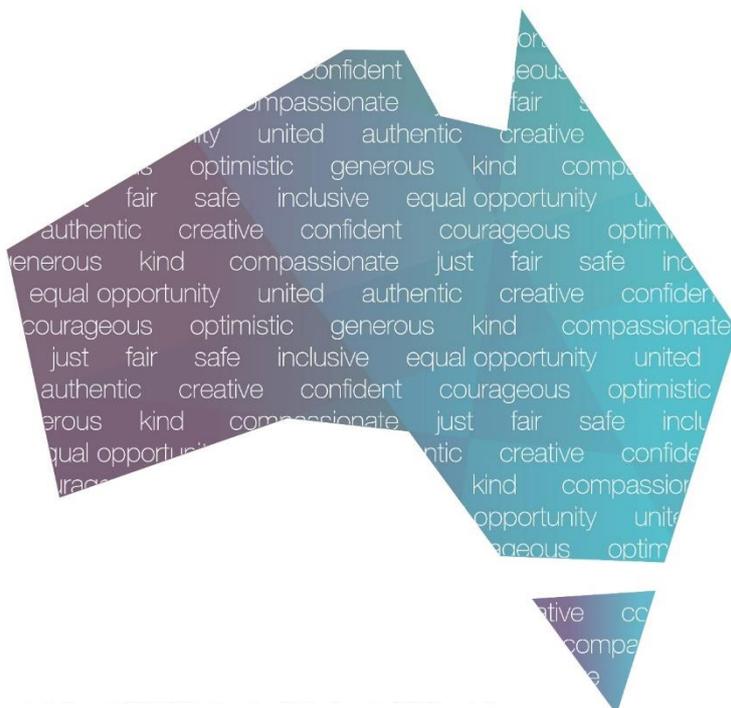




2017

**Annual Reports presented to members at the
Annual General Meeting**

Parliament House, Canberra, 24 May 2018



The Community Council for Australia

The Community Council for Australia is an independent non-political member based organisation dedicated to building flourishing communities by enhancing the extraordinary work undertaken by the charities and not-for-profit sector in Australia. CCA seeks to change the way governments, communities and not-for-profits relate to one another. It does so by providing a national voice and facilitation for sector leaders to act on common and shared issues affecting the contribution, performance and viability of NFPs in Australia. This includes:

- promoting the values of the sector and the need for reform
- influencing and shaping relevant policy agendas
- improving the way people invest in the sector
- measuring and reporting success in a way that clearly articulates value
- building collaboration and sector efficiency
- informing, educating, and assisting organisations in the sector to deal with change and build sustainable futures
- providing a catalyst and mechanism for the sector to work in partnership with government, business and the broader Australian community to achieve positive change.

Our success will drive a more sustainable and effective charities and not-for-profit sector in Australia making an increased contribution to the well-being and resilience of all our communities.



Chair Report

Rev Tim Costello

For the period 1 Jan 2017 – 31 Dec 2017

2017 was another challenging year for the charities sector and for CCA.

After all the work so many of us did to ensure the ACNC would survive to become an effective regulator and source of information for the sector, a relatively new assistant Minister in the government decided the ACNC needed new leadership. The outstanding Susan Pascoe was told she would not be re-appointed, despite glowing recommendations from many in the sector, from her employer the ATO, from her staff and colleagues, and from the international community of charity regulators. Many of us were shocked by this ill-informed decision. The resulting letter of concern from CCA attracted over 200 supporters. A few months later our shock was compounded when a known anti-charity campaigner was appointed by the government to the role of ACNC Commissioner. While there was little CCA could do other than highlight the lack of due process and merit-based selection, it has been very disappointing to see the resulting loss of confidence in our national regulator.

As if that wasn't enough, we suddenly found that environmental groups were being targeted - in line with the views of the Minerals Council of Australia – as a number of government MPs put forward the position that organisations not fully engaged in on the ground remediation of the environment were not real charities and were not acting in a charitable way. Environmental advocacy became the focus of a Parliamentary Inquiry followed by new administrative requests from the Department of Environment and Energy for some charities to identify how much of their work involved advocacy.

This attack on advocacy proved to be just the beginning of what we now know to be a major campaign against advocacy by charities. In the final stages of 2017, within hours of the marriage equality bill passing parliament, a series of Bills around advocacy and elections, advocacy and foreign donations, and advocacy and foreign influence were tabled – all of which would significantly restrict the advocacy activities of charities in Australia – either directly or indirectly.

I am proud to say that CCA was always on the front foot in addressing these threats. CCA focused on presenting well-reasoned arguments about the role of charities and the need to be able to use advocacy in the pursuit of charitable purposes. This was reflected in several appearances before Parliamentary Inquiries, numerous submissions and many articles and media stories in which CCA played a central role.

While defence of advocacy took up quite a lot of CCA resources in 2017, there were many other important activities over the 12 months. If I had to highlight just one of these areas, it would be the battle to streamline fundraising regulations in Australia – a long and seemingly unending battle CCA has fought strongly over many years.

I would like to think we are making progress, and certainly the draft policy platform for the ALP has highlighted fundraising regulation as an issue, but all the good work of CCA and many equally active campaigners has so far only delivered minor concessions. These are battles that seem to go on and on without resolution, but I think it is precisely this kind of work that eventually does make a difference. Many of us have learned that overnight

successes are very rare in public policy. The long hard slow slog against the odds is the bedrock of success. Without the driving force of CCA and others like Justice Connect, these issues would lack the momentum required to drive change, even if it does take years.

Sustaining this kind of work is a challenge, and CCA is only able to continue and be effective because it is a product of collaboration between many organisations, some as members and some that support our work in other ways. I want to mention just a handful of our partners.

As I have noted before, if *Pro Bono Australia News* did not exist we would all be working to invent it. Under Karen Mahlab's leadership, Pro Bono Australia has become a real information hub for the charities and not-for-profit sector, an information hub that works very closely with CCA in critical areas of national policy. We all thank Karen and her team. *PwC* continued to support CCA, providing in kind support for CEO forums and other events. *Origin Foundation* supported our work advancing the education component of our *Australia We Want* report and follow-up forums. Groups including *Our Community*, *ACFID*, *ACOSS*, the *Centre for Social Impact*, *Justice Connect*, *Life Without Barriers*, and others have all given generously in working with and supporting the work of CCA.

While all these partnerships are very important, the most important acknowledgement I offer each year in my annual report on the work of CCA is to the members of CCA, who not only support our work, but also fund our work.

CCA is a truly sector led organisation, set up by the sector, run by people from the sector, funded by people from the sector, working to strengthen organisations across the sector. It is genuinely independent of government, and through exercising that independent voice, it has become a touchstone for policies relating to charities and not-for-profit organisations across Australia.

The contributions of the sector through membership fees have enabled CCA to employ a very capable staff team who make up for their lack of numbers by not only working very hard, but also drawing on internal and external expertise to operate in a very strategic way.

While David Crosbie is the CEO, the front person, Deborah Smith has been the real backbone of CCA. Deborah returned to CCA after spending some time earning much more money elsewhere, but came back because she is committed to our work. We are very lucky to have her. David Crosbie again showed courage and persistence, values that have enabled CCA to be effective in a difficult year.

I also want to acknowledge my fellow Board Directors. It has been noted elsewhere, but CCA Board Meetings are actually enjoyable exchanges with well informed and extremely capable leaders from across the charities sector all working towards shared goals. I think the Board elected by CCA members is a uniquely gifted Charities sector Board, and I look forward to working with them in facing new challenges throughout 2018.

Everyone in this room has made an important contribution to the success of CCA as an organisation. You should feel proud of your role in enabling CCA to continue its invaluable work. As we enter the pre-election period of the political cycle, it will be more important than ever to continue to support one another through our collective work with CCA. I look forward to an exciting 2018 where the collective voice of our sector again grows in diversity and strength. Thank you.



Tim Costello, Chair of the Community Council for Australia



CEO Report - David Crosbie

For the period 1 Jan 2017 – 31 Dec 2017

We are only five months into 2018, but when I look back on 2017, I think I see more clearly than I did at the time, that 2017 was the year attempts to restrict the voice of charities went to a new level in Australia. Not only did we have the outcome of the Parliamentary Inquiry into the advocacy activities of environmental charities, but we also saw three new Bills introduced into the Parliament that will all have an impact on the capacity and willingness of charities to advocate for their charitable purpose. As CCA pointed out many times, our community is stronger when the voices of civil society can be heard and responded to. This is a message we have had to repeat many times in many ways since 2017 and it is often interesting how this kind of message is received.

One of my more interesting meetings of 2017 was when a handful of us from the charities sector met with BHP Executives to discuss their support for civil society, and how that support could be reconciled with the public criticism of charity advocacy from their peak body, the Minerals Council of Australia. I think this kind of engagement with corporate Australia will increasingly become part of our work to drive a more supportive legal and regulatory environment for charities in Australia.

One of the unfortunate outcomes of 2017 has been that the pressure on charities not to say anything critical of government programs, services or policies has had an impact on some charities and their willingness to speak up for their cause or their community.

The attack on public advocacy was not the only negative in 2017. Our Chair Tim Costello has referred to the failure to reappoint Susan Pascoe as ACNC Commissioner, and the fall-out from what was clearly not a merit-based approach to finding her replacement. Assistant Minister Sukkar suggested to me in May that Susan Pascoe may have been good when the ACNC was being established, but we need a different kind of leadership now. We can only hope the quality staff and strong structures put in place during Susan's time will mediate any attempts to turn the ACNC into a more enforcement focused agency.

2017 also saw the continuing trend of stalling income with many charities finding it harder to make ends meet. The three main drivers of income for the charities sector; government funding, fees and charges for services provided, and fundraising and philanthropy; have not increased at the same level as demand. Competition for income from all three areas has increased and return on investment for funding received has diminished.

Within this context, not many charities have the capacity to actively invest in their future, including being prepared to take on broader operating environment issues like advocacy. Yet despite the challenges and uncertainty, CCA has managed to stay strong, maintain membership numbers and continue to be a respected voice for the sector.

Not only has CCA been very active in defending advocacy, it has also been a clear and consistent voice on a range of issues impacting the sector including; the push for more mission-based mergers and collaborations, better use of existing resources in our sector, the need to access more impact investing opportunities, sector leadership development, and the ongoing issue of unnecessary regulation and red tape particularly in relation to fundraising.

The broader policy framework for CCA is grounded in our work on achieving the *Australia we want*. We see this work as critical in not only shifting the public discourse in Australia towards core values that matter to us all, but also driving an increased emphasis on the positive role of charities in building flourishing communities. The strength of our approach around *Australia we want* is that it provides validated comparable measures of our values and forces a meaningful consideration of what we as individuals, as charities, as communities can do about it. *Australia we want* is not about a different form of words or spin or even ideology. It is about going above day to day politics and economics to achieve measurable changes in critical measures of community life including; incarceration rates, suicide rates, housing affordability, safety walking alone at night, rates of school completion, the capacity of women to participate in the workforce, levels of overseas aid, investment in the arts, etc.

The bringing together of a diverse group of leaders for a forum on how charities and communities can positively contribute to Australia achieving better levels of educational attainment – one of the *Australia we want* measures - is a good example of how this work can drive practical solutions-focused approaches. As a consequence of this work in 2017, we are hoping that this year we will begin a campaign to change our approach to education, especially in communities where education has not been valued. Charities will have a critical role in this campaign. We are also looking to build on the first *Australia we want* report with a second report to be written this year.

There is so much more I could say about our work in 2017, but I want to take this opportunity to thank some people who really make it possible for CCA to exist and operate effectively.

Our members not only fund us, but also provide invaluable input to our submissions and policy formation. The strength of CCA is fundamentally the strength of our members and I thank them all for their support and engagement. The more members and the more engagement, the stronger CCA becomes.

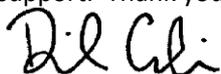
We have a number of important partners that work with us who Tim has already thanked; Pro Bono Australia, PwC, Origin Foundation, Life Without Barriers, Our Community, ACFID, and others – I want to add my appreciation and acknowledgement of their support for CCA.

I also want to echo Tim's praise for Deborah Smith – the heart and soul of CCA – for all she does. Deb's commitment and energy for CCA goes far beyond what anyone might normally expect of an employee.

Tim acknowledged our Board and I share that acknowledgment. One of the delights of my role is being able to work with such a well informed and generous Board. I also want to highlight the role of Tim as Chair. Tim is obviously a very busy man, but he has never taken a backward step when we need his strong and clear leadership on any number of issues, both publicly and privately. I think we would not be anywhere near as effective without Tim's very active engagement.

Finally, I wanted to end by saying how important it is for an organisation like CCA to not only exist, but also do well. Charities are all too often overlooked, dismissed, treated as less than professional and less than effective. It is up to us to not only change that negative narrative, but also write a new one where the work of charities is valued, and we are all working together towards the Australia we want.

I look forward to working with you again over the coming year – we have a lot to do and we will need your support. Thank you.



David Crosbie, Chief Executive Officer



Snapshot of CCA Activities in 2017

Below is a listing of the key activities CCA undertook in 2017 as part of its charter to build flourishing communities by enhancing the extraordinary work of Australia's not-for-profit sector.

Advocacy was pursued through policy submissions, parliamentary processes such as Senate Estimates, and via meetings with parliamentarians and their advisers, senior bureaucrats and key stakeholders. CCA maintains a high media profile, providing 'go to' analysis and commentary on sector issues through all forms of media.

Key issues advocated on by CCA

- Advocacy, and the value charities bring to national policy discussion and development. Protecting the capacity and the legislated right and role of charities to advocate for the communities they serve, and calling out the power imbalance in political influence that currently favours powerful vested interests shaping policy towards their own economic self-interest.
- Future direction of the Australian Charities and Not-for-profits Commission, and the critical need for transparent, merit-based appointment processes for the ACNC Commissioner and Advisory Board.
- Support for the ACNC to ensure an independent and effective process in determining charitable status, building public confidence in the sector and driving government red tape reduction.
- DGR reform to broaden and simplify access to DGR for registered charities, and to ensure DGR assessment is tied to purpose, not activity – and is not used as a vehicle to restrict or inhibit advocacy.
- Fundraising and the need to harmonise regulations across all jurisdictions – with amendments to Australian Consumer Law providing a logical vehicle.
- Reducing red tape and compliance costs, and fighting any proposed new red tape burdens.
- The need to boost social impact and productivity by improving the way government works with the sector, including by increasing certainty in government funding and reforming tendering and contracting processes.
- Ensuring the Not-for-profit sector is noticed, respected and more involved in critical national economic and social policy discussions. This includes recognition of the contribution of the sector in social and economic terms, and the need for: a federal minister dedicated to sector issues; and for Government to work with the sector to develop a future blueprint for the sector.
- Social finance and impact investing to expand capital options available to the sector.
- Increasing philanthropy by enabling 'opt out' systems of workplace giving.
- Improved collaboration and mission driven mergers in the sector to reduce duplication and increase social impact.

Policy submissions (selected)

CCA Federal Budget Submission 2018: outlines nine measures to significantly strengthen Australia's not-for-profit (NFP) sector and drive real economic savings for government over the coming financial year and beyond.

Submission to the Review to Achieve Educational Excellence in Australian Schools, November 2017: is grounded in solutions proposed by the first Australia We Want Solutions Forum (on Educational Attainment, the *Australia we want* measure for equal opportunity). The report from the Review included emphasis on parental and community engagement, and the need for a Unique Student Identifier to better track and support every child's educational journey – all key recommendations in CCA's submission.

Submission to the Senate Select Committee into the Influence of Political Donations: argues that the current system of influence and power in national politics often favours the most economically powerful who benefit economically from certain policies. CCA put forward six asks to ensure a fairer playing field and better engagement of charities in policy development to deliver better community outcomes. CCA has since appeared before the Committee and provided a supplementary submission.

Submission to the Joint Standing Committee on Electoral Matters (JSCEM): argues that charities should not be conflated with other "third parties" or treated as "political actors". CCA and the #HandsOffOurCharities coalition have continued a major advocacy campaign to protect charities right and capacity to undertake policy advocacy, and to avoid any new burdens of reporting and red tape. This has included parliamentary events and delegations, widespread media coverage (more than 70 news pieces) and evidence to JSCEM.

Charities and International Philanthropy: A position paper, developed by the Australian Council for International Development, Philanthropy Australia and the Community Council for Australia raised concerns that registered charities might be prevented from accepting international philanthropy by the wide sweep of the Government's move to ban foreign donations to political parties.

Submission to the Productivity Commission: Inquiry into Introducing Competition and Informed User Choice into Human Services - Response to the Draft Report 2017: supported the general direction of the Draft Report, but remained concerned that an inappropriate application of market based ideology to human service delivery has the potential to create harm to many organisations and the communities they serve. CCA welcomed most of the recommendations from the final report and its emphasis on the need to reform the contracting / tendering / funding processes of governments across Australia.

Submission to the Treasury: Tax Deductible Gift Recipient Reform Opportunities, July 2017, said reforms to current regulations relating to DGR are long overdue – but that CCA was concerned that the Treasury Discussion Paper failed to address the fundamental question of the policy goal of DGR eligibility processes. CCA supported a number of the options outlined in the paper, but rejected framing of the discussion that failed to fully acknowledge the benefits of DGR: encouraging community involvement, engagement and ownership of issues they are concerned about. This is not only good public policy, it is very good economic policy.

Submission to The Treasury, Consultation on Social Impact Investing, February 2017, outlines five key areas that need to be addressed to support a stronger and more effective impact investing market in Australia: the purpose of impact investing; measurement of impact and outcomes; scale and investment readiness; freeing up new capital; and, the role of governments.

CCA projects

- *Australia We Want* Solutions Forum, Educational Attainment (the *Australia we want* measure for Equal Opportunity), Melbourne, 2 Aug
- Supporting NFP Leadership Forums with Plus One, Sydney, 6 Dec; Melbourne, 12 Dec
- CEO Forums, Sydney, 12 Oct; Melbourne, 23 Oct; Adelaide, 30 Nov
- CFO Forums with Treasury representatives, Melbourne, 20 Jul; Sydney, 21 Jul
- Open Letter to the Prime Minister regarding the decision not to reappoint ACNC Commissioner Susan Pascoe, and the ACNC appointment process
- #Fixfundraising campaign in partnership with Justice Connect
- CCA EGM to update CCA's Constitution, 22 Nov
- CCA 2017 AGM at Parliament House, 24 May
- Planning for a series of CEO forums on Impact Investing with partners Life Without Barriers

Advisory groups and presentations (selected)

- #FixFundraising Coalition
- People's Budget 2017 Planning Committee
- #HandsOffOurCharities Coalition
- Impact Investing Australia Advisory Board
- CCA presented at more than 15 major conferences and events, including Think Outcomes, Progress 2017, the Parliamentary Launch of *Regulating Charities: The Inside Story*, the Philanthropy Meets Parliament Summit, #fixfundraising launch and #HandsOffOurCharities Joint Statement launch at Parliament House.

Media, communications

CCA media activity is ongoing and extensive. CEO, David Crosbie and Chair, Tim Costello, contribute commentary and analysis across Australia at national and regional levels via radio, print, online and television. Outlets who cover CCA issues include Pro Bono News, The Guardian, Sky News, ABC, The Australian, The Age, Sydney Morning Herald, Canberra Times, Daily Telegraph, West Australian, Adelaide Advertiser and other News Limited and Fairfax publications, and a wide range of local media organisations.

The #fixfundraising campaign to harmonise fundraising; advocacy around the ACNC appointment processes; and the #HandsOffOurCharities campaign to protect the voice of charities in speaking on their mission and for their communities generated over 60 media articles and interviews across all major media.

Other issues that attracted media attention in 2017 included DGR reform, outsourced fundraising, mergers and collaboration.

CCA is regularly sort after for commentary on sector issues and has contributed over 20 opinion pieces during 2017. David writes fortnightly in Pro Bono News.

CCA - selected media - 2017

Open Letter re Commissioner Susan Pascoe and the future direction of the ACNC

Statutory commissioner wanted; stakeholder relations experience essential, The Mandarin

Federal government moves to assure charity sector about ACNC's future, Canberra Times

Charity bosses lobby Malcolm Turnbull to overturn Sukkar decision, The Australian

Transparency and Merit in Hunt to Replace Pascoe as ACNC Head, Pro Bono News

Calls to Support Charity Regulator as ACNC Commissioner Steps Aside, Pro Bono News

Fix Fundraising

The Justice Connect and CCA media push on the eve of the Consumer Affairs Ministers' meeting saw more than 25 radio interviews by David Crosbie and Sue Woodward. Tim Costello was interviewed on ABC News 24 and on ABC RN Breakfast. Pro Bono News covered the story. #fixfundraising trended on Twitter. Tim Costello and Paul Ronalds feature in the Justice Connect advocacy video.

DGR Reform, Advocacy

Nobbling the Charities, The Saturday Paper

Calls to Exempt Charities from International Philanthropy Ban, Pro Bono News

Advocacy and 'In Australia' Concerns in DGR Reform, Pro Bono News

DGR Reform Lacks Clarity of Purpose, Pro Bono News, covering CCA's submission

New Paper Details Potential Reforms to DGR Status, Pro Bono News

7.30 Report: Commentary provided to the 7.30 Report (Tim and David) exploring a multi-faceted campaign to limit advocacy (lack of process for ACNC appointments; DGR reform; attack on environmental charities)

BHP's pitch for trust giving Canberra heartburn, Australian Financial Review. Referenced BHP response to meeting with CCA, ACFID, ACF and WWF; picked up CCA commentary from article in Pro Bono News, Divide and Conquer.

Political Donations Inquiry Set to Give Charities and Not-For-Profits a Voice, Pro Bono News. CCA talking to the issues and encouraging submissions from the sector.

Civil Voices are Speaking Up for Advocacy, Pro Bono News

Overseas donations

Political donations: Charities fear ‘unintended consequences’ of new rules, Sydney Morning Herald. Coverage of joint position paper on overseas donations by CCA, ACFID, Philanthropy Australia.

Charities hit back amid fears of government ban on foreign donations, Sydney Morning Herald

Fears for International Philanthropy Rise as Legislation Looms, Pro Bono News

Mergers, collaboration

Should charity organisations merge?, ABC Radio National Breakfast, (David Crosbie, Paul Ronalds)

Think Merger, Think Impact, Pro Bono News. Kevin Robbie piece following session at William Buck on Mergers (David Crosbie, Paul Ronalds, Jayne Meyer-Tucker panellists)

Mergers, collaboration, impact and achieving more together, ABC Radio, Drive

Better together: why charities should merge, CPA’s In the Black (David Crosbie, Tim Costello, Paul Ronalds)

Concern as UK Charities lack Strategic Direction and Collaboration, Pro Bono News

Other

Charity Reporting Regime – Not a Level Playing Field, Pro Bono News. Red tape; references fix fundraising.

Charity Trusts Protected in Labor’s Trust Reform Plans, Pro Bono News

Charities Give Feedback on Government Paper to Encourage Social Impact Investment, Pro Bono News coverage of CCA CFO Roundtable discussions with Treasury.

Sector Says Human Service Provision Needs Overhaul to Empower the Consumer, Pro Bono News covering CCA’s submission responding to the Productivity Commission’s Draft Report on Reform to Human Services

Charity-Donor relationships, 3AW