

Community Relations: How to get more 'bang for your buck'!

Fact Sheet #



'Community Relations': What is it?

- ➔ Many businesses still consider *Community Relations* is a feel-good exercise—a 'nice-to-have' that shouldn't be allowed to get in the way of 'proper business'.
- ➔ Some consider they don't need it because they have distant 'head offices' and even more distant export customers. Others unfortunately feel the Meat Industry has such a poor public image that they are powerless to change it.
- ➔ Building appropriate community relationships, however, is a critical success factor for all businesses. *It is the planned, active and continuing interaction between a business and the community within which it operates.*

Building community relationships: Why would you do it?

- ➔ People are attracted to a business that has a good standing in the community—more people are likely to apply for your jobs.
- ➔ Good people with strong work ethics like to work for businesses that show high values—the people you want will be more interested in you.
- ➔ People tend to stay longer in jobs where they can feel pride in the place that they work—retention levels are likely to improve.
- ➔ People are happier at work when they feel part of something that is of value to their community—this can help to reduce absenteeism and increase productivity.
- ➔ Communities will more likely support you on issues such as migrant recruitment and environmental impacts when they know and understand you.
- ➔ Government and industry regulators are more confident dealing with businesses who show transparent and accountable practices. Your good community relations will stand you in good stead with them too!

A reputation as
a good corporate citizen
will benefit you by:

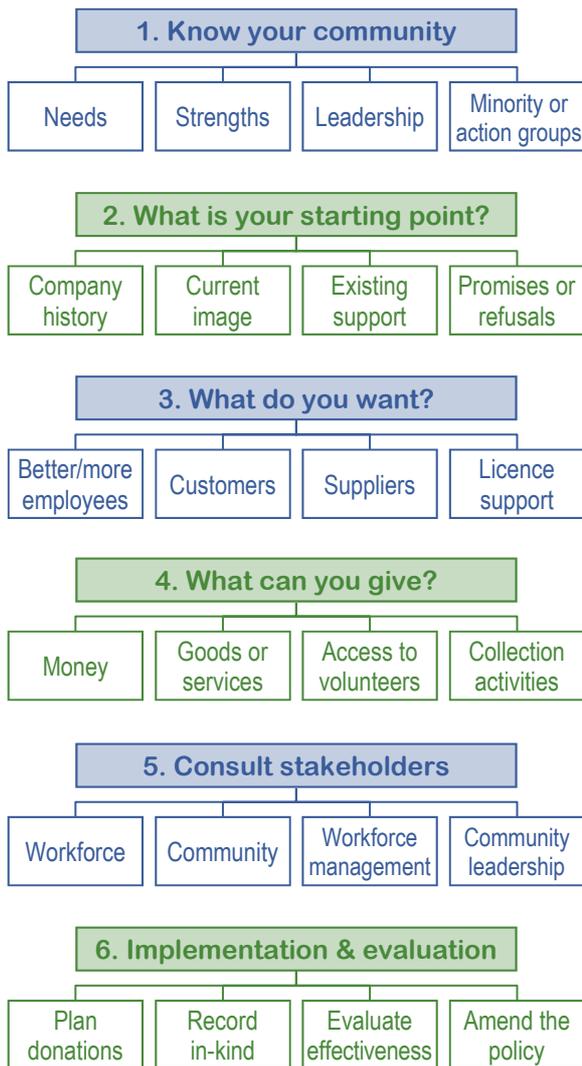
Attracting more people
—and the right people—
to apply for your jobs

Persuading key influencers
—parents, schools, friends—
you're an employer of choice

Encouraging staff retention
—and productivity—
through pride in the workplace

Engaging the community,
governments and regulators
—prior to dealing with issues

How to do it: Develop a strategic community relations policy



→ It's likely that you're already supporting your local community in some way—ranging from sizeable donation budgets to simply supplying meat for fundraising barbecues.

→ Preparing a strategic public relations policy will help you to get an appropriate return on your investment—and is likely to be more helpful to the community as well!

→ For example:

- If the childcare centre is at risk of closing because it needs building repairs, but you put sponsorship funds into the footy team—you may find you have less employees turning up for work!
- If the footy team makes good money on the barbecues, but can't manage the funds appropriately—you probably should have invested time rather than product!

→ Understanding your community; self-evaluating your past and current positions; and consulting with both the community and your workforce are important first steps in developing your policy.

→ This Fact Sheet is aimed at ensuring you get 'more bang for your buck' when you do that!

How to do it: Plan and record donations and sponsorships

- *Donations* are something you give freely without strings attached. *Sponsorships* seek something in return—for example, your name on uniforms or a poster promoting an event.
- Your budget should include a mix of both—but be careful of GST liabilities if you require a service in return for your money.
- In deciding on your budget, think about the (up to) \$5,000 per person it costs to recruit and train a person who leaves you prematurely.
- Calling for submissions at regular intervals restricts the time spent dealing with requests; gives a record of how they will spend your money; keeps a written account of expenditure—and promotes your community support!

1. It's a legitimate business expenditure—so allocate a fixed budget as a line item

2. Spend your budget in keeping with your community and workforce consultations

3. Call for written requests or expressions of interest—quarterly or twice yearly

4. Check the group has Gift Deductibility Status if you plan to claim a tax deduction

How to do it: Use time, product and resources to supplement cash

- ➔ Every year, thousands of businesses make donations to communities of time, product and resources that are unrecorded and, often, unacknowledged.
- ➔ Sometimes, these donations occur even without the knowledge of management—employees want to help a particular organisation and don't know a legitimate way to do this. (Entire barbecues have been built piece by piece!)
- ➔ Other times, excellent opportunities to 'make a difference' can be overlooked. For example, providing some work time for financial staff to help a community group set up a bookkeeping system will cost you little, but reap long term rewards in terms of 'community capacity'.
- ➔ It can be as simple as admin staff compiling and printing a newsletter for the local kindergarten in company time and with company resources.
- ➔ However, it's important to include this type of contribution in your community relations budget. They're real costs for you—but they also show your real value to the community.
- ➔ You need to make these contributions part of a formal system—measure and record them.

Don't limit donated goods to meat—consider office supplies, building materials, first aid equipment etc.

These products cost you less than their value to the community—and you can treat the cost as cash for taxation purposes.

Mentoring and assisting the management of non-profit groups is an excellent way to contribute to your community.

Don't forget the expertise of your employees—a licensed plumber could save a youth club considerable cash on repairs!

Set up a formal system to record these 'in-kind' contributions—the amount and cost of product, the hours and type of work.

At tax time you can claim the lesser of your cost or market value—but the community benefit is what it would have cost them!

How to do it: Get the workforce involved for optimum benefit



- ➔ Research has shown that most employees:
 - believe businesses should involve themselves in the community
 - feel that the company they work for does not do enough to support their community
 - would rather work for a company that supports good community causes.
- ➔ Getting them involved in your community support will increase morale and workplace pride—which will likely lead to improved productivity, less absenteeism, lower turnover (and an increased reputation for you as an employer of choice).
- ➔ However, it's important they don't feel pressured to participate—so don't allow others to bully or 'guilt' those who choose not to become involved.

Where you can find help to make it happen

→ This Fact Sheet supports information in a booklet produced by the FTH Skills Council and MLA called 'How to become an employer of choice in an industry of choice' which is a practical guide to workforce development in the Australian Meat Industry.

The booklet includes a section on *Community Perceptions*—which outlines other ways you can affect your relationship with your local community through:

- Developing and using key messages in all communication
- Promoting the positives of the industry through local media
- Developing your community presence
- Developing your corporate reputation.

→ The Australian Taxation Office provides information which will help you to manage your cash or in-kind donations so they are tax deductible.

Visit www.ato.gov.au and in the *Non-Profit* section, you'll find a number of guides and Fact Sheets about 'Donors and Gifts'.

- Community leaders are the most appropriate people to advise you on activities you can undertake as a business to 'make a difference' in your region.
- These people will also help you form partnerships to bring initiatives to fruition.
- As an example, a major project such as renovating a building to serve as a youth facility addressing drug and alcohol issues could attract:
 - funding from the Australian and South Australian Governments
 - planning and management support from the local Council
 - a smaller financial contribution from your business supported by volunteer labour which you have organised on site.

→ Information about your local council can be found on the Local Government Association website:

www.lga.sa.gov.au

→ Your Regional Development Board and Area Consultative Committee will have useful information about projects and funding:

www.ora.sa.gov.au/boards

www.acc.gov.au

Want to know more?

For further information about workforce development resources for the SA Meat Industry, please contact:

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