

**Senator the Hon. Ursula Stephens**  
**Parliamentary Secretary for Social Inclusion and the Voluntary Sector**

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**'Social Inclusion and the Non-Profit Sector in Australia and the Asia Pacific'**  
**(Introduced by Sue-Anne Wallace, CEO FIA)**

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Thank you, Sue-Anne for your introduction and for the opportunity to address this inaugural international forum of the Fundraising Institute of Australia.

I am delighted to be here today to share perspectives on the Rudd government's social inclusion agenda and the role that we believe the non-profit sector can play.

The federal election in November last year provided the nation with the opportunity to reflect on where we are now and the kind of future we want to create for Australia – and the nation voted for change on significant issues, for new leadership in our response to global and local challenges.

Across the country people responded to Labor's promise of change: 'moving forward with fairness', transforming education, taking decisive action on climate change, tackling the growing problem of homelessness and poverty and ending the 'blame game' between levels of government, once and for all.

Kevin Rudd's commitment to developing a social inclusion agenda struck a chord with Australians who have become more and more uncomfortable about the growing gap between those who have, and those who are without in our society.

And in the first 100 days – Australians are seeing our government act on its election promises, giving us many reasons to be proud to be Australian again.

Part of that national identity is about 'a fair go' – and today I would like to speak about three things:

- To elaborate on the government's social inclusion agenda
- To challenge the sector about the role it can and needs to play in this agenda, and
- To reflect on the capacity for this agenda to help Australia in its engagement with our Asia Pacific neighbours.

## **Our Social Inclusion Agenda**

Social exclusion is an issue for every one of us – as individuals, as organisations, as businesses, as governments and as citizens – because the complexity of social exclusion impacts on the wellbeing of our society and our economy.

Exclusion is a matter of concern not just because of what it does to the excluded –but it affects us all in two ways - first by robbing society of the full human potential of those who are excluded and secondly by weakening the moral fabric of society. So, in my view we all need to understand that our own well being is tied up with the well being of others and that social divides diminish us all.

We believe that, not only is it everyone's problem – but also, that we all have our part to play in finding solutions – in tackling exclusion, addressing poverty, confronting disadvantage ; and we believe that this requires a new public policy approach based partnerships, respectful relationships, and improved governance arrangements.

We don't believe that our agenda can be delivered in isolation, by one entity, department or organisation - that's really an old policy approach, grounded in fiefdoms, territory and programs. Our agenda is based on putting those who are most marginalised at the centre of our policy development, and making sure that the services that government purchases and organisations provide, meet the needs of these citizens.

The non-profit sector has a crucial role to play in this agenda, and we acknowledge that the Rudd Government must be willing to build (and re-build) trust, strong relationships and partnerships with the business and non-profit sectors – if we are going to achieve our goal of genuinely addressing entrenched disadvantage in Australia.

And while it is early days for our government, I welcome the opportunity that today brings, to consider how we can work together on this exciting new portfolio agenda.

Since becoming Parliamentary Secretary for Social Inclusion and the Voluntary Sector, I'm always being asked "What exactly does that mean?"

Well, it means that despite Australia's long period of economic prosperity, there continue to be too many Australians face limited opportunities in their lives. Social exclusion is not just about poverty, although poverty is often one of its most dramatic manifestations.

Exclusion is also about rights, about access, and about opportunity.

- When the poor lack access to job opportunities, education, health care or credit – they're excluded.
- When indigenous people or migrant groups are treated with disrespect or subject to discrimination because of cultural difference – they're excluded.
- When children and young people are deprived of intellectual stimulation or proper nutrition – they're excluded.
- When our elderly are left out of social interaction and cut off from their economic role in our society – they're excluded.

So, social exclusion is a dynamic process. It changes over time as circumstances change, and as a government we understand that we need to be constantly preoccupied with overcoming exclusion and promoting inclusion.

We want our social inclusion policies to:

- create opportunities for individuals to participate not only in the economic life, but also the social and civic life of the nation.
- recognise the complex barriers that prevent their participation and the impact this has on their well-being and ability to contribute to their community; and
- Acknowledge the need for prevention, treatment and empowerment strategies as part of a continuum of care, and a pathway to inclusion.

These policies will only be delivered by embracing 'joined up' solutions, to address the complexity of needs.

This is not easy - but we must not be daunted by the challenge. It requires a serious, interventionist effort to find whole-of-government solutions, to some very wicked problems.

Importantly it demands that we recognise that size *does* matter, that location *does* matter; that the types of services that work in one place may not work in another; and that we have to tailor services to meet local needs if we are to achieve good policy outcomes.

It also means supporting local initiatives that encourage and boost participation and strengthen capacity in local communities, so that they can care for and support those who are excluded.

And it's about ensuring there is respect for cultural differences in the way we develop services for our citizens from culturally diverse backgrounds.

And - to tackle these issues in a new way – we want to link them to evidence-based targets - social inclusion indicators that will help us measure our effectiveness on the ground – allowing rapid appraisal so we can refine and adjust our policy levers when that is necessary.

Professor Tony Vinson's 2007 report, *Dropping off the Edge* has been very influential in our thinking. His work involved a spatial study of social disadvantage in Australia over the last 10 years - and its findings are profoundly disturbing. It is a reminder that aggregate economic growth does not guarantee that a significant number of Australians will not be disadvantaged.

Prof. Vinson found that just 1.7% of postcodes across Australia account for more than seven times their share of inter-generational poverty, including low income, limited computer and Internet access, early school leaving, physical and mental disabilities and long-term unemployment.

While recognising that Australia's social exclusion story does not start or end in postcodes, it does highlight the value of a place-based, location-specific approach to address disadvantage.

His findings have been supported by recent work by the Social Policy Research Centre, and the Centre for Philanthropy and Non Profit Studies at QUT among others.

### **The role of the sector:**

So, now that you have a sense of our perspective on social inclusion, I'm sure that you can see how important the sector will be in helping us to deliver on our reform agenda.

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 – because of course it is third sector organisations that are often in close touch with excluded communities and are therefore 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 on you to promote social inclusion in a number of important ways:

**Firstly** – by helping to change the attitudes and perceptions that often underpin exclusion – those doing the excluding, as well as those experiencing it.

**Secondly** – by opening up public space around social inclusion – by fostering discussion and policy development within the sector that creates an enabling environment – building trust between those organisations who have been competitively tendering against each other, in the interest of finding common ground

**Thirdly**, by promoting innovation – the sector is best placed to identify and experiment with new approaches, serve as a clearing house for promising ideas, and vehicles for diffusing innovations.

**Fourthly** – by serving as a bridge among organisations and communities – reaching across social or economic divides in the interests of resolving apparent conflicts and forging new alliances.

In inviting you to do this – and being partners in our social inclusion agenda - we are already 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.

Now to pose some questions of you:

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.

*Why is it, then, that we lack a credible and comprehensive evidence base on the non-profit sector?*

If the government finds it so difficult to navigate through the sector, how does the sector itself, understand its own current situation and prioritise and plan strategically to meet future needs and demands?

To help answer that question, 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.

*What can and should government do to improve the regulatory environment for 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.

*Surely efficient and effective regulation will help existing nonprofits to better pursue their mission?*  
Clearer regulation will also improve transparency and public confidence in the sector.

*And what should we 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 fundraising across jurisdictions and we have just begun consultations around harmonisation of state based regulation involving fundraising across borders.

We also recognise that philanthropy is playing a growing role in delivering services and building communities.

Philanthropy Australia estimates the giving of money, goods and services to non-profit organisations by businesses and individuals totalled \$11 billion last year - \$7.7 billion from individuals, or 87% of adult Australians. The use of Prescribed Private Funds, has led to an increase in private philanthropic trusts which now number more than 600.

*So, what opportunities might exist for Government and philanthropic organisations to work together address social inclusion imperatives?*

As the Social Inclusion portfolio develops and the Australian Social Inclusion Board is appointed, we will find ourselves negotiating in good faith, and I know that the sector is looking forward to that too. But a word of warning – we are focussed on making a difference for the people we are looking to empower and whose lives must be improved – and we will be taking tough decisions about how we fund support services for them– if the results aren't there, then we will try something else.

## **Engaging with our Asia Pacific neighbours**

We will also be very keen to find opportunities to share information with our neighbours in the Asia-Pacific, which is both vast and diverse.

Home to 60% of the world's population the region also has 65% of the world's poor, where young people represent the bulk of the region's population. Cultural diversity is also a strength and hallmark of the region.

Economically, the Asia Pacific is dynamic- as the fastest growing region in the world. Yet, within the region, there are vast disparities between advanced economies such as Japan, South Korea and Hong Kong, rapidly developing economies of China, Indonesia and India and developing and transitional economies such as Papua New Guinea and the Pacific Islands.

Across the region we need to recognise that it is not only income or material wealth that determines deprivation; other factors such as education attainment, health, vulnerability, and powerlessness are important in defining poverty.

Importantly, inequality matters and rising inequality has a negative impact on growth. It is not just developing and transitional economies that must acknowledge the structural causes of poverty.

We need to acknowledge the 'expertise of the poor' in developing solutions and defining problems. In other words, empowering communities and creating mechanisms to gain their input into the policy process.

Perhaps most importantly we must recognise that local partnerships, which are an important strategy to overcome social exclusion and enable the development of bottom-up approaches, require ongoing commitment from government and partners.

We must look to experiences in development policy which demonstrate time and time again, how programs that respond to location-specific challenges have better and more long-lasting outcomes than top-down approaches. By looking at best practice in the development field, we can build our evidence base and in the social inclusion agenda here in Australia.

So, there is much to learn, to share and to collaborate on in this new agenda with our neighbours in the Asia-Pacific region, a view that has been clearly articulated by Foreign Minister Stephen Smith, who wants us to strengthen our relationship with the countries of the region, and provide support to strengthen civil societies in this part of the world.

Our bilateral relationships and engagement in the Asia-Pacific are based on a shared vision of a peaceful, prosperous and stable neighbourhood – something shaken by recent events in East Timor.

This includes using the UN Millennium Development Goals as a framework for our development assistance while recognising that aid is not the only solution to meet these important targets.

The relationship between good governance, growth and improved human development outcomes is critical to efforts of striving to meet the Millennium Development Goals across the region.

Therefore concurrent agendas to strengthen the non-profit sector and to tackle disadvantage and social exclusion are essential.

## **Conclusion**

Few organisations are better placed than the non-profit sector to foster solutions to exclusion, promote the value of inclusion and empower communities. The sector is already at the forefront of changing lives and tackling disadvantage.

But - I believe there is much more we can do in partnership to make serious inroads into addressing disadvantage. We have a responsibility to do this because exclusion robs us all of talents and energies we can ill afford to waste; and although government leadership is crucial, the government alone cannot meet its social inclusion goals without you. Exclusion is a social phenomenon and as such can only be overcome through collective action.

It requires a joined up effort across all sectors and communities.

There are many lessons we can learn, to share, and to collaborate in this new environment. Let's commit to doing that, and use this learning to foster new relationships with the non-profit sector both here in Australia and within the Asia-Pacific region.

As we broaden Australia's engagement in the Asia-Pacific, based on a shared vision of a peaceful, prosperous and stable regional community, addressing social exclusion is paramount to achieving this aim.