

Australian Government Productivity Commission
Study of the
Contribution to Society of the Not for Profit Sector
A Submission by the Mission to Seafarers Victoria

The Mission to Seafarers is an international mission of the Anglican Church which cares for the practical and spiritual welfare of seafarers of all nationalities and faiths

The Mission to Seafarers Victoria (MSTV) welcomes the opportunity to contribute to the Productivity Commission's study of the contribution that the not-for-profit (NFP) sector makes to the well-being of Australian society. Our experience in the sector over the past 150 years provides us with significant insight into a number of the issues relevant to this question. In particular, this submission responds to the following terms of reference outlined in the scope of the study:

- examine the changing nature of relationships between government, business and community organisations in recent times, their general impacts, and opportunities to enhance such relationships to optimise outcomes by the sector and its contribution to society.
- examine the extent to which tax deductibility influences both decisions to donate and the overall pool of philanthropic funds.

Like the sector in general, we have come to understand that reliable, mutually-beneficial relationships with industry and government are essential to our ability to provide the services that we do.

We submit that the government should support such relationships and the ability of organisations within the NFP sector to develop and maintain them, and propose that a *Corporate Community Environments Program* be established in order to do so.

The importance of reliable, mutually-beneficial relationships with industry and government to NFP service provision

To gain an understanding of the contribution that the NFP sector makes to Australian society, it may be beneficial to invert the question and consider the impact that society has on the sector, and more specifically, the individual organisations that constitute it.

Contemplation of the first aspect of this question is beyond the aims of this submission however, we at the MSTV are well placed to comment on the ways in which economic and cultural shifts within society change the demands that are placed on NFP organisations and create obstacles to the provision of services.

The MTS provides practical resources, advocacy and humanitarian welfare support to the merchant seafaring community. We have been operating in Victoria since 1857 and currently service the ports of Melbourne, Portland, Geelong and Hastings.

Two major shifts within Australian society that have impacted our work have been the movement overseas of many shipping lines that were previously Australian owned, and the internationalisation of the recruitment of merchant seamen.

As a result, we have seen a decline in both the corporate donation dollar and in public giving. In the first instance, donations from within the shipping industry have decreased as funds tend to stay in the countries in which shipping companies are owned.

For internationally owned shipping lines, the tax incentives offered in this country provide little incentive to support the not for profit sector.

As regards public giving, our experience has been that as fewer Australians join the profession, the public's affinity with seafaring has weakened, which in turn has led to fewer donations and an aging donor database.

While our traditional sources of funding have declined, corporate donations and public donations due to societal changes, the demand for our services has not. In 2008 we met the needs of more than 20,000 seafarers in Victorian Ports alone, ensuring that whilst in port, seafarers have access to transportation to and from their ships, phone and internet services to contact their families at home, money exchange, counselling and other support services.

In relation to global crewing, the president of the International Ship Managers Association maintains that too many companies have a short-term view of seafarers, seeing them simply as a cost to be borne.¹ Similarly, our outreach services have found that depression and fatigue, withholding of wages, instances of self harm, alienation and loneliness, long periods away from families has increased demand on seafarer welfare service providers.

Certainly our experience is not unique. Globalisation leads to these kinds of shifts across industries and societies, requiring governments, businesses and communities worldwide to contemplate how to meet a range of new demands on services.

The changing nature of the shipping industry has led us to consider how we can work with government, business and the Australian public to create the stable, reciprocal relationships that we require to meet the needs of the international seafaring community during their stay on our shores.

Corporate Community Environments Program

A possible response to the situation outlined above that we have developed, is to propose the establishment of a *Corporate Community Environments Program*. We have considered the program with our environment in mind, however it could be adopted across the NFP sector.

The program contains three key components:

1. Encourage innovative solutions to achieve sustainable NFP organisations.
2. More closely align NFP organisations with a specific 'Business or Industry Sector' so the organisation has an audience and an opportunity to attract support.
3. Increase tax incentives to encourage the corporate sector to support NFP organisations to achieve financial independence via business planning.

The program is designed to be undertaken in three stages:

Stage One:

Business or Industry Sectors are identified to become *Corporate Community Environments* i.e. *Trade, Shipping and Transport Corporate Community Environment*.

¹Article: Reviewing Seafarers' Welfare at Sea & Ashore
<http://www.sirc.cf.ac.uk/The%20Sea/186%20mar-apr%2007.pdf>

Businesses are invited to register with the program under the Corporate Community Environment they most identify with. i.e. shipping companies register to the Trade, Shipping and Transport Corporate Community Environment.

Stage Two

NFP organisations are encouraged to develop and submit a 3-5 year business plan to the program.

Stage Three.

Businesses receive a list of submissions from the organisations in its Corporate Community Environment.

From among these submissions, the business chooses to provide financial support to those that appeal to it based on a criterion of viability and mutual-benefit and, it receives tax incentives for its financial investment over the period of the business plan.

For government, industry and not-for-profit organisations there are a number of benefits to be gained:

1. A much-needed opportunity is created to link the government, corporate and community sectors working within a specific industry.
2. Businesses have increased incentives via the tax system to support organisations which are working to deliver necessary services within their industries.
3. NFP organisations are encouraged to develop financially sustainable programs, with the goal of financial independence.

The 3-5 year investment in an NFP program is therefore intended as a substantial incentive for businesses and to encourage the establishment of an environment for duty of care.

For NFP organisations, the program will lead to increased awareness among organisations working in similar fields, creating opportunities for communication, networking, resource sharing and joint ventures.

For the government, the program offers an incentive to both the corporate and NFP sector which we hope will result in the NFP sector having greater efficiency and impact on our society.

Finally, the Corporate Community Environment Program will foster good will, which is often the driving factor of the NFP sector, and yet it is vulnerable when faced with the battle to meet growing demands with fewer resources.

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Yours sincerely,



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