



The UWA Business School & Morgan Stanley Not-for-profit Series 2019

Event Two – Public Lecture

In partnership with WA Council of Social Service

Morgan Stanley



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WESTERN AUSTRALIA



Charities: Their Nature and Purpose

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UWA Business School

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Morgan Stanley



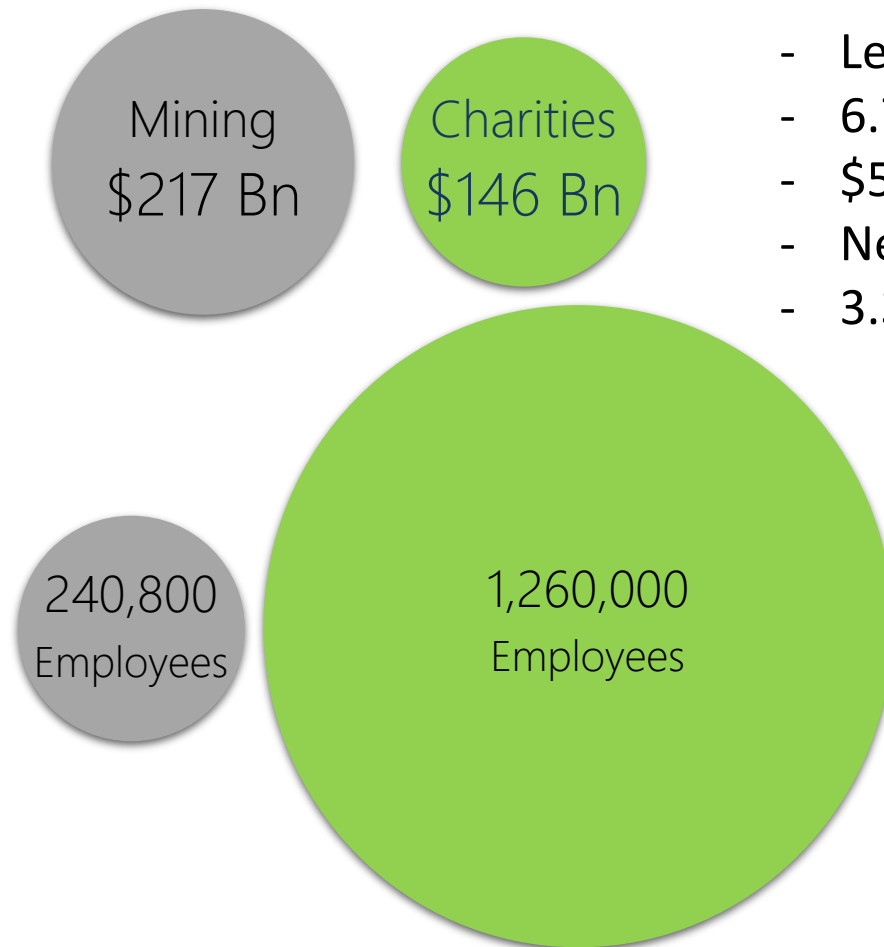
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Context

- Charities and Not-for-profits - we are at a decision point
- In many respects, it is time to ask whether we want them or not...
 - Quasi Market Economics: enduring myth of power of markets
 - Inconsistent economic narratives
 - Funders focus on micro economic view
 - Equated with commercial entities rather than whether fit-for-purpose
 - Advocacy restrictions and growing lack of political courage
 - Inability of governments and the sectors to work together; distinct lack of trust
 - Lack of investment in the public sector to drive policy implementation



Inconsistent Economic Narratives



- Less than half income from government
- 6.7% from donations
- \$50bn went to the top 50 charities by size
- Net income decreased by \$500m in 2016/17
- 3.3m Volunteers Deployed



Their Nature...

- Statute of Elizabeth
- Charities Act
- Tax Legislation and Regulations
- Associations Legislation

Institutional Perspective...



Institutional Perspective...

- System value
- Sector is an national asset
- Sector's place in national infrastructure
- Intellectual property and experience
- Irreplaceability

Sector is an important part of the whole...



Their Purpose...

- Mission
- For Purpose

This is an oft discussed element...



Mission

- Philosophical purpose
- Communication purpose
- Everyone has one... even BHP

Relevant but not relevant to this discussion

What do they actually do?

Impact of Lack of Attention to Institution

What
FUNDERS
Think They Buy



Administration / Coordination



Services

What
FOR PROFITS
Provide



Administration / Coordination

Services



Funder Engagement

Client Recruitment

What
NFPs & Charities
Provide

Administration / Coordination



Services



Risk Management



Clinical Governance

Funder Engagement



Community Engagement

Volunteer Workforce



Free Board Members

Emergency Response



Client Recruitment

Free Advice & Input



Political Courage... Advocacy

- Systemic Advocacy
- Client Advocacy



So what is the purpose of a charity?

- Charities keep people alive
- Educate
- Protect vulnerable people
- Advocate: systemically and individually
- Break destructive cycles
- Provide medical treatment & personal care
- Provide support and assistance
- Prevent poor outcomes
- Advance Australia's place in the world & advance peace
- Provide futures for individuals, families and communities

A TANGIBLE CONTRIBUTION



Way Forward...

- Economic policy consistency
- Systemic perspective
- Investment

Industry Planning Framework & National Reporting Structure:

- A responsible level of investment in systemic analysis
- A responsible level of investment in systemic construction
- A responsible level of investment in public sector capacity
- Consistent application of indirect supports (e.g. Fuel Rebates)
- A genuine partnership forum including executive capacity, funding and public transparency



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<http://www.research.uwa.edu.au/not-for-profits-uwa>

