

Prime Minister (Australian) Speech

Launch of the National Compact with the Third Sector

Parliament House, Canberra

17 March 2010

I acknowledge the First Australians on whose land we meet, and whose cultures we celebrate as among the oldest continuing cultures in human history.

Today is an historic occasion. Today we launch the National Compact: Working Together. Today marks a new era of collaboration between the Australian Government and community and not-for-profit organisations - the groups we often refer to as the Third Sector.

This compact sets the framework for all of the Government's work with Third Sector organisations as we tackle some of the greatest challenges facing Australia, an era of collaboration that will fundamentally strengthen and improve the way we work together, that will strengthen civil society and that will help the organisations which help many of the most needy and disadvantaged people in Australia.

Over the past two years, many of you here have been closely involved in bringing the National Compact to fruition, and today marks a great milestone.

I would like to take this opportunity to thank my colleagues Jenny Macklin and in particular Ursula Stephens for their substantial work in making this initiative a reality. With this National Compact, we now have a framework for ongoing dialogue and consultation that will enrich policy and program development and service delivery, and today both the Government and leaders in the Third Sector will publicly sign up to it.

When we talk about the Third Sector, we are talking about 5.4 million volunteers - who tirelessly give more to society than they ever hope to receive. These not-for-profit community groups work in areas as diverse as health and social welfare, mental health, homelessness, heritage, the arts, the environment, sport, employment, volunteering and advocacy.

As the Productivity Commission noted recently, there are more than 600,000 such organisations - large and small. They contribute \$43 billion a year to our economy, and provide 8 per cent of employment in our economy - almost 1 million jobs.

Of these organisations, some 440,000 are small unincorporated organisations that operate at the local community level, without Government funding or even employed staff, but with great purpose.

Volunteer sports groups, local gardening groups, seniors companion programs and thousands of other volunteer organisations - all making a huge contribution.

Together, all these organisations form the foundations that underpin our civil society, and this National Compact is long overdue recognition of that role.

The interests and responsibilities of Third Sector organisations are diverse, but they are united by a shared commitment to community wellbeing without individual commercial gain - and Government and the Sector need each other.

Government needs the deep reach of Third Sector organisations to be able to connect with people at the grassroots, and in turn, Third Sector organisations need the support that Government can provide to sustain their work.

In just over two years in office, we have acted to provide this greater support, and provide it without strings. One of our first actions, in early 2008, was to remove from Government contracts the gag clauses introduced by the Howard Government.

Those clauses banned community organisations with government contracts from speaking out on important matters of public policy. They muzzled basic freedom of speech, they undermined accountability of government policy, and they stopped community organisations from doing their job - to be a voice for the voiceless and those on the margins of our society.

We opposed those clauses in opposition. We abolished them in government and under a Government that I lead, they will never, ever return. We also acted quickly to reverse the previous Government's changes to the treatment of Fringe Benefits Tax for family tax benefit and child care benefit purposes, so that workers in the community sector did not have their benefits taken away.

We have developed a national not-for-profit Standard Chart of Accounts to reduce red tape and compliance costs for our funded agencies, for implementation from July this year. We are also working with the sector to address economic and social challenges through our Community Response Taskforce.

This Taskforce has been critical to our response to the Global Financial Crisis, including:

- Doubling funding for emergency relief;
- Investing \$5.6 billion in new social housing; and
- Investing \$650 million directly into our communities through the Jobs Fund to create jobs and support local infrastructure projects.

We are supporting not-for-profit ventures in the child care sector by providing a \$15 million loan to the consortium GoodStart to purchase 678 former ABC Learning Centres. We are providing \$11 million in Temporary Financial Assistance grants to non-profit organisations to ensure the delivery of valuable community services through the economic downturn, and we are supporting volunteers across Australia through Volunteer Grants, including \$21 million of grants in 2010, and through the National Volunteering Strategy we are currently developing with the States and Territories. Our next step is The National Compact: Working Together. The name says it all.

This Compact gives community organisations, large and small, real input into Government policy and program delivery. It enables true collaboration on key social, economic and environmental challenges facing our communities and it allows the broad range of Australian not-for-profit groups to work with Government to achieve a shared vision.

I'd like to take this opportunity to thank all those who contributed to the development of the National Compact through consultations over the past two years, and always, everywhere, there has been immense and valuable contribution from the community sector.

Debate has been incisive, informed and frank. We expected a level of debate, but the overwhelming message was one of support for a Compact.

As one forum participant from Perth said, and I quote: "The moment is here, let's go for it" - and that is what we are doing.

We are all agreed that change is needed in both the Government and the Sector. Government needs to minimise the red tape and layers of reporting that can challenge even the largest and most sophisticated organisations, and there is room to improve the Sector's delivery of services, viability and development of better policy and programs.

The Australian public needs to be assured that there is transparency, accountability, efficiency and value for money in the services being delivered.

The clear message from the Sector was that it wanted a Compact that was succinct, high-level and aspirational.

The National Compact: Working Together is structured around shared principles including:

- recognising the value of the Sector's work and the importance to national life of a strong, independent and diverse sector;
- authentic consultation, constructive advocacy and genuine collaboration;
- a commitment to enduring engagement with marginalised and disadvantaged Australians, especially Aboriginal and Torres Strait Islander people; and
- a concerted effort to develop an innovative, appropriately resourced and sustainable Third Sector.

And, in line with these principles, we have identified eight priority areas of action.

- First, to promote the value and contribution of the Sector.
- Second, to protect the Sector's right to advocacy -irrespective of any funding relationship that might exist.
- Third, to recognise the Sector's diversity when consulting and developing sector initiatives.
- Fourth, to improve information sharing including greater access to publicly funded research and data.
- Fifth, to reduce red tape and streamline reporting.
- Sixth, to simplify and improve financial arrangements, not least the inconsistencies across state and federal jurisdictions.
- Seventh, to improve paid and unpaid workforce challenges.
- And eighth, to improve funding and procurement processes.

Our next step is to work together on action plans for community sector organisations to raise specific concerns with the Government, consistent with the National Compact.

This Compact will only be given life through the development of those action plans. We are also carefully and seriously considering the Productivity Commission Report into the Not for Profit Sector, which proposes a substantive reform agenda.

Our primary goal is to remove the barriers and obstacles to your work - to let you get on with the job in our communities.

If we are to truly succeed, we need active leadership, engagement and involvement from both the Government and the Third Sector. To do this, we have established the National Compact Sector Advisory Group, and it is good to see many members of the Advisory Group here today, and I thank them for their work.

We will also provide a range of mechanisms for Sector organisations to sign up to the Compact— all voluntary, of course - and we plan to set up a public register of Compact signatories.

I encourage you all to pick up a copy of the Compact and visit the new National Compact website.

Challenges such as homelessness, Closing the Gap on Indigenous disadvantage, climate change and child protection are major long-term challenges. No government can solve those problems on their own.

They require strong, respectful relationships with individuals, organisations and communities, because only by working together - bringing together all of our resources, experience, skills and creativity - can we build a stronger and fairer Australia.

The Government believes that the National Compact is a commitment to change: change that will see the erosion of the disadvantage that still exists in our prosperous country; change that will create a society where everyone has the opportunity to reach their full potential, and where everyone reaps the benefits of a strong economy.

This Compact sets benchmarks for an active partnership between Government and the Third Sector - a true partnership, where those who advocate on the part of the vulnerable and the dispossessed are not silenced and gagged, but where their opinions are heard and respected and they can make an even greater contribution to building Australia's future.

This is our National Compact.

I thank you.

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