

22 September 2005

The Secretary
Parliamentary Joint Committee on Corporations and Financial Services
Suite SG.64
Parliament House
CANBERRA ACT 2600

Dear Sir/Madam

Re: Inquiry into Corporate Responsibility

Mission Australia is pleased to have the opportunity to make this submission to the Joint Committee on Corporations and Financial Services' Inquiry into Corporate Responsibility. As a non-denominational Christian community service organisation providing employment, training, housing support, youth and family services across Australia our focus is on building sustainable futures for disadvantaged individuals and communities.

Mission Australia and Partnerships

Mission Australia provides these services in partnership with government, the corporate sector, philanthropic and community organisations. Our experience through these partnerships has been that collaborative models have been very effective in building stronger lives and communities. Our corporate partnerships in particular have enabled us to engage the corporate sector in finding innovative responses to contemporary community and social challenges.

Mission Australia has entered into diverse corporate partnerships with a range of Australian corporations. The partnerships are typically multi-dimensional which include financial, pro bono, in-kind and staff volunteering and fundraising support for designated Mission Australia services. Our organisation is resourced to support corporate volunteering activities and this has become a critical tool in engaging staff and businesses in community activities. Our major partnerships have a strategic focus to ensure they are mutually beneficial to both parties. We recognise there is a business case for corporations entering into partnerships with community organisations and our partnership agreements specify the desired partnership outcomes for both parties.

Our corporate partners include:

- PricewaterhouseCoopers through the PricewaterhouseCoopers Foundation
- Macquarie Bank through the Macquarie Bank Foundation
- Vodafone Foundation
- Freehills
- Alcoa
- AGL
- Westpac and the Westpac Foundation

These relationships have enabled a deeper engagement with our partners in their corporate responsibility and sustainability programs. We see our community partnerships as one way for the corporate sector to involve their staff and business in the communities in which they operate.

Mission Australia and Corporate Responsibility

Mission Australia is an advocate for the corporate sector engaging with communities and taking a broader view of stakeholder engagement beyond shareholder value. Mission Australia's Chief Executive Officer, Patrick McClure is a member of the Prime Minister's Community Business Partnership. Through our policy, research and advocacy work with government and the community sector, we seek to engage the corporate sector. Our social policy and research partnership with Macquarie Bank is an example of such advocacy in action. Our experience has been that win/win outcomes for business and the community sector result from well structured partnerships.

Mission Australia has noted and welcomed the growing trend of corporations issuing corporate responsibility/sustainability reports as evidenced in a recent KPMG survey (KPMG International Survey of Corporate Responsibility Reporting 2005). This Report suggests that corporations taking a long term view of their business are beginning to focus on their social and environmental performances and see the value in reporting on these to their stakeholders.

Several of Mission Australia's partners including AGL, Westpac and Telstra participate in the Corporate Responsibility Index (CRI), developed by Business in the Community and operated under licence in Australia by the St James Ethics Centre. Mission Australia views the CRI as a credible voluntary and independently verifiable framework for companies to report their non-financial performance.

The emerging trend for social and environmental reporting appears to be driven by several factors. Reputation enhancement and the need to respond to stakeholder demands have been primary motivators for some companies in producing such reports. Regulatory and reporting requirements have also been key factors in Europe. Increasingly, other companies have taken the view that such reporting and measuring can assist in ensuring the long term sustainability of their operations both as a risk management and business tool.

Mandatory or Voluntary Reporting?

Mission Australia is not convinced that revisions to the legal framework or Corporations Act requiring mandatory social reporting would enhance greater community involvement and investment by the corporate sector. As noted above, we see the CRI as providing an

appropriate voluntary framework for companies to report against. The decision to report or otherwise will ultimately be made by enterprises based on market and stakeholder drivers. Given the existence of the CRI and other appropriate global benchmarking tools we therefore remain sceptical that a prescriptive reporting approach as adopted in some other countries will enhance community engagement.

Governments can play a useful role in facilitating broader corporate engagement in the community by advocacy and communication through practical initiatives such as the Prime Minister's Community Business Partnership and taxation changes to encourage payroll giving.

Corporate Responsibility and the Not for Profit Sector

As a national community service organisation with close to 3,000 employees, Mission Australia is examining the relevance of corporate responsibility for the not for profit sector and in particular our own operations. As an advocate for corporate responsibility and business community partnerships, Mission Australia has committed to implementing a benchmarking framework to measure and report on our community and environmental impact. In embarking on this journey, we have noted the progress made by the Department of Family and Community Services and Environment Australia in implementing triple bottom line models. Mission Australia is evaluating the CRI model as an appropriate benchmarking framework and adapting this in a not for profit context.

Mission Australia would be pleased to canvass any of these issues before the Committee and is available to give evidence at a public hearing.

Yours sincerely

David Pigott
General Manager, Corporate & Community Partnerships