It is a real joy and privilege to be here in the national capital with the leaders of the Catholic Social Services Australia community and to deliver the Monsignor Frank McCosker Annual Oration. I join with you in acknowledging the descendants of the traditional owners of this land, and elders both past and present. I do so acknowledging the important work of your services in so many Aboriginal communities and the close bonds that we need to forge with our Indigenous brothers and sisters if we are to achieve true reconciliation.

I am immensely grateful for my long and rich association with so many organisations present here this evening and with Catholic Social Services over many years and I look forward to sharing some thoughts and reflections.

However, let me first start with a prayer, especially recognising that you have been meeting government officials and political leaders today and given the current climate in society, public life and even church. In that vein, I wanted to share a prayer by Michael Leunig in his little book ‘When I talk to You’: ‘God bless the lost, the confused, the unsure, the bewildered, the puzzled, the mystified, the baffled and the perplexed.’

More seriously, recently I was present at a speech delivered by the Hon Victor Dominello, the NSW Minister for Communities and he used a wonderful image to describe Australia’s acceptance of migrants over the decades. He said:

‘A great river never denies the smallest tributary’

Each agency represented here tonight is like a tributary, shaped and influenced by its own history, circumstances, culture, congregational charisms and its diverse yet unique community of workers, volunteers, religious, parish, diocese and community members.
Yet together you collectively form a powerful and influential river capable of changing the landscape, unblocking barriers and taking new courses and paths. You have the capacity to influence the welfare and wellbeing of our nation, reshape our church into the future, and create new opportunities for those disadvantaged and breakdown areas of injustice and inequality.

Equally, a river gives life to those who drink from it and its water nourishes an abundance of life. The water that flows in the Catholic Social Services river is ultimately sourced from the endless grace and blessings of God our Creator, as revealed by Jesus Christ, but infused with the spirit and charism of the founders of each agency and their successors. Since the 1940s Frank McCosker’s spirit and actions infused that river, with a profound love of God and the Poor. Today, it continues to directly nourish our workers, volunteers, clients, donors and the community within which we operate.

It is therefore appropriate to ask - How life giving is this river of service, how well does it enrich those who drink from it?

Further, what are the things we seek to influence and change in our world and in our church?

And finally how fit are we for the purposes that we pursue in our ministries of service, as church in a modern world and as a vibrant and vital of the not for profit sector?

**As church in a modern world**

Today the church as we know it has been transformed from within and by external forces. Many see a diminished church yet today the Catholic church influences and touches the lives of more people than at any other time in our existence. However, it does so not primarily through the parish, but rather through our schools and health and community services. The church and its people today give expression to their faith through action and advocacy, as well as prayer and the sacraments, in many different forms and places rather than just through traditional parish based worship and activity.

We can pretend it were otherwise and we can lament this trend. Or we can accept this reality and grasp the opportunities it presents. Christ preached his message in the streets, on the hills, in market places, in fishing boats and in villages. He used every opportunity to spread the Word of God and we must do the same.
For you are church - the people of God engaged in a vital Catholic mission and ministry. Just as much as those actively engaged in the parish mission and ministry.

This brings with it great responsibility. It requires great judgement and wisdom. It necessitates the ongoing spiritual and even theological formation of boards, staff and volunteers. It demands exceptional faith inspired leadership.

- Therefore tonight what is the model of church you will present to staff, patients, clients, carers, volunteers, parishes and the broader community?

The church is endlessly evolving even in our own land. Edmund Campion, in his book ‘Australian Catholics’, described church as it emerged from a frontier church to a parished church in Australia:

‘Throughout the 19th Century this rich, living, popular religion was transformed by the priests so that it became the Catholicism most of us knew until just the other day - parochial, disciplined, observant, dutiful, obedient, fearful, guilty and sin-obsessed, and also celebratory, colourful, comforting, heart-stirring, intelligent, pastoral and, in the best sense, sacramental.’

- The question remains what is the emerging model of church in our life time and what is your place in its shaping?

Catholic Social Services is forged in and embraces a post Second Vatican Council model of church, where the lay, religious and ordained share co-responsibility for the church, its mission and its ministries. It is based on a different view of the way in which power is granted and exercised. It is premised on the notion of leadership as service and a servant church, one that seeks to include not exclude, especially those on the margins of society. For the laity it holds a promise of a new world of co-responsibility and genuine engagement in the life of our Church.

But it is crucial to remind ourselves of what a radically different approach to the role of the laity existed for much of our nation’s church life.

Pope Leo XIII around the end of the 1800s said this:

‘It is beyond dispute and quite unambiguously clear that two ranks exist in the Church that are of quite different nature, the pastor and the flock, in other words the leader and the people. The first of these two ranks has the rank of
teaching, governing and directing people in life and establishing the necessary rules.’ Of you and I, he said ‘the other has the duty of submitting itself to the former, obeying him, carrying out his orders and paying him honour.’

This sentiment was embedded in the Canon Law of 1917.

But following the Second Vatican Council the Code was rewritten in 1983.

Under the heading ‘The People of God’ the new Code stated: “The Christian faithful are those who, in as much as they have been incorporated in Christ through baptism, have been constituted as the people of God. For this reason, since they have become sharers in God’s priestly, prophetic and royal office in their own manner they are called to exercise the mission which God has entrusted to the Church to fulfil in the world, in accord with the condition proper to each one.”

Each of you are here present as a member of Christ’s faithful, as a member of the people of God, and are individually and collectively called upon to exercise God’s priestly, prophetic and royal office.

As leaders you have the chance to shape and model church within each of your agencies and local communities.

- What then are the characteristics we would find in your agencies that reflect this model of church? As lay and religious leaders, what is the model of church you are shaping for your clients and staff? How connected is your community to the broader church and parish communities and other ministries?
- As lay and religious leaders what are the values you cherish and practice in bringing church alive in your organisations? Do they include the need for mutual respect, reciprocity, fairness, truth, natural and social justice?
- What formation programs are in place to develop staff, board members and others to ensure an authentic model of church is being presented in your service?
- And what is the good in Church that you celebrate and present as positive to your staff and clients.

Recently I was listening on the ABC to Captain Richard de Crespigny the Qantas pilot of the A380 which on 24th November 2010, just 4 mins after take-off, suffered a catastrophic explosion in one of his engines. Over 120
warnings flashed up with consequential problems and faults. He recounted that at a critical time he realised that he had to stop looking at what was wrong and start looking at what was working. Based on the data he said

*We have a plane and we can fly it*

Today we also have to look at what is right and good in church. My view is

*We have a church and we are it.*

Today, whilst recognising all that is problematic in church, surely it is time to celebrate that which is good.

**As a vital part of the non profit sector**

In March 2005 I addressed a gathering of Catholic Social Service providers in Victoria. I started by presenting this quote.

*“The 21st Century will be the century of the social sector organisation. The more economy, money and information become global, the more community will matter. And only the social sector nonprofit organisation performs in the community, exploits its opportunities, mobilizes its local resources, solves its problems. The leadership, competence, and management of the social sector nonprofit organisation will thus largely determine the values, vision, the cohesion and performance of 21st Century Society.”* (Peter F Drucker, Drucker Foundation 1999)

I wonder how many involved in Catholic social service organisations represented here tonight, actually believe this statement. I do! I believe that the non-profit sector holds within its grasp the ability to shape or at least significantly influence the future of our society, in partnership and dialogue with other sectors of our community. I especially believe that to be so of faith based agencies who embrace both social action and social justice as central planks of their mission.

Yet, we must face the hard reality that non-profit endeavour in Australia, as in other parts of the world, is in a contested and challenged position.

Some, however, in light of the extraordinary generosity of the Australian public in giving to non-profit organisations may doubt this proposition. At one level this generosity shows great confidence in non-profit organisations in the delivery of services especially in times of international or domestic disasters.
indeed, when we have domestic crisis the support of non-profit agencies by Australians is quite extraordinary. Yet, for the reasons that I will articulate I believe that the regard and respect for non-profit organisations is under considerable pressure.

First, there is greater confusion about the non-profit sector and its role than before. There has been a general blurring between:

- government and non government roles and responsibilities
- for-profit and not-for-profit endeavour
- paid and voluntary effort
- commercial and mission activity

These blurrings have led to uncertainty in the public mind about the sector.

Second, the work of the sector and non-profit endeavour in Australia and internationally is subject to greater scrutiny and contestability than at any time during its history. Whilst such criticism and scrutiny may be currently targeted at non-profit organisations, it is worthwhile bearing in mind that all institutions are now under attack. We have seen political parties, the churches, national corporations and most other institutions under greater scrutiny and challenge. Perhaps it is that non-profit organisations are perceived as institutions in their own right. Whatever the reasons, this does require greater examination and a careful response by the sector.

Third, it is a sector challenged by the changing nature of the world within which it operates and the test of this sector will be its ability to see those challenges as opportunities and respond in a way that strengthens its integrity and its value to the Australian and international community. This is especially true for faith based organisations.

To be an effective leader in the non-profit sector, one must be able to read the changing trends and signs of our time, and to respond quickly and appropriately to those changes. These sentiments should resonate with those involved in a post Vatican II church. Yet, at the same time non-profit organisations need to be faithful to their heritage, core values and mission, and by doing so remain especially valued by the community.
For Catholic organisations involved in social services, who must by their very nature be organisations involved in social justice, action and advocacy, the pressure is even greater. Such organisations challenge the causes of poverty and disadvantage in an environment where for many these are extremely prosperous times and the needs of the most marginalised easily discounted. Further, as Catholic agencies you constantly promote values and teachings of the Catholic Church at a time when religious institutions are under considerable scrutiny and even the rejection by many in our community. Nevertheless Catholic organisations, like most other non-profit organisations, have shown their great capacity to meet the challenges of their times and I have no doubt that that will continue

This contestability can also be demonstrated by the attacks over recent years on such organisations as, international development organisations, environmental agencies, the churches and non-profit bodies generally

In June of 2003 the American Enterprise Institute (AEI) launched a US website specifically "to expose the funding, operations and agendas of international NGOs". To mark the launch of the site, the AEI held an all day conference entitled "NGOs: The Growing Power of An Unelected Few". Interestingly the conference was cosponsored by the Australian think tank The Institute of Public Affairs.

The theme of this conference became evident with such extraordinary statements as follows:

• "NGOs have created their own rules and regulations and demanded that governments and corporations abide by those rules";

• "Politicians and corporate leaders are often forced to respond to NGO media machine, and the resources of taxpayers and shareholders are used in support of ends they did not sanction";

• “The extraordinary growth of advocacy NGOs in liberal democracies has the potential to undermine the sovereignty of constitutional democracies, as well as the effectiveness of credible NGOs".

These themes have been taken up by some in Australia, arguing that nonprofit organisations may have a legitimate role in developing democracies but become troublesome and problematic in advanced democracies. Indeed, there is and has
been a campaign for some time questioning the legitimacy of nonprofit organisations, their right to speak out and their right to influence public policy.

An entry point for these attacks has often been the lack of accountability of nonprofit organisations. In an Australian Financial Review article (22 July 2003), Don D'Cruz, a Research Fellow at the Institute of Public Affairs, speaking of the Australian Red Cross, said "it highlighted a central problem in the charitable sector - a disconnect between how charities spend their money and why people give them money. In Australia, the relationship between donors and charities can best be described as don't ask, don't tell." He went on to say, "whether the sector likes it or not it will have to reform if it is to survive and regain the public's trust. Otherwise, many other charities will find out for themselves what the Red Cross discovered: when you wear a halo and sprout wings you hit the ground harder when you fall because you have further to fall".

Echoes of these views continue even today.

How should the sector respond? Should it remain silent? Is the sector "anti accountability"? The answer is no! - Or at least I hope that is our response.

Three significant inquiries hopefully have given us both a better understanding of the sector and ways forward.

In the Industry Commission's 1995 Report on Charitable Organisations in Australia, it sought to strengthen the contribution which the charitable sector made to Australia. It recognised the extraordinary importance of the sector and also that important issues needed to be addressed. Many of its recommendations sought to:

- improve quality of service for clients;
- improve resourcing of the sector;
- improve national accountability measures;
- support mechanisms such as benchmarking to improve performance;
- develop a notion of co-responsibility between the sector and governments.

Its report provided a strong blueprint for improving the national regulatory framework and the accountability of nonprofit organisations. Yet, the
government was silent in its response and no significant recommendations were adopted.

In the report of the 2001 Inquiry into the Definitions of Charities, again, a central recommendation in relation to improving the regulatory framework for nonprofit organisations in Australia was the possible creation of a separate independent commission such as the Charities Commission in UK. This body would have responsibility for looking at the overall regulatory regime of charities throughout Australia. It would take certain responsibilities from the Australian Taxation Office (ATO), giving greater clarity to all charities whether they operated on a state or national basis. Interestingly, however, this was only one of two recommendations on which the government did not respond at all, neither objecting nor accepting the measures, simply ignoring it.

The third inquiry in 2010 by the Productivity Commission into the Contribution of the Not for Profit Sector explored many of the same issues, but fortunately its recommendations have meet with a greater level of government and sector support of which you are very much aware. The recommendations were premised on three principles:

- Create an enabling environment in which sector is responsible for its own destiny.
- Not crowding out the sector’s own responsibility for innovation
- Recognising the roles of small and large but not seeking to shape the future structure of the sector

There were five foundations for not-for-profit reform:

- Developing better knowledge systems
- Streamlining the regulatory framework
- Building sector capacity - skills in governance, promoting workforce sustainability and access to capital
- Stimulating social innovation
- Building relationships for collaboration and effective engagement (especially the delivery of government funded services)

Today many initiatives are underway including the Australian Charities and Not for Profits Commission, a new statutory definition of charities, the Office of Third Sector Reform within the Prime Minister’s Department, new funding
agreements for grants, Not for Profit Sector Reform Council and reviews of taxation, financing and new social investment approaches.

Social Enterprise

Another contentious area has been the emergence of a contest between so called traditional charities and those that prefer to be seen as social enterprises led by social entrepreneurs. Ironically, I believe that this is a false contest, but nevertheless one that seems to have emerged in more recent times and has gained currency in the media. It has also been picked up as a rally point for those who are critical of nonprofit organisations and the way in which they operate. Let me explain why I believe this is a false but damaging contest.

Social enterprise should rightfully be strongly encouraged in nonprofit endeavour. Yet this is not new. If we look back at the very foundations of many of community organisations, this is a term that one could use for the works that were created decades ago. Often these works were opposed by the rest of society as they were targeted at those ignored, excluded and even rejected by society. Often, the works tackled problems in new and very different ways. Yes, they were charitable, but also they were very enterprising. They were not entrepreneurial in the sense of seeking a monetary return for effort, but were entrepreneurial in that there was a commitment to be imaginative, creative and risk taking with social rewards as their goal. Daring to be different was a given - not an exception.

These institutions, including many faith based agencies represented here, were at the cutting edge of social policy, community development and the delivery of social services. They pushed and led government policy. They garnished popular support. They often challenged the secular values of their times. They contributed to the development of social capital here and overseas. That is why I believe that there is a false contest. The sector has throughout its history been entrepreneurial, and must continue to be so.

However, it is true that organisations need to re-evaluate what they are doing, why they are doing it and how they are doing it. To some extent, the competitive tendering regime and market based approaches have reduced the capacity and incentive for nonprofits to be innovative. It is also the case that some boards have become risk adverse rather than active risk managers. There is a need to once again “liberate” nonprofit organisations to be as enterprising as
they have been in the past and to use all of the skills, from all parts of the society to achieve that aim.

I sometimes wonder whether nonprofit organisations have become captive of mainstream agendas and are losing their freedom and willingness to be different. Free to do different things because those most marginalised need it. Free to do things differently because our values demand them be done differently. Free to explore, to innovate and to create new ways of doing things that entail risk. Free to reject government contacts when they compromise the agency’s values and ultimate mission. Too many leaders and their nonprofit organisations have become timid and captives of other's agendas. This is easy to do and understandable, yet such is not the way of authentic leaders. Nonprofits are not businesses even if they are in the business of delivering similar services. Nor are they simply government contractors. They are innately different. Authentic nonprofit leadership understands and nourishes that difference.

By all means let us actively engage with and learn from business. Agencies should forge strong partnerships and alliances with business to maximise their outcomes. Nonprofits should use "best practices" adopted from their business partners to provide the most efficient and effective services possible. Yet, they should always maintain their essential integrity and promote the values that differentiate them and make them so especially valued. It is the difference that the community values not the sameness.

Challenges and Opportunities

The changing context of our times for nonprofit organisations and the challenges that I have outlined clearly require a strong sector wide response.

To summarise some of the challenges confronting then nonprofit sector are:

• its right to special treatment by the community through the tax system;
• its right to speak out and to influence public policy;
• its need to be accountable;
• its need to embrace modern entrepreneurial approaches;
• its need to encourage new forms of engagement, philanthropy and capital raising.
The sector itself can identify others including:

- a lack of an appropriate framework within which to operate in its relationships with governments, both State and Commonwealth;
- the level of inappropriate, burdensome and sometimes meaningless program accountabilities;
- serious workforce issues both in relation to employed and voluntary staff;
- a narrowing of innovation and creativity due to constrained funding agreements;
- an increased cost pressure not matched by government or private sector support.

If these are the challenges, what will be our response?

Whilst each organisation must make its own decisions about how it will respond to the challenging issues of our time, a new national agenda is required and is emerging. The elements of that agenda need to be worked out in consultation with the sector, and have regard to the views of government and business. Such an agenda might have several key components including those set out below— all of which should be embraced by Catholic social service agencies:

- **Good Governance.** This is about establishing a national regulatory framework that promotes good governance by nonprofit organisations. It should be about reducing or eliminating barriers to efficiency caused by multiple regulatory regimes at State and Commonwealth levels. It is about ensuring that the governance of nonprofit organisations is appropriate to the work they do, and to the special trust which nonprofit organisations are held by the Australian community. This trust must be earned. It is too easily lost.

- **Accountability.** We need to establish clear, consistent and coherent measures of accountability for the sector, rather than the ad hoc, costly and wasteful accountabilities that exist at the moment. Accountability measures must add value to the work of nonprofit organisations, be proportionate to the work done, and lead to improved outcomes. Nonprofits are accountable to many people, to members, service users, regulatory bodies, donors, the public,
employed staff, volunteers, and importantly to the organisation's mission and values. It is not about creating greater accountabilities, rather it is about creating better accountabilities.

- Quality, Responsive Services. The vast majority of nonprofit organisations are about the delivery of services both in Australia and overseas. Nonprofit organisations need to embrace a culture of continuous service improvement. Boards need to be mindful of further developing the capacity and sustainability of their organisations. This is not simply about resourcing. It is about improving the knowledge within the organisation, the capacity to deliver the services required by its clients and to embrace continuous learning strategies within each organisation.

- Innovation and Enterprise. We need to embrace the economic prosperity of our time and use that to enhance our nonprofit endeavour. We need to ensure that we are continuously seeking to improve our services through innovation and creative responses. We need to enter into venture or enterprises with businesses where to do so will further our mutual goals. Whilst always prudent in our assessment of risks, we are risk takers, not risk avoiders. We also need to embrace new technologies and improved means to achieve cost effective outcomes. Finally, we need to explore new philanthropic approaches including so called "venture philanthropy" to optimise our outcomes and create real “social investment” both in Australia and overseas.

- Value People in the Sector. A positive proactive agenda for the sector must be based on the valuing of the people that work within it. This includes board members, staff, carers and volunteers. Just as the sector must rightfully recognise the contributions of donors and other parties, the people that work within the sector itself need to be valued in practical ways. Building the workforce capacity of this sector is an urgent goal and huge task. Indeed, this is a challenge in all fields of human services endeavour.

- Courageous and Competent Advocacy. This sector has a fundamental principle which could be summarised as "the right to have a go and the right to have a say". Never must this dual right be diminished. Advocacy often makes you unpopular with some, but for many nonprofit organisations their very mission is to stand with and provide services to people who are otherwise vulnerable, marginalised and excluded in our society. Even for those nonprofit organisations involved in more mainstream, less controversial activities such as
sports, arts and culture, these are areas where advocacy is often necessary. The tax system must never be used as a way to control or inhibit the activities or voice of nonprofit organisations.

As the Industry Commission said in 1995, nonprofit organisations are at the very heart of a truly participatory democracy.

"The charitable sector underscores many basic values in Australian democracy. It exemplifies the principles of pluralism, free choice and the rights of citizens to participate in and take responsibility for their community. It helps ensure that no government has a monopoly on the way society deals with its citizens - especially those who are most vulnerable because of economic or personal need."

Authentic nonprofit leadership is enterprising, ethical, empowering and indeed, enlightened. It is about doing things differently and taking the risks accordingly. It is about embracing clear values and maintaining those values. It is about shaping the agenda, not being helplessly shaped by it. As Catholic social services let us be bold. Let us grasp the opportunity. Are we fit for the challenge?

As inclusive and consumer focussed service providers

Finally let me conclude by a third area that must be central to the consideration of all Catholic Social Services and that is our model of service delivery and in particular our willingness to embrace consumers or clients as the true holders of power and influence.

For much of our history the power rested both with government and providers in determining who receives what they receive and in what manner they receive it. Consumers or clients were often passive recipients of care and support, determined according to funding and program guidelines and the wishes and dictates of providers.

It is true most agencies embraced person centred care, in so far as the wishes and needs of individuals were acknowledged. But it is clear that in many service environments the decision making or power imbalances remained and choice if given was tightly constrained and easily over looked. This was true in health, disability, aged care and often even family services.
Today there is much greater recognition of the rights of people to have the ability to exercise genuine choice. Indeed underpinning the proposed National Disability Insurance Scheme and the Aged Care Reforms, if fully implemented, are the notions of genuine consumer choice, with budget holdings travelling with the person. Consequentially there needs to be a more competitive service delivery system, which is more responsive to changing consumer needs and aspirations and more responsive to shifting demand patterns.

Fundamentally there is a shift in power and a re-alignment of risk. All social service providers will ultimately be affected. Service models will change. And new intermediaries will need to emerge to support consumers to have real, informed and empowered choice.

Of course these are complex matters and the sector must be engaged in the development of these emerging models.

But for Catholic Social Services the question that must be asked is where do you stand? If you believe in greater choice and greater control by individuals, are you willing to shift power and control accordingly?

Of course there are risks and Catholic social services must be very vigilant that the weakest and least advantaged are not put at greater risk or pushed further to the margins. All market mechanisms require safeguards and are not always appropriate. And we must ensure that the most vulnerable are included not excluded from our attention. But how committed will we be to realigning the levers of power and decision making?

Are you fit to meet these new models of consumer empowerment?

**Conclusion**

Monsignor McCosker commenced upon a journey that would consume his life and would forever change the face of Catholic social action in this nation. You are his successors. He wrote the first few chapters of this extraordinary story, you must write the next few. The challenges are great but so to the opportunities. Are you fit for the task?

Fr Peter Maher, Parish Priest of St Joseph's Newtown on the occasion of his jubilee, said this of his work in the parish:
‘For me it has been working with raw honesty and integrity, about what matters in the world, with clarity of thought about who is at the heart of the struggle for justice; with courage to act in decisive ways in response to present realities; with sheer determination to live life to the full; and with spontaneity to live in the now without too much worry for times we are not in - either before now or after now.’ He said, ‘My dream for the future is a church that is daring and caring, one that includes, and risks its own life for the sake of the suffering.’

Lets us be both daring and caring as we go forward, confident in the knowledge that the love of God is both our source and strength.

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