionally the domain of the not-for-profit sector and community organisations.

Households: Household donations and volunteering have increased in recent years. Trends in volunteering indicate an increase in participation in event and episodic activity, rather than long term participation within an organisation.

Implications

It is expected that these trends will have implications for community organisations in many areas including:

- the activities and services delivered by community organisations;
- the expectations of people, business and governments;
- the location and form of community organisations and community infrastructure and supports; and
- the capacity of different parts of the population to participate in community activities.

Questions

In considering the challenges and future trends facing community organisations, the Steering Committee would welcome views on the following issues:

1. *What are your views about the major influences and trends that will impact on community organisations and the sector over the next ten years?*
2. *What do these kinds of trends and influences mean for the future contributions and activities, roles and focus of community organisations?*
3. *Will these changes lead to different ways of doing things, and new relationships between community organisations, business, governments and communities more broadly?*
4. *What would be the main features of vibrant and strong community organisations in ten years, and what does this mean for the major parts of the community sector?*

6. The *Stronger Community Organisations Project*: future actions and priorities

In considering key trends and influences highlighted in Section 5, it is clear that the role, expectations and composition of community organisations will change over coming years.

The Terms of Reference for the *Stronger Community Organisations Project* ask the Steering Committee to provide advice on these trends and possible ways forward.

Questions

In accordance with the Terms of Reference, the Steering Committee is interested in views on how community organisations and the community sector can be strengthened into the future.

In responding to these questions the Steering Committee is particularly interested in examples of innovation, models or approaches that would contribute to building the capacity of a broad range of community organisations.

5. *What should be the main roles of community organisations, governments, and business in the medium-long term to achieve robust community organisations in the future?*
6. *In considering these roles, what specific strategies or approaches are required in the following areas:*
 - a) *Workforce and leadership development – how can organisations attract and retain skilled and qualified staff both paid and volunteers?*
 - b) *Organisational governance – what standards and models of governance will be needed to meet public expectations of accountability, and contribute to strong community organisations?*
 - c) *Organisational sustainability – what business and financial planning are needed to ensure sustainability and to attract resources from all sectors including philanthropy?*
 - d) *Quality and effectiveness – how can organisations achieve high standards and efficiencies and continue to develop innovative responses to emerging community issues?*
 - e) *Assets and infrastructure – what measures will maximise the use, and better planning of future and existing assets and infrastructure?*
 - f) *Collaboration – what measures would assist organisations to collaborate within the sector and with governments?*

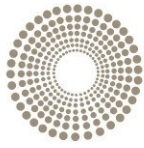
Attachment 1 – Terms of Reference

The Stronger Community Organisations Project (SCOP) will provide strategic advice to the Government, through the Minister for Victorian Communities on:

- An overview of the community sector in Victoria;
- The principal trends, influences and challenges that are currently impacting on organisations and those that may impact in the future;
- A strategic vision for the community sector for the next ten years and that identifies the role of the sector in contributing to Victoria’s social, community and economic goals;
- Following completion of these strategic tasks SCOP will identify the issues and possible ways forward in relation to the following matters that go to the capacity of the sector and it’s relationship with government:
 1. Workforce and leadership development – how organisations can attract and retain skilled and qualified staff both paid and volunteers;
 2. Organisational governance – what standards of governance are needed to meet public expectations of accountability;
 3. Organisational sustainability – what business and financial planning are needed to ensure sustainability and to attract resources from all sectors including philanthropy;
 4. Quality and effectiveness – how can organisations achieve high standards, efficiencies and innovative approaches to service delivery;
 5. Assets and infrastructure – measures to maximise the use, and better planning of future and existing assets and infrastructure;
 6. Collaboration – what measures would assist organisations collaborate within the sector and with government;
 7. Law and regulation – measures to reduce red tape and the burden of compliance upon organisations and so allow greater focus on their mission of community service.

SCOP Steering Committee Members

- Professor Allan Fels AO – Chair, Dean of the Australian and New Zealand School of Government (ANZSOG)
- Mr Tom Bentley – Executive Director, Policy and Cabinet Group, Department of Premier and Cabinet, State Government of Victoria
- Mr John Howie – Chair, VicSport
- Mr Rob Hunt AM – Managing Director, Bendigo Bank
- Professor Mark Lyons – Adjunct Professor of Social Economy, School of Management, University of Technology Sydney
- Professor Myles McGregor-Lowndes AM – Director of the Centre of Philanthropy and Non-profit Studies, Queensland University of Technology
- Mr Tony Nicholson – Executive Director, Brotherhood of St Laurence
- Ms Carol Schwartz AM – Director, Highpoint Property Group
- Ms Cath Smith – Chief Executive Officer, Victorian Council of Social Services (VCOSS)



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*Department for
Victorian Communities*