

COVER STORY

Benevolence dictated

The introduction of a national regulatory body, the ACNC, isn't the only change afoot in the charity sector, writes **Sue White**.

Having survived its neediest time, Christmas, for another year, Australia's charitable sector ticked off another milestone recently: the introduction of its first national regulator, the Australian Charities and Not-for-profits Commission (ACNC).

While many industries shun regulation, the establishment of the ACNC has mostly been welcomed by the charitable sector.

"I think it's important for any sector to experience the cold breeze of public accountability," says the co-author of *Driven by Purpose* and chief executive of HammondCare, Stephen Judd.

In fact, the industry that employs about 8 per cent of the Australian workforce has lobbied for regulatory change over a long period, in large part because of its desire to simplify and streamline often-complicated state-based reporting processes and paperwork.

"After six inquiries, you can see sustained lobbying from peak bodies in the sector for a national regulator," the ACNC commissioner, Susan Pascoe, says.

While the ACNC's establishment is big news in terms of industry regulation, in practical terms it only affects a small percentage of Australia's approximately 600,000 non-profit organisations (the 56,000 with tax-deductible status) and, even then, most of the changes will happen behind the

scenes. Coming harmonisation of state-based fund-raising laws and a planned new statutory definition of charities will also have an impact on how charities are run; however, governance issues aren't the only way our charities are changing.

"Anyone who thinks the not-for-profit sector is where you go to be put out to pasture hasn't worked in it," Judd says.

"It has become more professional over the last two decades than it has ever been."

The charitable sector now attracts a new type of worker. "Over

'We are helping money flow into that local economy.'

Steve Hawkins, Benevolent Society

the last 10 to 15 years I've seen a change, with people coming in from [corporate backgrounds in] HR, property, law or banking," Judd says.

The shift might be partly a result of the push for non-profits to innovate to get dollars through the door. While many charities receive government funding to carry out services on its behalf, a tightening government purse combined with ever-increasing competition for the public's dollar means the sector is



Bright ideas ... the Benevolent Society's Zizi Charida and Steve Hawkins visit Bankstown's Cafe Nho, part of the society's successful Taste Food Tours program. Photo: Tamara Dean

starting to develop more diverse and innovative income streams, including looking at social enterprise models.

"The largest example is the consortium [of four charities] which took over the failed ABC Learning centres, Goodstart," Judd says. "It's operating sustainably and putting something back into the community by minding children."

At Australia's oldest charity, the Benevolent Society (also one of the four founding members of Goodstart), the general manager of business development, Steve Hawkins, says exploring models such as social enterprise and social finance programs is important, as long as client needs remain at the fore.

"If you keep focused and figure out what the needs are of the people we're trying to help, that's a good start," he says.

One experiment that has paid off for the Benevolent Society has been Taste Food Tours. The social enterprise, which is run mostly in

Sydney's western suburbs, trains local residents as guides who introduce urban foodies to stores and restaurants in areas they might not visit usually. It's a unique way to bring money into suburbs that are otherwise likely to make more headlines for occasional bad news stories rather than the multicultural business served up daily by local business owners.

"Food brings people together ... we also wanted to introduce new people to these multicultural areas [so they'd see them] in a new light," Hawkins says.

With 1200 customers already attending food tours in suburbs such as Lakemba or Bankstown, Hawkins is most pleased with one statistic: two-thirds of Taste Food Tours customers return to one of the shops they visit. "We are helping money flow into that local economy," he says.

Slightly more complicated, but equally innovative, is a new social finance program. "We're constantly trying to get more money into early

intervention programs," says Hawkins, a former investment banker. "But it's hard for government to do that [given election cycles]."

"With social finance, we are trying to explore new links between commercial enterprises and not-for-profits. Rather than giving a donation and feeling good, they will invest and partner with us."

While the changing world of charities is not without its challenges - Judd notes that charitable entities are typically tasked with satisfying far more stakeholder than private bodies - both Hawkins and Judd say it's an exciting place to be working.

Now, regulatory change even ensures their new regulator has been formally tasked with helping the industry thrive: "We will regulate, but our second object under the act is that we support and sustain the sector," Pascoe says. "We've keen for that to be the way we operate."