



Department of the Senate
Parliament House
Canberra ACT 2600

12 October 2005

Dear Committee Secretary

The Australian Business and Community Network (ABCN) welcomes the opportunity to respond to the Inquiry into Corporate Responsibility and Triple-Bottom-Line reporting by the Parliamentary Joint Committee on Corporations and Financial Services.

Please find enclosed our submission. I would be happy to discuss any aspect of our work or make a formal presentation to the Committee to provide additional information on the Network.

Yours sincerely

Carey Badcoe
Chief Executive



Submission to the Parliamentary Joint Committee on Corporations and Financial Services Inquiry into Corporate Responsibility.

Introduction

This submission seeks to address the following terms of reference by sharing with the Joint Parliamentary Committee information on the background and current activities of the Australian Business and Community Network (ABCN).

While some member companies have already made submissions to the Committee reflecting their company's recommendations, this submission is provided to assist the Committee in their consideration of the following terms of reference.

- a. The extent to which organizational decision-makers have an existing regard for the interests of stakeholders other than shareholders, and the broader community.
- e. Any alternative mechanisms, including voluntary measures that may enhance consideration of stakeholder interests by incorporated entities and/or their directors

Australian Business and Community Network (ABCN) Background

During 2004 a group of business leaders started working together to explore how business could more effectively engage with the community. The group wanted to work collaboratively to improve the way that business interacts with the community more generally with the objective of contributing positively to society. Their intention was to find ways to take positive action in the marketplace, workplaces and community to improve their business and their impact on society.

Though many of these organisations had already developed individual community engagement programs it was felt that if each company shared expertise and resources their combined effort would have a far greater impact on the community as a whole, and on particular key community issues.

Members met with community leaders, visited community organisations and consulted with the CEO and Directors of UK Business in the Community (BITC) to consider where, when and how would be the best place to start their partnerships (detailed background research available on request).

It was determined that the members should establish an organisation that would work to develop practical programs which could potentially be leveraged up to extend the opportunities for partnerships and programs between business and community groups.



It was also agreed that the members would support and work collaboratively with other organisations, whether community, government or business based, working in this area.

In this way, the ABCN could provide networking advice, support, and practical program services to businesses and community groups in conjunction with existing and new entities rather than replacing or duplicating other services. A diagram, which illustrates both the initial purpose and vision and strategic focus of the ABCN, is found in appendix A.

The founding members of the ABCN determined that the core group should develop some high quality scalable programs working in a specific area before extending membership to the group.

Each of the founding members undertook to be personally involved through actively volunteering on a 12 month program and where possible involving volunteers from their companies in programs running from 6 to 12 months.

In this way, members and their companies have had first hand experience in the development and implementation of business and community partnerships before engaging or encouraging wider corporate memberships.

Founding members of the group are:

Michael Hawker	Chief Executive, Insurance Australia Group
Paul Meehan	Managing Partner, Bain and Company
Alastair Walton	Vice Chairman and Managing Director, Goldman Sachs
	JB Were
Paul O'Sullivan	CEO, Singtel Optus
David Willis	CEO, HBOS Australia
Nick Falloon	Executive Chairman, Channel Ten
Paul Gilding	Founding Partner, ECOS Corporation
Trevor Loewensohn	Head of Advisory, Babcock and Brown
Tom Burton	Managing Editor Sections, Fairfax
Robert Milliner	Chief Executive Partner, Mallesons Stephen Jaques
Doug Jukes	National Chairman, KPMG
Guy Templeton	CEO, Minter Ellison
Brad Orgill	CEO, UBS



ABCN Objectives

The objectives of ABCN is to collaborate and engage companies to:

- shift from a 'passive' to an 'active' model of corporate responsibility
- provide a collaborative environment to share best practice and learning in the area of business community partnerships
- work collectively to explore and exploit the leverage points where business can intervene to improve its impact on society
- provide mechanisms that build awareness of key social issues through 'real' engagement i.e. business leaders participating in a partnership program with school principals
- integrate responsible practices into all areas of business
- inspire others when we put our beliefs into practice and to share our knowledge and experience

To achieve these objectives, the ABCN draws on the success of BITC in the UK (see appendix B) in addition to reviewing the framework developed by The Bridgespan Group for non-for-profit organisations.¹

ABCN Commitments and Principles

Within ABCN, we are working with five key drivers to develop, leverage and improve participation in community and business engagement programs and partnerships. These are again based on the principles of those used successfully by BITC in the UK, while appreciating the differences in the nature, and the value of working with existing and mature non-for-profit networks in Australia.

In joining the Network, members make a commitment on behalf of themselves and their company to:

- Inspire, encourage and enable. By leading the way through our own actions we will provide leadership and support for other businesses;
- approach community partnerships with integrity and respect, acknowledging both areas will benefit through the partnerships and be willing to earn the trust of our partners;
- make responsibility a part of mainstream business practice;
- create and share innovative solutions in business and in the community;
- achieve the scale needed to deliver the greatest impact.

¹ Founded in 2000 and incubated at Bain & Company, the Bridgespan Group is a 501(c)(3) nonprofit consulting firm bringing leading-edge strategies and tools to the challenges and opportunities facing nonprofit organizations and foundations. For more information see www.thebridgespangroup.org.



Each of our founding members will continue to contribute financially, through volunteering their own time and that of their staff and providing in-kind support wherever possible, as will future members.

Model for ABCN Operation

The ABCN is staffed by a Chief Executive, Program Director and Program Co-ordinator and is also supported by staff seconded for specific projects from member companies.

While the primary role of the ABCN is to create and manage partnerships and programs which enable business people to connect and contribute to supporting broader community issues, it will also provide a forum for business dialogue on best practice for business and community partnerships.

In the longer term it is hoped that ABCN will connect information, people and resources, provide expertise and knowledge on specific community issues, link business and community organisations and advise on developing, running and implementing community projects. This model will not detract from individual company efforts, rather provide a collaborative approach where necessary and provide expertise and resources.

Contributions and Budget

To develop and manage the programs and provide support to the members, the staffing and program costs for ABCN would require approximately \$500K per annum. These costs are being met by membership fees contributed by each of the founding members.

Additionally, the Prime Minister's Community Business Partnership have contributed \$100,000 "to assist to establish the Australian Business and Community Network (ABCN) as an entity and with the expansion of pilot programs, including examining the feasibility of ABCN's engagement on a broader range of social policy issues" and was calculated on the assumption that ABCN is designed as a network organisation to minimise infrastructure costs and ensure individual company engagement.

Founding members have undertaken to contribute higher fees in the ABCN's first full year of operation to support the cost of development, design and training materials of the pilot programs. In subsequent years, the founding members will contribute at the same level or tier as new members.

The ABCN was incorporated on 16 August 2005 and will be seeking Tax Deductible Gift status as a charitable organisation, based on the ABCN constitution, to further encourage additional corporate participation.



Our current business plan model is built on members contributions split into a:

- Membership fee
- Cost per participant for the Year 9 GOALS mentoring and Spark Reading programs

The pricing structure for members contributions would be tiered, based on turnover, company assets and number of employees. One of the issues that may arise using this model is if a company's different criteria fall into different tiers. This could be overcome with the decision that turnover is primary criteria.

ABCN Pilot Programs 2005

Background

After extensive consultation during 2004 it was agreed that support for primary and secondary education should be the key focus of ABCN, both in terms of building more sustainable communities and improving training and literacy levels for the development of our future workforce. It was agreed that during the first year, the objective of the group should be to develop and deliver a series of pilot programs around key intervention points within education with a goal of refining, engaging and leveraging up the programs to more companies and more schools.

Not only would this give the organisation an opportunity to test and refine its key intervention, but it would also assist in developing relationships and working partnerships with its key stakeholders.

The 2005 pilot programs were chosen with two criteria in mind;

- The ability for business to utilise their expertise and resources to add value to the experience of students and teachers:
- Providing 'hands on' opportunities for business to engage with students and teachers and broaden their awareness around education and social disadvantage

Why Education?

Education is a critical point of leverage

- Most social issues (including homelessness, crime, substance and gambling addictions) would be greatly assisted by increased, (or any) business involvement, whether resources, volunteers or networks.
- Future skills shortages are likely to affect Australian competitiveness; young people who lack basic literacy and numeracy skills are poorly suited to the modern workplace



Some young Australians are getting left behind

- A significant proportion (~40%) of the Australian population falls into high risk categories (e.g. indigenous, learning disabilities, poverty, English as second language) where literacy problems are higher than average
- Approximately 30% of Australian 15 year olds have less than desirable literacy skills

Business can make a significant difference

- Business can contribute skills and resources required to complement and enhance the capabilities of professionals in the education sector
 - Management skills for school administrators
 - Large workforces to act as role models and educators
- Education is an area that is aligned with members' CSR objectives
 - Substantial community impact
 - Strong staff engagement

Why South West Sydney Schools?

South West Sydney has a high proportion of schools which fall within the NSW Department of Education Priority Schools Funding Program (PSFP) for schools with high concentrations of students from low socio-economic backgrounds.

Following a presentation demonstrating the links between low socio-economic status and educational achievement, the ABCN agreed to focus its initial activity on Sydney's South West (Liverpool) Region, one of the most socially disadvantaged areas in Australia. Working closely with the regional stakeholders in the NSW Department of Education, twelve schools from this region were chosen to participate in the pilot programs

Choosing which programs

It was decided that the key interventions that would provide both short and long term benefits to both businesses and schools were;

- school - work transition - increasing student awareness of business opportunities, including access to traineeships, apprenticeships and other entry level positions
- youth mentoring - helping schools to encourage students to stay in relevant studies and increasing their skills / literacy and readiness to enter the work force
- peer mentoring – developing partnerships between business and education professionals to share experiences on managing their organisations
- working at early literacy intervention



ABCN is undertaking the following pilot programs in 2005;

1. Partners in Learning - Business Leader and Principal Partnering
2. Partners in Learning - Business and Education Professionals
3. Growing Opportunities and Learning Skills (GOALS) -Year 9 Mentoring
4. SPARK – Literacy Program for Years 2 and 3

Selection and Grouping Process

To ensure the sustainability of the programs it was agreed to develop a matching matrix of companies and schools whereby three schools consisting of two high schools with one feeder primary school would be matched with a balanced group of three companies.

The selection criteria of the schools was determined by the NSW Department of Education and Training and was based on the need of the school. The balance of the companies was determined by the industry type and employee base and took into consideration geographic preferences and existing relationships or affiliations.

1 and 2 Partners in Learning – Business Leader and Principal Partnering and Business and Education Professionals Partnerships

Background

Partners in Learning is the name for the ABCN partnership program linking business and education professionals introduced in February 2005. The program derives from the Partners in Leadership program first developed as a mentoring program involving business leaders and principals from BITC in the UK. The UK project has received enormous accolades from both participants and the community at large and has grown to involve over 5,000 principals with business partners drawn from over 1,200 organisations.

Partners in Learning is a simple but highly effective program matching business and educational professionals from primary and secondary schools with parallel but independent experience of leadership and management.

Purpose

Partners in Learning aims to promote the sharing of expertise and seeks to develop management and leadership skills through regular one to one meetings between business leaders and principals. Discussion topics may include: Leadership, delegation and accountability, strategic planning, change management, target setting and action planning, financial budgeting and expenditure, HR management, appraisal and performance related pay.

The program aims to promote the sharing of expertise by both partners and seeks to develop their management and leadership skills, also to use listening and feedback skills which are often under-utilised in a more stressful every day business environment.



The program provides an insight into a completely different working environment and, often, a completely different way of working. It provides the opportunity to explore solutions to the challenges the partners face in a supportive, non-judgmental environment. Through developing each partner's personal skills, the program works ultimately towards raising standards in the community, local education and business alike.

How does the Partners in Learning program work?

Interested participants from the education and private sector complete a registration form for the Partners in Learning program, detailing interests, challenges and goals. They are then matched with a potential partner, based on their personal and professional profiles, chosen by representatives of the NSW Department of Education and the ABCN.

One of the advantages of the pilot program is that it is highly flexible because venue and timing of meetings is entirely up to the partners. However, partners have to commit to meet at least eight times (twice a term), for about two hours at a time, over the course of a year.

What is the level of participation in 2005?

The Partners in Learning - Business Leader and Principal partnering commenced in February 2005 and matched the 12 Business Leaders who are our founding members with 12 principals from the primary and secondary priority funded schools selected by the NSW Department of Education.

The second Partners in Learning pilot program was launched in July 2005 and partnered Senior Educators, usually Deputy Principals and Head Teachers, with Business Executives – with 44 corporate volunteers and educators participating.

Evaluation

Feedback to date has been extremely positive from both corporate volunteers and educators. Corporate partners are finding their creative problem solving skills stretched and educators are appreciating a business perspective on the continuously evolving education landscape.



All participants were required to complete a benchmarking survey at the start of the program which seeks to capture participants impressions and expectations of the programs. Throughout the program there will be regular reviews both individually and with the group of participants. Once the programs have finished, participants will complete the same survey which will allow us to document any shifts in attitude and learnings, critical in assessing the success of the program.

“This partnership has given me an entirely new perspective on leadership”

“The meeting far exceeded my expectations, and we are going to catch up again this Friday at my office – a great start!!!”

ABCN Business Participants in PIL program 2005

“I believe that we will be able to effectively contribute to each others knowledge of leadership because our roles both require similar personal and communication skills that are underpinned with an essential commitment and passion for shared knowledge and skill building”

ABCN Education participant in PIL program 2005

3. Growing Opportunities and Learning Skills (GOALS) -Year 9 Mentoring

Background

Over the past five years there have been many studies and reviews of youth mentoring programs in Australia, the UK and the US which all concluded that mentored youth were likely to have fewer absences from school, better attitudes towards school, fewer incidents of hitting others, less drug and alcohol use, more positive attitudes towards their elders and toward helping in general, and improved relationships with their parents².

Purpose and objectives

GOALS Year 9 Mentoring program aims to widen the life choices for children considered to be at high risk of disengaging with school. The reasons for this are different with each child, however intervention through mentoring has a proven record of reducing disengagement rates through positive relationships between mentor and student.

The program is aimed at those students most at-risk. Those whose environment, circumstances, and resulting attitudes may discourage them from completing school or from going on to a productive working and personal life.

² *Mentoring: A promising strategy for youth development.* (Child Trends Research Brief.) Jekielek, S.M (2002)



Through broadening the experiences and understanding of both the students and the mentors in a program which offers both a one on one mentoring partnership and exposure to a broader group of students and business people, this program aims to be mutually beneficial for both mentor and students through achieving the following objectives:

For the student:

- increasing self esteem and self confidence
- broadening horizons and experience
- improving motivation to learn
- raising achievements and aspirations
- improving personal and social skills
- improving employability

For the mentor:

- increased awareness and interest in the broader community
- improvement in skills and job satisfaction

How does the GOALS program work?

Students are carefully chosen by the school and educational professionals as those most likely to benefit from participating on this mentoring program after a process of profiling and interviews. They are then matched by the school and the ABCN team, with the corporate mentors who have shared interests, goals, skills and experiences.

The GOALS participants meet at the school initially then at six different corporate venues for a 90 minute session. The session is broken into shorter segments of time for the mentor and student to have individual discussions, complete joint activities, participate in broader group discussions on issues such as goal setting or building rapport, and finally present their work or findings.

The students and mentors always meet in the group context accompanied by two teachers from the school to ensure complete compliance with the Child Protection Act.

The pilot GOALS program includes 32 corporate volunteers mentoring 22 students from Y9 from a priority funded secondary school selected by the NSW Department of Education from July to December 2005.

Evaluation

Teachers at the school have reported immediate positive impacts of the GOALS program. Students behavior has improved in school, their confidence has risen and they are asking more questions in class. Mentors are having assumptions challenged and expectations exceeded through their interaction with the students.



Schools will evaluate the program through testing student results, attitudes, survey feedback and interviews.

Each mentor completes diary notes at the end of each session to get session specific feedback and more detailed qualitative evaluation throughout the program. In addition to this qualitative feedback is a formal evaluation process that includes structured surveys and interactive feedback sessions with the mentors mid-program and a detailed survey for mentors before, during and at the completion of the program.

**“ I am amazed that we have so much in common although we come from completely different backgrounds”
ABCN mentor 2005**

**“Thank you for giving my son the opportunity to see another way of life”
Parent of GOALS student participant 2005**

4. SPARK - Reading and Literacy Support Pilot Program

Background

Children of parents from upper professional and managerial occupations have significantly higher average levels of literacy achievement than children of parents from clerical and skilled manual occupations, who in turn have higher average levels of literacy achievement than children of parents from unskilled, manual occupations³.

Students who struggle to read like their peers often feel like they can't learn. This can lead to low self-esteem and social implications such as poor behavior that can impede their chance of success in later life. Given the size of classes teachers often find it a challenge to provide the necessary support, and recognise the value of one-to-one reading and mentoring sessions.

Purpose and objectives

Every child has the right to read but not every child has the opportunity. The purpose of the Spark reading program is to offer additional opportunities to students who have been identified by their teachers as having poor literacy skills (the ability to read and write the printed word) and are consequently struggling in class.

Reading mentors will help to provide the necessary encouragement for a student to further engage in school and their society, through improved language skills and personal development.

This program recognises the value in developing positive and supportive relationships between adults and children, and aims to be mutually beneficial for both the students and reading mentors, through achieving the following objectives:

³ Mapping Literacy Achievement: **Results of the 1996 National School English Literacy Survey: DETA**



For the student:

- development of literacy skills
- increasing self esteem and self confidence
- broadening horizons beyond their immediate family and school
- raising achievements and aspirations
- improving personal and social skills
- improving employability in the long term

For the reading mentor:

- increased awareness of issues faced in the broader community and opportunity to give something back
- improvement in skills and job satisfaction
- enjoyment in spending time and reading with children

How SPARK reading program works

Students in danger from becoming disengaged with school as a result of poor literacy, will be carefully chosen by the school as those most likely to benefit from the Spark reading program.

The pilot program involves five of our member companies contributing 5 to 10 corporate volunteers and is being piloted at one priority funded primary school selected by the NSW Department of Education.

The pilot program will involve 34 corporate volunteers. There will be 2 reading mentors to every student and who will attend alternate sessions. The students have been selected from Y2 to Y3 and the reading sessions will be for 1 hour each week over Term 4 2005 and Term 1 2006.

Evaluation

There has been extensive testing of the students prior to the commencement of the program by the school. During and upon completion of the program the students will be tested again to monitor their improvement over the two terms.

There will be a session review folder that will be completed by the reading mentor at the end of each reading session that will track progress continuously throughout the program.

The reading mentors have completed a survey prior to the program commencement and will then complete a mid-program and end of program survey with the same questions to evaluate their impressions and learnings throughout the program.



What have we learnt to date?

It is clear that the strength of the ABCN programs has been the direct engagement between the companies and the schools involved in the program. This has led to very 'real' understanding of issues within the schools and the broader, diverse South West Sydney Region.

The depth of commitment and engagement demonstrated by the corporate volunteers and their desire to engage a broader circle of colleagues in their volunteering has been significantly greater than anticipated. Volunteers have immediately shown great initiative and enthusiasm in mobilizing additional activities for their school partnerships, from offering work experiences opportunities for disadvantaged students to exploring how to address cultural awareness perceptions in both the schools and business environment.

All member companies have reported high levels of satisfaction and engagement from their volunteers and believe their participation has a positive effect on their work, both through increasing their level of understanding of broader community issues and also through the challenges involved in program participation.

The 100 corporate volunteers that are involved in our programs must undertake to work with the schools over a 6 – 11 month period. Corporate volunteers are working with a cross section of employees from their own company, and collaboratively with like-minded volunteers from other companies.

This collaborative approach coupled with the direct engagement with the schools is leading to a more sustainable and deeper engagement and understanding of business community partnerships than we believe any single corporate community activity has been able to achieve previously.

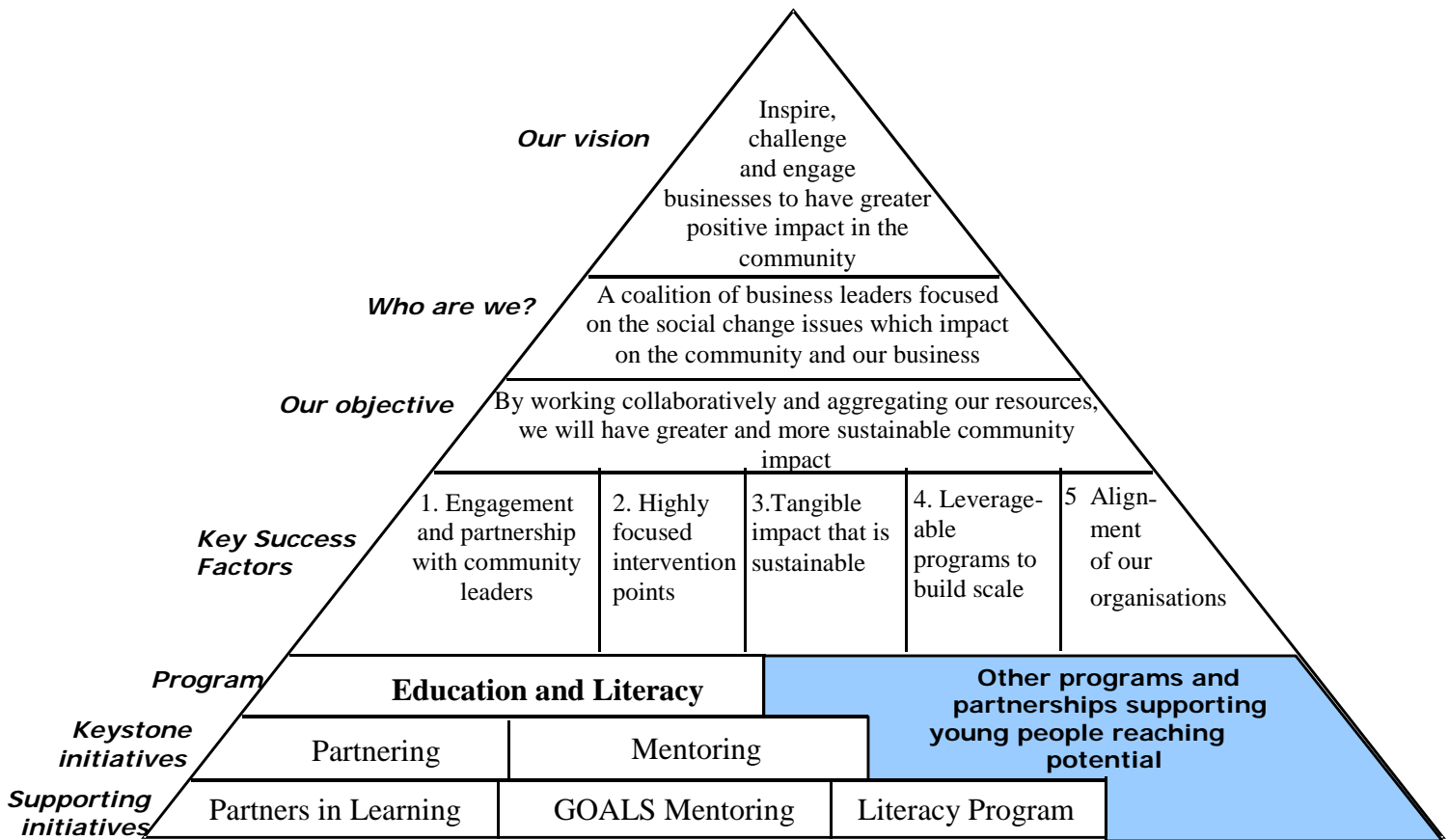
Planning for 2006

- A complete review of the 2005 pilot programs will be conducted to incorporate any additional elements or amendments and maximise capacity to leverage program models more widely;
- Increase number of programs, volunteers and schools;
- Investigation of additional areas of community engagement for members, likely to be in the area of other youth issues, such as youth homelessness;
- Investigation of potential collaborations with key community, corporate government and sporting bodies around the two core elements of ABCN programs, mentoring and partnering;
- Discussions with potential new member companies will continue with the potential to engage up to ten new companies in 2006.
- Development of new groups of companies in other States interested in working either with ABCN programs or developing localised programs.



Appendix A

Purpose and Vision





Appendix B

What is the UK Business in the Community?

Business in the Community (BITC) is a unique movement in the UK of 700 member companies, with a further 1600 participating in their programs and campaigns. BITC operates through a network of 98 local business-led partnerships, as well as working with 45 global partners. Their purpose is to inspire, challenge, engage and support business in continually improving its positive impact on society. They are the largest and longest-established organisation of their kind - an independent business-led charity with over 20 years experience.

Membership of BITC is a commitment to action and to the continual improvement of their member companies' impact on society. Their members commit to:

- Manage, measure and integrate responsible business practice throughout their business
- Impact through collaborative action to tackle disadvantage
- Inspire, innovate, and lead by sharing learning and experience

Companies join BITC because they recognise the value of integrating policy and practice and the internal dialogue this prompts. In addition, membership provides a unique platform for collaborative action and dialogue to identify and address key challenges facing business and society, as well as an opportunity to connect with a network of international partners. BITC member companies employ over 15.7 million people across 200 countries. In the UK, their members employ over 1 in 5 of the private sector workforce.

The BITC charitable purpose is "to create a public benefit by working with companies to improve the positive impact of business in society". In order to achieve this, they have identified five principles that underpin their work:

Inspiration: We will inspire, encourage and enable. We will not bludgeon business into action

Integrity: We will be an organisation and brand that is trusted by business and recognised by the wider community

Integration: We will work with our members to make responsibility a part of mainstream business practice

Innovation: We will work with our member companies to create and share innovative solutions in business and in the community

Impact: We will work with our members to achieve the scale needed to deliver the greatest impact

Business in the Community has 400 employees across ten regions (48 offices) in the UK, with headquarters in Hackney, London.