



2011 Leadership Oration

The Australian Community Sector: Inspiration, Perspiration, Liberation

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Presentation by

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Simon McKeon:

Thanks very much Denis. Can I say that I really am the bookend, aren't I? I'm right at the very end of what I know has been a couple of amazing days. In fact I know that because there's a thing called Twitter nowadays and other stuff whereby you can actually be at a conference without actually physically being at the conference.

I have been having an extraordinary wild ride this year. I want to make one point right up front and that is that I had this extraordinary honour earlier this year and I do feel quite awkward about it. Awkward for a couple of reasons.

The first is that if you look at the history of Australian of the Year we're the only nation in the world, would you believe, that has a government endorsed national citizen program which I found extraordinary when I first heard about that a few months ago.

We've had a history over 50 years. Early on the 1960s we actually chose Australians who didn't live in Australia. We chose people like Dame Joan Sutherland or a great scientist, MacFarlane Burnet. But they lived overseas. They were doing their great work in their particular fields of endeavour a long way away from here.

But we felt at that time of our evolution that it was important that we value people who were putting Australia on the map. We then went through a fairly long period where it was very much celebrity focused and/or elite sportsman focused. There was a period of time where for the punters there was a better than evens chance if you were the captain of the Australian Test Cricket side you could be Australian of the Year at some stage during your tenure.

In recent years the pendulum has swung again. Five of my six predecessors have been giants in a particular field of endeavour. They've all been professors and have frankly done extraordinary things. Patrick McGorry last year raised the issue of mental health to heights we'd never seen in this country before.







Before him there were people like Ian Fraser, who found a cure for cervical cancer, Tim Flannery, Fiona Wood, the list goes on and on of extraordinary giants in their particular field of endeavour.

And then I come along. I'm frankly not a giant in any particular field of endeavour. I sometimes bring some enthusiasm and passion for a cause. But whenever technically it gets tough I know there are people close by me, the giants in the sector who can come in and do the heavy lifting, debate the cause, do whatever has to be done when the passion of a mere mortal runs out.

But the other reason I'm actually feeling a bit awkward this year, having been plucked out of this extraordinary populous of 20 million people, many of whom are doing terrific things, is that never a day goes by when I'm not liaising with, dealing with, or working side by side with people like you; not necessarily well-known people, not necessarily nationally admired figures – although you ought to be – but people who have made extraordinary commitments, often on a much greater basis than I have, and sacrificially so, and are supporting this great not-for-profit sector, this community sector.

And I feel awkward because I know that in my daily walk coming alongside these sorts of people I continually say, "It ought to be you, it ought to be you."

But it's actually been me and if I dwell on it too long I'll simply go mad so I have as my antidote, if you like, this opportunity this year to simply talk about a sector that I've grown to love and admire so greatly and which I say time and time again has done so much more for me than I've ever done for it.

And in particular I do want to pay tribute to Denis and Carol Schwartz and all the others involved in Our Community.

I thought I knew a little bit about this space over the years but this year in particular has been an enormous year of learning for me. I think it was earlier this year that I actually went to Our Community's physical premises. I was absolutely blown away by what this organisation is doing. It's current, it's relevant, it's technologically savvy.







If you don't know enough about Our Community, and I suspect you do know a lot because you're here, but if you don't know enough, find out more. It is absolutely without any shadow of doubt one of the real leaders in that important part of the not-for-profit's base, namely connecting not-for-profits with the rest of world, supporters, corporates, givers, volunteers, whatever. It's a real privilege being here.

I just want to tell you one little story. The majority of my talking this year has been not been to groups like you. It's often been to business people or senior management, politicians, indeed a wide variety of different groups because I am that jack of all trades. I'm not an intellectual giant in one particular field so everyone thinks that I can say something sensible which is a complete misnomer I have to say.

But I am talking to this wide variety of groups and I'm taking every opportunity, I guess, to very genuinely extol the virtues of the not-for-profit sector, the fact that it is a massive, massive sector. The pointy heads, the economists in Canberra, measure you in the terms upon tens upon tens of billions of dollars. As you all know, life in this country without the community sector would be just so different.

I'm taking every opportunity to say during this year that it's the community sector that does all the stuff that either people in business, or people in government, are ill-equipped or unable or unwilling to do. It catches all those people that fall between societal cracks.

And it's doing it largely just out of a response to that need. It's not doing it obviously on a profit-making motivation, and you're not elected by the populous. You're just simply seeing a need, you're attending to that need, you're playing to your strengths and doing all that unwanted stuff.

I'm taking every opportunity I can to remind people who have choices in their life, whether it's choices as to how to spend their time or how to spend their money, that there is this huge sector which is nurturing the nation and which in turn needs nurturing itself.

I have been taking my opportunities to try and tell stories that actually might ignite some interest in a corporate or in the heart of some person that hitherto hasn't had any exposure to the not-for-profit sector.







And it's great because I've been around for a while. I've got lots of stories. One that I'm just going to tell today, and I don't know why I'm telling it in that you've got hundreds yourselves, but I'm just going to pick out one organisation which has impressed me over the years, an organisation based here in Melbourne in St Kilda. It basically works with heroin addicts.

The reason I've been telling this story is that I thought it was interesting to note the way it tried to understand the mind of the corporate, tried to reach out to a corporate, sometimes very large corporates and say, "We would like your help," but in quite an intelligent and creative way.

Let me go back a step. The particular program, and from a medical perspective it was quite ground-breaking, was based around the notion that cold turkey in the world of heroin generally takes 10 days or so. It's a long period whereby the body is going through that gruesome adjustment process of weaning itself off the addiction to that drug. Of course even after 10 or 11 days of cold turkey it's not as if it's all gone. But the medical profession would say that's kind of most of it out of the way.

That is a long period of time to go without that drug once you've been addicted to it and with the help of medical science they basically created a way, a surgical implant whereby they put another little drug inside the stomach cavity which concertinated that heroin process from 10 days down to an absolutely awful 24 hours.

But it meant that at the end of that 24 hours you were actually where you would have been otherwise in 11 days time which was a better place, even though it was pretty grotesque.

There are obviously primary carers around the particular addict who was undergoing this treatment and they would be physically by their side, not always family members. A lot of these people don't have close family members as you would know, but other friends, people that could be around.

But First Step also appreciated that there was a lot of good that could be done by what they called secondary carers, interestingly people who had never physically met the person but the contact would be over the phone. And it would be by arrangement between that secondary carer and the heroin addict.







What was really interesting was that as First Step thought more and more about this they said, "These secondary carers might actually be able to come from the busy world of just workers, whether in business, professions, whatever. Surely we've all got five or 10 minutes or half an hour every now and then to speak to someone at the end of the phone with a real need just to reach out and connect with someone like us?"

The program typically would start off fairly intensively. You'd be in touch with these people on a daily or a twice-daily basis and then gradually it would just wean off such that over three or four or five months it might get down to once a week, once a fortnight and then really by mutual arrangement there would be a parting of the ways, although I still keep in touch with one person every now and then.

Nevertheless the reason I found it amazing was twofold. Firstly it was not so much tailored to the corporate world, people like me who wear suits. But First Step had the ingenuity to try and tailor something that was absolutely right for the people that they were trying to help, but equally absolutely right for people like the many who work up and down Collins Street, who sometimes are hopeless at keeping appointments or making commitments to travel out to the suburbs. But surely there's got to be a few minutes in our day where we can just shut the rest of the world out and reach out to someone who desperately needs us by telephone.

Secondly, the training was outstanding. We weren't going to go anywhere near the coal face of need there until we were subjected to several evenings of counselling training. All I can say is that the counselling that that organisation arranged for us was absolutely second to none. In fact we came away from that counselling session frankly just more mature, more grounded, in fact better equipped to do a whole bunch of things in our lives, whether it to be parents or managers or whatever.

The program at the moment is a little bit on hold. The medical profession is having a good look at whether it is right to continue these surgical implants. But I have to say that's the medical side of it. The counselling side of it works really well.

I've taken my opportunities this year to tell stories about when a not-for-profit really is creative, intelligent, and tries to work something up which will work for the corporate community.







There was no shortage of people putting up their hands and saying, "Yes, I really want to be part of that."

A point I'll just make a little bit down the track is that it's sometimes so hard to get dollars, cash, out of publicly held corporations. Our largest corporations in the land are publicly held, owned by tens of thousands, hundreds of thousands of shareholders. It's hard to get lots of cash out of those companies. I'll deal with that in a moment.

But when you can establish a relationship the likes of which I just described, it's amazing how the cash tap just starts to turn on anyway because once the relationship is established people open their eyes up. Certainly I've seen first-hand people in my organisation becoming great advocates for the organisation. They couldn't believe the effectiveness of the work.

Sure, they saw it, warts and all. Not everything is perfect. Some things don't work out at all well. Some addicts didn't last more than two days. There are always little admin. stuff ups and what have you but that's the real world, isn't it, including from BHP down.

But the point is that they saw the extraordinary work that was being done first-hand. It became infectious. And funnily enough whilst it wasn't the first reason that they became involved, wallets came out, other people were involved, the cash flowed anyway.

I think the corporate sector is at a very interesting stage and I want to be careful not to overgeneralise or gild lilies because there is a long way to go in what I want to say.

But when I'm talking to corporate chiefs I say the corporate sector does do a whole lot of good stuff. It provides goods and services at hopefully competitive prices, it provides the bulk of our employment, in the Western world it provides or it underpins a whole taxation system which allows government to operate. Indeed looking at the world globally, commerce has lifted more people out of abject poverty in the last 20 years than all the combined efforts of multilateral programs or all the aid agencies combined.

But having said all that, every survey I've ever read about the community's attitude generally to business has at the end of the day treated it with a certain amount of derision. And I think there's reason for that. The fact is that so often business appears to be putting its hand out. It







is so focused, as it has to be, on profit maximising, earning a return on the capital that's been invested. It's actually the law of the land – the Corporations Law requires every company in this land to maximise profit. They are not not-for-profits.

I'm not embarrassed about that. That's the way it is. But I guess it goes beyond that because business has, I think, a hopeless reputation of presenting itself as being far too self-interested. It's on the grab for a better taxation system suited to itself. It's looking for an industrial relations regime that suits its particular purposes. Probably once or twice a year at annual report time the very high salaries that are paid to senior people in business are revealed.

And it's worse than that. As a rule of thumb – and you won't see this written down much anywhere – it's very hard for these publicly listed companies to donate more than one or two percent of their net profit after tax by way of cash donation. That's the reality.

I actually don't lose any sleep over that because I think that there are areas where there is a whole lot of other low-hanging fruit. But the fact is that if they do end up giving more than one or two percent by way of cash of that profit they start getting beaten up, the boards get beaten up by everyone from large institutions to the Australian Shareholders Association. They're saying, "You're misguided, you're losing your way. We'll vote you out of office." We're not alone here in Australia. That's pretty much a rule of thumb right around the world.

However, I mentioned some low-hanging fruit. And perhaps going back to that First Step example, the fact is the corporations that I'm aware of from inside anxiously want to be more today, particularly driven by Gen. Y and Gen. Z, than simply money-making machines.

I'm having a really interesting year in that I'm out most nights. Particularly if I'm in Melbourne I might go back to my office at about 10 o'clock to pick up the bag and turn the email off. The people in my office at that late hour are people in their twenties. They're not people in their later thirties and forties — they've got families; they will probably be working at home perhaps later on. But the reality is that they're not there in the office. It's really seriously Gen. Y verging on Gen. Z.







And I come back to the office later on, I don't really mean to spend a bit of time there, but they'll buttonhole me, and they are fearless in expressing to me what they think the vibe of the organisation ought to be.

Now, when I was 25 years old I wouldn't ever have dreamt of having the courage to say that to my boss. It would have been certainly career limiting.

But I'm seeing a new generation come through who are actually quite fearless. They know that if I take a dim view on their thoughts as to what they think the corporation ought to be all about and give them a black mark, they'll be gone in a flash. The best and brightest coming through know that they can get five other offers somewhere else in quick time.

It's actually even worse than that again because as they leave, not being impressed about the vibe of the organisation internally, they'll Tweet and Twitter on the way out so that the entire world knows about it shortly.

Two or three years ago I used to say that and people in business treated that with some scepticism but I've actually got a couple of examples now. Even in the interview process, where big business is trying to get the best and brightest graduates out of our universities, let me tell you today it's the graduates that interview the employers. And I think it's a good thing.

If the employers aren't standing up to it, and aren't presenting a corporate that really does have a decent vibe inside, offering these people more than just a weekly pay packet and a long corporate ladder up which to rise, the whole graduate world knows about it fairly shortly.

Indeed there's a celebrated case just two or three years ago where they clearly put the wrong interviewer in and a complete day went by and this fellow just interviewed everyone and he was hopeless. He just basically said, "If you don't get what we're on about then we're going to treat you like this..." They got no serious graduates of any calibre in that entire year and suffice to say that fellow wasn't on the interview panel the next year.

So I think the world is changing. I don't want to generalise or gild the lily though. It's not changing rapidly. But there is a new type of employee and typically they are amongst the best of the best who are demanding more of their corporations.







Funnily enough I think it's actually happening much more in the US, which economically is doing it tougher than us here. But it's best described, I think, by a fellow called Professor Michael Porter, arguably the world's most renowned business academic based in Harvard.

He's talking about a concept called 'shared value'. Going back to that point I was making before about the corporate world being derided by the community at large, he would say that another reason for that derision is that we have some major problems in the world. No surprise about that. We've always had problems.

But the corporations who are going to be making in the future, the corporations that really will rise to the surface in the future, are those that want to appear as part of the solution, not observing off to the side and just pointing out all the problems.

I've got to say again, that's what I'm seeing in the new generation coming through. They want to be part of the solution as well and they want to put the corporate resources that they see every day of the week around them to good effect.

The world's largest industrial conglomerate is General Electric, GE. The CEO of GE was out here just a few weeks ago. I spent a bit of time with him because they have a close collaborative agreement with the CSIRO.

I heard him give a couple of talks, like I am now, and I heard him say things that I've never heard any Australian CEO say or certainly using quite the same language.

For example, something that is topical this week is carbon and alternative energy. Here's this guy that is the CEO of the world's largest industrial conglomerate. He said it's just inevitable that there's going to be a price on carbon in one way, shape or form in every developed country in the world. He said he didn't quite know whether it was going to be a carbon tax or an ETS or what the timeframe was but you'd be bonkers if you didn't expect something. He was saying his firm, corporate view in GE is that would be the case.

Secondly, that will lead to the need to, on a much larger scale than we have today, produce ways of producing alternative energy. He said GE didn't know how to work out which particular pieces of technology are going to ultimately dominate or be more competitive than







others. So he said they're backing everything. The sorts of money they're investing is quite significant.

And all I'm saying is that he spoke openly. You had all sorts of people asking him hard questions because he was straying into sensitive political areas but he had no issues at all. He was happy to take on anyone that defied him. He was basing his views on science, on logic. Everything takes a bit of time. Even the tobacco lobby finally got worn down after decades of lying to the community.

He said he didn't know the timeframe but the reality was that one day we'll have a huge alternative energy industry and it was his job that GE is at the forefront of that. And it is being pushed by junior people in the organisation.

I think over time we'll see more Australian CEOs become a bit more enlightened and be able to talk with the sort of courage and insight that people like Jeffrey Immelt do.

And as I said it's been pushed by employees within the organisation. It's certainly being pushed by a much more discerning consuming public.

So the question is, what do we do about all of that from a not-for-profit perspective? I think the trend is kind of right but you will all have your own stories of how it's two steps forward, one step back or possibly even one step forward and two steps back. You will each have your own stories about how difficult it can be to engage with the corporate world.

Incidentally, I'm not going to speak about it today, but I would love at another time to talk about another area which I really hope is going to open up so much in the future and that's simply going beyond the corporate world into the world of the high-net-worth individual, the people with wealth, the people that at this point in time are not really sharing it in a huge way in Australia. We have a long, long way to go before we're even close to what happens in the US. But that's perhaps another topic for another time. Today it's really just about engaging with the corporate world.

How do we do that? Some of my closest friends are in the not-for-profit sector and they detest the corporate world and they do it with a passion. They distrust it. They're my friends, and







sometimes I say, "I don't want to change your attitude," because they're so passionate in what they're doing I'm not going to convert them when they're at their particular stage of life.

And do you know what? It doesn't matter because they're doing fabulous work. All I say is don't put them on the front line in trying to engage with the corporate sector. [Audience laughs.] Thanks for laughing but it does happen. I've seen it myself.

And that's OK. We're all wired differently. I wouldn't in any way want to take those people out of the space. They're fabulous. It's just that they have a role to do but it won't be engaging with the corporate sector.

We have our big tribes don't we, corporate tribes, the community tribe, government tribe, and we do have different languages. It's so important in the community sector to not only train and encourage people to be good communicators with the corporate sector but most importantly to remind them that their job is really, really important.

It might be seen as cheap marketing or just selling the organisation but I think actually it's just one of the many, many skills that is required in any not-for-profit organisation to make a really, really good team effort.

The second thing is to have a really good look around today at how well served we are in the community sector by what I call the intermediary organisations, organisations like Our Community and there are others as well. They do slightly different things and it's not one size fits all. Make sure that you're dealing with the one that's best suited for helping you.

But whether it's Good Company, Volunteering Australia, Great Connections etc, I think in a relatively short period of time these organisations are increasing their value, their own skill base. They can be of considerable assistance to making real change in the not-for-profit sector.

Drawing upon the anecdote I gave from First Step, think creatively about what the corporate is really looking for. How many times have the old stories been told about walls just being painted 10 times in two years simply to engage in some way with a group of volunteers or a corporate? Those days are absolutely gone.







A corporate does want to do something relevant. A corporate wants to do something that's playing to its strengths, playing to its employees' strengths and every corporate in the land has all sorts of departments, whether it's a marketing department, an IT department – they're typically built to withstand peak loads during the year.

One of my greatest joys was seeing the IT department at Macquarie at a slightly less busy time of the year do a wonderful job upgrading the IT system at that organisation that was mentioned earlier, Red Dust Role Models. Everyone was a winner. The system actually even worked, which surprised me because it doesn't work at work sometimes. Red Dust was really pleased when that happened.

All I'm saying is that let's approach the corporate community intelligently. And I have to say that going back to that one percent of net profit after tax rule of thumb, there are no rules of thumb in relation to this area that I'm talking about now. I'm not talking about hiding things from shareholders or ASIC but the reality is that big corporate organisations are just groups of people, groups of people just producing goods or services, making a profit, but they're individuals just like you, and many of them have hearts, and are interested in making a change, and they know best how to use whatever resources have been built up over often decades in the corporate to best use both inside the corporate and outside as well.

Whether it's marketing departments or just providing strategy, and of course all of you need good people on your boards. I know what you really need is cash but often the cash just flows when you're able to, in an intelligent way, integrate people into your business.

I just want to close by going back to First Step because there was one particular relationship that I had, a guy at the end of a phone. I don't think I've ever had this before. Initially his journey started off very well, very, very positively and then, to this day I don't really know why, but something else must have happened in his life because in a relatively short period of time he started to go on a real downer again.

He was probably the fourth or fifth person that I'd worked with. The previous ones had been, I won't say formulaic, but had been relatively straightforward. In fact we got through to the end and I actually don't know today whether they use or not but the programs seemed to, at my superficial level of contact, work very well.







But this guy suddenly took a big dive. At one point I can recall, I thought it was just going to be a five or 10 minute call with him, and I actually probably quite wrongly timed it to be 15 minutes before a really important meeting I was supposed to be in.

And it was wrong on my part because I kind of knew from one or two calls beforehand that he was starting to end up in a place that wasn't very good.

Anyway this particular call, he was in a really, really bad place. He was crying out for help, clearly. He was threatening to take his own life.

A couple of things happened. Firstly, it didn't end up being a 10-minute call. I used every little bit of knowledge that I'd got from that wonderful training course. I'm not going to pretend to you that I'm trained counsellor but at least I had these six or seven fabulous sessions which taught me so much.

Obviously I was using every little bit of that that I could and also working out, how do I refer him on, how do I really put him in the hands of people that can make a real important difference at this critical time of his life?

And of course the fact that I had a big meeting in 10 or 15 minutes became very, very secondary and the phone call probably went on for three quarters of an hour. It went around and around in circles. I thought I'd achieved something and then we'd go back to the start again and it just went on and on and on and three quarters of an hour went by.

Towards the end, for reasons I still don't understand today, he said something and it came out of the blue. It wasn't actually anything I said. It was just that I was at the end of the phone, not so much pleading with him but just hoping that he would make a good decision.

All of a sudden, out of the blue he said, "Thank you, Simon, I'm feeling better now." As I say it now I can hear him say those words because it had been 40 minutes of absolute uncertainty leading up to that.







I said, "That's really, really great. I think it really is time for you to wander down and meet those people at First Step again. You will do that won't you?" He said, "Yeah, yeah, yeah. I'm feeling better."

Why am I finishing on that note? I was very late for this really, really important meeting. I grabbed my bag and I rushed in. I think I looked really flushed and different, if you like. This meeting was actually one of Melbourne's biggest companies, the big board. I walked into the meeting and I just wanted to get into the meeting straight away. I didn't want to talk about what had held me up.

The Chairman was a wonderful fellow. He said, "Simon, take your time. We've got time for you to sit down and have a glass of water. What's been happening?"

And I said to myself, "Well, do I just say I got caught up in something or do I tell them the story?"

I looked at them and after five seconds I said, "Damn it, they can share with me what I've just been through." And I'm really glad I did. It probably took me five or 10 minutes to recount the story. But to a man and a woman around that table they said, "Thank you. This is a really big corporation. Frankly, we've made some really big decisions about the future of this company today but we probably haven't had a more profound five or 10 minutes in the day than that." And they were very genuine. Then we had to go on and deal with what I was supposed to be there for in the first place.

But all I can say is don't ever, ever give up hope about trying to bring these two great sectors together. It won't happen in the way that we predict but it will happen if we reach out to each other.

Let me tell you, the corporate sector, I think, the individuals in it, need you actually more than you need them. They think they're busy people. We think we're busy people. But in many respects there's often a big part of our life that's missing, namely direct connection with people seriously in need and the hope of, on a totally voluntary basis, making a difference.







Never give up hope. Every now and then you'll get a door shut in your face or someone will say something disrespectful from the corporate community. But please don't give up. I think the trend is good. It's not fast enough. But if we use our minds intelligently, and our passion, we will make progress.

Thank you.





