Submission to Productivity Commission: Philanthropy Inquiry

About Publica

Publica (www.publica.org.au) is a new not-for-profit organisation supported entirely by philanthropic donations. It is a public policy organisation devoted to partnering with Churches and organisations to strengthen family and community relationships throughout Australia. Christian in motivation but secular in orientation, we are committed to being a positive voice in a post-Christian society, particularly on issues of family instability, relationship breakdown and social isolation. The Board is chaired by Rev Dr Michael Jensen, and its Executive Director is Emeritus Professor Patrick Parkinson AM.

Our current work concerns loneliness, with a focus, for now, on how churches can better meet the needs of those who are lonely. We are also working on what changes need to occur for churches to be more welcoming communities for those who are not, or are no longer, in well-functioning nuclear family households.

We seek to contribute also to public policy and quality service delivery to reduce social isolation. We are part of the Ending Loneliness Together network.

About this submission

We want to make three brief points in response to Information Requests 1, 3 and 4.

1. While it is obviously easiest to quantify donations, a huge amount of charitable work is done by people in and through churches that primarily serve those who are not its members. The financial benefit of this work to the local community is largely hidden from the view of governments seeking to evaluate the contributions of the not-for-profit sector. If the contribution of churches to overall community welfare were, for any reason, to disappear, the loss to the community would be enormous.

2. The services that churches provide to the local community are important in terms of social welfare, but are typically services that governments and local councils do not fund at all or which attract very little public funding. The churches therefore help fill significant gaps in service provision, and supplement otherwise sparsely available public services. Their role is particularly important in 'secondary prevention', both in terms of children's wellbeing and in public health.

3. Governments have long recognised the benefits that faith communities provide. The federal government gives support to religious, as well as non-religious organisations on an equal basis through the DGR framework, to the extent that they are engaged in work for which tax-deductible giving is allowed.

   However, one product of the increasing secularisation of society is that policy-makers and advocacy organisations seem either to be unaware of the significance of local churches in the nation's social capital, or choose to ignore that role out of antipathy towards religious faith in general. These factors may be behind proposals to remove tax concessions from organisations established to 'advance religion'.

In writing about the role of churches, we do not intend at all to discount the importance of other faith communities, for example, Jewish, Islamic, Hindu or Buddhist. They do much to support members of their community in ways which relieve the burdens on generalist services. They are also religiously motivated to help others in need. We focus on the work of churches because this is what we know, and because local churches are present in every part of Australia, urban, regional and even rural, and have long played a major role in Australian life.

Information request 1: The 'community-giving' contribution of local churches

When governments think of Christian organisations providing welfare support services, the focus is typically on the very large organisations such as Catholic Care, Anglicare, Baptist Care and others. These organisations rely very heavily on government funds to deliver their large-scale services; but a focus on these organisations, some of which are largely secular in composition and orientation these days, obscures the huge amount that local churches do to contribute to community wellbeing. The community work of local churches is structurally undifferentiated from their religious activity, and for that reason is largely invisible to policy makers.

The Call for Submissions paper properly recognises the important role that faith-based organisations play in charitable work, but it does not capture the nature of that contribution as well as it might. Below is an extract from the infographic in Figure 5 (p.9).
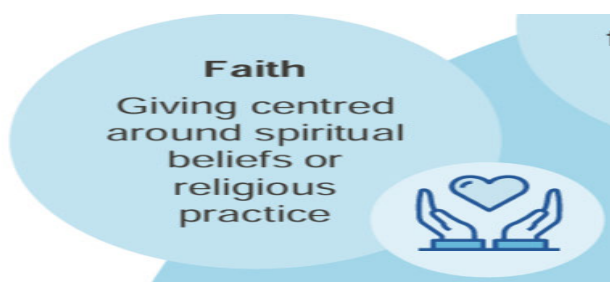
The strong implication is that faith-based giving, whether monetary or in volunteering, is for the purpose of promoting spiritual beliefs or maintaining religious practices. Of course, some of it is. Active members of churches give regularly to their churches to pay for the minister/priest/pastor and staff, the upkeep of the building and other costs. This could be termed 'organisational giving'. However, that organisational giving provides the platform for a very

substantial amount of service to people who are not involved in the church. This, we will call 'community giving'.

Estimating the value of churches' community giving

The community giving of local churches takes a great variety of forms. It may, for example, include offering English-language classes to recent migrants; practical support for refugees who have been placed in the area; food banks for those in financial need; playgroups for mothers and toddlers; social events for the elderly; support for the newly bereaved; help for victims of domestic violence; mentoring for individual children from troubled home environments through local schools, and a myriad of other such activities. Typically all are offered to anyone in the community who wishes to participate or who asks for help, subject to capacity.

This community giving is supported by the organisational giving in four ways:

- The use of buildings in which these activities take place or from which the outreach of the church occurs;
- The paid pastoral staff time that is given to delivering or organising the service;
- The giving of time by volunteers who come together to support the service because they are part of the religious community that provides it;
- Making church facilities available to other community organisations such as Alcoholics Anonymous without charge, as a place to hold meetings.

Of course, not every local church is actively involved in such community giving. Small churches and those with ageing congregations may have less capacity for such work. However, across the country, the involvement of local churches in community giving is extensive, and this is so in every denomination.

What contribution do local churches make in dollar terms? A Christian organisation called NAYBA (www.nayba.org/au) has begun to conduct detailed audits in local areas. An example is its recent audit of the activities of churches and faith-based organisations (including non-Christian organisations) on the Gold Coast published in October 2022.[1] It found that the churches and faith-based organisations in the City of the Gold Coast:

- Contributed over $43 million in social impact value over the previous year.
- Served over 350,000 people in need in the past year – about 57% of the total population.
- Delivered 206 community services, addressing 13 of the greatest social needs in the region.

Some of these services, for example those delivered by faith-based welfare organisations, would have received government funding. However, the audit also indicated 439,436 hours of volunteer time over the previous year. That is one measure of the philanthropic contribution. NAYBA has also conducted audits in other areas such as Frankston, Victoria and Rockhampton, Queensland. These similarly demonstrate the social impact of community services provided by churches and faith-based organisations in these areas. The full reports are available on NAYBA's website.

---

[1] https://www.nayba.org/resources/goldcoast.

Churches and 'tax expenditures'

A great many of the services provided by local churches meet significant social needs but do not attract DGR status. Possibly they would be eligible for such status if they were set up as structurally separate from the general work and finances of the church; but often they are not.

A good example of how churches meet community needs out of their own resources and without what Treasury would call 'tax expenditures' is how churches met sudden need during the Covid pandemic. One large church in Ipswich, Queensland, had long been giving out food parcels to families who were struggling financially. The average expenditure was $500 per week. When the Covid lockdowns happened in March 2020, and many low-income people who worked in restaurants, cafes and other such businesses lost their jobs suddenly, the church's expenditure on food support jumped nearly tenfold. This is the hidden and unsung philanthropy of churches. They often just get on and meet people's needs without asking for government support.

Such activity, like so much community need met by churches, is not visible to Treasury; but it is important for the Productivity Commission to be aware of it.

Information request 3: The work of local churches complements and supplements government-funded services

A lot of the services that churches provide to their local communities make a significant contribution to social welfare, but are typically services that governments and local councils do not fund at all, or are completely incapable of providing. Other services – such as free English language classes for migrants, or support for refugees to settle into a local community – may attract a little government funding, but it is typically quite limited. The churches therefore help fill significant gaps in service provision and supplement otherwise sparsely available public services.

The role of churches in secondary prevention to support children

One way of understanding the important role of churches in complementing and supplementing government-funded services is to think about the role of churches in what child protection experts call 'secondary prevention'. Many government-funded social welfare services are not preventative at all. They are 'bottom of the cliff' services provided to respond to crises or when children need out-of-home care. However, some services are preventative. Primary prevention refers to universal services, such as community nursing support to mothers with new babies. These and other early childhood services have, inter alia, a preventative role in supporting a healthy start to life. Other services are tertiary prevention services, delivered to families with very serious problems that have attracted the attention of child protection departments, and which are aimed at preventing the need for children to come into care.

Most government services provided to support children are either universal services or tertiary prevention services. Such is the need for crisis management and tertiary prevention, that governments hardly deliver secondary prevention services at all. These are services to support parents who may have particular needs but are not at crisis point. Churches provide, through so

much of their work, secondary prevention. They offer support to both single and partnered parents through mothers and toddler groups. These provide not only playtime and socialisation for small children but community for mothers who can offer each other help in times of need. Holiday programs for primary school age children likewise offer assistance to parents who struggle to provide supervision for children in holidays while working full-time.

Other services provided by local churches provide support for children in difficult circumstances. An example is the food banks that some churches organise. Single parents with children are primary users of these services. The help the church provides may allow a single parent to pay her electricity bill and therefore keep the power on. Support for refugees to settle into a local community can have a variety of preventative benefits for their children, not least in giving refugees friends and people they can call on when adversity occurs.

The role of churches in secondary prevention of health problems

Local churches also provide secondary prevention services that reduce the cost of public health expenditures. One of the major contributors both to poor mental and physical health is loneliness. It has been estimated that lack of social connection affects the odds of mortality by at least 50%, exceeding other known risk factors such as obesity, physical inactivity, or diabetes.[2] Loneliness has been proven to have physiological impacts,[3] as well as adversely affecting mental health and wellbeing. Loneliness is a hidden cost in other ways to Medicare, since lonely people not infrequently use GPs as a resource to meet their need for someone to talk with, rather than to deal with an illness or other health problem. About 8% of the population is chronically lonely.[4] About 20% report that they rarely or never feel close to other people.[5]

Recent consultations held by Publica with church leaders across four states indicated what a contribution churches make in addressing the problem of loneliness in local communities. Two pastors in South Australia who run food banks through their churches reported that people were coming less for the food than for the connection that collecting food provided to them. One indicated that her food program was seeing a lot of lonely single males who can't join organisations that cost money. Another reported that the church was seeing more fathers with children coming into the food pantry for help than women, and again, loneliness was a bigger need than their financial circumstances. Programs for the elderly also play a very important role in reducing the loneliness of those who are single or widowed.

---

[2] J Holt-Lunstad, TB Smith & JB Layton, 'Social Relationships and Mortality Risk: A Meta-analytic Review'. PLoS Med 7, e1000316 (2010).

[3] Y Yang et al, 'Social Relationships and Physiological Determinants of Longevity Across the Human Life Span', (2016) 113 *Proceedings of the National Academy of Sciences*, 578.

[4] Relationships Australia, *Is Australia experiencing an epidemic of loneliness*? p. 11 (2018).

[5] Australian Psychological Society and Swinburne University of Technology, Australian Loneliness Report (2018): https://apo.org.au/node/202286.

The contribution of churches to public health in providing opportunities for community and social support in their local areas is hard to quantify, but it should not be underestimated. Governments really cannot provide this kind of support to people. If governments tried to tackle the problem of loneliness through funding services it would be hugely expensive, as well as somewhat ineffective, since government-funded services rely on paying staff to care for others.

Information request 3: Does existing government support for philanthropy align with good policy design?

One of the issues in the Call for Submissions paper is the extent to which tax expenditures can be justified. Churches cost the federal government very little in terms of tax expenditure, and it ought to be questioned whether the term is even applicable to tax concessions that are not the result of DGR status. Churches don't pay tax on their income, but should they? The finances of a local church are mainly provided from voluntary giving of after-tax dollars. There are very few other sources of income for churches. The benefits they provide surely outweigh any costs to state or federal governments from the small amount of income foregone.

If anything, governments should go in the opposite direction by giving grants or tax concessions to organisations that provide services with substantial reliance on volunteers. The ever-increasing reliance on government-provided or funded services represents a significant problem in terms of social policy. The need for such services is almost bottomless, but much of the money is inefficiently spent because it does not promote and support volunteer effort.

Most community services offered by churches are provided by volunteers, and so are delivered very much more cheaply than government-funded services. Meeting social needs through paid staff is an expensive model for delivery of those services that could be offered by trained volunteers. Churches are some of the very few organisations in the community that are capable of training and organising such volunteer efforts, other than those organising community sports.

The very large not-for profit sector in social welfare (other than aged care) is almost entirely government-funded; so it is really just an arm of government under a different organisational structure. The true *voluntary* sector is largely located in faith-based organisations and community sports. If there is to be a growth in philanthropy, whether in cash, in kind, or through volunteering, the voluntary sector needs to be a central focus.

Information request 4: Churches and the DGR framework

One of the proposals identified on p.17 of the Call for Submissions Paper is that DGR status should not be available to any organisation that is for the advancement of religion. This reflects, perhaps, a growing antipathy towards religion amongst urban professionals whose values are at odds with the faith of their parents and grandparents, as well as a lack of awareness of how much churches contribute to social welfare and community wellbeing.

Religious organisations are not eligible for DGR status for their work in advancing religion per se. DGR eligibility depends upon coming within one or more defined heads of service to the community that are seen as beneficial to the society. It would be a very regressive and

discriminatory step for governments to decide that just because a faith-based organisation sees itself as advancing religion in providing a particular service, it should not receive the same tax concessions as a secular organisation doing the same work.

There can be few more respected community organisations than the Salvation Army. It does great work with some of the most needy and vulnerable people in our society. It was founded to advance religion and that continues to be central to its ethos. Those who argue that in some way, advancing religion should be disqualifying do not understand much about the Christian faith. In the letter of James (1:27), the connection between faith and charity is made clear:

> Religion that God our Father accepts as pure and faultless is this: to look after orphans and widows in their distress…

Religious organisations should not be forced to rewrite their constitutions to provide that they are not intending to advance religion, if faith is part of their ethos and motivation. Faith-based organisations should be warmly welcomed by governments which would actually drown in social need without them.

Information request 4: Incentivising volunteers

As we have indicated above, one of the key problems in governments' contribution to social welfare is that more and more taxpayer money seems to be needed to pay people to provide caring services which would be more cheaply, and perhaps better, delivered by trained volunteers. This trend incidentally drives out philanthropy, for if the government is going to pay for a service to be delivered, there is no point in individual donors sacrificing their funds in what is, in effect, voluntary taxation.

A proposal for how DGR status could increase both volunteering and philanthropy across the population was proposed by this author a few years ago. The idea is to establish community trusts in each local council area across the country, allowing people an opportunity for quite direct support in their own neighbourhoods. Community trusts would distribute funds to organisations that support families with children, in particular, single parents and others needing an extra helping hand. This is secondary prevention on a large scale. A key condition for receiving a grant from the community trust would be that the organisation can demonstrate significant involvement of volunteers. The federal government's contribution would be to give community trusts DGR status. In addition, people would be encouraged to make small, non-DGR, contributions by rounding up rate payments to the nearest dollar. Community trusts in more wealthy areas would be encouraged to partner with a council in a disadvantaged area, giving a portion of their income to support work in the disadvantaged area.

This proposal is attached as an appendix.

Em. Prof. Patrick Parkinson AM

Executive Director

April 2023

Appendix

Community Trusts

From P Parkinson, *For Kids Sake* (2011), Chapter & "A Community of Neighbours".[6]

As noted in chapter 5, reducing child abuse and neglect, and improving child wellbeing, requires a two-pronged strategy: first to reduce the risk factors associated with adverse effects on children's lives, and secondly to promote resilience by supporting parents through difficult times. Of course, family conflict and family breakdown are not the only risk factors for children, but it is likely that they have been a major factor in the deterioration in the mental health of children and young people in recent generations.

The development of a major and ongoing initiative to mainstream relationship education in local communities is one strategy for responding to the deterioration in children's wellbeing, but it is not enough. There is also a need for programs that will support parents through tough times, and help build parental resilience. Australia already has some such programs, known as family support programs, but there is a great need for more of them.

Family support programs

Family support programs are relatively low-cost preventative services, that aim to reduce the risk of child abuse and neglect. They may provide counselling, run groups and courses on parenting, self-esteem, relationships, money management, household management, and other such issues, conduct children's activities, for example, programs for children affected by domestic violence, self-help groups, and community-building activities for parents to be able to build support networks. They may also advocate for clients who are having problems dealing with government or other agencies.[7] They fulfil an important role in advancing social inclusion, particularly by promoting the conditions that allow children to participate in and benefit from mainstream life.[8]

Local family support services are critical to the support of parents who are struggling. Such services complement the more specialised professional services aimed at therapeutic interventions such as intensive family therapy programs, mental health services, and programs for the treatment of addiction.

Family support services work predominantly with families where either there have already been reports of abuse or neglect, or there is a risk of that. In NSW, for example, organisations affiliated

---

[6] https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1967243

[7] See, for example, in NSW: FamS: NSW Family Services Inc (2011)
<http://www.nswfamilyservices.asn.au/what/46-programs.html>.

[8] C Caruana and M McDonald, *Social Inclusion in the Family Support Sector* (Australian Institute of Family Studies March 2011).

with the NSW family services association help 20,000 families with 35,000 children each year. Predominately they are low-income families in Department of Housing or private rental accommodation, and their main source of income is Centrelink benefits. According to one analysis, in 36% of these families there are known child protection concerns and in 42%, there is domestic violence.[9] There is a family support service in 79% of local government areas in NSW, but most services are very small, and funding for such services is modest. These services have to turn away one in six of the people who are referred to them.[10] Given the level of demand reflected in the child protection notification statistics, it is likely that many more referrals could be made if more services were available and existing services had a greater capacity.

There are also a range of more targeted programs to support vulnerable families, particularly in areas of social disadvantage. However, the services that exist are a drop in the ocean of need, or to put it differently, are only able to achieve a fraction of what could be achieved if the resources were greater and the programs more widespread. For example, the Communities for Children program, funded by the federal government, is an excellent initiative, providing support to families with children up to 12 years old, who are at risk of disadvantage.[11] Its activities include home visiting, early learning and literacy program, early development of social and communication skills, parenting and family support programs, child nutrition initiatives, and community events to celebrate the importance of children, families and the early years. There are 45 sites currently funded under this program. Eleven are located in New South Wales, eight in Queensland and Victoria, six in Western Australia, five in South Australia, four in the Northern Territory and three in Tasmania. Choosing where to run such programs must be very difficult, as so many more communities could benefit from this kind of support.

There is a great need for more such services. Family support services ought to be seen as a front-line strategy in promoting the protective factors that will reduce the incidence of child abuse and neglect and improve children's wellbeing.[12] In particular, they can help develop parental resilience, reduce social isolation, and help to provide practical supports for parents.

To say that the provision of family support programs does not begin to meet the level of need is not a criticism of either state and territory governments or the federal government. As noted in chapter 5, there is never enough. Reliance upon government is actually part of the problem, not the answer. If there is to be the kind of new effort needed to repair the social environment, then it cannot come just from government, even though government needs to play a facilitative role.

---

[9] Data from presentation by Sue Richards. CEO of NSW Family Services, 21st August 2009, available at http://www.nswfamilyservices.asn.au/keep-them-safe.html.

[10] Ibid.

[11] Department of Families, Housing, Community Services and Indigenous Affairs, *Communities for Children* (26 May 2011) <http://www.fahcsia.gov.au/sa/families/progserv/communitieschildren/Pages/default.aspx>. The Program has received a positive evaluation. See B Edwards, S Wise, M Gray, A Hayes, I Katz, S Misson, R Patulny and K Muir, *Stronger Families in Australia Study: The impact of Communities for Children* (Department of Families, Housing, Community Services and Indigenous Affairs, 2009).

[12] See chapter 5.

The key to repairing the social environment is to mobilise community support, community care, and community pride.

Volunteers and family support

While a family support service needs professional staff to manage and coordinate the different aspects of the work of the service, much can also be done using volunteers, with benefits not only for recipients of services, but in building cohesive and supportive communities of neighbours. Volunteers, for example, might help single mothers with shopping, provide respite care of the children for a morning, or support struggling families by helping mow the lawn or repairing things around the house. Food deliveries can also be a practical means of providing support to families going through difficulties.

Volunteer programs can also provide support to vulnerable children. One shining example is World Vision's program, Kids Hope Australia.[13] This is a partnership between local churches and primary schools. The schools, through classroom teachers, identify children who have behavioural difficulties or other problems that indicate a need for additional support. The churches provide a volunteer mentor who meets the child, on a one-to-one basis, for about an hour per week, during school hours. The program has proved extremely successful, with the demand for mentors often far exceeding the supply available from local churches.

Only a relatively small percentage of the population go regularly to church, and only some local churches participate in this program. The expansion of a program of this kind, with continuing screening and training of volunteers, could meet the needs of many vulnerable children in Australia who would benefit from having another interested and nurturing adult involved in their lives.

Another community-based program that utilises volunteers to support vulnerable children and families is Aunties and Uncles, a program run under the auspices of Wesley Mission.[14] This organisation places children up to 12 years old with a stable, caring family for one weekend per month. The aim is to offer the child the experience of having an extended family who provide mentoring and guidance in a stable family environment. The time spent with the aunty and uncle also provides th primary caregiver, who is often a single parent, with a much needed break from the demands of parenting.

A third example of a successful program using volunteers is the Home-Start program organised by the Family Action Centre at the University of Newcastle.[15] This is a voluntary home-visiting program that supports families with children under five. Co-ordinators match trained volunteers

---

[13] World Vision Australia, *Kids Hope Aus* (2011)
<http://www.worldvision.com.au/ourwork/solutions/KidsHopeAus.aspx>.

[14] Aunties and Uncles <http://www.auntiesanduncles.com.au/>

[15] *Home-Start*, The University of Newcastle Australia (11 June 2011) <http://www.newcastle.edu.au/research-centre/fac/programs/home-start/>.

with families in need of support, and these volunteers work on a one-to-one basis providing practical help and friendship to the family through regular home visits. Home-Start has 70 volunteer visitors, selected for their parenting experience, caring attitudes and ability to relate to others.

These and many other such volunteer-based programs can make the world of difference in children's lives. They do not require huge financial resources. More than anything else they require people who believe that it takes a village to raise a child. The challenge is to rebuild a sense of community in each local area that will see the growth and development of programs such as this – especially in the most disadvantaged areas. What is needed is that we become more of a community of neighbours.

Building community support for families and children

Extending the reach of community-based supports for families and children is likely to be a key to reversing the serious deterioration in children's wellbeing and in reducing the number of childen for whom there are significant child protection concerns.[16]

Providing more community support for parents and children is likely to have benefits in primary, secondary and tertiary prevention. At the level of primary prevention, reducing the social isolation of single mothers and providing support for them to alleviate some of the stresses of the parental role may make it less likely that the children will be reported as being at risk of abuse. Having family support programs in place to which families can be referred where there is an identified risk of child abuse and neglect is a constructive means of moving beyond a surveillance approach to child protection and towards targeted and positive assistance. Reducing social isolation may also reduce the likelihood of children having to be taken into out-of-home care.

An example of what can be achieved with effort and co-ordination is what happened in Windale, in the Lake Macquarie area of New South Wales.[17] This community, which contains extensive public housing, was one of the most socially disadvantaged communities in the State. It was also in the worst 1% of suburbs in terms of the proportion of child protection cases relative to the number of children in the local population.

Funding was given for a three year project to engage in a process of community renewal. Central to the strategy was the establishment of a community centre led by a community committee, and attached to the local primary school. It is known as the Alcazar Centre.

---

[16] As Higgins and Katz have stated, "it is important to consider ways of enhancing the ability of communities to keep children safe and well". D Higgins and I Katz, 'Enhancing Service Systems for Protecting Children: Promoting child wellbeing and child protection reform in Australia' (2008) 80 *Family Matters* 43-50, 46.

[17] This account is taken from A Blakester, 'Practical Child Abuse and Neglect Prevention: A community responsibility and professional partnership' (2006) 14(2) *National Child Protection Clearinghouse Newsletter* 2-10, 3.

Programs initiated in Windale included parenting classes, a program for the staged introduction of preschool-aged children into school, social groups for isolated mothers, an Aboriginal health service and community nursing, improvements to the school, and enhancing parental participation, and other strategies to improve community wellbeing.

Windale moved from being in the worst one per cent of suburbs in NSW in terms of child protection notifications to the best 25 per cent, only four years later. Windale shows what can be achieved with a sustained and co-ordinated effort at community renewal.

Reducing reliance on Governments

The Windale experience also demonstrates the limitations of reliance on Government. The funding for this community renewal program ceased after three years, with the consequence that some of the advances made were not sustained. This is the fate of so many worthwhile pilot and demonstration projects. The allocated funding has a built in termination date, and money may not be able to be found within ongoing budgetary allocations for its continuation and replication elsewhere.

This has been the fate also of other community renewal projects. Commenting on this issue, Prof. Tony Vinson has written:[18]

> "There have been instances in which relatively short-term supportive interventions (usually around two to three years) have seen crucial improvements including some in early life-stage wellbeing. Where this has happened, at least in three of the four New South Wales projects for which data is available, the cessation of the support program has seen a rebound to previous levels of disadvantage."

It is important for this reason, to examine how to encourage a shared sense of responsibility for community renewal with less reliance on governments and paid professionals to do the work.

Experience elsewhere indicates that if the right structures are in place, people are very willing indeed to support local charities and to help combat disadvantage in their local communities. An example of this is the success of United Way in North America.[19] United Way is essentially a federation of local organisations that engage in fundraising for charities in their area and encourage volunteer involvement. Some United Way programs are based on city boundaries, and others on counties. Each has its own leadership, and considerable autonomy, but all United

---

[18] T Vinson, *Dropping Off the Edge: The distribution of disadvantage in Australia* (Jesuit Social Services, 2007) 99-100.

[19] For the US site, see *Live United*, United Way <http://liveunited.org/>. For the Canadian site see United Way Centraide: Canada <http://www2.unitedway.ca/uwcanada/>.

Way organisations are affiliated with the national body and share a common identity. There are also United Way organisation in other countries.[20]

United Way has proved very effective in fundraising for local charities. There is typically an annual fundraising drive, in which volunteers seek donations from colleagues in the workplace. There are also other fundraising initiatives through the year. In 2010, United Way in San Francisco's Bay Area United Way had fundraising campaigns in more than 500 companies and received donations from more than 60,000 individuals. It raised $34.6 million for the community.[21] Money raised through these fundraising campaigns is then distributed to non-profit organisations. Increasingly, local United Way organisations engage in strategic planning around service delivery and target resources to achieve particular goals.

United Way also encourages volunteer involvement in local communities. For example, United Way Canada holds an annual Day of Caring in communities across the country. Teams of employees take time out of their workday to volunteer in their local communities. Ways they get involved include painting rooms in shelters, stocking shelves at food pantries, participating in local food drives and planting community gardens.[22]

What works well in one country may not work in another. Initiatives of this kind need to take account of the local context and particularly the incentives for philanthropy and community engagement.

Community Trusts
While there are organisations that engage in fund-raising and fund distribution for non-profit organisations in Australia,[23] and indeed United Way itself has a presence, mainly in Victoria,[24] there is a need for a major new initiative to support families and children in particular, based upon the idea of empowering local communities.

For this reason, it is recommended that Community Trusts be established, if possible, in each Local Government Area, to help fund relationship education, counselling, family support programs and other forms of community support to improve the wellbeing of children, in local communities.

---

[20] See http://liveunited.org/pages/about-united-way-worldwide. United Way now operates in 45 countries and territories. It has a small presence in Australia: see http://www.unitedway.com.au.

[21] See *United Ways Role*, United Way of the Bay Area (2011) <http://www.uwba.org/endpoverty/united-ways-role/>.

[22] See *United Way of Canada – Centraide Canada*, United Way Centraide <http://www2.unitedway.ca/UWCanada/content.aspx?id=1140>.

[23] See for example, Our Community: *ourcommunity.com.au: Building stronger communities through stronger community organisations* <http://www.ourcommunity.com.au/>.

[24] See United Way: United Way Australia (2007) <http://www.unitedway.com.au>.

One purpose of the Community Trust is to allow members of the public to make tax-deductible donations for the support of non-profit organisations that promote the wellbeing of children within the Local Government Area (LGA). Another purpose is to provide co-ordination and vision for the non-profit sector within the area, so that over time there can be an increasingly planned approach to the provision of services and action taken to try to fill gaps. The example of Norway is interesting here. All municipalities now have to provide family counselling centres, by law. A Community Trust could ensure a similar level of availability in its LGA.

A local government area is not a community in itself. Typically, it comprises a number of different suburbs or towns, each of which is its own identifiable community. Using LGAs to define the geographical basis of operation for each community trust is nonetheless the most convenient means of identifying the boundaries of operation for each community trust. It also has the advantage that community trusts can work together with local Councils in coordinating community service delivery.

The goals of each community trust should be:

- To raise funds for local area organisations that support children and families, with donations being tax-deductible.
- To distribute funds to local community organisations that fulfil the purposes of the Trust.
- Where needed, to co-ordinate and provide strategic leadership to local initiatives that seek to improve the wellbeing of children.
- To identify gaps in services and to develop priorities for filling those gaps over time.
- To monitor the effectiveness of strategies to improve children's wellbeing in the local area.

Governance

Each Community Trust should be set up as an independent non-profit company that acts as a trustee. It should be managed by unpaid directors who live in the Local Government Area (LGA) and are respected members of the local community. The Community Trusts should be accountable to the new Australian Charities and Not-for-profits Commission which is to be established by the federal government from 1 July 2012.[25]

The basic terms of each Trust should be set out using a model provided by the Australian Charities and Not-for-profits Commission that could in principle be varied in each locality subject to approval by the Commission.

---

[25] As announced in the 2011-12 Budget. See *Establishment of the Australian Charities and Not-for-profits Commission Regulation Impact Statement –Treasury*, Department of Finance and Deregulation: Office of Best Practice Regulation (19 May 2011) <http://ris.finance.gov.au/2011/05/19/establishment-of-the-australian-charities-and-not-for-profits-commission-regulation-impact-statement-%E2%80%93treasury/>

The Commission should be responsible for trying to ensure, over time, that a community trust is established in every LGA. Local Councils and state and federal MPs should be encouraged to support the effort to ensure such Trusts are established.

Each state government should be asked to provide the small amount of money required to run each Community Trust. As far as possible, administrative support and financial management services should be provided by volunteers or on a pro bono basis.

Distribution by trustees

The trustees should be required, at least once per year, to distribute funds to charities and other non-profit organisations that have active programs (as opposed to just administrative offices) in the LGA, and which provide:

- Relationship education or counselling.
- Parenting education or counselling.
- Family support programs.
- Support for children and young people.
- Programs and services to build community engagement and to reduce the social isolation of parents.

Funding should be for the support of such programs. Ordinarily, it would be expected that community trusts would want to fund the services that have offices or premises within their LGA. However, it should be sufficient that the community trust meets the needs of a client group that lives in the LGA, and has offices or premises in an adjacent one. In some cases, local family support organisations or relationship counselling organisations serve clients from more than one LGA.

Applications should be welcome from all organisations that have programs fitting the criteria, including local charities and other non-profit community organisations, churches and other faith-based communities, CALD organisations, parents-and citizens' associations, and groups serving particular needs within the community such as children with disabilities.

The Trustees should be able to distribute funds to any organisation that meets the criteria. It should not be necessary that the organisation has tax-deductible status independently, nor that it is established formally as a legal entity. Money could be given to an unincorporated association that meets the criteria.

Tax-deductible status

Gifts to the Community Trusts should be tax-deductible. The advantage of this is that small family support organisations and unincorporated associations could achieve tax-deductible status without having to go through the considerable hurdles involved in securing that status

independently. The Community Trust would have the tax-deductible status, and the organisations to which it could provide support should be defined by statute. It is envisaged that this would be a broader range of purposes than currently attract tax-deductible status, but the public benefit to be gained from mobilising community involvement and encouraging donations to support community organisations that will strengthen families and provide better support for children and others in need is considerable. Support of such organisations is demonstrably in the public interest.

Donations to specific organisations

Donors could nominate specific charities or non-profit organisations to which they would like their money to be directed, provided:

- that the organisation is one that fits the criteria for distribution by the Trustees.
- subject to a standard overhead charge (to be no more than 15%).
- Minimum $50 donation.

The purpose of these restrictions is to allow donors to make donations to specified organisations, while recognising that Community Trusts have some costs which ought to be equitably distributed between specific and untied donations. Donors have a choice whether to give directly to the organisation of their choice or to give through the Community Trust. In a situation where the organisation to which a donation is made does not have tax-deductible status, it is likely to be better, from the donor's point of view, to give money to the Community Trust.

Encouraging the use of volunteers

In the distribution of untied funds, preference should be given to organisations that can demonstrate that they involve volunteers in their work. Volunteers would not need to be in front-line service delivery. They could fulfil office functions or provide free services such as building maintenance, gardening, or accountancy services. Having a Board or an advisory committee consisting of local members should be encouraged, but participation by volunteers in this role should not itself be sufficient to qualify as an organisation that has volunteer involvement.

The purpose of this provision is to help encourage community participation in the delivery of services to families and children, and to encourage a greater sense of 'ownership' by the local community of services that are intended to benefit the area. Encouraging more volunteer involvement in the community helps build 'social capital', something that has been declining in Australia for generations.[26] Volunteering in family support organisations is one way in which people who are unemployed may be able to make a contribution to the community, and lessen their own sense of social isolation. The greater the level of volunteer participation, the greater the level of return there is both for donors and for the taxpayer in terms of tax revenue forgone.

---

[26] A Leigh, *Disconnected* (University of New South Wales Press, 2010).

Community trusts may also act as a focal point for volunteer efforts. Freeing up staff time to participate in work for family support organisations is a way in which local businesses can demonstrate their commitment to the communities of which they are a part. There is merit in the Canadian example of setting aside one day per year in which there is a coordinated effort at supporting vulnerable children and families for example, doing gardening or repair jobs for single parent families or those battling with sickness or other hardship.[27] Clean Up Australia Day demonstrates the benefits in terms of community spirit, as well in terms of practical outcomes, when a well-publicised and coordinated effort of this kind occurs.

Accountability

Each organisation would need to be accountable for the use of its funding and its accounts should be audited. The Community Trust ought to collect statistics on each program to which it makes a grant, for example, by requiring organisations to complete a short, standardised questionnaire. However, bureaucratic control should be kept to the minimum necessary to ensure the money is spent in accordance with its purposes, in order to prevent significant costs in administration.

Raising money for the Community Trusts

A major purpose of community trusts will be to raise funds to support relationship education, counselling, family support programs and other work to improve the wellbeing of children, Community trusts could, for example, have an annual fund-raising drive supported by a community awareness campaign through local newspapers and radio.

Local Councils may be able to support community trusts by inviting ratepayers to round-up their quarterly or annual rate payments to the nearest dollar, with all such excess payments going into the Trust. If just 100,000 people agree to round up their rates by 40 cents per quarter, that generates an income of $160,000 per annum for local charities and voluntary organisations. To promote the rounding up scheme, state governments should be encouraged to provide matching funding for rounding up donations in the first year of operation. Once a person volunteered to round up, that election would remain until cancelled.

The option to cancel should be offered each year on the rate notice to those who had chosen to do this, while those who had not done so should continue to be invited.

The federal government should develop a media campaign to promote awareness of community trusts and to encourage both ratepayer rounding up and tax-deductible giving in both the first and third years of the roll-out of the Community Trusts program.

A co-ordinated approach to service delivery

---

[27] This is known as a United Way Day of Caring: http://www2.unitedway.ca/UWCanada/press.aspx?id=1148.

Community trusts could also play an important role in co-ordinating the efforts of the non-profit sector within the LGA. To achieve this, a services committee comprising leaders in local non-government organisations, community representatives, and at least one representative from the local Council, ought to be established to develop a planned approach to the support of families and children in the community, taking account also of the services being funded by the local Council, the state or territory government, and the federal government. The aim should be both to avoid unnecessary duplication and to identify gaps in service provision and support for families.

A co-operative approach at the local level may also improve outcomes from competitive tendering processes,[28] as an area services committee, under the auspices of the Community Trust, may be well placed to give advice to funding bodies on which services would be most effective in delivering the services required.

Supporting disadvantaged communities

It is likely that some Community Trusts will receive much higher levels of support than others. Some Trusts may receive more financial support because of the socio-economic profile of the local authority area. Others may do well because of a strong sense of community in that area.

In order to provide support for disadvantaged communities, it is proposed that each Community Trust be permitted to donate up to 15% of its funds which have not been earmarked for specific organisations, to a Community Trust in a disadvantaged area designated as such by the federal government. Community Trusts in areas that are not disadvantaged should be encouraged to partner with a Community Trust in a disadvantaged area, with donors to the Trust and other stakeholders receiving information about how needs are being met in the partner Community Trust as well.

Members of the public should be allowed to donate to any Community Trust in Australia. It is proposed that if someone donates to a Community Trust in a disadvantaged area, and the postcode of their principal place of residence is not in that local government area, then the federal government should provide matching funds for this donation, up to a cap to be set by the Government.

No more than 20% of Community Trusts should be designated as being in disadvantaged areas. If the other 80% of Community Trusts partner with a disadvantaged area, then each such area will have 4 others that are able to provide it with financial support.

Conclusion

---

[28] On this issue, see J Butcher and B Freyens, 'Competition and Collaboration in the Contracting of Family Relationship Centres' (2011) 70 *Australian Journal of Public Administration* 15-33.

Community trusts offer a means of providing additional funding support for relationship education, counselling and family support programs while at the same time building social capital and community awareness. They will provide people with the opportunity to support families and children in their community on a tax deductible basis, and provide a focal point for local fundraising and volunteering efforts. Community Trusts ought to be independent of local Councils, but should work in close co-operation with them, co-ordinating the efforts of all levels of government with the non-profit and volunteer sectors, to promote the wellbeing of children.

Recommendation 7

The federal Government should support the establishment, in each local government area, of community trusts and give tax-deductible status to donations to such trusts in order to support children and families. The goals of each community trust should be:

- To raise funds for local area organisations that support children and families.
- To distribute funds to local community organisations that support children and families.
- Where needed, to co-ordinate and provide strategic leadership to local initiatives that seek to improve the wellbeing of children.
- To identify gaps in services and to develop priorities for filling those gaps over time.
- To monitor the effectiveness of strategies to improve children's wellbeing in the local area.

Recommendation 8

Each Community Trust should be set up as an independent non-profit company that acts as a trustee. It should be managed by unpaid directors who live in the Local Government Area and are respected members of the local community. It should be supervised by, and accountable to the new Australian Charities and Not-for-profits Commission. The trustees should be required, at least once per year, to distribute funds to charities and other non-profit organisations that have active programs (as opposed to just administrative offices) in the Local Government Area, and which provide:

- Relationship education or counselling
- Parenting education or counselling
- Family support programs
- Support for children and young people.

Preference should be given to organisations that can demonstrate the involvement of volunteers in the work of the organisation.

Recommendation 9

The new Australian Charities and Not-for-profits Commission should develop a model of terms for each Community Trust that could in principle be varied subject to approval by the Commission.