

CHANGING ROLES OF COMMUNITY-  
SECTOR PEAK BODIES IN A NEO-  
LIBERAL POLICY ENVIRONMENT IN  
AUSTRALIA

AN ARC FUNDED STUDY  
(2000–2002)

FINAL REPORT

**INSTITUTE OF SOCIAL CHANGE AND CRITICAL  
INQUIRY, FACULTY OF ARTS, UNIVERSITY OF  
WOLLONGONG**

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This three-year study was funded by an Australian Research Council Discovery Grant (2000–2003). The current project (2000–2002) is the culmination of a six-year study of community-sector peak bodies in Australia. The study built on two previous ARC small grants conducted between 1997 and 1999. Financial support for the ARC Discovery study entitled 'Changing Roles of Community-Sector Peak Bodies in a Neo-Liberal Policy Environment in Australia' is important for a number of reasons. The funding provided the means to undertake one of the most extensive independent pieces of research on community-sector peaks in Australia, even perhaps in comparative neo-liberal democratic western countries, such as Britain, Canada and the United States. The study has produced valuable baseline data on a unique set of community-sector organisations. The study adds to a growing body of research on third sector organisations in Australia, which contribute an estimated nine billion dollars to the Australian economy, as well as providing a multitude of social and political benefits. Finally, funding of the study has signalled that these kinds of organisation are worthy of on-going academic research and industry collaboration.

A number of people worked on the project between 1997 and 2002. Sincere thanks are extended to Angela Pratt and Angela Taylor who worked on the initial pilot study (1998). Thanks to Sharon Chalmers for her work on the documentary data for the Discovery Grant. I especially wish to acknowledge and thank Roberta Perkins, the senior researcher who worked for three years on the ARC Discovery Grant (2000–2002). Roberta's tireless efforts in listening, encouraging participants to be interviewed and to return survey forms, plus her administrative skills, all helped keep the project on time. She undertook much of the data collection and analysis for the project and contributed to the writing of this report. Her commitment to the project and to social justice was a constant source of inspiration.

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It is hoped that the findings accurately reflect the views of those involved in the study, the research team (Melville and Perkins) alone are responsible for the analysis, interpretation and conclusions contained in this report.

This report is dedicated to the participants and the people they represent.

## TABLE OF CONTENTS

Chief Investigator's Opening Statement	ii
Executive Summary	iv
List of Recommendations	ix
<b>1. INTRODUCTION</b>	<b>1</b>
1.1 Introduction to this Study	
1.2 Definition of a Community-Sector Peak Body	
1.3 Review of Earlier Studies on Australian Peak Bodies	
1.4 Some Comparative Notes on the Situation of NGOs Overseas	
1.5 Methodology for this Study	
<b>2. THE SURVEY</b>	<b>12</b>
2.1 Preview of Survey Findings	
2.2 Survey Results I: Demographic Data	
2.3 Survey Results II: Management Structures and Financial Arrangements	
2.4 Survey Results III: Relationship with Government Funders	
2.5 Survey Results IV: Responses to Government Policies	
<b>3. NATIONAL PEAKS</b>	<b>28</b>
3.1 The General Social Welfare Peaks	
3.2 The Health Peaks	
3.3 The Aged and Disability Peaks	
3.4 Peaks for Women's and Children's Services	
3.5 Non-English-Speaking Background and Indigenous Peaks	
3.6 Youth, Housing and Specialist Peaks	
3.7 Summary	
<b>4. STATE-WIDE AND LOCAL PEAKS</b>	<b>52</b>
4.1 New South Wales I	
4.2 New South Wales II	
4.3 Victoria	
4.4 Queensland	
4.5 Tasmania	
4.6 South Australia	
4.7 Western Australia	
4.8 The Territories	
4.9 Summary	
<b>5. PEAKS: BALANCING OPERATIONS</b>	<b>88</b>
5.1 Roles of Representation	
5.2 Relations with Government Agencies	
5.3 New Approaches	
5.4 Summary	
<b>6. SUMMARY AND CONCLUSION</b>	<b>104</b>
6.1 Summary of Major Findings	
6.2 A Comparative Review of Findings of the 1998 Pilot Study	
6.3 Theoretical and Policy Implications	
6.4 Concluding Comments	
<b>REFERENCES</b>	<b>111</b>

## CHIEF INVESTIGATOR'S OPENING STATEMENT

When I embarked upon this project six years ago, there was little local or international literature (including empirical research) on community-sector peak bodies (see Melville et al., 1998 for a summary). This was surprising given the importance placed on the advocacy role of peak bodies in policy making in the Australian context. This is not to claim that peak bodies were successful as lobbyists or that they managed to have significant influence in and on important social welfare policy networks or policy actors. However, certainly the 'rhetoric' surrounding peaks in the community sector and amongst social movement activists indicated that they were important players in representing the needs and interests of disadvantaged people in our society. Largely these claims remained empirically untested.

A number of factors instigated this in-depth national study of peaks. In my professional life, I have been an executive member of the Queensland Council of Social Services, as well as a member of several professional and trade union peak bodies. This provided first-hand experience of the policy-political tensions experienced by peaks. I had a long-term interest in advocacy organisations: how they function, survive and thrive, struggle and die away, as well as the social, economic, policy and political environments in which they seek to operate.

Much of the impetus for the project grew out of the National Contracting for Care Project undertaken during 1995–1996 (Lyons, 1997), and participation in the ARC-funded, third sector research initiatives conference held at Deakin University in June 1998. During the course of these events, anecdotal evidence began to emerge that a growing number of community-sector peaks were experiencing serious pressures and threats to their organisational survival in a number of jurisdictions, including Western Australia and South Australia. Shortly after the election of the Howard Government in 1996, federally funded peaks increasingly became the targets of public choice doctrines and a systematic attack on their legitimacy to act as the 'voice' of the community sector.

The intellectual and empirical work on this project began in 1997, with the award of an ARC Small Research Grant to undertake a literature review and a pilot study. The results of this initial pilot study (conducted in 1998) indicated that peak bodies were undergoing sustained and fundamental challenges to their roles as 'advocates' and 'representatives' of marginalised and underprivileged people in Australia. In domestic political terms, these challenges appeared to be coming from a number of sources, the elected government (ministers), the bureaucracy, membership of peaks and the general community. These early observations noted the impact of economic rationalism, neo-liberalism, contractualism and public choice theory on Australian political institutions, the public sector and public policy making (Melville, 1999a; 1999b). They raised more questions, such as the long-term impact on disadvantaged people outside the mainstream political institutions and processes in an era of globalisation and welfare state restructuring.

This early project evolved into a research agenda involving a sustained examination of peak organisations over a six-year period. The Discovery Grant (2000–2002) enabled a large-scale study of changes at both the state and federal levels of government. It is the first time this comparative analysis has been undertaken on community-sector peaks in Australia. The Industry Commission Inquiry (1995) focused on peaks nationally. They did not examine state-by-state similarities and differences and/or compare these with the experiences of federal peaks. With some exceptions, most states and territories have a much better relationship with peak bodies than their federal counterparts.<sup>1</sup>

This report focuses on the organisational demography of peaks, some of the challenges to their roles in policy making, democratic citizenship and representation. The longitudinal study has charted the way in which these changes are affecting democratic institutions and processes. This finding has emerged out

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<sup>1</sup> This observation raises questions about the nature of contemporary governance and policy making in decentralised versus centralised systems. A detailed analysis of these issues (e.g. advocacy, civil society, citizenship, funding, federalism, and state–federal relationships) is clearly beyond the scope of this report. They will be taken up in other arenas.

of a sustained examination of the day-to-day realities of organisations trying to advocate for resources in increasingly less sympathetic local governance systems, the media and body politic. Various explanations are offered for these phenomena, some of which are examined in this report.

At a macro-political level, many of the challenges faced by community-sector peaks come from multi-factorial sources. These include a globalised policy environment dominated by hyper-communication technologies and 'stage-managed politics'; as well as a new welfare state 'management' determined by economic imperatives beyond our borders. This in turn has led to what some have referred to as the democratic deficit syndrome prevalent in neo-liberal, market-dominated western societies.

A major theme to emerge in the study is the systematic delegitimisation of peaks as 'representative' bodies for sections of the community sector and their participation in policy-making processes. This is evidenced in a number of ways, from deliberate defunding of organisations to significant changes in the micro-management of relationships between ministers, public servants and peak representatives. Traditional methods of access to policy processes, including all forms of communication, meetings, letters, consultative processes, lobbying and the use of the media, have undergone major changes in this period. Day-to-day access to ministers, their advisers and public servants about policy and funding matters no longer occurs, which in effect has shut out many vulnerable groups in the community.

The study provides evidence of problematic and contentious relationships between peaks, government ministers and public servants in various jurisdictions. At a micro-level of analysis, some of the respondents' narratives focus on the 'interpersonal' nature of these communications and, in particular, the program/project and funding relationships. Other respondents were able to look beyond this level of analysis, to identify and seek alternative explanations for these changes. Some identified the various discourses of New Public Management (NPM) and contractualism as the main sources of their problems. NPM has resulted in major staff cutbacks<sup>2</sup> as well as a breakdown of the ethos and culture in the public service—known as working for the 'public good' or 'in the public interest'. This ethos has been replaced by a business—management ethos and a fractured style of relationships based on other loyalties devoid of organisational memory and administrative continuity and accountability. In thinking through these issues, one must look at ways in which to redress these deficiencies in the public sector.

So what does all this mean for peaks? At a very practical level, a significant shift in relationships between government and the community sector is required. At the state and federal levels, there is some evidence of bridge building between governments, the public service and the community sector. Certainly, the intensity of the 'delegitimisation' of peaks seen at the federal level during 1997–2000 has abated somewhat. Nevertheless, the funding and the advocacy–policy role of peaks at the federal level are still very fragile and on slippery ground. The notion of 'extra parliamentary representation' which peaks undertake is no longer seen to be a legitimate democratic claim on governments and the resources they control.

In an effort to provide some practical policy outcomes from this study, the report makes a number of recommendations. These recommendations contain short-term and long-term policy options to ensure the longer term survival of these organisations. Many of these recommendations are not new to the sector or to policy makers. Some people may consider them impractical, if indeed unrealistic, but they keep faith with the people who participated in the study. Where it is considered appropriate, the researchers comment on and/or add issues from their own perspectives.

This report is written primarily for an audience of policy makers and community-sector peak bodies. It is mainly descriptive and contains little theoretical analysis of the data collected during the course of the study. The report is presented in this manner because we made a commitment to the participants that the results of the study would be made available to them in an accessible and user-friendly format. The needs and interests of policy practitioners are to be able to use the data in their work. To satisfy the needs of other audiences, preliminary and final results arising from the study have been published in academic journals and provided in conference presentations over the past six years. It is anticipated that additional publications will follow the release of this report.

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<sup>2</sup> The Federal public sector was cut by 29% between 1987 and 1997. Over 16, 000 (or 9%) were retrenched during 1987–1990 and a further 32, 720 (or 20%) left during 1994–1997 (Howard, 1997:5).

## EXECUTIVE SUMMARY

This study commenced with a successful grant, from the Australian Research Council to the University of Wollongong in 1999, in order to conduct research on Australian peak bodies between 2000 and 2002, inclusive. A total of 142 peaks were surveyed, or 42% of peaks that were invited to participate in the study; and 89 peak executives and senior government officers were interviewed. A working definition of a 'peak body' was selected from the 132 definitions provided by participating organisations. The definition is:

*A 'peak body' is a non-government organisation whose membership consists of smaller organisations of allied interests. The peak body thus offers a strong voice for the specific community sector in the areas of lobbying government, community education and information sharing between member groups and interested parties.*  
(Questionnaire 85)

A review of the literature on Australian peaks indicated a plethora of theoretical viewpoints but little in the way of empirical research. This study is the first to conduct research towards a substantial statistical profile of peaks across the country. An extensive literature review indicated significant differences between Australian peaks and similar umbrella organisations in New Zealand, Canada, the United States and the United Kingdom, mainly in operating systems and the extent of government funding.

The 142 peaks surveyed were spread unevenly across all states and territories of Australia, with almost 42% of them in New South Wales. A third of the peaks were national organisations. Nearly two-thirds of them were founded since 1970, and more than half were formed from grassroots responses. The peaks were distributed evenly across all sectors. The activities, which most often engaged the time and energy of peaks, were the dissemination of information, networking and advocacy. The survey found that two-thirds of the peaks had an organisational membership of fewer than 120, and only two had more than 500 member organisations. This is reflected in peak staffing: 30% of the peaks employed either one or two full-time staff each, and only two of them had more than 500 staff members. The level of membership is also reflected in the peaks' financial resources, in that two-thirds of the organisations had an annual income of less than \$400,000 while 15% had more than \$1,000,000.

The income of 100 (of the 142) peaks derived mainly from federal and/or state/territorial government funding. The fragility of this situation was made clear by government threats to this funding. More than half of these government-funded peaks claimed to have received such threats and 10 were actually totally defunded. Nearly 40% of the reasons given for these threats or funding loss were due to the peaks' political activity and changes in funding guidelines.

The relations between government and the surveyed peaks were largely negative, with less than 20% of the peaks claiming to have an amicable relationship; in nearly 8% of them relationships had completely broken down. It appears there is little difference in the extent of this negativity between federally funded and state-funded peaks. The results of this, according to the survey findings, are that less than a fifth of the peaks indicated that they are 'coping well' and just over a fifth said that they are 'managing with little difficulty'. The pressures from government which have soured relationships and led to difficulties in managing peak bodies included total or partial loss of funding, increases in government administration, and demands by government that peaks cease their public advocacy via the media.

The survey indicated contrasting government perceptions of peak bodies. On the one hand, 30% of the peaks said that government perceives them to be 'too critical of government policies', and nearly 18% that they are either 'too radical' or simply 'rabble rousers'. On the other hand, 55% of them also indicated government thought them to be well administered and 31% said government considered them efficient. The peaks also pointed to numerous impediments that frustrate their operations, chief among which were bureaucratic interference, changes in government policies, threats to their funding, reduction in funding and inadequate funding, as well as demands made by their members. This placed the peaks in the dilemma of attempting to meet these demands whilst being hampered by government actions that hinder their fulfilment. Policy issues that the survey indicated were most problematic for peaks were those to do with restraints on advocating through the media and on advocating generally, restrictions to membership increased departmental control, and ministerial directions.

In analysing general social welfare peaks, which operate at the national level, the study found that these shared certain unique characteristics which distinguish them from more sector-specific national peaks. Because of obligations in representation across a broad range of communities, these peaks are more likely to have greater confrontation with government arising from advocating on broader issues that affect wide sector areas. Ten peak bodies were identified within this group. Six of them received federal secretariat funding, but there was only one whose government funding comprised more than half their income. Four of them were dependent on program funding and three had had part of their funding withdrawn. Four of the peaks indicated they had amicable relations with government, while the other six had fractured relationships. Seven of these peaks were church based or traditional charity organisations whose relations with government were not necessarily any better than those of the other three. But, at least, the church-based peaks were not as dependent on government funding as the non-church peaks.

Ten national health peaks were identified in the study and they were better off in terms of funding, with half of them receiving federal funds that comprised more than 50% of their income. However, their relations with government and its agencies were considerably poorer, only one claiming to have an amicable relationship. Another said their relationship had completely broken down. Most of these peaks spoke of having particularly fractured relationships with senior departmental staff and with the minister. Many of the problems seemed to arise from government's sensitive response to issues surrounding HIV, mental health, drug abuse and sexual matters. Conflicts between the health sector and government policies on privatisation and palliative care appear to have driven the peaks to a deep sense of mistrust of government. However, comments by senior government officers indicate that this mistrust may be due more to misunderstanding than to policy differences.

Ten national aged and disability peaks were also identified and their relations with government have undergone serious rifts. Only two of them claimed to have amicable relationships. Issues around the nursing home debate and amalgamation were major impediments to improving relations. One major aged peak was totally defunded, which rocked the sector to its foundations, and on-going resistance to forming a federation by the eight major disability peaks caused a great deal of disharmony with the minister and the funding department. The government points to a need to have one view, one voice and one policy direction from the disability sector. The individual peaks argued that they each have specific needs that can only be met by representation of the independent sectors involved.

Although on the surface relations between the ten national peaks for women's and children's services and government appeared more harmonious than for the aged and disability peaks and the health peaks, nevertheless, conflicts over specific issues seemed to be on-going. These issues related to areas where the government apparently failed to fully understand the importance to women and children. Advocating for these issues of importance has only aggravated an already tense situation, and estranged relations have ultimately led to one major women's peak being totally defunded and a peak for children's services being seriously curtailed financially.

The other national peaks included two representing the non-English-speaking background (NESB) sector, two indigenous peoples peaks, one youth peak, two housing peaks and two specialist consumer peaks. None thought they had an amicable relationship with government and two had relationships which had completely broken down. Six of them were in receipt of federal funding that comprised more than half their income. On the other hand, one each of the NESB, indigenous, youth and housing peaks had been completely defunded.

In all these sectors, contention had arisen over policies introduced by government with little or no consultation with sector representatives. Taking together all 48 national peaks surveyed and interviewed, plus nine others that were interviewed only, a bleak picture emerges. Nine (18%) of these peaks were totally defunded and ten (20%) were partially defunded, where loss of funding was due mainly to their political activity and changes in funding guidelines. Only eight (16%) of the peaks had an amicable relationship with government; three (6%) had relations that had completely broken down. Comments from government officers painted a less destructive picture, but one that is obviously fraught with mutual misunderstanding and mistrust.

Some significant differences were revealed when comparing the relations of state/territorial peaks and their respective governments with findings concerning relations between national peaks and the Federal Government. Of the 37 state-wide peaks in New South Wales (NSW), six (16%) claimed to have an amicable relationship with the State Government, and three (8%) said their relationship had completely

broken down. While these findings are not particularly differentiated from the experiences of national peaks, the fact that only two (5%) of the NSW peaks had been completely defunded is significant. The interviews with peak executives and departmental officers clearly indicated that problematic relations with government in NSW mainly occur in relationships with the departmental funding bodies and their personnel, rather than with government's political ideology and its social policies. Nevertheless, similar conflicts to those of the national situation arose over peak advocacy. Some peaks are convinced that the introduction of tendering in some sector areas, as well as threats of defunding and bureaucratic interference, are the means of reducing advocacy that challenges government, which then may choose more compliant organisations as funding partners.

The situation in Victoria, until a recent change from a Liberal-Coalition to a Labor Government, was even more detrimental to the role of peak bodies than the situation at the national level. In fact, previous government attitudes threatened the very existence of peaks in the state, with many being either totally defunded or seriously curtailed through a severe reduction in funding. Therefore, only two Victorian peaks participated in the survey. Relations with both government itself and its bureaucratic agents severely handicapped the operations of those peaks that did survive 'the Kennett years'. Tendering was just one means of controlling the surviving peaks. By all accounts, some recovery in relations with the community sector has been achieved with the Bracks Government's reinstatement of disenfranchised peak bodies.

In Queensland, a somewhat similar situation to Victoria existed before a similar recent change in government, but, according to peak executives, this situation was far less intense and threatening. In fact, only one of the 12 state-wide peaks in Queensland said it had been totally defunded by the previous government. Yet only two (17%) claimed to have an amicable relationship with the present government. Apparently, current peak relations with government continue to be far from satisfactory, with a common complaint being that the Queensland State Government fails to consult with the sector as it had promised to do.

A much happier situation seems to exist with Tasmanian peak bodies, six of which took part in the survey. There was no recorded defunding of state peaks and two (33%) of the surveyed peaks said they had an amicable relationship with government. Our interviewed subjects indicated that the Tasmanian situation benefits from close, cooperative and collaborative, even personal, relations between peaks and the government bureaucracies responsible for funding them. This kind of harmonious interaction between sector representatives and government is reflected in the ease with which government bureaucrats have access to the peaks' membership, which apparently is not viewed as a threat by the peak bodies.

In South Australia (SA) a recent change from a Liberal-Coalition to a Labor Government had significant implications for the survival of state-wide peak bodies. Peaks experiences serious set-backs during the previous government and a lack of compromise in the present government's introduction of a tendering system and amalgamation of peaks under one overriding peak body. The situation is well recorded by the 13 SA peaks that took part in the survey. Five (39%) of the peaks had been totally defunded, mostly due to their political activities and to changes in funding guidelines. Only one peak claimed to have an amicable relationship with government, and one said their relationship had completely broken down. Although most of these figures were acquired during the period of the previous government, there was little optimism for the future in the interviews with peak executives.

Western Australia (WA) too experienced a recent change from a Liberal-Coalition to a Labor Government, with similar consequences for state-wide peak bodies. Thirteen of them participated in the survey which was conducted whilst the previous Liberal Government was still in power. The situation in WA does not appear to have been as severe as in SA. Two (15%) peaks were totally defunded and two had amicable relationships with government; none claimed to have had a relationship that was completely broken down. A major blow to the community sector, though, was the loss of all government funding by the state's most important general welfare peak body. The interviews with both peak executives and government officers, carried out during the present Labor Government's term in office, offer a promise of improved relations, especially with the reinstatement of the general welfare peak.

Changes of government in the Territories have also had an effect on peak body operations, though in the Australian Capital Territory (ACT) it was a reverse situation to the states, with a Liberal Government replacing a former Labor administration. However, by all accounts, this prompted an improvement, rather than a decline, in relations. The Northern Territory (NT) peaks, on the other hand, experienced severe

problems with the previous Liberal-Country Government: one of the five NT peaks participating in the survey was totally defunded and two claimed to have relationships that were completely broken down. The NT interview material predicts a far happier future for peaks in the Territory.

Surprisingly, there was not a great deal of difference between the findings for the national peaks in the survey and the state/territorial peaks: 18% of the national peaks had been totally defunded, compared with 14% of the state/territory peaks. However, 20% of the state/territory peaks were defunded because of political activity, compared with 16% of the national peaks. Of the national peaks, 16% lost funding due to changes in funding guidelines, compared with 15% of the state/territory peaks. In terms of relationships with government, 16% of the national peaks, compared with 17% of the state/territory peaks, said relations were amicable, while 6% and 7%, respectively, indicated that the relationship had completely broken down.

Close analysis of peak roles in representation showed that peak bodies are often caught in a dilemma. They must attempt to fully perform the duties of representation expected of them by their membership and broader constituents, while at the same time having to make compromises with the demands of government to avoid losing favour and even losing funding that would seriously curtail their ability to perform these duties. This was highlighted through the history of government relations with a national youth peak, which ended in the total defunding of the organisation. We suggest that one way of overcoming this dilemma would be the introduction of legislation that protects the interests of peak bodies. This would include in the legal terms of reference a standard definition that outlines the types of duties expected of a peak body, including their role as advocates for the community sector. We extend the suggestion of a statutory input to include legislative guidelines on funding and collaboration, and an overseeing arbitration committee comprised of members of the Federal Senate and of community representatives elected by consensus of the community sector. It is further argued that state and territorial jurisdictions adopt the federal legislative model.

We continued our analysis by reviewing the problems in peak–government relations that reflect deep misunderstanding and mistrust of each other. This is often conceptualised in ‘interpersonal’ and ‘relationships’ terms. This is one simple way of analysing what is taking place—one element of what takes place between organisations and various parts of the state and its bureaucracies. The day-to-day working relationships and policy debates are mediated through the ‘personal actions’ of a variety of policy actors. However, it does not take into account the political dimension of policy making as a contested exercise between those with differing degrees of power and within competing discourses. Nor does it adequately explain the way in which the public service and the administrative governance system function in a neo-liberal policy environment—one dominated by NPM doctrines and practices.

Another major recommendation of this report is the reassertion of the traditional ethos of neutrality, equity and the ‘public interest’ as primary values pursued in the public service. Public sector accountability should reflect practices which involve the integration (and not segregation) of policy development and operations management. The current dominance of the executive arm of government in policy making needs to be realigned with an effective public service, parliament, parliamentary committees and extra-parliamentary institutions and processes. This must occur so that the marginalised in our society have a voice and their needs are recognised and acted on. This may involve a struggle for a new form of pluralism amidst the narrowing of democratic institutions and practices prevalent in neo-liberal, globalised, market- and e-technologically driven societies.

We finalised our analytical review by proposing alternatives to the existing mode of operation adopted by peak bodies, especially in their resources for financial viability. The non-adversarial stance in the relationships between Tasmanian peaks and the State Government is offered as one solution. Seeking non-governmental funding is another suggestion. We also focused on one model introduced by a major national charity as a new mode of operation. This hinged on adopting a social enterprise outlook and employing commercial practices through an ideology of integrating social and economic thinking as the key to survival and forming social entrepreneurial organisations to replace the ‘old style’ charity-based traditional peak organisations. This social entrepreneurial approach is based on communitarian political notions and values. It is seen by some as a newer version of ‘community work’ and ‘community solutions’, with all the attendant problems involved in this approach to social, economic and political inequalities.

We finalised the study with a review of its major findings, comparing these with the earlier empirical study (1998). One conclusion is that certain attitudes and proposed negative policies had changed from 1998 to 2002, but inadequate funding remained a common complaint by both national and state-wide peak bodies. The political and economic security of peaks as advocacy bodies is still very precarious and they no longer enjoy the legitimacy they once had in the Australian policy system. This situation must be redressed to ensure that the voices of marginalised and low-income people are incorporated into policies which have a critical impact on their day-to-day lives, living standards, and social, cultural and political rights.

## LIST OF RECOMMENDATIONS

Most of the recommendations come from the survey participants. They were asked to list any recommendations at the end of the questionnaire. The researchers have not altered the recommendations. This is in keeping with a commitment made to respondents in the study. The respondent's recommendations are quoted in *Italics* and identified by questionnaire numbers.

### Definition of Community-Sector Peak Body

1. ***It is recommended that*** the following statement be adopted as a standard definition of a peak body:

*A 'peak body' is a non-government organisation whose membership consists of smaller organisations of allied interests. The peak body thus offers a strong voice for the specific community sector in the areas of lobbying government, community education and information sharing between member groups and interested parties. (Questionnaire 85)*

### Peak Roles and Responsibilities

2. *Peak bodies should have more responsibility for service delivery and industry standards (Q. 5).*
3. *Peak bodies need to reassess their role and function in the current environment (Q. 10).*
4. *Peak organisations should have a significant part to play in the policy-making process and not simply be paid lip service in this process (Q. 57).*

### Government Legitimisation of the Role of Peaks in Public Policy Making

#### ***It is recommended that:***

5. *An undertaking be given by governments to respect the right of community-sector agencies to challenge government policy without fear of reprisal (Q. 13).*
6. *Government state clearly its support for a vibrant community sector (Q. 41).*
7. *Governments should recognise the value to them of frank and constructive advice and appreciate the value of criticism in terms of honest government (Q. 50).*
8. *The NGO sector is a permanent and vital sector of society and needs to be recognised and supported as such (Q. 55).*
9. *The role, responsibilities and rights of organisations that represent a sector be recognised and clarified within funding agreements (Q. 57).*
10. *Public figures should look at real figures/issues, rather than react to pressure (Q. 96).*
11. *Government should value the lobbying and advocacy work of peaks (Q. 98).*
12. *Community development activities and 'process' should be treated as a valued investment as much as a product-based outcome (Q. 98).*
13. *Governments should appreciate peaks' experience and expertise and not treat them as if the government is doing them a favour (Q. 107).*

14. NGOs should be valued for their contribution in building communities and enhancing government services, which should be reflected in adequate funding level (Q. 126).

### **Government and Public Sector Accountability**

15. Governments need to articulate what they expect of peak bodies and be prepared to adequately fund those that can demonstrate a contribution to their sector (Q. 10).

16. Government should give greater tax incentives to corporate contributors of donations to charities and penalise companies that do not contribute (Q. 16).

17. Governments should stop spending money that is required elsewhere on Reviews that never produce anything, cease changing the names of departments, stop 'consultations' that lead nowhere, and not undertake 'launches' of various activities and policies that most people don't care about (Q. 58).

18. Cease government rationing of administrative support, as this creates problems for governments, as well as for peak bodies (Q. 63).

19. All peak bodies should be provided with GDR status and other tax benefits to help reduce operating costs (Q. 64).

20. Allow peak NGOs to operate as independent organisations without 'gagging' or censorship by government departmental funding bodies (Q. 98).

21. Funding agreements should be changed to allow peak agencies the ability to critique/criticise government if appropriate without a threat of defunding (Q. 109).

22. The community welfare sector should have vastly greater access to the processes of social policy development and implementation (Q. 125).

23. The government should provide assistance for capacity building and institutional strengthening in the community sector (Q. 132).

24. The government should instigate dialogue procedures with relevant peak bodies to facilitate a more informed public debate on key social issues (Q. 132).

### **A New Partnership between Peaks, Public Sector and Government**

25. A statement of principles guiding the roles of NGOs and government needs to be introduced, as in the UK 'compact' process (Q. 9).

26. Federal Government needs to be aware that all peaks are not the same and be prepared to work with those that are prepared to work with them (Q. 10).

27. A 'Compact' (as in the UK) between government and the volunteer sector needs to be introduced at the federal and state/territory levels (Q. 27).

28. Organisations that represent a sector should have an ongoing channel of communication open to their funding bodies (Q. 57).

29. Governments should act as real partners with NGOs, consult with them without the usual mistrust, and not have peaks over a barrel (Q. 16). The meaning of the term 'partnership' should be articulated appropriately by government (Q. 21). Government should understand, develop and formalise real partnerships with the sector (Q. 28). Peaks should be recognised as equal partners (Q. 47). For a partnership to work, governments should come to the table as one of the partners and not act as the boss

(Q. 100). *Government partnerships with the community sector must move beyond the minimalist contractualism of current funding agreements (Q. 125).*

30. *The roles of client advocacy and social justice commentary should be respected and defended in the funder–provider relationship with contractual terms drawn up for the delivery of social welfare services (Q. 125).*

31. *An open and trust-based dialogue and collaboration between peak bodies and government departmental funding bodies should be encouraged (Q. 126).*

## **Funding Issues**

32. *Adequate funding formulas and benchmarks should be developed by government (Q. 21).*

33. *Federal Government funding for the ..... should be reinstated to ensure a more effective national voice for the elderly (Q. 23).*

34. *Separate disability sectors should have separately funded peak bodies representing them (Q. 32).*

35. *Funding decisions should be made independently of ministerial discretion through panels of eminent persons (Q. 64).*

36. *Funding should be removed from political whim (Q. 85).*

37. *A balanced range of funding options for peak NGOs should be introduced, such as core or infrastructure funding, program/project funding, service contracts, etc. (Q. 98).*

38. *Government should fund more project work (Q. 107).*

39. *Government grants should be more realistic for appropriate staffing levels (Q. 107).*

40. *Funding levels should be adjusted in accordance with CPI increases (Q. 118).*

41. *Population and development aid funding for international work should be maintained at the minimum agreed upon by United Nation Forums (Q. 118).*

42. *Funding for peak bodies should be for at least three years (Q. 54). Funding for peaks should not be on an annual basis—there is no rationale for this—it should be triennial (Q. 83). Grant triennial funding to allow for efficient and effective financial and staff management (Q. 108). Three to five-year contracts would enable more efficient management (Q. 124). Peak body government funding should be triennial (Q. 32). Provide triennial funding for peak bodies (Q. 64). All peak bodies should be adequately funded in three yearly cycles (Q. 122).*

43. *There should be a commitment of resources to fund a national youth peak body (Q. 129).*

## **Regional Councils**

44. *In each rural area a regional council for social development should be fully funded so that service providers across the sector can have an advocate that can network the region (Q. 2).*

45. *A program should be introduced that provides core funding to regional councils (Q. 86).*

46. *A program should be introduced to fund a community management support function within regional councils (Q. 86).*

## **Specific Legislation to Establish Joint Party Committees to Fund Peaks**

Some of the recommendations arose out of the in-depth interviews. This set of recommendations concerns ways in which to improve the policy and funding relationship between governments and peak bodies.

### **Recommendations:**

47. *A special statute to be introduced into Federal legislation to establish a joint Senate Committee to deal with the policy and funding of community-sector peak bodies.*

48. *This overseeing and arbitration body should be comprised of representatives from all political parties in the Senate House of Federal Parliament and representatives of major peak bodies chosen by consensus among national peak bodies across the country. This overseeing arbitration body should be referred to as a Federal Committee on Peak Body Funding and Administration.*

49. *Appropriations from the Federal Treasury to be approved by Federal Parliament as requested by the Federal Committee for the funding of peak bodies.*

50. *The Federal Committee to be the sole arbitrator on disputes arising between the incumbent government and a peak body, with its decision accepted as final.*

51. *Legislation to be included in the special federal statute on peak bodies that determines which organisations is entitled to government funding.*

52. *Legislation to be included in the special federal statute on peak bodies which lists all community sectors that require representation by a peak body.*

53. *Legislation to be included in the special federal statute on peak bodies that determines how funding is to be distributed amongst peak bodies based on representation of a legitimate community sector and in accordance with the size of membership in the appropriate peak body.*

54. *Legislation to be included in the special federal statute on peak bodies that determines contractual conditions for those organisations which is to receive government funding.*

55. *This government funding is to be given to the appropriate peak bodies for an extended and unquantified period to enable continuity of representation and should cease only under circumstances of misuse of funds, contravention of contractual agreement or dissolution of membership.*

56. *The special federal statute should be constructed in a way that is compatible with the various state and territorial legislations to enable its incorporation into those jurisdictions with the minimum of difficulty.*

57. *Subcommittees along similar lines to the Federal overseeing and arbitration committee should be formed in each state and territory for the purposes of overseeing the funding and the legislative requirements pertaining to peaks and governmental obligations in each state/territory.*

# 1. INTRODUCTION

## 1.1 INTRODUCTION TO THIS STUDY

In a modern democratic welfare state, community umbrella organisations have become an indispensable intermediary between community and government in relaying the needs of their communities. Community umbrella organisations represent the rights or demands, requirements or exigencies of their constituencies of regional non-government, usually also nonprofit, organisations that service the community sector. In Australia, these umbrella organisations are usually referred to as peak bodies. As Australian society has become larger and more complex, increasingly a major function of peak bodies consists of advocating on behalf of their constituents. This is done through various means of lobbying for greater recognition for the sectors they represent from a government increasingly, it seems, more focused on its international position in a global framework of human rights advocacy. As a result, peak bodies more often seek to consult with government in developing policy that will positively reshape the nature of the relationship between government and the community sector. The outcome of much of this hinges on the extent of financial aid provided by government to non-government organisations, and in particular to peak bodies, in order for them to function as representative organisations for their constituents and on behalf of the community sector in general.

The first government funding to a non-government peak welfare organisation did not occur until 1939 (May, 1996). Since the 1950s, the number of non-government peak organisations has steadily increased and required funding from both federal and state government agencies. The Australian Industry Commission on Charitable Organisations (1995) identified fewer than 200 peak bodies. More recently, the current study located more than 400 organisations across Australia that responded to criteria suggesting they were peak bodies. In 1997, the University of Wollongong was offered a Small Grant by the Australian Research Council to conduct a pilot study of peak bodies. This study uncovered problems in the relationship between government and peak bodies. These were apparently due to changes in government attitudes towards peak bodies in a neo-liberal political climate and to major challenges to forms of civil society representative democracy.

Because of the findings from the pilot study's survey (n=24), the current research was pursued to undertake further studies on a wider scale. A major aim was to examine the nature of change in the relationship with government and the extent to which the roles of peak bodies have been undergoing change in response to recent government policies. In 1999, an application for a larger grant from the Australian Research Council was sought by the University of Wollongong to cover a three-year period required for this more extensive study. This was successful and funds from the Council were delivered to the University for the years 2000, 2001 and 2002. This study has now been completed and is the most extensive research into the functions and operations of peak bodies ever conducted in Australia. It includes a survey of 142 organisations and 89 in-depth interviews with executives of peak bodies and government officers—senior bureaucrats in federal and state departments responsible for administering funds to peak bodies. Documentary data comprising Hansard, media releases, government and peak reports and other material were also collected. In-depth case studies of three peaks were conducted in the final year of the study. A large amount of material has been accumulated from these sources. This has required a careful and time-consuming selection for this report in order to highlight and emphasise the most important findings from the study.<sup>1</sup>

This report is divided into several areas of discussion and analysis, which will assist the reader to follow the unfolding of data in the most appropriate order. Following the Executive Summary of the study and the list of recommendations, Chapter One deals with introductory commentaries, beginning with a definition of a peak body based on a synopsis from more than 100 peaks participating in the survey. This is followed by a literature review in two sections: the first on Australian published research and the second on studies of non-government organisations in other countries. Various theoretical attempts to explain the change in state legitimisation of peaks are briefly explored. The chapter concludes with an explanation of the various methodologies used in undertaking this study.

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<sup>1</sup> This report focuses on the data from the national survey and the in-depth interviews.

Chapter Two concentrates on the survey and its major statistical findings. After a preview of the survey, we begin with an analysis of the demographic data, which includes aetiology information, representative sectors, and activities undertaken and size of membership. The next section deals with the legal status of the peaks, their extent of operation, types of governance, amount and sources of income, and size of staff. The fourth section contains statistics about the nature of the relationship with the government funding bodies. The last section investigates the statistics on policy change, government pressures and government perceptions of peaks as well as major issues involving peak stakeholders.

In Chapter Three the larger picture of the relationship between federal government and national peaks is thoroughly examined by drawing on the interview material, as well as the statistical data. The first section contains an overview of peaks, including the church-based charitable organisations, and the nature of the relationship between them and the federal government. The next four sections look closely at major problems, which have arisen in this relationship, involving peaks in five important sectors, viz. youth peaks, disability peaks, the pensioner and aged peaks, peaks in the area of non-English-speaking background organisations, and the peaks involved with indigenous Australians.

Chapter Four focuses on relations between state peaks and state and local governments, drawing once more on both the interview material and statistical data. The first section looks at peak operations in New South Wales, the second with those in Victoria, followed by Queensland, Tasmania, South Australia, Western Australia, the Australian Capital Territory and the Northern Territory. The key factor in this chapter is the comparative differences in peak–government relations and the changes that have occurred in several states/territories where a change in partisan government has taken place recently.

In Chapter Five three perspectives are analysed, beginning with the expectations of peak performance by government and constituencies, followed by the nature of the relationship between peaks and the bureaucracies, including perspectives from senior government officers in departments administering the funding systems. The last section investigates some alternatives in peak–government relations, and offers some fresh theories on the role of the so-called ‘new’ peak, as espoused by some forward-thinking peak executives.

The last chapter takes a backward glance by comparing the findings and analyses in the current study with those of the earlier pilot study (Melville, 1999a) and with other empirical studies of non-government organisations in Australia and overseas. The final section summarises the study and provides a concluding commentary

## 1.2 DEFINITION OF A COMMUNITY-SECTOR PEAK BODY

A major quest in this study has been to arrive at a workable definition of a peak body, a definition that could be operationalised in an empirical study. The existing literature provided us with several definitions, most of which lacked any theoretical substance. Existing definitions came from industry sources (Australian Council of Social Service [hereafter ACOSS]) and others from government inquiries (House of Representatives Standing Committee Community Affairs, [hereafter HORSCCA] 1991; IC, 1995), as well as consultancy and internal departmental reviews. For example, the RPR Organisational Consultants Review (1996:6 cited in ACOSS, 2000:2) notes that peak bodies:

- *Provide a cost effective channel for consultation with, and access to, the views of disadvantaged or marginalised groups to improve the development and design of policy and programs;*
- *Provide a source of expertise and knowledge in relation to the needs and circumstances of specific groups in the community, both directly and through their membership networks;*
- *Promote public debate which is essential to sound policy formation and implementation in a participatory democracy;*
- *Offer an efficient source of dialogue at the national level on issues which may impact across states and territories, and across the non-government sector;*
- *Provide a vehicle through which governments can work to enhance the quality and efficiency of their human service programs, at relatively little cost to government;*

- Assist in the process of accountability of government to the wider community, by providing feedback on the impacts of policy and programs on specific groups in the community;
- Contribute directly or indirectly to the resolution or alleviation of specific social and health problems in a way which is cost effective for governments;
- Present important perspectives and information which can counter or balance the views put forward by other organised interests;
- Facilitate wider community understanding of government policies and programs;
- Offer an efficient vehicle for disseminating information on government initiatives. (RPR, 1996:6 cited in ACOSS, 2000:2–3)

ACOSS provides a definition of a peak in a submission to a government review held by the Department of Community Services and conducted during the course of this study (ACOSS, 2000:3).

*Community-sector peak bodies engage in an effective mix of representation and advocacy, policy analysis and program development, research and consultation, information dissemination and sector development.* (ACOSS, 2000:3)

The Australian Industry Commission, in its report on NGOs, gave as its definition of a peak body the following citation:

*A representative organisation that provides information dissemination services, membership support, coordination, advocacy and representation, and research and policy development services for its members and other interested parties...(though) it does not involve direct service delivery.* (Industrial Commission, 1995: 181, cited in Melville 1999b)

This seems a reasonable definition within the Australian context and it guided us in framing many of the questions in the survey instrument. However, as we were to discover in our research, some organisations considering themselves peak bodies, and which were representative in the ways described above, had other functions, including service delivery. In fact, whether an organisation conducted service delivery or not was often a simple means for some governments to define a peak body for funding it as a viable peak body. The study found that there was no universal, generally accepted definition of a peak within the industry or amongst state or federal jurisdictions. The definition of a peak is much more convoluted.

From a more political perspective, though, the following definition seems to fit a direct role that most peak bodies would approve of in terms of their own viability.

*An organisation...with other organisations as members, formed to represent the collective views of its members to government, to the community and to other bodies.* (C. Hamilton and N. Barwick: 'Scaling the Peaks', paper prepared for the South Australian Serving Communities Task Force, 1993:17 cited in May, 1996:251)

There is definite agreement here that peaks represent member organisations. However, as we also discovered this was not always the case, with some NGOs claiming to be peak bodies, since their representative membership comprised organisations as well as individuals, or, in a few cases, just individual members? Should we discount such NGOs as 'true' peaks? Arguments about the need to make distinctions between different kinds of peaks (e.g. social advocacy versus consumer peaks) have occurred at length in several government inquiries and will not be canvassed again here (Bailey Report, 1978; Hamilton and Barwick, 1993; IC, 1995).<sup>2</sup>

In our survey of peak bodies, we asked each participant to provide their own definition of a peak. From this, data we were hoping to be able to compile a generic definition of a peak body, which could be empirically tested, and which had some theoretical basis. Naturally, peaks tended to look to their own experiences in this articulation. There was a good response to the request, for 108 (77%) of the participants offered a definition. Since space does not allow us to present every one of the opinions, we have selected 15 of them as the most representative views, in an endeavour to arrive at an appropriate

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<sup>2</sup> The Serving Communities (1993) Taskforce Report made a distinction between four different kinds of peaks: social advocacy, industry, consumer and service development peaks.

definition from the peaks' own perspective. Perhaps the following two definitions are the most concise and seem to express the simplest, most direct context for the rest of the sample.

*An organisation that represents the interests of other organisations (Questionnaire 99). An organisation that is representational of a particular sector of the community. (Q. 107)*

So, simply speaking, a peak is defined by its representation of other organisations and specific community sectors. The next two definitions draw us deeper into the functions of a peak body, which are collective action and advocating views on behalf of the community.

*A body which brings together a number of other bodies from a particular sector to enable them to work collectively on issues of concern to their sector (Q. 80). Any organisation which draws its membership from the community and seeks to represent the views of the community in activities, policy and advocacy. (Q. 100)*

In the following definition we are told that member organisations with a commonality of ideals actually create their own peak body.

*Community sector agencies, which form a peak organisation based on common goals, philosophies, issues and strategic visions. (Q. 76)*

In the next three definitions we are confronted with the notion that a peak body's main purpose is to make public representations on behalf of its constituents.

*A peak body is a group or association of people or organisations banding together to strengthen their voice for maximum impact (Q. 43). A peak body consults with a constituency and represents their views to government, the community and the business world (Q. 54). A body to provide information to its members and represent their interests to Government and the wider community (Q. 108).*

The idea expressed in the last definition of passing information onto its membership is enlarged in the following:

*An organisation of representatives from the sector to provide knowledge, fellowship and support to organisations within the sector and to provide an interface with government and other interested parties. (Q. 11)*

In the next two definitions there is an attempt at providing a broad view of peak bodies' duties and responsibilities that, especially in the second, reflect the Industry Commission statement cited earlier.

*A representative, advocate, conduit and support organisation for the interests and needs of groups with similar philosophies, principles and practices and roles within the community (Q. 57). An organisation that coordinates, disseminates information, advocates, consults and represents services and individuals around a particular interest or specific community. (Q. 41)*

This next peak provides an elaborate definition that focuses on the concept of support for the disadvantaged—in whatever form.

*I see a 'Peak Body' as an organisation which has the mandate and responsibility to represent (to the public/government/other community organisations) a specific group of people who, for whatever reason, are disadvantaged in some way: gender/age/health/ethnicity/sexual preference. They also need to have direct contact/ input from the group they represent. (Q. 96)*

Thus, a peak gains its role and functions from the sector it purports to represent. This is presented in even more detail in this next definition.

*Peaks have a constituency—they represent their member agencies and have a mandate to do this through general meetings and AGMs; they provide coordination, resourcing, advocacy and promote info exchange. They train, support and assist members with quality issues and so on. (Q. 21)*

A peak's interaction with government looms large in the minds of many organisations, which see this function as fundamental to the role of a peak body in translating the outcomes of this interaction to their constituents.

*An organisation that monitors government policy impacts on the sector/sectors they represent; advocates on*

*behalf of their members, responds to Government Inquiries and keeps members up to date with current issues. (Q. 2)*

The definition, which best seems to sum up the role of the peak body is the following. It takes into consideration the intermediary position of peaks in relation to the development of government policy, their duty of representing, informing the particular sectors that form their constituency, and the communication of information to the wider community.

*A non-government organisation whose membership consists of smaller organisations of allied interests. The peak body thus offers a strong voice for the specific community sector in the areas of lobbying government, community education and information sharing between member groups and interested parties. (Q. 85)*

All the above definitions are functionally useful, but they lack any theoretical bases to the role and function of peaks. Several of our interview respondents provided some depth to the above definitions. The quotations below illustrate the conceptual linkages between instrumental notions about peaks and theoretical constructs about representative democracy, advocacy and civil society.

*Well it could be organisations or individual members. The second thing is that it has to be democratically structured in terms of an electoral process and a management or governance arrangement ... It has to provide services or representations on behalf of its membership. In my view I think it is a false economy to say that you are all about policy or advocacy, or you are all about sector development and membership services. I think you should be doing both, and I think that is one of the things we get hung up about.. That kind of distinction. (Interview respondent 1)*

*There is a body of work that says a proper government in civil society involves government and a vibrant advocacy sector ... In Australia, we have had that in a sense of strong unions, strong NGOs, strong lobbying, and that it is an essential part of the governance of the nation. (Interview respondent 38)*

Most peaks provided us with functional definitions as outlined above. As one outcome of this study, peaks wanted a definition that would be recognised and legitimated by all parties: peaks themselves, government, the public sector and the wider community. They did not seem overtly concerned about the theoretical basis for the justification of community-sector peaks. As far as they were concerned, peaks were an accepted part of the consultations and the democratic policy-making process with government and the sector. This was not a contestable notion.

ACOSS, the main generalist peak of national peaks in Australia, is one of the few organisations, which couches the role of peaks in more overtly political terms. They argue that community-sector peaks exist to ensure that the voices of the poor and marginalised are not silenced by those with more organised power and resources. The ACOSS rationale emanates from interest group theory, notions about liberal democracy and a vague form of political pluralism. In a recent paper, Marian Sawer (2002) outlines five core democratic roles of peak bodies, within a representative democratic paradigm.

### 1.3 REVIEW OF EARLIER STUDIES ON AUSTRALIAN PEAK BODIES

Whilst the body of literature on the role and significance of peak organisations in Australia has been growing in the last decade, much of it providing the emergence of a theoretical direction in this field of study within the social and political sciences, there remains little empirical work in the area. There does not exist a substantial body of work, which explores the intricacies and complex relations between peaks and government, as well as with their constituents. Especially lacking is an in-depth analysis of the situation of peak bodies in the changing climate of the political landscape in Australia, based on a strong and substantial empirical research base. This study has endeavoured, at least somewhat, to rectify that situation. Nevertheless, there have been a number of dedicated scholars in the social and political sciences working towards an accumulation of well-researched publications from various perspectives that flesh out the knowledge on which a good empirically based work depends for its theoretical parameters.

John May (1996) provides a good background to the role of peak bodies in the present neo-liberal political climate. His focus is the Australian Council of Social Services (ACOSS) and the difficulties it faces in 'representing the interests of disadvantaged groups' in a market-oriented atmosphere charged

with a strong conservative outlook (1996:270). And as May stresses, ACOSS and other peaks concerned with social welfare programs are not only handicapped in the new right's market-oriented political climate, but are in direct competition with Christian charity organisations claiming to represent the same constituents as non-church organisations. An appeal to moral or social values, May points out, is no longer effective. So peaks need to mobilise their constituents, develop sophisticated political strategies, convince policy makers of the rationality of their arguments, take part in a wide variety of forums, reach the general public through publicity campaigns and seek public support (1996:250). May argues, that this has required the development of peak councils, a representative organisation that includes information dissemination, advocacy, advice, research and policies for its member organisations (1996:249-251). 'In the meantime,' May writes (1996:271), 'the poor, the disadvantaged and the marginalised are still with us. In the future, peak councils and organisations, like ACOSS, will need more than ever the capacity to lobby and advocate effectively'.

Matthews and Taylor (1993:126) stressed the fact that interest groups, such as nonprofit organisations and their peak bodies, do not have access to the interior structures of government. They do not align themselves with political parties, and are not financially capable of fighting for social rights through the court system in the way that more powerful interest groups, such as union organisations, farmers' co-operative or business consortiums, can do with their causes.<sup>3</sup> They therefore have little option but to take their case and causes into the public arena and apply pressure upon the government or opposition parties through media appearances, petitions or various means of lobbying to achieve their ends in welfare. More recently, Anna Yeatman (1999) explores the concept of 'mutual obligation' espoused on both sides of the political spectrum. In mutual obligation, 'individuals should make a contribution to society in exchange for the support society gives them' (1999:258). In a practical contractual setting, this means it is a reciprocal arrangement where the government supplies assistance, advice and service provisions in return for the individual making every effort to become self-reliant. Although Yeatman used the example of the job seeker fulfilling their part of the bargain by becoming employed, the concept has connotations for funding contracts between peaks and government in which, in both the case of the individual and of the welfare organisation, there is a strong element of paternalism.

In recent years government itself has become involved in researching the role of peak bodies through official inquiries. The most notable of these was the Industry Commission (1995:XVII), which found that 11,000 community social-welfare organisations existed in Australia and employed 100,000 people, with an annual expenditure of \$4.4 bn, to which government contributed \$2.5 bn. The Report identified 188 peak councils. The HORSCCA Inquiry (1991:16 cited in May, 19996:255) concluded, peaks play an important role in providing the Department with a facility for community consultation'. Furthermore, the HORSCCA Inquiry noted, that the 'freedom (of peaks from government control) is important. It must be safeguarded while maintaining a constructive relationship between the Department and organisations which considers government priorities' (HORSCCA, 199:17 cited in May, 1996:255). On the other hand, the Industry Commission (IC, 1995:200) was less concerned with the political autonomy of peaks *Vis a Vis* government funding and more concerned with issues of representativeness, accountability and efficiency (IC: 1995:200).

Just how well this relationship was working is best seen in the Peak Body Pilot Study, 1998 (see Melville, 1999a). The pilot study, conducted in 1998, involved 24 peak bodies, including 13 nation wide and 11 which were state based: six were in the sector of family support, six in health, four in youth, two in housing, three in specific areas—women, education, legal services, etc.—and three were generalised peaks that represented a number of sectors. Their annual incomes varied: four with less than \$100,000 to two with more than a million dollars—most of which came from government funding programs. The largest of these peaks represented 12,700 member organisations, whilst the three smallest had fewer than eight members. At least half of these peaks had been forced to undergo radical changes following the election of the new Coalition Government. These changes were encapsulated by one comment claiming peaks were forced 'to do more with less' (Melville, 1999a: 179). Another remarked that peaks

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<sup>3</sup> Trade unions were excluded from this study as they are primarily organisations which are 'member serving'. Trade Unions work to benefit individual members and not organisational members. Commerce, agricultural and other trade organisations were excluded because they are 'market interest groups' and are part of the social and community services sector.

had been 'downgraded and made illegitimate in the eyes of government' (Melville, 1999a: 181). Besides a decline in funding, most peaks were particularly concerned with the government trend of introducing competitive tendering and contracting, which not only forced drastic internal changes, but also threatened many of them with extinction altogether. Fourteen of the peaks said that the changes had increased their activities in lobbying and networking. In her article (1999a), the pilot study's Chief Investigator, Rose Melville concludes by stating that peaks were 'under serious threat—because of policy changes and especially because of fundamental changes to the funding arrangements' (1999a:183). These 'huge structural changes forced in a haphazard and uneven manner... [and] in a very short time frame [are] without adequate expertise and consultation' (1999a:183). The pilot study set the stage and direction for the current study.

#### **1.4 SOME COMPARATIVE NOTES ON THE SITUATION OF NGOs OVERSEAS**

A major obstacle in comparing the situation of Australian peak organisations with similar nonprofit umbrella organisations overseas is the regional differences in defining the role and structures of these organisations. In New Zealand, for instance, non-government organisations (NGOs) are more closely linked with government agency services and reflect the work of traditional charities. The New Zealand Charitable Trusts Act defines welfare organisations as those involved in the 'relief of poverty and deprivation and the advancement of education and religion' (1996:183). Undoubtedly, this idea has emerged from the colonial missionary zeal amongst the country's indigenous population. There appears to be two types of organisations: those that receive a large portion of their income from government sources and extend government charitable services; and those almost or wholly dependent on public donations and voluntary labour and which are involved in work not necessarily reflective of government notions of charitable ideals. In New Zealand 'the voluntary sector must be pro-active in marketing its strengths and needs to government, the private sector and the general public (which) requires a solid base of research, information-sharing networks, training, public awareness and advocacy strategies' (Harris, 1996:185).

The situation of NGOs in Canada is also different to that of Australian peaks, and is not too dissimilar to New Zealand. According to Arlett and Rotterdam (1996) there were 67,100 registered charities in Canada in 1992, but less than half of them had paid staff and nearly half of these had fewer than five employees. Half of these organisations had an income below \$50,000. The Canadian welfare system is geared to financial support from private donations, rather than through government assistance. The government-initiated Canadian Centre for Philanthropy trains staff and volunteers in fund-raising strategies and promotes corporate funding, so that, according to the authors, some 450 companies have been encouraged to financially contribute to NGOs (Arlett and Rotterdam, 1996:71–73). One consequence of this was that 43 percent of Canadian NGOs of more than 15 years' duration were totally dependent on volunteer labour (Arlett and Rotterdam, 1996:72). What seems to guide the relationship between NGOs and the Canadian Government is the extent to which the former satisfy the latter's need for a cooperative rather than a collaborative arrangement, even under the rubric of a 'partnership'. Although this partnership 'may provide secure funding...for participating interest groups, it is very difficult to be critical of government policy within a partnership' (Phillips 1991:212). This explains the decline in funded women's and indigenous groups compared with health groups and others less likely to advocate against government policies. In the Canadian welfare sector, support system peak bodies are much less of an option than in Australia.

NGOs in the United States of America are not too dissimilar to those in Canada. Frost (1996) tells us that 90 percent of American NGOs were founded since 1945 and in 1993, 576,690 charitable organisations were listed by the Internal Revenue Service. These had an average of 15 paid employees and 10 volunteer workers per organisation. The distribution of paid workers depended on the extent of funding, most of which is acquired privately rather than through government sources. One glaring difference between NGOs in USA and welfare organisations in Australia is a lower proportion of American organisations involved in an umbrella organisation (Melville, Pratt and Taylor, 1998:8). Less than a quarter of American charitable institutions engaged in welfare are members of what we would consider a peak body (Hodgkinson et al., 1993). 'Four-fifths of these are incorporated separately from the national organisation' (Young, 1999:289). Young (1999:289) notes that the number of US organisations which are

members of umbrella organisations is probably much higher. 'Even though the actual number of umbrella organisations is not known, it is estimated that a significant proportion of the 8,000 US charitable organisations that have a national service function and the 15,000 organisations with a global service function would be constituted as umbrella organisations' (Young, 1999:289).

The lack of research focus on these organisations in the US may arise from other sources. In a groundbreaking study, Boris and Mosher-Williams (1998) set out to examine the IRS classification system and existing data on the number and range of activities of advocacy and civil rights nonprofits. They demonstrated that the current IRS database is biased in two ways. The IRS does not count organisations with less than \$25,000 US per annum. In addition, the classification system uses a sector and not a primary activity as the main means of delineating nonprofits. Other social movement scholars (McCarthy and Castelli cited in Boris and Mosher-Williams, 1998:495) note that 'what is known of advocacy groups underemphasises this segment of the sector'. According to McCarthy and Castelli, 'smaller advocacy and social movement organisations (such as grassroots citizens organisations) are not counted adequately. These kinds of organisations 'may have little cash and are not able to raise much money, yet they are able to influence the spending of billions of dollars through public education, lobbying and advocacy' (cited in Boris and Mosher-Williams, 1998:495). More pertinent to this current study, Boris and Mosher-Williams (1998:495) note that:

*Research also undercounts coalitions of organisations that come together to work on issues using voluntary labour to accomplish a task and advocate for change and then disband after months or years of activities. Groups that rely on voluntary labour and produce only social capital, advocacy, or in-kind products are not likely to be captured in current research.*

This, in part, would explain the lack of comparative data on umbrella, coalition and peak organisations in the US literature.

Young's (1999) research on the organisational identity of umbrella organisations provides some interesting theoretical insights into the structure and functioning of these organisations with some relevance to the Australian context. Young identifies three forms of organisational identity of umbrella organisations, which have structural and operational implications (1999:290). These are the goals-seeking system, the economies, and the polities. To expand on these:

- *Goals-seeking systems: The various parts of the association work in a coordinated fashion to achieve common system-wide goals, such as improving the lives of children, eliminating cancer, and maintaining ecological diversity.*
- *Economies: Members band together to have their economic needs met more efficiently than they would be in the open market place.*
- *Polities: Member organisations with similar interests but diverse approaches and priorities use the association as a forum to work out common positions, strategies, and collaborations... The purpose of the polity is to facilitate discussion and debate, to reach common understanding and strategies, and perhaps to manifest collective action on those strategies... The polity allows the national perspective to be represented in the deliberative structure so that it has a distinct and substantial influence on the association's policies and programs. Thus, the polity accommodates a federal organisational structure in which the central office has legitimacy and a degree of sovereignty, and local and central viewpoints must be reconciled. Alternatively, a polity may be structured as a confederation, in which a separate, central point of view is given less weight. (Young, 1999:290–291)*

Young's notion of the third identity, the 'polities', is of relevance to this current study. A number of Australian federal and state peaks spoke about the constant struggle they face in reconciling the different demands and expectations of their member organisations. Government ministers and public servants constantly speak of the need for a 'united and single voice' to represent the sector. Ministers and public servants are concerned with managing the diversity and fragmentation of vastly different individuals and groups of individuals within a tight programmatic and budgetary framework. Peaks see the government's and bureaucrat's efforts to restructure the sector (in a neat and concise way) as part of the managerialist

drive, which will result in silencing dissenting voices. It is also seen as part of the demise of democratic processes within a neo-liberal regime.<sup>4</sup>

Young notes that umbrella organisations have a ‘variety of structures ranging from loose associations and alliances to corporate hierarchies and partnerships’ (1999:289). However, these types of peaks in the US appear to have different functions to Australian peak bodies. Three types of peaks exist within the American welfare sector: federations of charitable organisations; a corporate form of organisation with central office and branch offices; and a type of arrangement that approximates a trade association (Young, Bania and Bailey, 1996). None of these seems to be highly active in advocacy, the trade association format seemingly more interested in offering members advice on financial and workplace management (Knoke, 1993). In Frost’s (1996:272–273) review of the American situation, government funding of NGOs compared with private funding ranges from a third to little more than half of the organisation’s income. With respect to private funding, nearly 90% of it came from individual donations compared with less than 5% from corporate sources. Government support of nonprofits in the US is higher than the data may suggest, but there is no systematic funding of advocacy-type organisations as found in the Australian context. This is not simply because of differing views about the welfare state and philanthropy, but because of differences in the cultural notions of civil society and representative democracy. Governments in Australia have both funded and encouraged the formation of peaks since the late 1940s in recognition of the role they play in mediating between government, service delivery and service users as outlined earlier.

Despite the rhetoric on federation in the British welfare sector, the types of federated peaks in Britain were fundamentally, if not functionally, different in their purpose from their American counterparts. British umbrella organisations or ‘intermediary bodies’ as they are referred to by government inquiries (Melville, Pratt and Taylor, 1998:10), depend more heavily on government funding.<sup>5</sup> Comparing ACOSS with its counterpart in Britain, the National Council of Voluntary Organisations, the latter confines its advocacy to its member organisations, whereas ACOSS concerns itself with, and advocates on behalf of, the wider welfare sector beyond its own membership (Melville et al., 1998:5). As Hunter (1993) points out, British peaks not only show a greater dependency upon government funding than their American counterparts, but are also closer in their relationship with the state bureaucracy. This has been brought even closer in recent years by the Blair Government’s introduction of a ‘compact with the voluntary sector’. What this means, Hunter asserts, is less autonomy in policy development; a price they pay—which some Australian peak bodies are quick to remind us—for accepting government funding.

When we look at our Asia-Pacific neighbours, we see two kinds of umbrella organisations, which work with national indigenous organisations and local branches of international development and aid organisations. The most common form of peak body is the resource or support umbrella organisation (Romero and Bautista, 1996:192). In countries such as Indonesia and the Philippines, the support organisation ‘assists other NGOs or POs<sup>6</sup> in institutional capacity building or in the provision of management support services’. This support takes the form of ‘funding, training or direct technical assistance. Support organisations assist client NGOs and POs to improve the performance and impact of their development interventions’ (Corrothers and Suryatna, 1996:552). Western variants of resource and support organisations exist in countries such as Britain (Council for Voluntary Service) as outlined in the Wolfenden Committee, 1978; and the US (Management Support Organisations) (Lansley, 1996; Connor et al., 1999). The roles of membership support organisations are described thus:

*...through training and consultation on such issues as leadership, planning, fundraising, marketing, and human resource development.... MSOs are increasingly working with governmental agencies, in either a management support capacity or a partnership, to help other nonprofits. (Connor et al., 1999:127)*

<sup>4</sup> An examination of the views and expectations of the member organisations of peaks is beyond the scope of this study. It is one of the focuses of the Democratic Audit research project at the ANU. The Democratic Audit study of NGOs built on the findings of the pilot study of community-sector peak bodies (Melville, 1999, cited in Sawer, 2002:44).

<sup>5</sup> The term ‘intermediary body’ is no longer used in Britain as it implies a very close and interdependent relationship with the state.

<sup>6</sup> PO is a small, grassroots, people’s organisation with very limited resources, with a specific focus and organised on a local level. They can grow into larger scale organisations as has occurred in the Philippines.

Management support units and specialist organisations have also increased in the Australian context since the 1980s. Various councils of social services and peak bodies have established such units; and government-funding departments have funded consultancy firms to provide these services. This is not surprising, given the emphasis on 'New Public Management' within the public sector since the 1980s. It has also coincided with the recognition by funding bodies (and the sector) of the problematic nature of

'voluntary committees of management'. These part-time management structures find it harder to deal with complex internal conflict and personnel issues, service delivery standards and demands for accountability.

An interesting development during the course of this study is the state's encouragement of 'industry peaks'<sup>7</sup> or a form of 'trade associations' in the US context. One example is the Family Services Industry Peak funded by the Federal Department of Family and Community Services in 1994. In 2001–2002 a number of respondents spoke about moves by the federal government to set up a national industry peak to deal with personnel, funding and employer-related matters. It is seen as a means to circumvent the influence of social-advocacy peaks such as ACOSS, which try to provide both services to their organisational members, as well as advocacy on a common range of social justice concerns. There is some support for an industry peak amongst the larger charities and organisations in the sector, which would like to distance themselves from more strident advocacy concerns. It is predicted that the establishment of industry peaks will continue to grow at the federal level.

## 1.5 METHODOLOGY FOR THIS STUDY

This study used two different, yet complementary, methodologies in the course of the data collection and analysis phase. The first phase involved a quantitative approach using a survey method in an effort to acquire a statistical profile from adequate sampling of the researched population. The second phase used a qualitative methodological approach with in-depth interviewing techniques as the major investigative tool. Documentary data comprising Hansard, media releases, peak body reports, web sites and related material were collected and analysed. In the third phase, in-depth case studies of three peaks—a new industry peak, a church-based peak and a defunded peak—were undertaken. This report focuses on the data collected by the survey and in-depth interviews.<sup>8</sup>

The research instrument used in the survey phase was a standardised questionnaire, which comprises 32 questions offering to participants either, or both, optional answers and open-ended responses. Some questions prompt a single response, but many provide an opportunity for multiple responses. The questionnaire is divided into four sections:

- (1) Background, seeking a definition of a peak body and demographic information;
- (2) Governance and Membership of the organisation;
- (3) Finances, with questions on the organisation's income, the source of this income, and any threats made to it; and,
- (4) Political and/or Policy Implications, dealing with the nature of relationships with government.

Two mass mail-outs of questionnaire forms were made: one in the first year of the study, which also included frequent follow-ups. In the second year, the mail-outs included new peaks and those who failed to respond to the first mail-out. These mail-outs ensured a maximum response from the research population. Each mail-out included a fully detailed explanation of the aims and purpose of the study and a return addressed envelope, as well as a covering letter and the questionnaire.

<sup>7</sup> Family Services Australia (FSA) is the largest national Industry Representative Body and member association of providers of family relationships and other family support services. It has over 65 member organisations across Australia in receipt of Commonwealth funding to provide services under the Family Relationships Services Program. Services are provided from hundreds of locations around Australia and across all of the service activities. FSA was formed in 1994 and is funded under the Commonwealth Family Relationships Services Program (FRSP), which is administered by the Department of Family and Community Services (FaCS), and from membership fees (<http://fsa.org.au> accessed 23/04/03).

<sup>8</sup> For a detailed discussion of methodological issues, see Melville, R. *Third Sector Review* (forthcoming).

All data collected from returned completed questionnaires was entered into a data file in the Microsoft Filemaker system, which was adequate for the relatively small sample that eventuated.

Although a standard schedule of questions was used in most interviews, the individual nature of each interview required more spontaneous informal questioning that more often related to the interviewee's own circumstances. At every opportunity and where appropriate interviewee responses to questions were followed with further questioning in an effort to probe more deeply into certain subject matter until it was fully explored.

Due to the widespread dispersion of peaks across Australia, most interviews were conducted over the telephone. These interviews took about half an hour on the phone, although some were less and others longer, depending on the length of the interviewee's responses and how much information was acquired within the time span. Some interviews were conducted in person and these invariably took as much as an hour. Two groups of people were interviewed: 85% were executives of peak organisations and the balance consisted of senior government officers from departments responsible for funding peaks. All interviews were taped and transcripts mailed to all interviewees, who were asked to correct and alter the text where applicable and return to the researchers for filing and indexing. In order to obscure the identity of the interviewee and their place of work, each interview is identified only by a number code.

The interview data were analysed thematically. From the preliminary data analysis, 251 initial themes were identified from the peak body responses, and 37 themes from the government officers. There was overlap in the themes. The initial themes were sifted through an analytic method into more comprehensive themes. One of the main themes to emerge from this process was the relationship between peaks, government ministers and bureaucrats. Given the audience of this report, the researchers have focused primarily on this theme.

The study combined both methodologies in order to maximise and reinforce the data. Thus, the statistical findings are supported with appropriate quotations from relevant interviewees, which extended the survey data with personal experiences and provided a more complete picture of the subject matter being discussed and analysed. This approach is adopted throughout this report, specifically in Chapters Three and Four. The documentary and case study data are not discussed in any detail in this report (see Melville, 2001b).

## 2. THE SURVEY

### 2.1 PREVIEW OF SURVEY FINDINGS

A total of 409 community-sector peak bodies were identified in our search of the records in the standard Register of Australian Associations, as well as from inquiring from known peak bodies. Included in this total were the 24 peak bodies who participated in the earlier pilot study. The organisations were located in various states and territories of Australia: 150 in New South Wales; 31 in Victoria; 65 in Queensland; 11 in Tasmania; 35 in South Australia; 38 in Western Australia; 61 in the Australian Capital Territory; and 18 in the Northern Territory. Each organisation was sent a questionnaire. Of the total 409, 35 were no longer at their known address and were considered to have either changed address without this being registered in the list of Australian Associations or to have closed down altogether; 36 claimed not to be peak bodies; and three declined to participate in the study for other reasons. With these deletions the net number of potential participants was 335. Over 42% of the net number of peak bodies responded by returning completed questionnaires. Table 2.1:1 indicates the number of returns according to each state/territory.

**Table 2.1:1. Responses to Questionnaire (N=142)**

State/ Terr.	Net No. Peaks	Quest. Ret'd	% of Net
NSW	120	54	45.0
Vic.	27	12	44.4
Qld	48	13	27.1
Tas.	11	6	54.5
SA	29	15	51.7
WA	36	14	38.9
ACT	53	22	41.5
NT	11	6	54.5
<b>Total</b>	<b>335</b>	<b>142</b>	<b>42.4</b>

About a third of the respondent peaks were nation-wide organisations, while most of the rest were either state/territory-wide or regional organisations. Table 2.1:2 provides the breakdown of these figures.

Reasons for the disparity in numbers of peaks between the different states are not exactly clear. The fact that the study was based in New South Wales might explain why the largest portion were located in that state since many more people were likely to volunteer information by word of mouth in that state than elsewhere. It is also true that New South Wales has the largest proportion of peak bodies of all states, as well as Sydney being well established as the office of a large number of national peaks. The high numbers of national peaks in the Australian Capital Territory and Victoria would also seem reasonable. However, the low number of state peaks in Victoria may be explained by the demise of many over the past decade due to the Kennett Government's apparent reluctance to fund peaks.

**Table 2.1:2. Peaks' Area Representation (N=142)**

Location of peaks	National Peaks	State/Terr. Peaks	International Peaks
NSW	16	37	1
Vic.	10	2	
Qld	1	12	
Tas.		6	
SA	2	13	
WA	1	13	
ACT	17	5	
NT	1	5	
<b>Total</b>	<b>48</b>	<b>93</b>	<b>1</b>

## 2.2 SURVEY RESULTS I: DEMOGRAPHIC DATA

In this section, we will discuss responses by peaks to questions on the etiology of their organisations, their sector representation and their focus of activities.

As Table 2.2:1 illustrates, more than half of the peaks were established in the last twenty years. This clearly indicates a crescendo of organisational activity in the community sector since the 1970s. This probably is a result of the interest in specialist welfare and rights of minorities, as well as a shift away from the old style charity and traditional welfare organisations. The lack of interest in the specific needs of minority groups by larger welfare organisations may have prompted a rise in smaller organisations with a particular focus in special interest groups in the 1960s and 1970s. This combined with the political will and expertise to pursue their specific causes with vigour at the government level. Indeed, of the 19 peaks that were founded before the 1960s, majorities of them are traditional welfare organisations.

**Table 2.2:1. Year Peaks Founded (N=142)**

Year Founded	No.	Percent
19th Cent.	5	3.5
Early 20th Cent.	3	2.1
1940s	6	4.2
1950s	5	3.5
1960s	11	7.8
1970s	21	14.8
1980s	46	32.4
1990s	36	25.4
2000	1	0.7
not recorded	8	5.6
<b>Total</b>	<b>142</b>	<b>100</b>

That most peaks were formed as a result of the impetus of the community reflecting community needs, rather than a government initiative in support of the community, is clearly indicated by the findings on grassroots, membership needs, group representation and lobbying in Table 2.2:2.

**Table 2.2:2. Reason for Peaks' Foundation**

How founded	No.	Percent
Grassroots response	76	53.5
Sponsored or auspiced by peak	15	10.5
Response to political pressure	20	14.1
Sponsored by government	12	8.4
Need from members	50	35.2
Represent or lobby for groups	42	29.5
Other:		
Response to AIDS/drug use	1	0.7
Need to support or lobby	2	1.4
Need housing for elderly	1	0.7
Requested by government	1	0.7
NGOs forming national body	1	0.7
Coordinating body for groups	1	0.7
Recommended at conference	1	0.7
Funded to provide a service	1	0.7
Support government policy	1	0.7
Response to o'seas movement	1	0.7

**N=142 (many of these are multiple responses)**

*Australian Community-Sector Peak Bodies – Chapter Two*

Table 2.2:3 demonstrates the wide diversity of peak sector representation. It should be stressed that a number of peaks indicated their interest in representing many groups by their multivariate responses. Those peaks responding to a non-specific or general option in the question of representation include the old-style traditional welfare organisations mentioned earlier as having been established before 1960.

**Table 2.2:3. Groups Represented by Peaks**

<u>Sector Group</u>	<u>No.</u>	<u>Percent</u>
Aged	31	21.8
Children	30	21.1
Disabled	42	29.6
Indigenous	28	19.7
Non-Eng-speaking background	29	20.4
Sexual minorities	11	7.7
Veterans	9	6.3
Women	36	25.3
Youth	30	21.1
General/Non-specific	29	20.4
Other:		
Disabled children	1	0.7
Disadvantaged	5	3.5
Mentally disadvantaged	3	2.1
Illicit drug users	2	1.4
Immigrants	1	0.7
Single parents & their children	3	2.1
Alcoholics & drug users	2	1.4
Foster carers	3	2.1
Volunteers	3	2.1
Prisoners & families	1	0.7
All (everybody)	2	1.4
Tenants	3	2.1
Health consumers	2	1.4
The Deaf	2	1.4
Low income earners' housing	8	5.6
People with chronic illnesses	2	1.4
Medical practitioners	1	0.7
People with multicultural b'grd	1	0.7
Local government councils	1	0.7
All pensioners	1	0.7

**N=142 (many of these are multiple responses)**

*Australian Community-Sector Peak Bodies – Chapter Two*

In Table 2.2:4 and Table 2.2.5 we attempt to obtain some idea of which activities most often occupy peak organisations.

Three activities were found to be engaged in by more than 90% of peaks in all sectors, viz. information dissemination, which is an activity primarily expected of peaks by their government funders, and networking and advocacy activities, which are of primary concern to peaks because there is a high expectation for them to engage in these activities by the peaks' constituents—their membership and people they purport to represent.

Research/policy development is an activity expected of peaks by both government funders and their constituents, but it does not seem to rate as high among peaks in all sectors.

**Table 2.2:4. Peak Activities Undertaken by Sector**

<b>Activity</b>	<b>Aged</b> <b>(N=11)</b>	<b>Children</b> <b>(N=31)</b>	<b>Disabled</b> <b>(N=30)</b>	<b>Indigenous</b> <b>(N=42)</b>	<b>NESB</b> <b>(N=28)</b>	<b>Sex Minority</b> <b>(N=29)</b>
Information Dissemination	100.0%	90.0%	95.2%	96.4%	96.6%	100.0%
Membership Support	83.3%	73.3%	73.8%	67.9%	75.9%	81.8%
Monitoring Industry	61.3%	46.7%	50.0%	46.4%	51.7%	45.5%
Monitoring Service Delivery	67.8%	50.0%	59.5%	60.7%	69.0%	63.6%
Coordination	74.2%	73.3%	76.2%	82.1%	86.2%	81.8%
Networking	100.0%	93.3%	92.9%	96.4%	96.6%	100.0%
Advocacy/Lobbying	96.8%	93.3%	92.9%	96.4%	96.6%	100.0%
Research/Policy Development	74.2%	63.3%	66.7%	78.6%	72.4%	81.8%
Other	25.0%	36.7%	16.7%	32.1%	27.6%	27.3%

<b>Activity</b>	<b>Veteran</b> <b>(N=9)</b>	<b>Women</b> <b>(N=36)</b>	<b>Youth</b> <b>(N=30)</b>	<b>General</b> <b>(N=29)</b>	<b>Other</b> <b>(N=47)</b>	<b>Unknown</b> <b>(N=2)</b>
Information Dissemination	100.0%	94.4%	93.3%	93.1%	87.2%	
Membership Support	100.0%	72.2%	73.3%	79.3%	85.1%	
Monitoring Industry	55.6%	41.7%	46.7%	62.1%	48.9%	
Monitoring Service Delivery	77.8%	55.6%	50.0%	62.1%	57.5%	
Coordination	77.8%	72.2%	80.0%	79.3%	70.2%	
Networking	100.0%	94.4%	93.3%	96.6%	93.6%	
Advocacy/Lobbying	100.0%	94.4%	93.3%	96.6%	95.8%	
Research/Policy Development	100.0%	63.9%	76.7%	82.8%	78.7%	
Other	33.3%	27.8%	26.7%	34.5%	36.2%	

**Australian Community-Sector Peak Bodies – Chapter Two**

**Table 2.2:5. Peak Activities According to Priority by Sector**

<b>Activity</b>	<b>Aged (N=31)</b>	<b>Children (N=30)</b>	<b>Disabled (N=42)</b>	<b>Indigenous (N=28)</b>	<b>NESP (N=29)</b>	<b>Sex Minority (N=11)</b>
<b>Information Dissemination:</b>						
0-10%	33.3%	48.1%	43.6%	50.0%	48.2%	36.4%
11-20%	33.3%	22.2%	15.4%	26.9%	25.9%	36.4%
21-30%	20.0%	11.1%	17.9%	7.7%	7.4%	9.1%
31-40%	0	0	10.3%	0	0	0
41-50%	3.3%	7.4%	5.1%	7.7%	7.4%	0
51-100%	10.0%	0	2.6%	3.9%	7.4%	18.2%
<b>Networking:</b>						
0-10%	60.0%	48.2%	56.4%	57.7%	55.5%	54.5%
11-20%	30.0%	29.6%	30.8%	30.8%	29.6%	36.4%
21-30%	6.7%	11.1%	2.5%	7.7%	7.4%	9.1%
31-40%	0	0	2.5%	0	0	0
41-50%	0	0	0	0	0	0
51-100%	3.3%	0	0	0	3.7%	0
<b>Advocacy/Lobbying:</b>						
0-10%	40.0%	44.4%	28.2%	34.6%	33.3%	54.5%
11-20%	40.0%	33.3%	38.5%	42.3%	37.0%	27.3%
21-30%	3.3%	3.7%	5.1%	3.8%	7.4%	0
31-40%	3.3%	0	10.3%	3.8%	3.7%	0
41-50%	3.3%	7.4%	10.3%	3.8%	11.1%	18.2%
51-100%	3.3%	0	0	0	3.7%	0
<b>Research/Policy Development:</b>						
0-10%	63.3%	55.5%	58.9%	69.2%	59.3%	72.7%
11-20%	13.3%	3.7%	10.3%	11.5%	14.8%	9.1%
21-30%	0	0	0	0	0	0
31-40%	0	0	0	0	0	0
41-50%	0	0	0	0	0	0
51-100%	0	0	0	0	0	0

**Table 2.2:6. Time Spent by Peaks in Activities**

<b>Activity</b>	<b>Veteran (N=9)</b>	<b>Women (N=36)</b>	<b>Youth (N=30)</b>	<b>General (N=29)</b>	<b>Other (N=47)</b>	<b>Unknown (N=2)</b>
<b>Information Dissemination:</b>						
0-10%	55.6%	42.4%	50.0%	28.6%	36.9%	50.0%
11-20%	33.3%	24.2%	29.2%	42.9%	23.9%	0
21-30%	0	15.2%	8.3%	7.1%	17.4%	0
31-40%	0	0	0	3.6%	2.2%	0
41-50%	0	6.1%	0	0	6.5%	0
51-100%	11.1%	6.1%	4.2%	10.7%	0	0
<b>Networking:</b>						
0-10%	44.4%	48.5%	41.7%	50.0%	86.9%	100.0%
11-20%	55.6%	30.3%	37.5%	35.7%	32.6%	0
21-30%	0	12.1%	8.3%	10.7%	2.2%	0
31-40%	0	0	0	0	0	0
41-50%	0	0	0	0	2.2%	0
51-100%	0	0	0	0	2.2%	0
<b>Advocacy/Lobbying:</b>						
0-10%	22.2%	27.3%	29.2%	35.7%	28.3%	0
11-20%	44.4%	45.5%	41.7%	46.4%	43.5%	0
21-30%	11.1%	6.1%	8.3%	3.5%	6.5%	0
31-40%	0	3.0%	0	0	13.0%	50.0%
41-50%	11.1%	9.1%	12.5%	3.5%	8.7%	50.0%
51-100%	0	3.0%	8.3%	0	0	0
<b>Research/Policy Development:</b>						
0-10%	66.7%	57.6%	54.2%	64.2%	56.5%	50.0%
11-20%	33.3%	6.1%	20.8%	21.4%	10.9%	0
21-30%	0	0	0	0	6.6%	50.0%
31-40%	0	0	0	0	2.2%	0
41-50%	0	0	0	0	2.2%	0
51-100%	0	0	0	0	0	0

If we examine the responses for the three highest activities by dissecting them according to the extent of time spent on each, and by comparing this with a similar dissection of research/policy development, the results are clearly seen in Table 2.2:6.

Both information dissemination and advocacy receive the highest amount of time spent by peaks on these activities, with around 40% of peaks in most sectors spending up to 20% of their time engaged in advocacy, and more peaks spending more than 50% of their time on information dissemination. It is evident, therefore, that peaks spend most of their time divided approximately equally between responding to the demands of their constituents for advocacy activities and to the expectations of their funders on information dissemination. As this study will demonstrate, it is exactly this division of activities, trying to satisfy both parties, that is often the cause of conflict and paradox in peak body performance.

## **2.3 SURVEY RESULTS II: MANAGEMENT STRUCTURES AND FINANCIAL ARRANGEMENTS**

A board elected by the membership governed eighty-five percent (120) of the peaks. Ten percent (14) had a management of nominees representing the membership, while the rest were a mixture of a government-appointed management, a steering committee, a collective and a management committee appointed by the highest authority in the organisation.

Half of the organisations were incorporated, 23 (16%) were limited companies, more than a quarter (26%) were registered charities, while the rest were co-operatives, a friendly society, auspiced by a local government, an industrial association of employees or part of another peak. The number of member organisations per peak body may be seen in Table 2.3:1. The number of members in various categories is shown in Table 2.3:2.

**Table 2.3:1. Member Organisations/Peak (N=142)**

Number of Organisations	No.	Percent
Less than 10	22	15.5
11-30	11	7.8
31-50	11	7.8
51-90	11	7.8
91-120	11	7.8
121-160	8	5.6
161-200	5	3.5
201-301	3	2.0
301-400	2	1.4
401-500	1	0.7
501-600	1	0.7
601-700	1	0.7
Not recorded	55	38.7
<b>Total</b>	<b>142</b>	<b>100</b>

*Australian Community-Sector Peak Bodies – Chapter Two*

**Table 2.3:2. Number of Members/Peak in Various Categories (N=142)**

No. of Members	SPO	ONGO	CO	IFM	IAM	IHM	ILM	Other
1-25	15 11%	25 2%	13 9%	11 8%	11 8%	8 6%	18 17%	6 4%
26-50	20 14%	9 6%	2 1%	10 .7%	6 4%			1 .7%
51-75	4 3%	2 1%		2 1%				
76-100	7 5%	2 1%		6 4%	2 1%		1 .7%	1 .7%
101-150	5 4%			2 1%	1 .0%			
151-200	3 2%	1 .7%		2 1%	1 .7%			
201-300	4 3%	1 .7%		4 3%				
301-400	3 2%	1 .7%		2 1%				
401-500				1 .7%	1 .7%			
501-1000	2 1%	2 1%		2 1%				
1001-2500				2 1%				
2501-5000	1 .7%			2 1%				
5001-10000				1 .7%				
Over 10000					1 .7%			

SPO=Service Provider Organisations; ONGO=Other NGOs; CO=Corporate Orgs; IFM=Individuals, Full Members; IAM=Individuals, Associate Members; IHM=Individuals, Honorary Members; ILM=Individuals, Lifetime Members

While some peaks were large enough in size and possessed an income large enough to require and afford full-time staff, usually an executive officer and a secretary, others had to make do with part-time staff, or even simply casual staff. The large charity and general welfare organisations were financed sufficiently to include professional management and full-time and/or part-time office staff, plus a number of volunteers. Organisations, which acquired project funding in addition to their secretariat or core funding, employed researchers and project managers for the duration of the funded project. Some peaks only received project funding and depended on that for rental of premises and the general expenses necessary to keep an office functional. Others received a meagre income, such as only membership fees, sponsorship, charity or proceeds from the sale of publications, and therefore were unable to employ staff. These depended on volunteers to keep the daily operation of the organisation afloat. Table 2.3:3 indicates the extent of staffing.

**Table 2.3:3. Number of Staff Members/Peak in Various Categories (N=142)**

PT20<=Part-time staff working more than 20 hrs/wk; PT20>=Part-time staff working less than 20 hrs/wk;

No. Staff Members	Full Time	PT20<	PT20>	Casual	Volunteer
One only	26 18%	25 17%	27 19%	20 14%	7 5%
Two only	15 11%	21 15%	11 8%	5 4%	7 5%
Three only	7 5%	13 9%	3 2%	4 3%	1 .7%
Four only	8 6%	8 6%	3 2%		2 1%
Five only	7 5%	3 2%	2 1%	5 4%	2 1%
Six only	8 6%	4 3%		1 .7%	2 1%
Seven only	2 1%	1 .7%			
Eight only	2 1%				1 .7%
Nine only	1 .7%		1 .7%		1 .7%
10-12	5 4%		1 .7%	2 1%	7 5%
13-15	1 .7%	2 1%		1 .7%	4 3%
16-25	3 2%		1 .7%	2 1%	4 3%
26-100	1 .7%	2 1%			12 9%
101-500	2 1%				1 .7%
Over 500	2 1%				1 .7%

The annual income for the peaks is listed in Table 2.3:4. Table 2.3:5 indicates the source of this income from government. It is apparent from the findings that many peaks have a major reliance on government funding, without which they would no longer function. Some depend solely on funds from one government source. A number acquire a high proportion of their annual income from more than one government source. A breakdown of this can be seen in Table 2.3:6.

*Australian Community-Sector Peak Bodies – Chapter Two*

**Table 2.3:4. Peaks' Annual Income (N=142)**

<u>Annual Income</u>	<u>No.</u>	<u>Percent</u>
\$0-49,000	28	19.7
\$50,000-99,999	15	10.6
\$100,00-199,999	22	15.5
\$200,000-399,999	28	19.7
\$400,000-599,999	11	7.8
\$600,000-799,999	6	4.2
\$800,000-999,999	10	7.0
\$1,000,000-2,499,999	12	8.5
\$2,500,000-4,999,999	2	1.4
\$5,000,000-9,999,999	2	1.4
\$10,000,000 +	5	3.5
None or not indicated	1	0.7
<b>Total</b>	<b>142</b>	<b>100</b>

**Table 2.3:5. Peaks' Income from Government Sources (N=142)**

<u>Income from Govt</u>	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>SFP</u>	<u>SS/LE</u>	<u>Other</u>
0-5%	2 1.4%	3 2.1%	4 2.8%	8 5.6%	1 0.7%	5 3.5%
6-10%	8 5.6%	2 1.4%	1 0.7%	7 4.9%		2 1.4%
11-15%		1 0.7%		1 0.7%		
16-20%	4 2.8%	3 2.1%		4 2.8%		1 0.7%
21-25%	1 0.7%	3 2.1%		1 0.7%		1 0.7%
26-30%	4 2.8%	4 2.8%		1 0.7%		
31-35%	2 1.4%	2 1.4%		1 0.7%		
36-40%	5 3.5%	5 3.5%		3 2.1%		
41-45%	2 1.4%	1 0.7%				1 0.7%
46-50%	1 0.7%	6 4.2%	1 0.7%	5 3.5%		1 0.7%
51-55%	2 1.4%	1 0.7%				
56-60%	2 1.4%	1 0.7%				1 0.7%
61-65%	2 1.4%					
66-70%	1 0.7%	4 2.8%		1 0.7%		
71-75%	1 0.7%	2 1.4%				
76-80%	2 1.4%	7 5.0%		1 0.7%		
81-85%	1 0.7%	4 2.8%	1 0.7%			
86-90%	5 3.5%	8 5.6%		2 1.4%		1 0.7%
91-95%	3 1.4%	2 1.4%		1 0.7%		
96-100%	6 4.2%	10 7.0%	1 0.7%	1 0.7%		1 0.7%

**SFP=Specific funded program; SS/LE=Specific statutory/legal entitlement**

**Table 2.3:6. Govt. Funding as % of Income (N=142)**

<u>Government Funding</u>	<u>No.</u>	<u>Percent</u>
<u>Less than 50% annual income:</u>		
Federal Govt funding only	15	10.6
State Govt funding only	13	9.2
Local Govt funding only	2	1.4
Project funding only	10	7.0
<u>More than 50% annual income</u>		
Federal Govt funding only	19	13.4
State Govt funding only	26	18.3
Local Govt funding only	1	0.7
Project funding only	5	3.5
Federal & State combined	11	7.8
Federal–State Project	3	2.1
Federal & Project combined	3	2.1
Federal–State–Project–Local	2	1.4
State & Project combined	10	7.0
State & Local combined	2	1.4
State–Project–Local combined	1	0.7
No Govt funding/not indicated	19	13.4
<b>Total</b>	<b>142</b>	<b>100</b>

*Australian Community-Sector Peak Bodies – Chapter Two*

The number of peaks that rely most heavily on membership fees or other non-government sources is small compared with those whose income is derived from government sources. As Table 2.3:7 clearly illustrates, most of these have limited income. Just 25 peaks obtain more than 50% of their annual income from non-government revenue, compared with 89 that rely on government funding for more than half their annual income.

**Table 2.3:7. Peaks' Income from Non-Government Sources (N=142)**

Income from Non-Govt Sources	Members fees		Investm't Interest		Service fees		Donation		Other	
0-5%	44	31%	33	23%	17	12%	16	11%	8	6%
6-10%	16	11%	3	2%	7	5%	11	8%	7	5%
11-15%	2	1%	3	2%	5	4%			3	2%
16-20%	7	5%			1	0.7%	3	2%	4	3%
21-25%	2	1%			3	2%	2	1%		
26-30%	1	0.7%			3	2%	1	0.7%	3	2%
31-35%	1	0.7%								
36-40%	1	0.7%			2	1%				
41-45%	1	0.7%			2	1%				
46-50%	2	1%			1	0.7%	1	0.7%		
51-75%	5	3%					1	0.7%	2	1%
76-100%	16	1%			1	0.7%			3	2%

It is clear from the findings that funding from government sources is essential to the survival of most peak bodies. Those organisations that manage to survive with no government funding whatsoever find that it is nearly impossible to undertake the role expected of a representative peak.

Since government funding forms an essential element in the organisation's survival, the loss of it is a major concern to most peaks. Even a threat of the loss of government funding can mean a threat to a peak's viability because this invariably results in changes to structure and/or operation to satisfy the government's demands that prompted the threat in the first place. Many peaks feel that in such an event their role and importance to their constituents are greatly diminished, if not undermined altogether. Threats to funding may not necessarily be direct but may take the form of implication. However, as government officers are quick to point out, the threat is often in the peak's mind rather than any reality, and usually caused by an incorrect reading of the funder's behaviour or conversation. In any case, the matter of government funding is of such a priority to peaks that they often feel they are on a knife's edge, which can affect their performance on behalf of constituents. It is not, therefore, unusual to find many peaks feeling caught in the middle between the demands and needs of their members and the demands and expectations of government.

**Table 2.3:8. Reason for Loss/Threatened with Loss of Government Funding (N=142)**

Reason for loss/threatened with loss	No.	Percent
Political activity	27	19.0
Mismanagement	2	1.4
Change in legal statute	2	1.4
Change in funding guideline	27	19.0
Reduction in funding	6	4.2
Change in program funding	5	3.6
Govt takes efficiency dividend	1	0.7
Given short-term funding only	3	2.1
Conflict over policy and late contracts	1	0.7
Funding redirected to church-based orgs	1	0.7
No increased funds for increase in sector	1	0.7
Failure to become involved in new federation	1	0.7
No Govt funding/not indicated	27	19.0
Not applicable	38	26.8
<b>Total</b>	<b>142</b>	<b>100</b>

*Australian Community-Sector Peak Bodies – Chapter Two*

In Table 2.3:8 we can see the extent to which loss of funding (wholly or partly) or threatened loss of funding occurred amongst our surveyed sample group. Since 100 of the peaks were in receipt of some level of government funding, clearly most of those responding to the question on loss of funding or its threatened loss were merely threatened. In fact, only 10 of the respondents to this question had actually lost their funding.

Another concern of peak management has been the loss or threatened loss of certain concessions and/or exemptions that some nonprofit non-government organisations are entitled to, due to recent changes in taxation legislation or a change in the organisation's status that has reduced these entitlements.

However, as Table 2.3:9 illustrates, the outcome of the extent of these changes does not appear to be as drastic for those entitled to concessions and/or exemptions as the loss or threatened loss of funding.

**Table 2.3:9. Extent of Loss of Tax Exemptions**

Concession/Exemption	Entitled		Loss/Threat	
Income tax exempt	77	54.2%	8	5.6%
Tax deductibility	40	28.1%	6	4.2%
Training guarantee levy	9	6.3%		
Fringe benefit tax exempt	39	27.5%	15	10.6%
Sales tax exempt	44	31.0%	6	4.2%
Capital gains tax exempt	11	7.8%		
Pay-roll tax exempt	25	17.6%	2	1.4%
Land tax exempt	3	2.1%		
State/local charges exempt	8	5.6%		
Other	3	2.1%	5	3.5%
Not indicated	1	0.7%	9	6.3%

**N=142 (many of these are multiple responses)**

## 2.4 SURVEY RESULTS III: RELATIONSHIP WITH GOVERNMENT FUNDERS

We began by asking the sample about their current relationship with government. The results can be seen in Table 2.4:1. It is apparent that more peaks felt that this relationship was much more negative than positive. Interestingly, as Table 2.4:2 shows, that the relationship of peaks with governments (positive or negative) differed little in terms of funding source (state or federal).

**Table 2.4:1. Current Relationship with Govt**

Nature of Relationship	No.	Percent
Amicable	28	19.7
Uncertain/Distrustful	74	52.1
Tense	34	23.9
Completely broken down	11	7.8

**N=142 (some of these are multiple responses)**

**Table 2.4:2. Peak Relations: Federal vis-à-vis State**

Nature of Relationship	Fed funded		State funded	
Amicable	13	9.2%	13	9.2%
Uncertain/Distrustful	31	21.8%	40	28.2%
Tense	15	10.6%	16	11.3%
Completely broken down	2	1.4%	5	3.5%

**N=142 (some of these are multiple responses)**

**Australian Community-Sector Peak Bodies – Chapter Two**

Of the 100 peaks receiving government funding, 52 of these got some federal monies and 68 monies from state government sources. Responses indicating the relationship had completely broken down were the smallest group, with only half of these respondents being government-funded peaks. As it turns out, three of the five non-government-funded peaks had lost government funding in the past. This may continue to influence their responses to this issue.

Most peaks said they were receiving inadequate government funds to enable them to fulfil their roles as peak bodies to the satisfaction of their constituents, as indicated in Table 2.4:3.

**Table 2.4:3. Peaks' Responses to Current Funding Arrangement (N=142)**

How well managing	No.	Percent	Implication	No.	Percent
Not at all	4	2.8	Closing down	3	2.1
Barely coping	23	16.2	Managing w/ great difficulty	14	9.9
Coping despite obstacles	77	54.2	Managing w/ some difficulty	54	38.0
Coping well	26	18.3	Managing w/ little difficulty	30	21.1
Other	4	2.8	Relations w/ Govt improved	14	9.9
Not recorded	8	5.7	Not recorded	27	19.0
<b>Totals</b>	<b>142</b>	<b>100</b>	<b>Totals</b>	<b>142</b>	<b>100</b>

We might see this in relation to pressures on the peaks from government sources. Over a third of this was directly due to loss of all or partial funding? Other pressures may have had a debilitating effect upon the way peaks operate or upon their level of performance. In Table 2.4:4 we can clearly see the range of pressures from government compared with those from non-government sources.

**Table 2.4:4. Pressures upon Peaks: Government vis-à-vis Non-Government**

Government Pressure	No.	Percent	Non-Government Pressure	No.	Percent
Withdrawal of all funding	21	14.8	Withdrawal of all funding	2	1.4
Withdrawal of partial funding	33	23.2	Withdrawal of partial funding	3	2.1
Govt bureaucrats on executive	1	0.7	Other agencies on executive	7	4.9
Control by outside agency	8	5.6	Control by outside agency	1	0.7
More government administration	15	10.5	Loss of membership	24	16.9
Demands to cease media comments	16	11.3	Members' demands for advocacy	48	33.8
Develop private funding	1	0.7	Members' specific campaigns	33	23.2
Govt officers on committees	1	0.7	Drive to increase membership	2	1.4
Adopt government policies	3	2.1	Takeovers	1	0.7
Govt involvement in staffing	1	0.7	High expectation of assistance	1	0.7
Do more on same funding amount	3	2.1	Do more on same funding amount	2	1.4
Abuse from senior bureaucrats	1	0.7	Exclude others from membership	1	0.7
Reviews of funding situation	3	2.1	Less collaboration	2	1.4
Thwarting lobbying role	1	0.7	Increased competition for funds	1	0.7
Being ignored by government	2	1.4	Church orgs influence on govt	1	0.7
Incompatible with govt direction	1	0.7	More direct control by members	1	0.7
Warn govt of media activity	1	0.7	Pressured by other peak bodies	2	1.4
Inconsistent performance indicators	2	1.4	Commercial interests above customer	1	0.7
Demand to see report before publication	1	0.7	Shrinking corporate financial support	1	0.7
Other	1	0.7	Staff losses	1	0.7

**N=142 (most of these are multiple responses)**

Notable amongst these findings are conflicts in policy, especially concerning advocacy, with the government demanding less and peaks' membership demanding more. It should, however, be remembered that these responses are based on peaks' perceptions. As we shall see later, in comments by government officers, there is a strong denial that government expects peaks to curb or restrict their advocacy activities. Quite the contrary, this is an expected part of the peak's role from a government

*Australian Community-Sector Peak Bodies – Chapter Two*

point of view, and it is even encouraged by some government funders, provided it does not include an unreasonable attack on government.

**Table 2.4:5. Peaks' List of Government Perceptions of Them**

Government Perception	No.	Percent	Government Perception	No.	Percent
Too critical of government policies	42	29.6	Good example of adopting govt policies	13	9.1
Inefficient or chaotic administration	7	4.9	Well-administered	78	54.9
Too radical	17	11.9	Active and innovative	3	2.1
'Rabble rouser'	8	5.6	Responsible and balanced	1	0.7
Unrepresentative of grassroots consumers	2	1.4	Credible org. representative of members	2	1.4
Alienating member organisations	3	2.1	Treated respectfully as independent organisation	1	0.7
Not accountable	1	0.7	Efficient	44	31.
Strong policy expectations at odds with govt. policies	1	0.7	Supportive of govt policies but critical of some implementations	2	1.4
Peaks important but worried over criticism	2	1.4	Constructive in policy process	5	3.5
Seen as irrelevant	3	2.1	Forward thinking/Constructive	1	0.7
Not recognising need for on-going advocacy	1	0.7	Best lobbying group	2	1.4
Too expensive	1	0.7	Overfunded–wants to streamline target services	1	0.7
Critical path to communicating with rural women	1	0.7	Unsure of perception	1	0.7
Government lacks critical perspective	1	0.7			

**N=142 (most of these are multiple responses)**

The nature of the relationship with the present government would depend on how government perceives the role of peaks. We asked the sample what it thought this perception of them was. This is reported in Table 2.4:5. Not too surprisingly, there are some contrasting responses here. It will be noticed that positive perceptions outnumber negative ones, 146 to 90, or by a ratio of 1.6:1.

Overall, the government's perception as seen from this list is that generally, peaks are efficient and well-administered but they are also too critical of government policies and too radical in approach. This presents an interesting picture from the government viewpoint: peaks are tolerated so long as they provide representation to government of the community sector's needs and aspirations, adopt government policy without question and remain compliant with the government's expectations of an organisation in receipt of government funding. We should bear in mind that these perceptions of peaks are what the peaks themselves believe are the government views. That government itself does not share the perceptions of the peaks is made clear in several interviews with government officers, which will be discussed later. We asked the peaks to tell us to what degree they thought government perceptions of them had changed over the past ten years. The findings on this question are seen in Table 2.4:6.

*Australian Community-Sector Peak Bodies – Chapter Two***Table 2.4:6. Degree Government Perceptions Changed over Past Ten Years**

<u>Government Perception Changed</u>	<u>No.</u>	<u>Percent</u>	<u>Government Perception Changed</u>	<u>No.</u>	<u>Percent</u>
Totally	37	26.1	Not at all	22	15.5
Only in administration	10	7.0	Only in managing the budget	10	7.0
Somewhat	1	0.7	It varies	1	0.7
Federal Govt is now anti-peaks	2	1.4	Govt recognises organisation's valuable service	1	0.7
Sees peaks as lobby groups only	1	0.7	Perception has matured	1	0.7
Doubts representation	1	0.7	Increased accountability	1	0.7
Far more corporate/market approach	1	0.7	Organisation attitude to govt improved	1	0.7
Striking difference to views by previous govt	1	0.7	Govt more approachable	1	0.70
Gained incredibility with govt	3	2.1	Greater respect	1	0.7
Other	1	0.7	Other	1	0.7

**N=142 (most of these are multiple responses)**

There are a number of conflicting views here which makes it difficult to determine whether any changes had in fact taken place or, if there had been, whether it was a positive or negative outcome for peak bodies. We asked peaks whether these perceptions matched with the reality of their relationships with government: 11% (15) thought that they did not reflect reality; 30% (42) thought that they did so only partially; 21% (29) thought that they did reflect reality; and two peaks gave other opinions, such as the perceptions focused on only one aspect of the situation. Thus, we concluded that most perceptions probably did reflect reality.

## 2.5 SURVEY RESULTS IV: RESPONSES TO GOVERNMENT POLICIES

The peaks were asked to list impediments that frustrate their ability to meet their duty-bound obligations. These are seen quite clearly in Table 2.5:1 below.

**Table 2.5:1. Impediments Frustrating Peaks**

<u>Impediment</u>	<u>No.</u>	<u>Percent</u>
Bureaucratic interference	22	15.5
Threats to withdraw funding	19	13.4
Reduction of funding	45	31.7
Changes in govt policies	60	42.2
Demands by members	25	17.6
More projects than funded for	3	2.1
Too much paperwork	2	1.4
Inadequate funding	24	16.9
Individual member's attitudes	2	1.4
Poor govt appreciation of peaks	2	1.4
Not enough funding for staff	1	0.7
Double dipping by govt	1	0.7
Inappropriate time lines for making policy comments	3	2.1
Changes in govt personnel	1	0.7
Lack of human resources to meet demand	4	2.8
Late payments	1	0.7
No time left for advocacy	1	0.7
Loss of management support	1	0.7
Difficulty meeting w/ ministers	1	0.7
Lack of govt commitment	1	0.7
No political will making policy	2	1.4
History of negativity	1	0.7
Bureaucratic delays	2	1.4
Increased public liability insurance	1	0.7

**N=142 (many of these are multiple responses)**

*Australian Community-Sector Peak Bodies – Chapter Two*

In view of the previous discussion it is not surprising to find a major impediment being threats to funding, a reduction of funding or inadequate funds. Also high on the list of impediments are changes in government policy.

The policies referred to are expanded in Table 2.5:2. Peaks listed those policy issues to do with restrictions and controlling influences. Nearly half of these are concerned with ways in which government imposes the means of manipulating peaks in favour of its policies regarding peak direction. This is seen quite clearly in increasing departmental control, ministerial direction and departmental policies, but it may be less obvious, though nonetheless as effective, through the government failing to recognise issues deemed important to the peaks, or by the government's lack of understanding of peaks altogether. It is also apparent in a less overt way through a failure to meet the resources needed by peaks to operate at full capacity.

Other ways of manipulating control through policy listed by peaks included the introduction of a contracting system, or privatisation and deregulation of certain fundamental services supported by peaks. Housing issues are also listed, which would reflect government policies in this sector. The restraint placed on peak advocacy, especially when this involves the media, is obviously an important issue to many peaks, given the response by them in the question on policy issues. In terms of a perceived mechanism of manipulation, many peaks see this as the prime example of gagging the sector's voice, particularly through a prevention of peaks advocating in the public domain.

**Table 2.5:2. Policy Issues Facing Peaks**

<u>Policy issue</u>	<u>No.</u>	<u>Percent</u>
Media restraints	12	8.5
Advocacy restraints	32	22.5
Membership restrictions	10	7.0
Increased departmental control	26	18.3
Ministerial direction	30	21.1
More resources required	3	2.1
HACC reform process	1	0.7
Unrecognised issues	1	0.7
Departmental policies	5	3.5
Contracting system	3	2.1
Capacity to promote collaborative approach with government	1	0.7
Corporate sponsorship	1	0.7
Funding shortfalls	11	7.7
Govt lack of understanding	1	0.7
Demands of member organisations	2	1.4
Increased division: rich and poor	1	0.7
Acknowledged peak not funded	1	0.7
Duty of care to callers	1	0.7
International welfare reform by treaty	1	0.7
New department cost neutral	1	0.7
Absence of core-funding program for regional councils	1	0.7
Increased requirements by govt on administration of services	1	0.7
Competition, privatisation and deregulation	1	0.7
Housing issues	1	0.7
Other	1	0.7

**N=142 (many of these are multiple responses)**

In order to gain some idea of how much government policy may have altered the situation for peaks, we asked the sample to list recent changes that had occurred and how those had impacted on them. Responses can be seen in Table 2.5:3. Several of these changes could be attributed to government policies, such as those changes wrought by funding policies, increased advocacy due to unpalatable policies, and the restructuring of workplace practices brought about by either a reduction in funding or government demands for increased roles.

*Australian Community-Sector Peak Bodies – Chapter Two***Table 2.5:3. Recent Changes to Peak Body Operations**

<u>Recent Changes</u>	<u>No.</u>	<u>Percent</u>	<u>Recent Changes</u>	<u>No.</u>	<u>Percent</u>
Helping small orgs survive	3	2.1	Redefining the organisation	8	5.6
More consultation without govt	1	0.7	Less political activity	7	4.9
Increased roles	6	4.2	Joint org co-operation	3	2.1
Reduction of costs	2	1.4	Funding loss	8	5.6
Improved services/standards	5	3.5	Greater representation	4	2.8
Federal funds redirected to church organisations	1	0.7	Funding bodies more directive	1	0.7
Restructuring to deal with increased work	2	1.4	Greater opposition to govt	1	0.7
Roles changed due to govt policies	4	2.8	Reduced roles due to reduced funds	2	1.4
Initial funding provided	1	0.7	Increased networking	1	0.7
New federation of orgs insisted by Fed Govt	3	2.1	More direct advocacy to govt due to funding threat	1	0.7
None	4	2.8			

**N=142 (most of these are multiple responses)**

One recent intended policy that we felt might have had a large impact on peak body restructuring was the threat of introducing tendering for contracted services. In fact, this had little impact, as Table 2.5:4 clearly indicates. This is because this was not introduced by the Federal Government and only by two states, but in any case it was neither widespread across the community sector nor was it responsible for major changes to the way peaks operated.

**Table 2.5:4. Impact of Contracting System**

<u>Impact</u>	<u>No.</u>	<u>Percent</u>
Total restructuring	6	4.2
Some restructuring	20	14.1
Minor changes/little restructuring necessary	25	17.6
Little or no impact	31	21.8
Not applicable	41	28.9
Not recorded	19	13.4
<b>Total</b>	<b>142</b>	<b>100</b>

We conclude with a list of additional comments made by the peak sample, set out in Table 2.5:5.

**Table 2.5:5. Final Comments Made by Peak Bodies in the Survey**

Comment

- 1) Location is not threatened by major charities
- 2) Government devolved funding to area level in the health sector
- 3) We have a good current relationship with the NSW State Government
- 4) Whilst the government is anxious to cease funding organisations, corporate philanthropy in Australian is very poor
- 5) Government is committed but it needs to persuade industry
- 6) There is a better relationship with government without government funding
- 7) Incompatible with government policies
- 8) Defunding of federal peaks increases burden on state peaks and made other federal peaks afraid to criticise
- 9) Deplorable attempts by Coalition Government to undermine advisory bodies by inappropriate appointments and manipulation of funds
- 10) 'User pays' model pits agencies against one another
- 11) Government fails to recognise infrastructure funding, expecting NGOs to exist on project funding
- 12) We are recovering from the defunded period
- 13) Government fails to appreciate the role of NGOs' close relations with their grassroots
- 14) Reduced funding forces organisations to seek corporate sponsorship, international grants, etc.
- 15) I am critical of this survey
- 16) High staff/board turnover means a loss of history
- 17) We are looking forward to an improved situation with the new state government
- 18) The partnership approach by the SA Government is based on their document *Working Together*
- 19) Less recognition of the value of dissent and of its contribution is made by organisations today

### 3. NATIONAL PEAKS

#### 3.1 THE GENERAL SOCIAL WELFARE PEAKS

Ten national peaks, which participated in the survey, are multiple-sector representative organisations. Seven of these are church-based organisations. One is a major peak body for various non-government social welfare service organisations and other organisations with interests in a variety of community sectors. The remaining two are focused on particular types of cross-sector services. In terms of their relationship and interaction with their main funder, the Australian Federal Government, Table 3.1:1 summarises their overall situation.

**Table 3.1:1. General Peaks' Relationship with Government (N=10)**

<u>Federal Government Funding:</u>		
Less than 50% of income	5	50.0%
More than 50% of income	1	10.0%
<u>State Government Funding:</u>		
Less than 50% of income	1	10.0%
More than 50% of income		
<u>Special Program Funding:</u>		
Less than 50% of income	4	40.0%
More than 50% of income		
<u>Loss of Funding due to:-</u>		
Reduction in monies	1	10.0%
<u>Government Pressure:</u>		
Withdrawal of part funding	3	30.0%
More government administration	4	40.0%
An adoption of government policies	1	10.0%
<u>Nature of Relationship with Government:</u>		
Amicable	4	40.0%
Uncertain/Distrustful	5	50.0%
Tense	1	10.0%

The table indicates a mixture of relationships with the Federal Government, which is reflected in the pressures that the peaks state they experience. There is a popular view among many peaks that church-based organisations get an easy time of it with the government funding bodies, but this may not be the case. Only two of the church-based organisations indicated that their relationship with government was amicable, compared with five of them that considered it uncertain or distrustful.

The following comments came from respondents of church-based peaks whose relationships with government were uncertain or distrustful. The first comment is also reflected in the experiences of many non-church-based peak bodies.

*The church would say quite clearly that primarily they are there to represent people who are disadvantaged and our service delivery is born out of that... This also creates another complexity, (which) is the lobbying advocacy work because you are the recipient of government funding and so you walk a fine line then as to how far you push the Government. (Interview Respondent 62)*

This next comment enlarges on the extent of the 'fine line'.

*Government does not need to actually cut back funds or threaten to cut back funds because it's a competitive world out there. Agencies do not like the thought of government raising questions because naturally enough the agencies feel that it could flow onto government reducing their funding. The Government says 'but we're funding so many of these' or the politicians say 'we're funding so many of these groups; why do we fund them all?'; which means some agency has to go or some agencies have to be amalgamated. In a social welfare field, Government is consistently cutting back and we are never quite sure how they will do it. You do not need to do much, you just need to do a little well before the Government gets upset on some of the advocacy we did around the GST. We had an impact on them. (Interview Respondent 83)*

*Australian Community-Sector Peak Bodies – Chapter Three*

The final comment brings an understanding of why governments might seem to listen to church-based organisations and be more reluctant to defund them or reduce their funding compared with many non-church peaks.

*We do deliver an enormous amount of services on the ground and that puts us in a strong position with the Government. They can hardly ignore us because to do so could imperil a whole lot of services that we provide much more cheaply (which) means that they take us very seriously...because...our advocacy is grounded in our of delivery services. (Interview Respondent 67)*

Advocating, as we have seen (Table 2.2:4), is an important part of peak activities. It does not invariably conflict with government interests, unless it becomes a public issue that involves criticism of government. This is an issue that greatly concerns the non-church-based, general social-welfare peaks, which generally do not have the same advantages as pointed out in the comment made by the church-based peak above. Most peaks agree that advocating through the media is a last, not a first, resort in a campaign that may involve an argument contrary to a government view. It is an action, however, that particularly troubles many government ministers—and not just ministers, as the following respondent points out:

*They generally get the shits when you ambush them, and you pull out something on Friday for Monday and the departmental staff have to work on it over the weekend to give a brief to the minister. The bureaucrats hate it, absolutely hate it. They are the ones that have to prepare the brief, even if the minister never looks at it. They know that if the minister is caught out on it, they have not done the brief, and they do not have the lines, they have the wack. The minister may never look at it, may never call on it, and it may never come to anything, but they have to do it. That is part of where it comes from. You can understand that. When we did our last breach, boy, did they get the shits, because, although we gave them plenty of notice, it meant that they had to spend the weekend, and they had to cancel holidays even. (Another) reason is a naïve, more overt, political one...They get the shits when you go public on them. They say within their ranks: 'why are we funding this mob?' Backbenchers ask ministers: 'Why do you fund this mob when all they do is smack you around the ears?' (Interview Respondent 60)*

Surprisingly, there is some sympathy with peaks here by bureaucrats, as indicated in the following comment by a senior officer in a federal department responsible for funding a lot of peaks:

*An absolute tension for government: which on one hand wants to enable this work to go on and for groups to form views and to inform government and to inform policy and all those highly desirable things, but it doesn't want to be attacked in public. Therefore, it is a bit of 'well, we want them to do all of this stuff, but we don't want to pay them to publicly lobby'. I am not saying that it is black and white, there is nothing black or white about that. However, that is a view I have heard from every minister that I have ever worked with. They have put that question at some time: 'why am I doing this? I do not want to stop doing it but it does not feel comfortable'. (Interview Respondent 72)*

A respondent of a general welfare peak adds this comment:

*I think most peaks would want to say that they could get their media releases out straight away, but the department is trying to get the peaks to agree that they should go to the department first. (Interview Respondent 37)*

General welfare peaks may seem to be more active in lobbying than sector-specific peaks, due to the broader range of issues that arise in the course of their role in multi-sector representation. A respondent of the large peak organisation outlines what is involved in this kind of representation:

*There is a role in being a conduit for information in a number of directions. Gathering and synthesising information from the ground, what's happening on the ground to their organisations and to their clients, so that you're actually pinpointing policy and program problems or social problems and economic problems, and presenting that back to the sector in a cohesive way, with policy solutions and being a policy leader in that sense. You are able to synthesise information and create lateral policy understandings. However, also, to feed that information to government and to the community in ways that influences policy development and reform. It is a big part of what a peak does. Clearly, other organisations can come together and collaborate. We are trying to do that more often. That is one area. However, I think that really, it's about good products and building a reputation for good advice, and certainly that's what we try to do. We try and continually put out high quality information, high quality research, high quality analysis that builds a reputation. I think in the end this is much more solid in terms of the long term than a simple position, or being in favour. In the end, the solidity is underneath you for which people continue to support you. There continue to be problems and you continually point out the problems and provide policy solutions. So, it's not just a whinge fest about*

*Australian Community-Sector Peak Bodies – Chapter Three*

*everything, it's wanting to get a better result at the end of the day, and wanting to do it in these ways and working to do it in those ways. Building that reputation for good analysis and good advice is important. (Interview Respondent 61)*

This respondent also points out the importance of collaborating with government.

*The other thing we do a lot, and I'm sure other peaks do too, is constantly dialogue with the bureaucracy and the policy makers, and with government, and we ensure that people, everyone, understand that we're non-partisan and that our role is to get the best result for this quite large constituency of people—I mean there's about 2.4 million people living in poverty. (Interview Respondent 61)*

On government appreciation of the role of peaks in the community, a government officer commented:

*Peak bodies are valued for their global perspective—most of them, although some of them are not, and that does cause some problems—and they are not beholden to service providers. Government really wants peak bodies, but there is a tension between 'is it a peak body for a community sector?' or 'is it an industry body that represents service providers?'. There is an argument that they may be community-service providers and therefore they are not an industry body, but were in fact community-based organisations that delivered services. (Interview Respondent 72)*

We asked this same respondent about a common peak complaint that they are shut out of the government policy-making process. They replied with:

*I think they have always felt shut out of government and policy processes, but I think that's become a sharper issue as government has started to place obligations and expectations on them. They, fair enough, say 'well, if you don't want us to go public then talk to us'. I have to give you my side of the story and that is there has never been an overt 'you must consult with us before going public'. (Interview Respondent 72)*

We spoke to a respondent of the large multi-sector peak about government control and the notion of partnership:

*It is a very command-and-control, paternalistic view of what a partnership or a relationship is. However, it is problematic because you cannot command advocacy, it is impossible. What we can do, though, is develop good on-going dialogue with ministers and with bureaucrats...if we really talk and listen to one another there will not be any surprises. We will know what the issues are for each other and we will be able to talk about them. However, any advocacy organisation—any organisation currently—has a perfect right to lever the pressures as a way of bringing attention to an issue, as I think government does too. (Interview Respondent 61)*

That conversation led to the nature of the representative role of the organisation. How, for instance, was its broad-based representation integrated with its obligations to the community sectors of its member organisations?

*The basic point of the organisation is to represent the needs and issues for low income and disadvantaged people, if that is what is meant by community at large. In addition, we do that in a number of ways, and often that involves a synthesised voice from the sector as well. However, not always, because sometimes the voices of the sector have different interests. We always come down on the side of what might be best for the broad constituency, that is people on low incomes or who are otherwise disadvantaged, and the membership understands that, so they wouldn't necessarily expect us to parrot, or should I say, take the positions of individual members on an issue. They would understand and appreciate that our job is—to the best of our knowledge and use of the information available—to present the best policy case that will advantage people on low incomes or otherwise disadvantaged. There are times, however, when the views are diverse and it is impossible to reconcile industry interests with those of people with low incomes. (Interview Respondent 61)*

The respondent went on to discuss the need to criticise government when necessary in meeting the needs of the organisation's broad constituency.

*One of our main criticisms concerns the social security system and the way it operates especially the punitive nature of much of the focus on clients. We have a different perspective (gained from our members) on the social security system than government. In addition, they acknowledge that. They have a view that the individual is to blame for their own unemployed circumstances, and we reject that. Therefore, their systems are developed based on that. It is about prodding and probing the individual to buck up and get a job, when our view is they need assistance and support. We would argue that there needs to be structural change or create or help generate the kind of jobs (and skills) that people can take up. So, there is a difference of*

*Australian Community-Sector Peak Bodies – Chapter Three*

*opinion there, and we are going to come to blows from time to time, on how that translates into policy and implementation. (Interview Respondent 61)*

The question that arose from the criticisms of government policy relates to the nature of the contractual arrangement the organisation has with government. The respondent followed with this response:

*FACS [Department of Family and Community Services] would like us to only do work for the money that they give us those focuses on their portfolio. It is not possible for us to do that as the lives of people who experience poverty and disadvantage do not fit neatly into portfolios and program boundaries. Our work covers employment issues, economic issues and a whole range of things. That is one of the mismatches of the system. We've often argued that potentially that kind of funding arrangement should happen through the Office of Prime Minister and Cabinet, but then you'd have a partisan funding approach and you wouldn't know whether the political influence would be greater than the philanthropy. Therefore, we have a contract with FACS that only relates to things in their portfolio, which is bizarre and accounts for things in their portfolio alone. (Interview Respondent 61)*

Funding is a vexed issue for many peaks and this has led to the defunding of organisations: in order to fit a political agenda, or because of a change in government policy, or due to a peak's failure to comply with the strict guidelines of a funding arrangement based on a departmental portfolio.

*A number of organisations were funded through a number of different programs and portfolios and a lot of those got rationalised into one portfolio in FACS. As a result of one review there was a decision to decrease the overall amount of funding available and to spread it more thinly, and to in fact defund some organisations as well, which was probably mostly politically motivated. My instincts tell me that it was a decision made primarily within the ministerial portfolio, but I would think that it had the imprimatur of the Prime Minister. (Interview Respondent 61)*

One respondent expanded on this notion of politically motivated defunding of peak organisations, which prompted comment, due to the phenomenon of 15 major peaks having been defunded since the initial election to power of the Howard Government.

*I do not think the Coalition Government has an understanding of the role of peak bodies and the role of advocacy—the role that peak bodies play in the democratic process. A Labor Government, for all its faults is by no means guaranteed to be better, but it has a much more robust tradition of debate and policy arguments in debate. This occurs within their ranks, through the branches, through state conferences, through federal conferences, and tend to therefore be more used to criticism and not feel so personally committed to the policies. That is, they are more collectively owned so when you criticise the policies they do not take it so personally. It is a whole different tradition; whereas on the Coalition conservative side of politics, policies emanate straight out of the minister's office. (Interview Respondent 60)*

When a respondent was asked about the question of defunding from the bureaucracy's point of view, they were quick to state:

*In terms of the general as against specific organisations, I think the question has always been 'is this sector being represented adequately?', or 'is there a need to fund, say, three organisations to represent the sector adequately?'. After a period if you cannot get them to collaborate and operate as one, then you have a choice of whether you continue to fund all three, or whether you only fund one. (Interview Respondent 72)*

It became clear during the interview that defunding was a much more complicated and more convoluted process than simply one of personal ideology. There was, for instance, the question of a broader political and ideological agenda.

*The Minister felt that they were funding organisations to represent members' interests, but some of these organisations might be acting in a politically partisan way. In other words, they may be representing their members' interests, but some of those interests might be more aligned to one party than the other. Some of their actions were not just critical of government in a 'we have a problem' way, but criticise the Government in a politically partisan way. Now that was the Minister's view. I am not saying that it is right. The views that some organisations represent are inevitably going to be more in line with, say, Labor Party's philosophies than they are with the Liberal Party. They may be adamant that they are non-partisan, but what I am saying is that some of the things they believe in are the same things that Labor believes in and are not the things that the Liberals believe in. (Interview Respondent 72)*

We put the question of partisanship to a respondent and they replied:

*There's many reasons why being non-party, being independent, is important: for your advocacy out there: your credibility with the media generally; so that the parties do not take you for granted; so that they do not write you off. When you go to see the Labor opposition, you have to go in there knowing you will be criticised, or they will be criticised by you. Your support may mean something if you support them on a policy, but you will never blindly support them, and you will support them only on a policy if it is right. In addition, for us it is critical, vital, and very difficult, therefore, for us during an election campaign. It is very difficult. Outside an election campaign, though, you can bag a government. However, they are still very sensitive to it. The Minister counts the number of positive words in media releases, like, how many positive words compared with when the ALP did something and we said 'that was good'. (Interview Respondent 60)*

A number of facts emerge from the above comments. Firstly, church-based peaks are not as privileged as many non-church organisations believe them to be. Secondly, general peaks seem to walk a finer political line because of their broad-based representation than single-sector peaks do. General peaks have more diverse policy issues to develop, as well as have a greater likelihood of becoming involved in advocacy campaigns opposing a wider range of adverse government policies. Finally, perhaps the most important issue for non-church peaks is funding, which means absolute survival to them, compared with most church-based peaks, which have more avenues of income than dependence on government funding for their survival. This places church-based peaks in a better negotiating position with government for terms that are favourable to them.

### 3.2 THE HEALTH PEAKS

Ten of the national peaks in the survey represented various segments of the health sector, such as general public health issues, morbidity, substance abuse and alcoholism, rural health issues, mental health, health consumers, sexual health and medical practitioners. Their relationship with their funding bodies and their involvement in government health policy making varied considerably, as can be clearly seen in brief in Table 3.2:1.

**Table 3.2:1. Health Peaks' Relationship with Government (N=10)**

<u>Federal Government Funding:</u>		
Less than 50% of income	1	10.0%
More than 50% of income	5	50.0%
<u>Special Program Funding:</u>		
Less than 50% of income	1	10.0%
More than 50% of income	1	10.0%
<u>Loss of Funding due to:-</u>		
Political activity	1	10.0%
Mismanagement	1	10.0%
Changes in funding guidelines	2	20.0%
CPI reduced by efficiency dividend	1	10.0%
Conflicts over policy	1	10.0%
Short term contract only	1	10.0%
Funding reductions	1	10.0%
<u>Government Pressure:</u>		
Withdrawal of all funding	2	20.0%
Withdrawal of part funding	3	30.0%
More government administration	1	10.0%
Control by outside agency	1	10.0%
Cease media commentaries	1	10.0%
Forced to adopt government policies	1	10.0%
<u>Nature of Relationship with Government:</u>		
Amicable	1	10.0%
Uncertain/Distrustful	4	40.0%
Tense	4	40.0%
Completely broken down	1	10.0%

It would appear that among the health peaks there are a great deal more fractured relationships with the Federal Government than among the general peaks investigated earlier. The funding may appear

healthier but in fact, health peaks have fewer resources to rely on for their funding than the general welfare peaks, and therefore they depend much more heavily upon government funding to survive. It is significant not only that more health peaks suffered from some degree of withdrawal of their funding, but also that two actually lost all of their government funding. Furthermore, it will be noted that this loss of funding was due to a variety of causes, not the least of which were conflicts with the Government over political activity, policy differences, and advocating via the media. The interview comments by health peak executives indicate that the intensity of their problematic relations with government. Only one health peak claimed to have an amicable relationship with government compared with four of the general peaks. However, even this organisation suffered some loss of funding or reduction in monetary terms, due to a failure of adjustment to rising costs and increased workload. Their amicable relationship with government proved, therefore, to be fragile at best.

This comment by a respondent of a health peak explains how the loss of their funding was the direct result of a conflict with a government health policy:

*We became involved in an alliance called Friends of Medicare, which was a loose alliance of organisations trying to defend the undermining of Medicare, basically looking at things like the health insurance rebate and issues like that which are the first steps in trying to take away the universality of the Medicare system. Adding to that, the controversy over the pharmaceutical benefits scheme, which is the same sort of thing, whereby the suggestion of letting something fail so that it looks bad enough, then people will demand that you change it. I am not saying that the Government is directly undermining Medicare now, but indirectly making decisions, which are going to undermine the universality of Medicare. When we became involved in that we put together brochures and fact sheets that were widely distributed and several of our people advocated strongly on talkback radio around the question of defending Medicare. We came into some conflict with the Minister for Health over the issue. I think we were seen as being very much at the front of a public campaign about Medicare. (Interview Respondent 42)*

That organisation lost its entire funding over the issue. Another peak in the area of public health, which also eventually lost all its government funding, was defunded in an indirect way. However, a respondent believes it was due to opposing the Government on the same policy issue:

*Around the time of the private health debate, the Commonwealth decided to put all of its health consumer projects under a competition policy. That was their excuse. What we were told behind the scenes was that it was because we would not agree with them on the private insurance rebate scheme. (Interview Respondent 13)*

This respondent enlarged on this by explaining the nature of the relationship their organisation had with the Minister for Health at the time:

*The Minister talks about needing to have a mature and pragmatic relationship with NGOs. He says he will work with organisations that will work with him. Now that means he will work with organisations that agree with government policy. Of course, he does not set a lot of health policy. A lot of it is set by the Cabinet, which has a policy about a stronger private health system and a weaker public health system. (Interview Respondent 13)*

Even while their funding was being slashed, the organisation sought two opposite options in its dealing with the Government:

*We have to leave the door open to the Minister's office in case the Coalition gets back in again. Although our Board has almost decided that if they get back in again we are handing the money back. It has come to that point really. We would rather be a cheap and nasty thorn in their side. I mean I would not mind being co-opted to the degree we are being co-opted now if our budget was \$1,500,000 and we could do all the work we needed to do. On our present budget of \$3000, I am not going to be co-opted on that. It is not worth it. (Interview Respondent 13)*

A respondent from a health peak that was totally defunded (but did not participate in our survey) spoke to us on the events that led to the organisation's demise:

*There was the Howard Government that had come in after 13 years in the cold and were full of zeal to bring in their particular political perspective, and part of that political perspective was they were not into government spending in 1996-97. They were going to be efficient and vigorous and so on and not waste money on the public sector, and there was that ideology at the time that private was good and public was bad. Four new organisations had lobbied the new Howard Government very heavily and wanted to be funded from a*

**Australian Community-Sector Peak Bodies – Chapter Three**

*diminishing bucket of money. The Government could not fund them without lopping off four old peaks they did not especially like, or did not especially feel fond of. So, they needed four to cut and we were one of those four because of a more general issue which is linked to the ideology of the in-coming Howard Government but not exclusive to it. The Commonwealth was puzzled and unclear on why they should be interested in community health services and primary health care. (Interview Respondent 82B)*

We put the issue of defunding peaks that oppose government policy to a government bureaucrat. They gave the following response:

*I think it's fair to say that we—certainly in my area—fund organisations on the expectations that they will provide a range of inputs on issues that affect their stakeholders, and there's an expectation that there may be times when they might be somewhat critical of government policy. So long as they do that in a constructive way and that sufficient notice of warning is issued, the Department is always willing to work with that. I mean that's part of the reason we fund them, so we can engage in debate. I am not aware of any direct threat to defund any organisation in relation to any particular objection to government policy. (Interview Respondent 81)*

Therefore, here we have quite contrary opinions given on the subject of defunding from both the perspective's of the funded organisation and of the funding body.

It is possible that the peaks and government have different expectations of one another and that leads to misunderstanding and finally distrust. A respondent of a national drug organisation explains it this way:

*The thing that most concerns me as a government-funded organisation [and as someone who has worked in the area for a long time] is that there is a real kind of corporatisation of the bureaucracy. This process has been going on for a number of years now. They see their work with us as administering a business; with the words and the kind of approach they take, it is kind of like we are in the market place and we are a business. It just starts to become too business-like and not enough consideration of the types of restrictions and special circumstances that NGOs work under, as opposed to more private enterprise-type stuff. So, any of those aims around community development or social action and those kinds of things they are not interested in that. They do not recognise those as valuable. (Interview Respondent 47)*

Working together creates a number of problems in this sort of context and suspicion of government taking too much control is a common complaint amongst interview respondents.

*A bureaucracy that we are dealing with does not understand a hands-off approach to contracting and micro-management approach. So, you can be running a project of some kind and they will be all over you like a rash telling you what they want done. Whereas I work as a consultant, they do not do that with their consultancies. However, they do take a much more hands-on approach when they deal with NGOs than they would take with their consultants. That micro-management approach makes work very difficult. Then you've got the problem of the high turnover in the department, where you are not only being micro-managed, but you are being micro-managed by someone who doesn't know what they are doing. (Interview Respondent 13)*

A respondent of a national health peak points out that micro-management can sometimes lead to attempts at more direct methods of government control:

*Bureaucrats have suggested that it would be useful to have one of them on our board and we've always said 'no!'. They do put themselves on steering committees for our projects and then they are extremely kind of - ah - influential. Yes, they do have a very hands-on approach and they don't understand issues at all. (Interview Respondent 13)*

In defence of government, one respondent in the Health Department made this comment:

*The case for sitting on committees would depend, but if it was the Commonwealth Government investing a considerable amount of money into a project, we obviously have an interest in how that project is managed and progressed. We expect that the organisation funded to do it would deliver and this is one way of monitoring the performance against the expected outcomes. I do not think you can make generalisations. It depends on the particular project and it depends on the organisation. In my experience, this has not been a particularly large point of contention. We try and foster a good working relationship or a partnership approach between government and community organisations at the peak level so that both sides of the coin, if you like, have an appreciation of the role of the other. In this way, I think tension can be reduced. Just because government or the department is on the steering committee does not necessarily mean that they have control, or that they want to take over the project. It is one way of the Government fulfilling its role in the bargain, if you like, in assuring accountability is maintained. (Interview Respondent 81)*

It could be argued that peak bodies are over-sensitive to government involvement in the organisation's operations to even the smallest degree. This could be based on territorial integrity or simply an individual executive's sense of worth in managing the organisation. However, less direct government involvement may be seen as highly problematic, as indicated by this respondent in the mental health sector:

*We were very keen to have an umbrella body because we needed to be speaking to a whole range of mental health organisations, but we ended up with an organisation which is an advisory agency to the Federal Government, with a hand-picked chair and membership. Well, the membership we could be happy with, but the hand-picked chair was focussed on being a ministerial advisory group and therefore could not be fully representative across the sector, and I think that is similar to other agencies. I think government is also very selective of whom they choose to invite for comment on a range of issues. That, I think, is destructive. (Interview Respondent 17)*

The level of misunderstanding between peaks and government is intensified at the bureaucratic level in the numerous day-to-day functions that involve executives and bureaucrats working together.

*The pace of reform in the Commonwealth department is huge and they never allow you enough time to comment on things. They'll send you a 30-page contingent document and they'll want a position from the organisation within four days, but you can't get it to your membership in that time. So, you have to have a good trusting relationship with your membership, and you have to have someone ready to drop everything to read the document in 24 hours and write something sensible. In addition, they [the department] get grumpy if you do not meet their deadline. They think that if you are provided with a core budget then you should be ready to make that sort of commitment on demand. (Interview Respondent 13)*

From the bureaucracies' perspective, the reading of government documents is not a mandatory duty of any organisation, but rather it is more to the benefit of the organisation to do it:

*I would just say that Government, in providing various documents for comment, is usually doing so because the Government does not want to deny the organisation access to information that might be of interest to the organisation concerned. I am not aware of any situation where pressure on an organisation is applied. It is up to the individual organisation if they do not really want to do it. There is nothing we can do, but it is often in their own interest to comment on relevant government documents. (Interview Respondent 81)*

Once more, we see misunderstanding and misperception of the role and expectation on both sides. One respondent has this to say about the bureaucracy they deal with:

*I do not think the department understands how to work with NGOs and it does not put any energy into trying to understand. They do not do any staff development at all. So, you get a person coming in that might be very well meaning and they'll think it's their project, and yet I've got a board, a steering committee and a constituency and I'm trying to do the work that I'm supposed to do, but I've got this Commonwealth officer who has basically had to sign off on the work in the end. Therefore, you cannot upset them too much. (Interview Respondent 13)*

According to a respondent of a sexual health organisation, the problem of relationship and understanding is often deeper than the bureaucracy:

*We know that a couple of people in the inner circle of Cabinet have rather conservative views on sexual issues. There is this core led by Howard on how policies are directed. We can actually see it on the ground. It's very similar to the situation in the United States, where you have this one senator, who has imposed retention or withdrawal of funds for the United Nations organisations for all the developing world because he claims that China is promoting abortion. It is a situation that is linked to Australia. What I am saying is it's not a logical or rational decision. (Interview Respondent 71)*

On the other hand, various sections of the government bureaucracy can have opposing approaches in their respective dealings with peak bodies, as a respondent of a major drug peak points out:

*I think it is very interesting just how different areas of the Department of Health perceive you. The drug strategy area recognises our role in that we present evidence-based policy. We are very dependent on presenting evidence, which they respect. We have put out a policy document that absolutely lays out in black and white what our position is on all the key drug issues, and that's what we lobby on. The drug strategy area respects that. All they ask for is that if we are going to put out anything that is critical of government in what they have done they ask to have advance warning. We do that. Therefore, with the drug strategy people we have a good relationship. However, the Community Sector Support Scheme, which is the area of the department that funds peaks, they are linked in with the ministerial office and they do not understand the*

*Australian Community-Sector Peak Bodies – Chapter Three*

*whole area. This is the problem that you often have funding a secretariat, which is big in an area that they don't understand, and, I mean, we have these torturous meetings every year where we review our guidelines and the person from the drug strategy is basically supportive of us. (Interview Respondent 36)*

The question of perpetuating funding seems to be a frequent bone of contention with many peaks receiving Community Sector Support Scheme (CSSS) funding, but as a government bureaucrat was quick to note:

*I think triennial funding is possible, so long as it is within the forward estimates. If consumer groups want funding that's longer than, say, three or four years' forward estimates it's very difficult because it goes outside the normal budget cycle. However, it is rare for a CSSS grant to terminate, although the one-year contract is a way of reviewing the contract and how things have gone. (Interview Respondent 84)*

Nevertheless, for some health peaks CSSS funding has been used in what can only be described as very problematic concerning the contentious matter of advocacy, especially involving particular aspects of government policy:

*In 1991, the Minister cut the overall funds in the CSSS. This was part of the August budget when he introduced co-payment for Medicare and the furore was so great over the co-payment that everything got lost in the shouting. What this meant for us was our secretariat funding went down to the bottom rung and we were kind of struggling to have resources to deal with a range of issues that our sector was strung across. I think too that the Department practised a bit of divide-and-rule strategy between the secretariats that they funded. In some cases, secretariats found themselves competing for funds and influence at the expense of others. This, of course, undermined a joint approach on common policy aims. (Interview Respondent 82B)*

As in other areas of the broad community sector, advocacy probably creates greater rifts in the relationship between government and the peaks acting on behalf of their constituents and the particular sector they represent. In issues of contention between government and the sector, peaks are in the front line and more likely to receive the full weight of government reaction more directly than their constituents. One respondent feels the problem lies in government's inability to fully understand the issues at stake:

*Because community health is complex, when you are trying to advocate for it and explain it in all its diversity and complexities to ministers and bureaucrats, they often cannot grasp it. In the very specialist world of health if you talk about palliative care or HIV services, baby health service or geriatric care, they can grasp that. However, what they are not so good at grasping is the overall concept of a comprehensive community health team working in a coordinated way together. (Interview Respondent 82B)*

In a very controversial area such as drug abuse, any lack of understanding of the issues at stake can be complicated by political insensitivities, according to this respondent:

*The Howard Government line on drugs has meant that even though our membership and organisations very much support such things as trial injecting rooms and heroin prescription trials and things like that, we have been told by bureaucrats that we're not allowed to make reference to those things in our own publications because the Government wouldn't look favourably on that. We have had quite direct, you know, threats from them. I suppose they do not want us to talk about that kind of stuff. (Interview Respondent 47)*

Government representatives are quite adamant that such threats are not made. Rather, they point out, they try to convince organisations to consult with them on matters of contention.

*We are very careful not to write into CSSS contracts that peaks cannot say things against government. What we do ask them to do is to advise us or seek out the information beforehand. Get the facts and certainly then they can be critical of government, but in an informed manner. However, censorship would be completely inappropriate. We would say 'one of your responsibilities is to warn the Government if you're going out on a media campaign, and also discuss with the Government the issues behind it so that we can present our side of the case'. (Interview Respondent 84)*

One peak, though, is just as adamant that pressure is applied, if not in the direct way, then in more subtle ways, that bring with it a form of internal censorship with a possibility of defunding at the end of it.

*The bureaucrats like to know what we are doing and make it very clear whether we should be doing that or not. Yeah, there is a lot of pressure, you know, and I suppose it is also a bit of backdoor censorship as well. I mean we often find ourselves self-censoring because we are aware of that pressure there. Perhaps, there's things we would like to say, but then we go 'maybe we won't say it that way, we'll say it this way'. In addition,*

**Australian Community-Sector Peak Bodies – Chapter Three**

*in a way you do not know the impact of that over time, what it does to your effectiveness in getting your message across over time because you are doing it to yourself. However, we are aware this Government has defunded organisations either completely or projects if they are not happy with the comments those organisations have made. They have made it very clear that they call us a 'highly sensitive organisation' and they are always on high alert with us. (Interview Respondent 47)*

The following comment by a respondent indicates a government view on advocacy as being part of sharing in the relationship with community-sector organisations:

*I think you will find it is just common courtesy. I don't know why a community peak would not want to include its funder as someone who receives its press releases, whether they're critical of government or not. Such sharing is the sign of a healthy relationship between funder and funded. There has never been in my experience a stipulation that they have to be provided for vetoing or editing. However, it is an opportunity for a relationship to work better if we know what the concerns are of the organisation. We might be able to help. Just going to the media and sticking the boot into the Government is not always the best way to go. (Interview Respondent 81)*

This respondent's comments on advocacy (below) illustrate the state's concern for the way that its funding is utilised. It is this concern, that is expressed by communicating it to the funded body, that is a likely origin for some fears of peaks that this is a covert threat to their on-going funding.

*I couldn't imagine why they would not want to provide their press releases to the Department—I mean, if only to demonstrate the level of activity that the organisation is engaging in with its government funding. You have to remember that this is public money, which is being used for these organisations. If we cannot demonstrate that they are actually using it to do particular things, like lobby and advocate, using press releases and other media, it is very difficult to continue to invest in an organisation. Therefore, I think it is in the interest of the organisation to demonstrate its activities to raise its profile higher with its funding bodies. (Interview Respondent 81)*

To return to the health peak respondent cited earlier for a final comment, the following observation seems to sum up a dichotomy of understanding and practice between health organisations and government. One attitude, which the speaker sees as a theoretical relationship, is an egalitarian partnership of community and government working towards a positive sector outcome with an assertive government impetus. The other, which the speaker sees as the reality, is one, sided in favour of government, or what they term as a 'partnership of abuse'.

*Government would need to provide adequate funding for a vibrant non-government sector; it would need to provide sector strengthening opportunities, communication opportunities; it would need to recognise the sector as an essential part of delivering government policy and government services. It is a partnership of abuses now, a very poor marriage. If it were a proper partnership, like the partnership they have with business, for instance, then it would be a mature partnership that could stand criticism and would recognise that what we bring to the table is equally valid. I do not get any sense of that at all in my dealings with this Government. I do not get a sense that they want it at all, and I do not get a sense that when we come to the table what is declared is considered equally valid. Mostly, it is about issue management, and mostly it is about keeping a lid on any controversies. Interview Respondent 13)*

As mentioned at the commencement of this section on national health peaks, their relationship with government appears to be exceptionally fractured. Whilst, as we have seen, much of this is due to a lack of understanding and willingness to cooperate on an equal basis. It may be due just as much to the nature of community health and government's responses to it because of the number of controversial issues at stake. These include HIV, drug abuse, mental health concerns, care for an aging population, sexual matters, and, perhaps, not least of all the various recent changes in policy on privatisation, palliative care and the costs involved in managing community health.

### 3.3 THE AGED AND DISABILITY PEAKS

Ten national aged and disability peak organisations took part in the survey, eight of which are in the general disability sector and two are peaks for aged services. Their relationship with the Government has also undergone recent drastic upheavals, in which a major national peak for the aging was completely defunded and eight national disability peaks have been pressured into amalgamating into a federated body. The current relationship with the Federal Government of the ten peaks in the survey is summarised below in Table 3.3:1:

**Table 3.3:1. Aged and Disability Peaks' Relationship with Government (N=10)**

	<u>Aged Peaks</u>		<u>Disability Peaks</u>	
<u>Federal Government Funding:</u>				
Less than 50% of income	1	10.0%	1	10.0%
More than 50% of income			6	60.0%
<u>State Government Funding:</u>				
Less than 50% of income	1	10.0%	1	10.0%
<u>Special Program Funding:</u>				
Less than 50% of income	1	10.0%	3	30.0%
<u>Loss of Funding due to:-</u>				
Political activity			2	20.0%
Changes in funding guidelines	1	10.0%	1	10.0%
A failure to federate			1	10.0%
<u>Government Pressure:</u>				
Withdrawal of all funding			2	20.0%
Withdrawal of part funding	1	10.0%		
Control by outside agency			1	10.0%
Cease media commentaries			3	30.0%
Funding situation under review			1	10.0%
<u>Nature of Relationship with Government:</u>				
Amicable	1	10.0%	1	10.0%
Uncertain/Distrustful	1	10.0%	4	40.0%
Tense			2	20.0%

The recent total defunding of one of its major national peaks rocked the aged-care sector, which was a foremost advocate of issues concerning retirees and people on fixed pensions. According to a respondent, the reason for the defunding was a government assessment of the funding program.

*They said that there were other groups that wanted Community Sector Support Scheme (CSSS) funding and that they have to be fair, and there were already organisations representing older people. I mean, we even had the Health Minister saying we have done a good job. Yes, they have done a good job so we'll take the money off them. (Interview Respondent 64)*

Another respondent provided a different version of the reason for the defunding in a letter sent to the Senior Researcher of this study in 2001, which reads as follows:

*The main reason the federal body was defunded was the very public opposition to the then Federal Government's proposals about nursing home policies that would have required elderly people to sell their homes to be eligible for nursing home accommodation. John Howard refused to discuss the issues with the organisation and would not let any of his ministers discuss the matters either. In the background to this the national president had for many years been a leading light in the women's movement and had been a member of the Communist Party. John Howard had expressed a strong dislike of her over many years and consistently refused to speak with her. (Personal letter).*

The government version of this event is somewhat different.

*I think the period when they were defunded was around about the time when the aged-care reforms came in. There were a couple of very outspoken executives representing the organisation, who were neither balanced nor checked the facts. I think it was just a government decision that they did not really feel like paying for a body that was going to lobby against them unreasonably and mislead their constituency. In general, they were operating by responding to the press in ways that were not factually sound. Even when a more balanced position was put to them that really did not slow them down. (Interview Respondent 84)*

The government objection is not simply due to the fact that the organisation representatives lobbied against government policy, but due to the way, the lobbying was conducted. The officer would not, nor could not, comment on the second [anecdotal] reason given for the defunding, which was a former president's political affiliations.

Another large peak for the aged, which is directly involved in aged care and accommodation, was partially defunded around the same time, in their case by about half their income, which was seen as:

*A lot of sleight of hand. Funding for public housing went down the tubes quite dramatically then. (Interview Respondent 26)*

This respondent noted that the organisation was 'forced into a focus on professional fund raising', by which was meant raising capital through corporate funding, which prompted the following response:

*It is a myth that Australia is America and all you have to do is go to these well-organised and focussed businesses to find out. I have tried it in Australia, it's amazingly frustrating, and that's why we feel that in order to survive we have to appoint a professional fundraiser. I sincerely hope I will not have to ask anybody to stand on a street corner with a bucket because I don't think many of our members would feel very enchanted with that. (Interview Respondent 26)*

Another big issue that was raised in the area of aged and disability was the amalgamation of peak organisations. It began with the deafness peaks and then spread to the eight major national disability peaks.

*What happened was that three organisations in the deafness sector actually applied for funding, and the departmental people said 'Get your act together, there's no way we will fund three separate organisations in the same sector. Start working together and create a new organisation to replace all three of you and we will fund it'. The departmental pressure, as I understand it, came from the Minister of the day. (Interview Respondent 5)*

*Government has become very cocky in the last twelve months. As an example, they are very cagey with this one voice. They do not want to talk to eight disability organisations, they want one voice; if they want a response to welfare reform or whatever, they just want one submission. So, last year the Department did what it called a mapping study, where in fact it was a review, but they did not want to call it a review. What they were trying to do was look at doing a sort of analysis of the eight funded disability peaks by looking at their membership and structures and so on, with a view to putting forward a model that would get them what they wanted, which was one umbrella organisation. What they did was announce 'Right, we will fund you all—that is the eight peaks—for a year to 2002, but by July 2001 you have to establish a national organisation, a federation of disability organisations'. They have been extraordinarily prescriptive in that. They have said, 'we want this'; they want a constitution to look 'like this'; they want members to be this, this and this, they want standard line office space, they want an executive officer, they want a president, they want a board. So, it is very top-down prescriptive, and what they have done in the funding contracts of the eight peak bodies they actually have made that a condition of our funding. (Interview Respondent 30)*

From the government perspective amalgamating the disability peaks was an effort to streamline what had become a very difficult scenario for it to deal with administratively, as well as financially.

*One of the reasons government funds peak bodies is to generate a coordinated piece of advice. It is always difficult for government to listen to a number of competing views, and they do get competing views. And what tends to have happened over the decades with government funding—there was no system in it—when an organisation managed to get itself going, to get itself a constituency and a voice and lobbied a vulnerable minister, or whatever, for funding, that funding didn't have any rhyme or reason to it. So it might be money left over and was not going to be spent—it could be one-off. It might be that the organisation put up a case and said 'we have this much money, but we need this and much more'. There was no real basis for the amount of funding provided. Others have looked at that, said 'why can't we be funded too', and put up their own case. Governments always find it easier to start new things than they do to close down old things. Therefore, you end up with a multiplicity of specialised organisations being funded for whatever they are being funded for. In addition, you started to get factions of those organisations wanting to be funded separately, and so on. From two bodies that were funded initially, you then had deafness, blindness, physical disability, a push for autism, a push for Downs Syndrome. I mean you get fragmentation. Government tried several times over the last decade to put a framework around funding peak bodies. It has had several reviews and we had CSSS that's funded 15 peak bodies, from memory, ranging from health, through disability, to child care peaks. (Interview Respondent 72)*

A respondent of a major disability peak made this pointed response to the government argument for amalgamation:

*The politicians and bureaucrats who are in place now were not around in the days of the Disabled Peoples International, which was the one umbrella organisation. It was a bloody disaster, which is why there are now eight disability peak bodies. (Interview Respondent 30)*

The government representative admitted to these failings:

*The deaf / blind will say that the Blind Society is not representing their needs and neither is the Deaf Society. Therefore, they should be funded. In addition, the multiple disability or the some other group will say they too are not being represented. A caucus was set up to try to get the organisations to form consensus views. Even that got some organisations refusing to participate. The move to federalisation that started in 1998 really came out of the Minister of the day making a decision that they did not want to continue funding eight separate disability organisations. Their desire was for those organisations to get their act together to either cooperate with each other in a caucus model or to join forces into a single organisation. (Interview Respondent 72)*

But the Minister's plans for a single umbrella organisation met with great resistance from the separate peaks, just as the respondent above pointed out it would, and in the end the resistance could not be by-passed. So, finally there was a compromise, of sorts:

*The Department worked with organisations to encourage them to merge. They continued to be separately funded. A subsequent review saw some of their funding varied and a decision by the Minister to actively intervene and offer funding to a peak body, if it could be formed, which they would fund and continue to fund the other organisations as satellites. In other words, not remove their existence altogether but to agree to fund a federated body. However, I think the next extension of that is 'government's going to establish a federated body and you're all going to participate'. (Interview Respondent 72)*

The problem is, again, a failure to comprehend the issues of the partners in the relationship. As one respondent sees it:

*We think the issues for the disability groups are so diverse that no one organisation could ever hope to adequately address all, and I think that if you look at the Government's Office of Disabilities you can see that, because I think that office is totally ineffective as an organisation and cannot simply grasp all the issues. (Interview Respondent 5)*

That lack of understanding is very often the cause of one of the most persistent grievances of government over the way peak bodies function and fulfil their obligations to their constituencies.

*The Minister did not want to be publicly criticised, so they thought to overcome that by putting in a clause in which our funding contract actually requires us to give advance notice of any public statement that we intend making. (Interview Respondent 5)*

The Government denies there ever was a mandatory stipulation that 'you must consult with us before you go public':

*All there has ever been put in place is 'give an advanced warning to us'. We do not want to read in the papers that morning your budget submission. Give it to us beforehand so that we can brief the Minister on what your budget submission is going to say when it's released and then they can answer it and comment on it positively or whatever. It's always been 'tell us in advance', not 'don't do it'. They have never to my knowledge said: 'Don't do it!'. (Interview Respondent 72)*

A common complaint by peaks is about the limits placed on them in their relationship with government, particularly in matters of policy, and the manner by which it is passed onto the wider sector by peak bodies.

*One of the things that the Government looks to us to do is to inform our constituency of its policies. We have no problem in informing our constituency of government policies because we need to know it. However, that does not stop us from indicating to our constituency if we happen to disagree with some of that policy and explain the reason why. Reasonable people in the government sector do not have a problem with that either because they understand that we will not always agree. What I would like to see more of is the departmental people sitting down with us and talking about those areas where we don't always see eye to eye. Part of the problem is if bureaucrats are seeking to persuade government to change a policy they will not admit it to you*

**Australian Community-Sector Peak Bodies – Chapter Three**

*and they fall back on confidentiality. They will say to us: 'We can't tell you what we are thinking about saying to the Government because that's a breach of Cabinet confidentiality'. (Interview Respondent 5)*

There is a strong feeling among most peaks that they are either a junior partner in the relationship with government, or they are too often manipulated by government in expediting its own policies concerning the community sector. As this respondent perceives it, government no longer sees peaks as working with it, but rather working for it.

*From the Department's point of view and the Minister's point of view, they see not only disability peaks, but all peak bodies, as essentially an extension of government. So, they see our role as acting as a conduit between government and our members, and they have made it very clear that they see the role of peak bodies as working to help the Government of the day achieve its objectives. The perception of government, or the very many disability peak bodies are funded now is different to what it used to be. Government, I do believe, does not see peak bodies any more as a fundamental part of democratic society. This Government views them quite differently than in the past—it is now a matter of 'we've been elected, we've got a mandate, therefore, you'll do what we want you to do'. (Interview Respondent 30)*

Quite clearly, major problems exist in the relationship of aged and disability peaks with the Government. Not the least of, which is the autonomy to speak their mind and operate unfettered by ministerial or departmental mechanisms of control, as is expected of the role of peak, bodies by their various constituencies. However, as the bureaucrats cited in this section say, what appears to be bureaucratic autocracy is another way of working together without tension. In other words, there appears to be a lack of proper communication on both sides that too often leads to mistrust and failures to comprehend the position of the other.

### 3.4 PEAKS FOR WOMEN'S AND CHILDREN'S SERVICES

Ten national peaks representing women and children participated in the survey. Seven of them were women's peak bodies, and three were for children's services. Of the women's peaks, there was a mixture of organisations representing women's justice issues, single mothers, women's health, rural women and older women. Two of the children's peaks ran services and one represented children of pre-school age. Table 3.4:1 below indicates the nature of the relationship between both groups and government.

**Table 3.4:1. Women's and Children's Services Peaks' Relationship with Government (N=10)**

	<u>Women's Peaks</u>		<u>Children's Peaks</u>	
<u>Federal Government Funding:</u>				
Less than 50% of income	1	10.0%	3	30.0%
More than 50% of income	3	30.0%		
<u>State Government Funding:</u>				
Less than 50% of income	1	10.0%	1	10.0%
More than 50% of income			1	10.0%
<u>Special Program Funding:</u>				
Less than 50% of income	1	10.0%	2	20.0%
<u>Loss of Funding due to:-</u>				
Due to a change in the legal statutes			1	10.0%
Changes in funding guidelines	3	30.0%	2	20.0%
Short term funding only	1	10.0%		
<u>Government Pressure:</u>				
Withdrawal of all funding	1	10.0%		
Withdrawal of part funding	1	10.0%	1	10.0%
Control by outside agency			1	10.0%
Expect to do more on same funding	1	10.0%		
Being ignored by government	1	10.0%		
<u>Nature of Relationship with Government:</u>				
Amicable	1	10.0%		
Uncertain/Distrustful	4	40.0%	1	10.0%
Tense	2	20.0%	1	10.0%

*Australian Community-Sector Peak Bodies – Chapter Three*

As a group, these peaks do not appear to have had such a harrowing relationship with government as the aged and disability peaks, nor do they seem to have suffered as much with loss of funding as the health peaks. One organisation representing women that found it refunded and consequently is now on short notice gave us the reason for their change in status:

*All of the secretariat programs that were moved from the Office for the Status of Women to Family and Community Services were reviewed and due to an overhaul of funding for peak bodies, as part of that review, our organisation was put in the family relationships branch and our core funding renamed 'project funding'. (Interview Respondent 49)*

A respondent from children's services peak told how member agencies, and ultimately the children in care, were affected by funding cuts to the national organisations due to a government backlash:

*We constantly feel the pressure of needing to support government. We have seen it happen around the industry and I think the most disturbing example was the removal of X funding from the Association of Child Welfare Agencies. I mean one day they were administering their organisation and the next day the funding was gone. It was a fairly direct and undisputed sort of example, bluntly pulling somebody into line. We have certainly had situations where we were refused because the Government would not listen and there are issues where we refused to apply for funding. In addition, that involved many children in some agencies going back into bad situations, or having to move to other places. Therefore, it is significant stuff, having to lose children because we are unable to keep them due to a lack of funding. It is serious when you have kids in long term care that you cannot service. (Interview Respondent 16)*

Such situations stem from the kind of relationship the peaks have with their funding bodies. A respondent pointed out one kind of relationship:

*There is this issue of it being very hard to get information. I think that at the federal level there is a real tightness about information. Certainly most bureaucrats stick close to the chair. There is this feeling that if you're up there trying to be vocal about getting a change in policy you're unlikely to succeed on matters that count the most. (Interview Respondent 16)*

One respondent believes that their relationship with government begins at the Minister's office:

*The Minister is very conservative, women's health for them is reproductive health, and they do not see it in any broader context. I suppose there is a part of me that says we stand for what we stand for, which is a social model of health and we are not shying away from that. We are not backing off by saying 'OK, we will no longer support a social model of women's health approach because you don't like it'. (Interview Respondent 28)*

For this women's peak organisation the nature of the individual relationships is linked to a general governmental attitude across the board from the top down:

*One of the things overall that I would want to stress is the changing nature of how this Government views the role of peak bodies in society. In addition, it seems to be that if they had their way, and they have actually said this, they would not have any peak bodies because they do not see the need for us. Because they have been elected and have a mandate. (Interview Respondent 30)*

This respondent provides a very different perspective on the Government's relationship with peak organisations:

*I would say it is a respectful relationship now. Certainly, the relationship is the best that it has ever been that I am aware of, as far as the Federal Government goes. In addition, that is across both the Opposition and the Government. I think it probably has a lot to do with a lot of interest in what rural Australia has to say. In addition, that has been useful for us. (Interview Respondent 46)*

Experiences in advocating for women and children's issues carry echoes of similar problems between government and peak bodies in other sectors, and this invariably hinges on the manner of lobbying. Another respondent sees it as a tenuous process:

*It is walking a fine line. I mean if we go completely over the top, our image will become one of being even more radical. I think then that we would even risk getting money from the Labor Party. That is because they are conservative. I think also NGOs have to learn to be more savvy than always sniping or carping at something that we don't agree with that the Government's done, and I don't think we're very skilled at that.*

*Australian Community-Sector Peak Bodies – Chapter Three*

*You rather have to learn that along the way. Where do you learn that? It can be a bitter experience, but you learn it. Advocacy is certainly an issue for us. In addition, the same few do it and so we certainly need to have more people being more active. (Interview Respondent 28)*

One group, at least, that seems to have learned to walk the fine line through fine tuning their relationship with government had this to say:

*The normal process would be to speak to the relevant minister's advisers in both Government and the Opposition, and to ensure that they understand our position and are capable of relaying that. That is, build relationships between ministers and shadow-ministers and us. Again, if we have an opposing view to the Government's policy decision, we would ensure that the Government was aware of that before repeating it elsewhere. Submissions and relationships with key advisers and also encouraging people affected by the issue to write, to phone, to contact, to communicate with their members and with the ministers. (Interview Respondent 49)*

A respondent speaks about a very different approach to advocacy in an area with considerable emotional input:

*Because of the difficulty in servicing a lot of kids all the time we have over a number of years been fairly active networking on committees and with government, sort of looking at the problem first at that level being fairly critical. We do have strong links with the media and the Government thinks we have more power than we do in that regard. However, we are on a particular range of topics that you know journalists will seek direction in a story. The Government is critical of that quite strongly, although most of it is without any public acknowledgment. You spend a lot of time in an organisation such as ours facing journalists' queries and questions and that sort of stuff. (Interview Respondent 16)*

This comment raises the contentious issue of the role and use of media as a modern advocacy tool. This issue was highlighted during the current study as reported previously (Melville, 2001:103-105). Peaks, bureaucrats and government ministers (Vanstone, 2001; and the Opposition (Swan, Hansard 13 October, 1999) held different views about attempts to control the use of the media in their funding contracts:

*Last year they actually put in four generic outcomes measures, they were very prescriptive, and one of the problems with this was the way it was slotted in, like the day we ran out of money. Therefore, we had no option but to sign that contract without negotiation. It was a take-it-or-leave-it kind of attitude. The outcome measures were things like we had to warn them—they didn't say we couldn't go to the media—but it did say things like the Minister and the Department had to be warned in advance of any issues that may be considered controversial. (Interview Respondent 30)*

For women's peaks the problem of advocating is similar to that in other sectors: sticking to their ideological principles but enabling enough flexibility to accept other options.

*We keep advocating for a broad-brush approach and we have to accept the choices that women make in their lives and that men make in their lives. If we are serious about the future, then we have to support women and their children. However, we have to also look at what causes the issues in the first place and we also know that issues like violence are absolutely profound because you just don't get over it, and women live with the consequences of that for the rest of their lives. Some never, get over it. (Interview Respondent 28)*

Another major concerns that the women and children's services peaks have had to deal with are amalgamation. As with the disabilities peaks, this emerged from a ministerial decision to create a federated body, which inevitably meant a loss of funding for established national peak bodies in the area.

*The family service area has never had any representation at the federal level. But, what happened at the federal level was there was a re-organisation in the federal bureaucracy a couple of years ago, which brought all the bits that were family policy, etc., from the Attorney-General's Office, from Health and from Community Services into the Department of Family and Community Services (FACS). So you had a large bureaucracy with a focus on what was happening to families and there was nobody really doing any consultation, or they had nobody to consult with on the development of policies. Therefore, the Minister, at the end of last year, funded a family services peak body at the same time as she funded a disabilities federation. (Interview Respondent 16)*

That was a period in family services when some decisions made by government angered women's groups. On top of the Federal Government's new shared-care financial arrangement split between single mothers and 'disenchanted' separated fathers, women's peaks, especially those representing single mothers, were faced with losing some of their funding to a newly formed Lone Fathers organisation.

*This is sort of sneaky stuff that most people are oblivious about, and it is complicated to explain. The Lone Fathers lobby group is actually in Canberra and they are quite active—they are not respectful, but they are active. They get, I think it was their first round, \$25,000. They are in a much better position than sole parent mothers are to do much lobbying with government. They are much more motivated to do it in the sense that men have money and are more likely to go and talk to other men. (Interview Respondent 31)*

*They got some money from the Office for the Status of Women too, to do a men's conference or something like that. Lone Fathers also get funding from the ACT Government to run a men's shelter for men fleeing violent wives, who would kill them if they found them. (Interview Respondent 49)*

The decisions around custody and child welfare payments in both legislation and the Family Law Courts seemed to be reflected in the funding arrangements to various representative bodies, as this comment from a national women's health organisation illuminates:

*When the Office for the Status of Women were making that kind of shift in funding we felt we were wasting our time to apply. So, they've given \$300,000 over three years to the YWCA, Business and Professional Women's Association and the International Council of Women, God bless them, who now say they are the chief advisers to government on policy matters for women's health. We are so far on the outer. We ran a national conference in February, which was a fantastic success, and I think it was timely and on purpose run in an election year, but we couldn't get any money from the Commonwealth. Yet they gave the men's health conference \$60,000. (Interview Respondent 28)*

The organisation also spoke about the involvement of women's organisations in international conferences, such as conferences organised by the United Nations and the Commission for the Elimination of Discrimination against Women.

*Some peaks are actually registered to go to the UN—but not all of us are—and it is a strategic decision just to have some registered peaks to go. In the past, the Government has always allowed those peaks to go along with the Australian delegation, and it is much well handpicked whom they want to go. This time round, though, they actually asked for a nomination from peaks who wanted to go and that they would fund. They picked just one, called the Encounter Forum, which are "Catholic mothers" who want to be "Catholic mothers". It is pitiful. The last time we were represented by the Girl Guides, for God's sake and this time it is the Encounter Forum. Well, they did go with the Australian delegation from the Government. We sent along our own person, and we funded her ourselves out of our meagre amount of money by all of us pitching in. (Interview Respondent 28)*

Such decisions have compromised the relationship between some women's peaks and the Government. It would seem to many respondents in this study that, the Government fails to grasp the real issues for women; or it makes political decisions based on perceived threats from certain women's organisations dealing with the most demanding issues. The children's service peaks are no better off, as indicated by a respondent above who argues that the government defunded a peak for failing to adopt the government line. It would seem, then, that peaks in the area of family services have a difficult relationship with government. However, whilst their problems with government are different in kind, both politically and economically. They are based on different ideological and pragmatic viewpoints about the roles and functions of peaks.

### 3.5 NON-ENGLISH-SPEAKING BACKGROUND AND INDIGENOUS PEAKS

Only four peaks in the survey fell into either the non-English-speaking background (NESB) or indigenous categories, with two from each category. However, a glance at Table 3.5:1 below will immediately indicate underlying problems in their relationship with government that equal, or even exceed, the fractured relations found in the peaks for general welfare, health, aged and disability, and family services.

**Table 3.5:1 Non-English-Speaking and Indigenous Persons Peaks' Relationship with Government (N=4)**

	NESB Peaks		Indigenous Peaks	
<u>Federal Government Funding:</u>				
Less than 50% of income	1	25.0%		
More than 50% of income	1	25.0%	2	50.0%
<u>State Government Funding:</u>				
Less than 50% of income			1	25.0%
<u>Special Program Funding:</u>				
Less than 50% of income	1	25.0%		
<u>Loss of Funding due to:-</u>				
Political activity	1	25.0%	1	25.0%
Mismanagement	1	25.0%		
Changes in funding guidelines	1	25.0%		
Change in program			1	25.0%
<u>Government Pressure:</u>				
Withdrawal of all funding	1	25.0%	1	25.0%
Withdrawal of part funding			1	25.0%
More government control	1	25.0%	1	25.0%
Cease media commentaries	1	25.0%	1	25.0%
Incompatible with government direction			1	25.0%
<u>Nature of Relationship with Government:</u>				
Uncertain/Distrustful	1	25.0%	1	25.0%
Tense	1	25.0%	1	25.0%

Perhaps the crux of the disjointed relationship might be summarised by this comment:

*Departments are actually very poor in actively enlisting the support and expertise and the networking that peak bodies can provide. I mean, they tend to think of them as an afterthought and they tend to not want to tap into their resources. (Interview Respondent 74)*

As with the disabilities and family service peaks, the indigenous peaks also had to confront the issue of amalgamation:

*The Government decided to fund a new peak body, which will be launched next week, called Families Australia. We were told that as a condition of our funding we had to join that organisation and the Government would no longer recognise us as a peak body, and officially, the Government does not recognise us as a peak body. Our funding would be moved out of the program that funds peak bodies, the national secretariat projects, and our funding would henceforth be provided by programs area funding, instead of the department funds on the grounds of a service. We objected to that. It was not the business of government to tell anybody which groups they should or should not join as a condition of government funds, and by doing that, they were threatening our freedom of association. It would be a matter for us to decide whether we should join a peak body or not. We objected to the Government trying to put in our funding contract a clause, which determined who we could or could not associate with. The Department in the end withdrew it and reluctantly agreed and said: 'Oh no, it is all a terrible misunderstanding, we will not go down that path'. However, it was clear too that we were operating in an environment in which our funding was not secure. (Interview Respondent 74)*

A NESB peak lost its funding twice from two different federal funding sources for what appears to be opposite reasons:

*Our organisation lost funding from the Office for the Status of Women (OSW) first, and then later it lost the other part of its funding from the Department of Immigration. The reason given for the loss of funding from the OSW was that it was not only a woman's organisation. The explanation given for losing funding from the Department of Immigration was that it was a mainstream organisation. They saw no reason why the Federation of Ethnic Communities Council (FECCA) should not pick up the work done by our organisation. (Interview Respondent 10)*

Once more, we are faced with very different explanations for the funding and defunding of organisations. The OSW objected to men in the organisation, when it saw fit to fund Lone Fathers, as we saw earlier, at the expense of an organisation for single mothers. In other instances, funding for NESB organisations may not fit into the framework of the Government's current immigration policy.

*People do feel threatened by a potential to lose funding. Organisations in the past that have been quite vocal have lost their funding because of that. You know, it is hard to be 100% certain, but there is a climate where people are nervous to do that and people are doing it less and less. The Government came out a couple of years ago and said 'we are not to be doing high-level advocacy' and the Minister for Immigration says he does not fund people to criticise his policies. (Interview Respondent 56)*

Even in the case of a high profile national peak on NESB issues, relationships with the Government waver considerably depending on whether government policies are being applauded or criticised, as one respondent points out:

*Their policy on multiculturalism we promote and think it is the best in the world. We tout it everywhere we go, and they know that, which is one of the reasons they fund us, I think. However, there are many other policies that we disagree with, such as the nature of the migration program that is geared towards skilled migrants and not their parents. We totally disagree with the detention of refugees and we put out regular media releases criticising the Government for its treatment of refugees. We have even complained to the Ombudsman. We are highly critical of many policies and we hear back from the Minister and from the bureaucrats that we do not know what we are talking about. (Interview Respondent 54)*

In the area of indigenous Australians a very similar situation arises:

*The Government had a very clear view on what our organisation should do and used the issue of funding to prosecute their agenda. In addition, out of that we had to negotiate a work plan. Now, in the context of those negotiations the Department had very specific views on which issues we should and should not work on. Some of the issues they did not want us to work on were issues relating to the stolen generation, advocating for a national policy on the stolen generation. (Interview Respondent 74)*

This next comment by a respondent relates back to an earlier remark by a general welfare peak on ministers taking criticism personally:

*Policy in the Coalition is much more about ministers being able to push their personal agendas because the Liberal Party and the National Party don't have as much well-tuned policy development processes as the Labor Party. So, if you're an organisation that debates a minister about a Coalition policy you're more than likely to be debating something that that minister is personally attached to, whereas the Labor Party tends to have a broader policy that has been debated across the party and less likely to be the personal policy of a minister. (Interview Respondent 74)*

As true as that might be, on the other hand,

*I think bureaucrats often make the mistake of completely overstepping the mark when making their own assumptions and interpretations based on assumptions of what they think their political masters will like. I'm utterly convinced that those sorts of agendas—like, we shouldn't spend time on the stolen generation issue—don't come from the Minister's office. (Interview Respondent 74)*

The relationship with government bureaucrats is closer to the ground for many peaks in both sectors. A respondent of a large national NESB peak has this to say about the organisation's relations with officers in one government department:

*I understand that it's necessary to get on with the bureaucrats and it's necessary to work carefully with them and give them the information that they require, not to get funding so much, but to keep up a good healthy relationship. What surprises me is the extent they will go to get their way, particularly through this quarterly funding in arrears. It's a constant threat hanging over us with the money that won't be there, which is very difficult when you're a manager and it's very difficult to recruit and keep really good staff when you can only offer them two months' work—it's ridiculous, and it's really difficult to get professionals. (Interview Respondent 54)*

The last comment highlights a problem in the relationship with government bureaucrats that may be common across all sectors. However, the issues of contention between government and the NESB and

indigenous peaks with respect to government immigration policies and the stolen generation go much deeper into the heart of the representative organisations' expertise on these issues. Issues, which the Government must be seen as less well-equipped to deal with. Yet, it would appear that Government persists in making policy around issues well entrenched in the frameworks of NESB and indigenous internal structures without consulting with them and then expects them to cooperate. Such would be a complete denial of the peak's role in representation.

### 3.6 YOUTH, HOUSING AND SPECIALIST PEAKS

In this last section on national peaks, we have included two of the least represented sectors in the survey, plus specialist peak bodies that represent narrow or broader segments of the community that do not fit neatly into specific community sectors. One national youth peak, two housing peaks and two specialist peaks were included in the survey. The nature of their respective relationships with government are summarised in Table 3.6:1 below.

**Table 3.6:1. Youth, Housing and Specialist Peaks' Relationship with Government (N=5)**

	<u>Youth Peak</u>		<u>Housing Peaks</u>		<u>Specialist Peaks</u>	
<u>Federal Government Funding:</u> More than 50% of income	1	20.0%	1	20.0%	1	20.0%
<u>State Government Funding:</u> Less than 50% of income					1	20.0%
<u>Special Program Funding:</u> Less than 50% of income					1	20.0%
<u>Loss of Funding due to:-</u> Political activity	1	20.0%	1	20.0%	1	20.0%
Changes in funding guidelines					1	20.0%
<u>Government Pressure:</u> Withdrawal of all funding	1	20.0%	1	20.0%		
Alert government in advance of media activity	1	20.0%				
Inconsistent/impenetrable performance indicators			1	20.0%		
<u>Nature of Relationship with Government:</u> Uncertain/Distrustful			1	20.0%	1	20.0%
Tense					1	20.0%
Completely broken down	1	20.0%	1	20.0%		

The findings in this table indicate the most fractured relationships of all, with half of these peaks being completely defunded and half of them whose relationship with government had completely broken down. Not one of the organisations could claim to be in an amicable relationship.

A national youth peak that was completely defunded was not prepared to compromise its advocacy role in the face of a threat to its government funding program:

*We never made any bones about the fact that we wanted to be an active participant in public policy debate, including in the media, but not only in the media. The media worked with a small component of the policy work and the public sector work, but it was always a component that we were prepared to do. The Coalition decided it did not believe it should fund organisations that actively criticised it. (Interview Respondent 74)*

Another respondent provided a deeper analysis on why this organisation was defunded.

*You have to ask the questions, who and why, who was targeted and why were they targeted, and I think clearly, there was a deliberate strategy around this. I think, if you hear some reports from inside senior echelons of the Liberal decision-making, there was a hit list. I think there has definitely been reference to a hit list from the PM's office of groups that were not going to be supported under a Liberal Government. In addition, you also look at groups that I would regard as groups that were particularly vulnerable, or perhaps small or less powerful, these were the ones that were targeted. I will be frank about this, other peaks that were not necessarily very effective were not defunded, because either they were not seen as a threat, or they have an important role but were not functional. I certainly attribute circumstance—I think you need to look at the circumstances of why particular groups were defunded and you could get a criterion based on these assumptions. I remember different things like when their agreements ran out, like how marginal or powerful or otherwise they were seen to be by the government. How much damage they had done directly or were seen to have done to the Liberal Party when in the opposition. Alternatively, how close they are seen to be to the*

*Australian Community-Sector Peak Bodies – Chapter Three*

*ALP, how much they would get in the way of the in-coming government's policy agenda. I guess if you look at the groups, that went they were groups, that were either seen to be marginal. I guess Women With Disabilities, or they were seen to be a direct threat, like the Pensioners and Superannuants that deliberately campaigned against a nursing-home agenda, or the Australian Youth Policy and Action Coalition (AYPAC) in the case of issues around higher education, the common youth allowance and a range of direct policy issues, which were against what the membership of AYPAC were calling for. (Interview Respondent 68)*

An another organisation defunded in this period was a major housing or homelessness peak. Their version supports the views expressed above:

*I just think that the Howard Government does not like peaks and under Housing, the Minister got rid of National Shelter as quick as she could. This shift, I think, has been reflected at the state level as well and it's one of the reasons why we wanted to form a single peak, because since Howard came in there's been a notable shift towards consulting with large church-based organisations and moving away from peak bodies. (Interview Respondent 69)*

That, of course, brings us right back to our earlier comments on church-based organisations in the section dealing with general welfare peaks. In addition, it provides a fresh insight into relations with government that hinges on such issues as partisanship and public criticism of government policies also expressed earlier from a government perspective by the respondent in the same section.

Peaks in both the youth and housing sectors have found advocating an essential part of their operations despite the continued threat of being defunded for it. As far as a national youth peak is concerned, there was no question of compromise and they developed advanced forms of lobbying.

*Those people have immense value and a sophisticated lobbying approach. They do this by using people out there causing problems, being radical, making noise, and others doing the velvet glove approach and really trying to advance things forward on a pragmatic and incremental basis. You need both, there's no doubt about it at all. (Interview Respondent 68)*

An alternative view on funding was given by a respondent of one of the specialist peaks, a federated body of consumer organisations:

*The organisation was defunded in 1996 and since then it actually closed down for a short period and reconstituted with a constitution that suited an organisation, that no longer had a reliable or solid resource base. It is my personal view that funding for consumer peaks in Australia will ultimately not be something that will be driven by government, and even arguably shouldn't be driven by government. I think we are getting to a point where consumer input in Australia has to go down the same path that it has in the United States, where there are other streams of funding set up by either modest levies on utility services or compulsory contribution from industries. So that there can be effective consumer comment made in that area of service delivery. But, going back to old models of governments just providing broad and increasing funding to cover all areas of operation—I don't think that's ever likely to happen again, and nor do I necessarily think it should happen again. (Interview Respondent 70)*

Is the above one person's vision of the future? Alternatively, wish fulfilment of a disillusioned ex-funded organisation? Ideas of future funding and peaks in tomorrow's world will be discussed more fully in Chapter 5, Section 3.

A more pragmatic present-day view was presented by another specialist peak:

*I think the government has more to lose than to gain by defunding us. For a very small amount of money from the government's point of view, why bother giving themselves a headache. It is much easier from their point of view to keep on funding us that's assuming they're rational, which they have demonstrated time and again they're not. (Interview Respondent 12)*

This consumer organisation made a critical assessment of government bureaucracy and funding insecurity born of bureaucratic ineptitude in a fragile relationship with community consumer groups.

*I actually believe that because this program has not been run before in the department they lack the necessary skills to administer a grant program to a community group. We are all familiar with the way these government departments work. I have been working in the community sector all my life and I've never come across such irrational approach. But, I don't think it's deliberate, I think it's incompetence, I think they actually don't know how to do it, and so they really have no idea how inappropriate their ideas are. One of the things*

**Australian Community-Sector Peak Bodies – Chapter Three**

*they require us to do is tell them who we consult about policy development and what each of them has said. In addition, we pointed out to them that if we had to tell them what each member said then that none of our members would tell us anything. Every year they ask us to do ridiculous things and every year we do not and we have not lost our funding yet. However, there's a constant threat and in fact the program is about to finish, so I do not know what will happen next. Personally, I am used to living with that level of uncertainty and I am not particularly concerned about it. I do not believe the Government will defund us because in the end we're quite good value for money. (Interview Respondent 12)*

Another issue that has arisen with the youth and housing peaks is the government concept of working together in partnership. However, as this respondent from a national youth peak points out:

*Partnership is a bullshit word, I think, at the end of the day. It does not really mean a lot. I think what 'partnership' is trying to achieve from the point of view of the Howard Government context is sort of, as well as outsourcing the service delivery, outsourcing the role of government. There is a difference in saying that within a broad society there are different stakeholders that have different roles. Moreover, this is negotiated as an evolving role interfaced between different institutions, to saying, 'we do not want to do this role any more, we think you should be doing it', which is what the Howard Government's partnership is all about. (Interview Respondent 68)*

That cynical view of government attempts at linking with the community sector through its representative organisations is outmatched by its move to communicate directly with the sector. This respondent was quick to point out the disadvantage of this kind of community interlock.

*It's not surprising that when the Government defunded AYPAC it chose to play the youth participation card back against the sector by saying 'we'll go directly to young people rather than youth workers in getting advice and views'. The interesting issue then is about the construction of youth. AYPAC had a very deliberate mandate on disadvantaged youth issues as a primary focus, not the whole focus, and the youth round table becoming much more about the great young achievers as a model of young people and being about people that are future leaders engaged in the community, clean and washed, and presentable. There was a very different approach there. Nevertheless, it is not ever going to be a replacement for a year-round 365-day-a-year policy body. The Government never admitted that. Whatever value the round table has it is not able to look at policy, details like a peak or a research body can do. (Interview Respondent 68)*

Youth and housing peaks, as well as the consumer specialist peaks mentioned were faced with a number of problems in their relationships with government. The issue was always funding and survival, but as both the national youth and national housing peaks cited above have made clear they are unwilling to sacrifice their integrity when faced with extinction. An uncompromising Government was just as determined to defund them, for as one respondent simply stated it, 'the Government does not like peaks'.

### 3.7 SUMMARY

In this chapter, 48 national peaks and one international peak body from the survey, plus nine interviewees from organisations not included in the survey, are represented. Combined, the surveyed peaks produced the findings seen in Table 3.7:1 below.

**Table 3.7:1. National Peaks' (Including One International Peak) Relationship with Government (N=49)**

<u>Federal Government Funding:</u>		
Less than 50% of income	13	26.5%
More than 50% of income	21	42.8%
<u>State Government Funding:</u>		
Less than 50% of income	7	14.3%
More than 50% of income	1	2.0%
<u>special Program Funding:</u>		
Less than 50% of income	14	28.6%
More than 50% of income	1	2.0%
<u>Loss of Funding due to:</u>		
Political activity	8	16.3%
Mismanagement	2	4.1%
Change in legal statute	1	2.0%
Change in funding guidelines	8	16.3%
Reduction in monies	1	2.0%
CPI reduced by efficiency dividend	1	2.0%
Conflicts over policy	1	2.0%
Short term contract only	2	4.1%
Funding reductions	1	2.0%
Failure to federate	1	2.0%
Change in program	1	2.0%
<u>Government Pressure:</u>		
Withdrawal of all funding	9	18.4%
Withdrawal of part funding	10	20.4%
More government administration/control	7	14.3%
Control by outside agency	3	6.1%
Cease media commentaries	6	12.2%
An adoption of government policies	1	2.0%
Funding situation under review	1	2.0%
Expect to do more on same funding	1	2.0%
Being ignored by government	1	2.0%
Incompatible with government direction	1	2.0%
Alert government in advance of media activity	1	2.0%
Inconsistent/impenetrable performance indicators	1	2.0%
<u>Nature of Relationship with Government:</u>		
Amicable	8	16.3%
Uncertain/Distrustful	23	46.9%
Tense	13	26.5%
Completely broken down	3	6.1%

This table shows a grim reality for national peaks, with more than 50% losing some of their funding, nearly a fifth having lost all of their funding, and 80% of them in a negative relationship with government. The findings indicate that nearly a third of these peaks had lost their funding because of advocacy or changes in government funding policies. Claims made in the interviews that defunding was a way of handling peaks for (non-partisan) political activity or that defunding was due to government policies on funding peak bodies might seem to be borne out.

It is clear from the figures, though, that the most fractured relationships exist with the health, youth and housing sectors, which have suffered the heaviest losses of funding, as well as having relations with government that have completely broken down. The comments made by peak executives in these sectors make it appear certain that both defunding and the non-existent relationship are the outcomes of persistent advocacy and/or heavy criticisms of government policies. Both the figures and interview material indicate drastic funding loss and almost as severe fractured relations with government among some disability, aged, women's, non-English-speaking background and indigenous peaks as well.

However, the comments by the government bureaucrats should also be taken into consideration. These indicate that the Government is not as vindictive as many peaks believe it to be. They also point out that peaks that undergo an 'unreasonable' campaign of publicly criticising government policies may suffer the consequences by having their funding withdrawn. Not as censorship so much but, because it is a failure by the peak to fulfil its commitments to government as representatives of the community sector.

Yet, peak bodies are insistent that Government reacts against them when its policies are resisted. Government constantly implements policies without consulting with peak bodies representing their sector's needs, and that the bureaucracy is either incompetent or inadequate in dealing with the complex issues of concern to peaks and their sectors.

The view that 'the Government hates peaks' is obviously far too simplistic. It is more a clash in ideological and political viewpoints about the roles and functions of peaks in modern democratic society. At a practical and administrative level, much of peaks' grievances over government attitudes and bureaucratic administration may be reasonable from their perspective. However, some peaks seem to find it very difficult to learn to work strategically with conservative politics and outside the 'social justice' perspective, which has traditionally been associated with the Labor party. A number of peaks did not participate in this study have decided to adapt to the political environment and work within the post-welfare state era. Nevertheless, there does seem to be a persistent misconception by both peaks and government of each other's role [in representing community needs] that seems to prevent a real and equitable partnership from being developed.

## 4. STATE-WIDE AND LOCAL PEAKS

### 4.1 NEW SOUTH WALES I

Some of the problems that we have seen associated with national peak bodies in their relationships with the Federal Government are also found amongst state-wide peaks' relationships with the State Governments. However, where similar problems exist at both levels of operation, in the case of state government relations the difficulty appears to be more localised; that is, the relationship tends to break down due to departmental and bureaucratic directions, rather than because of an across-the-board government policy. The problems between state peaks and government do not necessarily begin at the top, nor are they politically motivated to the degree that they are in relations between national peaks and government. An exception here, at least in the past, appears to be in Victoria, where a number of peak bodies were defunded under previous Coalition Government policies. The following comment by a respondent of a major peak in New South Wales seems to sum it up:

*I think there is a big difference between State and Federal Governments at this time in terms of pressure, and I do think there is much more pressure from the Commonwealth Government to muzzle or control peak bodies than there is from the State Government (in this case, New South Wales). That does not mean there is not any pressure from the State Government, because I think there is. However, I think it is less intense from the State Government in this state. (Interview Respondent 2)*

In this section, we will investigate the situation of New South Wales's general welfare, health, aged and disability peaks' relations with the State Government. These are encapsulated in Table 4.1:1 by examining the findings from the five general welfare peaks, four health peaks, three aged peaks and four disability peaks that participated in the survey:

**Table 4.1:1. NSW Peaks' Relationship with Government (N=16)**

	<u>General</u>	<u>Health</u>	<u>Aged</u>	<u>Disability</u>
<u>Federal Government Funding:</u>				
Less than 50% of income	1 6.3%		2 12.5%	
More than 50% of income				2 12.5%
<u>State Government Funding:</u>				
Less than 50% of income	1 6.3%		1 6.3%	1 6.3%
More than 50% of income	2 12.5%	3 18.8%	1 6.3%	1 6.3%
<u>Local Government Funding:</u>				
Less than 50% of income				1 6.3%
<u>Special Program Funding:</u>				
Less than 50% of income		1 6.3%	1 6.3%	1 6.3%
<u>Other Government Funding:</u>				
Less than 50% of income	1 6.3%		1 6.3%	
<u>Loss of Funding due to:</u>				
Political activity		1 6.3%		1 6.3%
Change in funding guidelines		1 6.3%		1 6.3%
Reduction in funded monies	1 6.3%		1 6.3%	
<u>Government Pressure:</u>				
Withdrawal of all funding		1 6.3%		
Withdrawal of part funding	1 6.3%			1 6.3%
More government administration	1 6.3%			2 12.5%
Control by outside agency				1 6.3%
Cease media commentaries		1 6.3%		
Pressure to seek private funding				1 6.3%
Govt. representative on committees		1 6.3%		
Govt. involvement in staffing	1 6.3%			
Bureaucratic abuse of peak		1 6.3%		
Other pressures	1 6.3%			
<u>Nature of Relationship with Government:</u>				
Amicable	1 6.3%		1 6.3%	
Uncertain/Distrustful			1 6.3%	2 12.5%
Tense	1 6.3%	2 12.5%	1 6.3%	2 12.5%
Completely broken down	1 6.3%	1 6.3%		

It is clear from the findings in the above table that a number of peaks have fractured relationships with the New South Wales Government, including two whose relationships have completely broken down. Nevertheless, on closer examination, it will be seen that loss of funding is less severe than in the statistical profile of national peaks in Table 3.7:1. Pressures on the state peaks listed in Table 4.1:1, such as increased government administration, government involvement in peaks' committees and in their staffing procedures, as well as being abused by bureaucrats, all indicate that problems are located in relations with departmental administration of peak funding and not in relations with the Government itself. The comments by four general welfare, three health, two aged and three disability peak executives who took part in interviews we conducted with them (including an organisation that did not participate in the survey), further bear this out.

The following comment by a participant of a large state-wide peak for aged services illustrates a level of mistrust of government in some policy areas, such as the introduction of tendering for funding:

*We just had a session at a community care conference we ran recently about the impact of competitive tendering and there's clearly a lot of distrust about the motivations of government, both at the political level and the departmental level, in terms of what they're really trying to do through competitive processes and the way they view their contract relationships with providers. (Interview Respondent 35)*

However, further on in the interview this respondent strikes a much more positive note about government relations:

*It is not too bad. Usually when we go knocking we get access and there are a number of standing reference groups and committees that we are involved with in a routine fashion. I do not see the doom and gloom that some other sectors feel about the Government in that sense. However, there are certainly some tensions in the relationship from time to time. (Interview Respondent 35)*

A respondent from a disabilities peak paints a darker picture in government relations with their organisation, but one that seems centred on the minister rather than any partisan political approach:

*They never clearly stated what the rationale for [competitive tendering] was, but the timing occurred after a particularly savage interaction between the disability sector and the Home Care Department and their Minister around funding, personal care. In addition, there was a very strong sense that people actually felt that one of the objectives of this kind of competitive tendering program was to get rid of some of the troublesome organisations. We are widely regarded as a troublesome organisation because we are very outspoken and we have a very bad relationship with the Minister because of being outspoken. (Interview Respondent 63)*

A mental health organisation respondent expressed concern over another policy approach by the State Government:

*I think the partnership model is fine, but it is extremely airy-fairy and it needs to be backed up by policy, by words—well, taken more seriously. Often they will be saying, 'We're in partnership', but what does that mean? We do not feel like we are partners. We feel like the decision will be ours but the crunch will come our way. That is probably overstated, but it has that ring to it. (Interview Respondent 34)*

Peaks complain that they are treated in a rather flippant way and taken for granted by the Government, and this seems to be at the core of a relationship that, on the surface, appears to be respectful of the role of peaks.

*The central point is that governments need to move away from this mealy-mouthed, crumbs-off-the-table grant contribution approach that they have towards NGOs, and treat them seriously as service providers and provide funds for the delivery of services that are rational, that are costed, with properly built-in things like cost escalation, like insurance, and such legislative and industrial requirements that NGOs have to meet in relation to their staff and those sorts of things. Cost them properly so that the NGO can provide the service properly, as their counterparts in the public health system do. Just because we are charities, it does not mean we do things cheaply. They should move away from that for that is not good for the Government or for the sector. (Interview Respondent 8)*

Relationships with government have suffered because of the introduction of tendering. It has meant defunding for some long-serving peaks previously funded on a continuous program. Funding threats were made insidiously, by changing the funding criteria on the role of 'advocacy' to meet newly devised government objectives. A respondent of a mental health peak mentioned earlier has this to say about it:

*Australian Community-Sector Peak Bodies – Chapter Four*

*I don't know if you are aware of it but they have tendered out all of their advocacy and information services and this is a huge shift; I mean, it involves people who have been working steadily in the field to be suddenly told: 'Well, we are going to tender out your service. You will be defunded and have to apply again, and you will have to make your service to clients what we're looking for'. So, instead of going to individual services and saying: 'Look, we really want to up the degree of individual advocacy that's happening as opposed to systemic advocacy, how do you think your organisation can help us with this?' –That would be a nice consultative way of going about changing it–instead, they have just said: 'we are stopping your funding and you have to reapply. If your organisation looks like what we are after then well and good, but if not, then goodbye'. It is very combative, I think. (Interview Respondent 34)*

That comment found support from a respondent of a peak for aged and disability services in NSW:

*The NSW Government suddenly said: 'we are not going to be providing funding for systemic advocacy any more. We are going to be providing for individual advocacy'. Now, if you advocate on behalf of an individual the world does not change. It needs systemic advocacy; it is the advocacy about the whole issue, not about one particular person's ability to get housing because they are a person with a disability. It is about the fact that there is not enough housing together for people with disabilities. So, they attempted and it was a major attack. (Interview Respondent 79)*

The change in focus from systemic advocacy to individual advocacy reflects a neo-liberal emphasis on the rights and needs of 'individuals' and less on groups of disadvantaged people, or systemic reasons for their conditions or problems. To the above respondent it was another way of defusing political activity, whilst defunding the most active peaks at the same time. Defunding of organisations by the State Government, though, can also occur whenever non-government organisations refuse to toe a bureaucratic line, as this respondent of community peak points out:

*When we were asked to sign our contract for funding by the Department of Family and Community Services two years ago, we questioned the Department's amount of control, such as access to our records. The Government thinks it should have unlimited access to all our documents and we thought that unreasonable. (Interview Respondent 3)*

When asked if this was a reason for the recent loss of their refunding, the participant replied that 'It was probably one of the things'. Another means of losing funding is through being overworked and not being able to compete with the larger organisations, according to a respondent of a large aged service peak:

*We miss a lot of funding because nobody has the capacity to go for it any more, and that is when the big charities come in. They can just come in and take the lot. However, they do not know the community. Everything gets lost and they don't work well with the established community sector, and that's what we found in Sydney with a lot of the charitable organisations that were getting a lot of the community care packages. They just do not network. Interview Respondent 11)*

Yet, another shift in funding policies is seen as an outcome of internal government restructuring and major organisational and operational ways of working across policy areas and portfolios. Part of this comes from the move towards efficiency, a hallmark of New Public Management, but also an attempt to spread depleted state resources around as well as the management of 'risk':

*The politics of all this [loss of autonomy] is the pressure coming from government agencies. If you are going to see some pressure in NSW that's more where the pressure is going to rise because sooner or later if it continues to move down this path–take the Department of Community Services, for example, which is becoming much more focused on child protection and on child and family areas. Eventually they are going to question whether they are going to fund all those peaks, like action policy associations and the large general welfare peaks. They may well be finishing them within the next five years. Health are reviewing their NGO funding program and it's no secret that the current Minister would like to see fewer peaks funded. That is what we can see, those sorts of pressures happening, rather than simply defunding peaks. All of this polar government cross-agency focus on planning, budget pooling, and those kinds of things coming out of State Government at the moment, will lend itself more to funding things that have commonality for cross-agencies long term. (Interview Respondent 1)*

Whether funding is manipulated in favour of government by reducing advocacy-oriented organisations, by weeding out those peaks that resist control, by overwork, or through government restructuring, such

manipulation demonstrates the fragility of peak bodies dependent on government funding policy. It also leads to a reduction in the number of voices heard in policy formation and service-delivery issues.

A respondent of a state-wide general peak feels this is due to peak bodies' failure to diversify:

*In my view, I think it is a false economy to say that you are all about policy and advocacy, or you are all about sector development and membership services. I think you should be doing both, and I think that one of the things we are hung up on is that sort of distinction. (Interview Respondent 1)*

However, as we pointed out at the beginning of this section, for many, if not most, state peaks in NSW, the problems of day-to-day government relationships seem rooted in the dealings of the peaks with department bureaucracies. The feelings expressed in this comment by a peak respondent for mental health services may also reflect the feelings and frustration of many peaks in dealing with the bureaucracy. It also demonstrates the fragile nature of the political process of negotiation, which is undertaken by peak bodies. They have to make strategic decisions in managing complex and contradictory messages given by bureaucrats and ministers.

*There is a real problem for us in our role working with the bureaucracy and working with the Minister. When any issue arises, such as our organisation receiving enhancement funds, the Minister made the announcement, in which he targeted the NGO sector as an area for growth. We have not seen any growth in the NGO sector since that announcement. Now, I could go to the director for the section on mental health in the Department and ask, 'What's going on?' and they will kind of fob me off with 'Oh yes, we have to get this paper developed before we can make some decisions, la-de-da'. So, you will say to yourself: 'I'm not getting anywhere here so I'll go to the Minister', but in doing that you endanger your relationship with the bureaucracy. So, it is sort of, what is the best bet, where should I go? You do not want to antagonise anybody and want to maintain a good relationship all round, but, at the same time, you are not getting any answers. That's a very problematic choice that we face because our funding comes from that section in Health and that's something that you are reminded of every now and again. It is tense. I feel like I walk a very fine line between being ostracised and, because they can do that, if you say things they don't want to hear they will not have meetings with you, they will not invite you to committees. You know, that sort of game is played. (Interview Respondent 34)*

One respondent provides an example of the frustration in the relationship with the bureaucracy and with government in general. Constantly shifting policy priorities, staff changes due to budget cutbacks, and reforms to the public sector make for a very fluid environment. This environment is often hard to read and lacking in stability and policy continuity.

*They start things like a 'compact', which is a model that came from Britain and Canada, which is a compact between government and non-government. They rather announce these things and you think, 'Oh great, they are actually moving down the right path', and then it will sit in the cabinet office for a year and we hear nothing. We all go to the conferences and ra-ra, and then it just 'never goes any where'. It is somewhat like, 'Oh well, they got that out now let us move on'. And then there's the problem of staff turnover and they don't always remember that this happened when you'll get another big announcement on developing better relations, 'We'll have a compact'—again—but because of the changes in staff this could happen every five years without finalisation. In addition, you think that there is really nothing happening. That unfortunately is how organisations are feeling now, and it gives us a sense that the work that we do is not what their main game is. (Interview Respondent 34)*

Another respondent of a state-wide charity organisation had this to say about their experiences with the bureaucracy. In this comment, this peak laments the power held by bureaucrats, contrasting it with those of the executive arm of government.

*Let me say that the pressure from the State Government is greater than from the Federals. I should mention that there are two other things in relation to the State. Through the licensing process what happens is that the bureaucrats exercise policy-making initiatives, with the Government not even knowing. (Interview Respondent 20)*

Such a view seems to contradict the earlier claim that 'there is much more pressure from the Commonwealth Government'. However, the earlier comment refers to government control, as opposed to bureaucratic manipulation as stated in this case. In the following comment by a respondent of a rural social welfare peak, the indication is that relations with the bureaucracy have changed considerably over the years. The basis of the change in working relationships appears to be a 'reconstitution' of the role of peaks in this sector.

*Australian Community-Sector Peak Bodies – Chapter Four*

*In the past we have had a good relationship with them and that's partly because the personnel were supportive of this organisation and reasonably flexible with the various tasks that we do. In more recent times they are concerned with other issues, seeing this as not their role. I would say that in the past, we have had a good relationship with them, but over time, it has deteriorated. (Interview Respondent 18)*

In the next comment by a respondent of a state disability peak, much of what has been said by other peaks is nicely encapsulated. The implication is that the main problems faced by peaks are dependent to a large extent on the 'kind' of relationship they have with individual bureaucrats and not government policies or the implementation of these.

*It all depends on individual bureaucrats really, for some project officers are quite sympathetic and seem supportive within departmental policies, while at times we have difficulty getting through to others. Unfortunately, there's little continuity and officers seem to change quite frequently. Generally, though, the Department and its officers is merely an arm of the Government and have no real interest in or understanding about developing a solid relationship with the advocacy community. (Interview Respondent 3)*

This next respondent sums up the situation as they see it very succinctly with this comment, displaying a different analysis to the issues affecting peak/bureaucratic relationships. It is not just about the individual 'benevolence' of individual officers; it is about many things. These include the dehumanising processes attached to 'work' in a New Public Management post-bureaucratic organisation, one which espouses few core public sector values to guide the way people work with the public. It describes the fragmentation of policy-making processes observed by the British policy author, Rhodes (1997).

*Senior officers do not want to understand. We are like two ships in the night that passes without learning each other's language. All communication is done through paperwork. Rules change too frequently and our contracts are heavily reviewed every 12 months. It is as if people with disabilities are commodities that lack a human context. Advocacy organisations that are completely dedicated to assisting people with disabilities are constantly hampered by this non-human attitude. We are forced into competing with each other to survive at all. Ultimately, it seems that we are part of a government scheme of divide and conquer. There is control from top to bottom with the Minister at the top, advocacy on the bottom, and departmental bureaucrats in the middle. (Interview Respondent 3)*

One government bureaucrat argues that relationships with the sector and peaks are moving to a new phase, and moving away from past problems.

*I think to some extent that in the past has been the case. What we are finding is that we are really starting to break down many of those barriers. The level of consultation, openness, willingness to share inner secrets, if you like, between both government and non-government has been phenomenal. The work we are doing seems to engender a better relationship because both sides can see benefits coming out of it at the end of the day. (Interview Respondent 78)*

A respondent of a health peak does not agree with this, or at least has not yet felt the benefits of this change. Their criticism of the health bureaucracy, which their organisation deals with, is directed at those in the state departmental administration. Both officers and the policies and practices they pursue are seen as highly uncooperative and indeed hostile towards peaks.

*There is a review of the NGO grant management program being conducted by NSW Health now. It is sort of underneath an overall government review of its relationship with NGOs and trying to develop a compact with the community sector similar to the process that went on in the UK. The dynamic tension is that for senior bureaucrats in program areas in departments like Health, for example, the independent and non-partisan kind of tradition of organisations is a great threat. Because we do not work for them and cannot be gagged by them, we periodically undergo an interaction with them that does feel like bullying and threatening. For example, one senior bureaucrat in the Health Department is demanding that our private information is owned by the Department because they pay for it and we are not to release any of it to anybody without their permission, and we're saying 'No, we're an independently incorporated separate entity and own our own intellectual property. We receive a grant contribution from you people for our services and you do not pay for this property and nor do we work for you'. That is an on-going battle and they cannot accept it; they do not like it and will not accept it. I mean, they do not call the Health Department the 'Kremlin' for anything. There is an organisational culture in NSW that I believe is belligerent, with aggressive behaviour amongst its senior functionaries in relation to the non-government sector and in relation to other professional organisations. They are very arrogant people, they think they know what's going on, and they are running the government agenda, and so we just better get behind it. However, they are incredibly inefficient, and one of the reasons they are inefficient is because of the way they work. You do not get good outcomes if you are bullying people around.*

*Australian Community-Sector Peak Bodies – Chapter Four*

*In a true partnership we might agree on outcomes and move forward more quickly, but I think inefficiency comes from their monolithic type of approach. (Interview Respondent 8)*

We asked a respondent from the Department of Health if they could comment on this perception. They were genuinely taken aback by the comments and thought that a deep level of misunderstanding obviously existed between the Department and NGOs. It is interesting to note the adjectives that are used to describe the kinds of views the Department will entertain and the manner in which these should be presented. It does not indicate what actions the Department takes with peaks, which it may consider to possess illegitimate views or to take illegitimate actions.

*The Department's position is that we are not in the business of gagging our partners. If they have points of view that are legitimate, well-founded and presented in a constructive way then we have no difficulty with that debate being held in public. (Interview Respondent 77)*

The question was put to this respondent about the Department's reaction to a public criticism in the media, which is made, of the Government or of the Minister. It is interesting to note that the main point of contention is using the media in public policy debates, and the response sets out a series of steps or mechanisms for the way in which these concerns 'should' be resolved. Furthermore, the comment indicates that the question of funding a group is shaped clearly on the government (and bureaucracy's) terms. The notion of advocacy and its role in public debate in a civil society are not seen as major concerns.

*What we would do, and I think it is perfectly reasonable, there'd be a phone call asking for the reasons for the statement being made and why it hadn't been brought to our attention first. We would certainly expect of a funding partner certain protocols about behaviour and one of them would be talk with us first if they have a problem because we are their funding partners. If the organisation cannot resolve their problem with us then we would understand they would have other avenues to pursue. If they were a major peak we would bring them in for a meeting and have a discussion. We would not move against their funding in the short term, but if there were repeated behaviour of that nature and we simply couldn't establish a reasonable relationship with that group except in the public domain when we were always on the defensive, then we would have to call into question whether it was an effective way of using our money. (Interview Respondent 77)*

Some peak respondents felt some sympathy with the problems facing bureaucrats who had to respond to their political superiors when intensive lobbying or criticism of an issue was raised in the media. Some peaks felt it was naive to go to the media without exhausting all other avenues or giving the Department/Minister a courtesy call before taking such action. This difference of opinion about the role of the media in campaigns and policy lobbying reveals differences in sophistication and strategising amongst peaks.

On the question of the organisation's intellectual property, the response was as follows:

*My understanding of information we request from them is that it is only that which is relevant to our understanding of what the organisation is trying to achieve, but anything that is private and immaterial is theirs. Our relationship with them involves them delivering, providing a service in NSW for NSW Health to the population of NSW, and our relationship is framed, if you like, to a funding and performance agreement. In that agreement we talk about the service that we would like to have provided and the NGO gives an undertaking or guarantee that that service can be provided and that there are measurable outcomes at the end of it. That is all. It does not go beyond that. (Interview Respondent 77)*

In an afterthought, a government bureaucrat explained further:

*I think we have not worked hard enough at conveying our detailed expectations of NGOs to them, and sometimes they have an agenda that is not aligned to our own. We may not pick that up in the early stages of our relationship with them, and so when a divergence becomes obvious we find ourselves in difficulties and having to talk with them to get back on track. There is probably a lack on both sides here. (Interview Respondent 77)*

In a direct reaction to the tone and nature of the criticism outlined earlier, the government bureaucrat's response seemed to be one of genuine shock:

*I personally think that that comment is disappointing. I think that any senior manager in any of the policy areas that deal with peak NGOs would be quite surprised at that level of comment because it is quite denigrating, especially considering the incredible relationship that has been forged and long-standing relations*

**Australian Community-Sector Peak Bodies – Chapter Four**

*that have existed between peak organisations and ourselves. It is disappointing that these problems have not come out in our quite close working relationship that we have enjoyed. Look, they have their role in the community environment and that is as a lobby group for their members and to make sure that services are delivered better, but they're in negotiation and partnership with government in being able to do that. They're not funded to do it on their own and it takes government to be involved in that process to get things moving and, you know, enshrine things, enshrine initiatives to make sure there's a commitment. (Interview Respondent 77)*

There is not just a level of misunderstanding between government and peak bodies; when that misunderstanding reaches the significance and extent that we are witnessing here, there is also a sense of betrayal on both sides. As the above quotations indicate, both parties construct major policy and operational management funding concerns as 'relationship issues between individual policy actors'. We would suggest that some of the problems experienced by peaks and funding departments may manifest themselves as 'relationship concerns', but the causes are more complex than this analysis suggests. We will explore this avenue of government–community sector dissents further in this next section on NSW.

## 4.2 NEW SOUTH WALES II

In this section, we continue our review of surveyed state peaks in New South Wales and highlight essential commentaries by peak and government personnel from the interview material. Twenty-one peak bodies from the survey are represented here, including three women's peaks, five peaks for children's services, four for non-English-speaking background organisations, one youth peak, two for homelessness organisations, two legal peaks and four specialty peaks. Table 4.2:1 indicates the nature of their relationship with the NSW State Government.

**Table 4.2:1. NSW Peaks' Relationship with Government (N=21)**

	<u>Women</u>	<u>Children</u>	<u>NESB</u>	<u>Youth/ Homeless</u>	<u>Legal/ Special</u>
<u>Federal Government Funding:</u>					
Less than 50% of income	1 4.8%	1 4.8%			
More than 50% of income					1 4.8%
<u>State Government Funding:</u>					
Less than 50% of income	1 4.8%	3 14.3%	2 9.5%	1 4.8%	1 4.8%
More than 50% of income	1 4.8%	1 4.8%		1 4.8%	1 4.8%
<u>Local Government Funding:</u>					
Less than 50% of income	1 4.8%				
More than 50% of income			1 4.8%		
<u>Special Program Funding:</u>					
Less than 50% of income	1 4.8%	2 9.5%	1 4.8%	1 4.8%	
More than 50% of income					1 4.8%
<u>Loss of Funding due to:</u>					
Political activity			2 9.5%	1 4.8%	1 4.8%
Change in funding guidelines		1 4.8%			
Change in program		1 4.8%			
<u>Government Pressure:</u>					
Withdrawal of all funding			1 4.8%		
Withdrawal of part funding		1 4.8%	1 4.8%		1 4.8%
Control by outside agency		1 4.8%			1 4.8%
Cease media commentaries		1 4.8%		1 4.8%	1 4.8%
Review of funding situation		1 4.8%			
Do more with same funding amount		1 4.8%			
Impenetrable/inconsistent performance indicators		1 4.8%			
<u>Nature of Relationship with Government:</u>					
Amicable		2 9.5%	1 4.8%	1 4.8%	
Uncertain/Distrustful	2 9.5%	2 9.5%	1 4.8%	1 4.8%	4 19.1%
Tense		1 4.8%	1 4.8%	1 4.8%	1 4.8%
Completely broken down			1 4.8%		

The configuration in this table is relatively uneven compared with the previous findings of the surveyed NSW peaks, in that peaks in one sector, viz. the peaks for children's services, appear to have considerably more difficulties than the others. Also, nearly a fifth of the peaks in the table indicated they had an amicable relationship with government, compared with little more than 12 percent in the table in

the previous section. Some of the differences here might be related to the greater number of peaks in the earlier table, which are funded by the Department of Health. As indicated in the comments by respondents, their organisations were experiencing difficulties in their relationships with that Department. Nevertheless, as the comments by respondents below make clear, relations with other government bureaucracies, mainly in the Department of Community Services, are far from smooth.

The following comment by a respondent of a large state child welfare peak highlights the kind of antagonism that sometimes exist between government and non-government organisations, particularly in child welfare:

*There is a long-standing conflict of interest between the non-government sector and the Government around child welfare issues and a lot of it is about funding. There is a constant interplay with Government around child welfare matters. It is very sensitive and there is no doubt that every time we raise an issue, whether that is in correspondence with the Government or publicly through the media, there is no doubt that we do a mental check on sensitivity and have to rethink very carefully on how hard to go on an issue, how public to go on it, and we are constantly evaluating those kinds of actions. (Interview Respondent 2)*

A government bureaucrat was asked to respond to this perception.

*I think that comment is true and not surprising, particularly in terms of the out-of-home care area because there's been a lot of difficulty between government and the non-government sector in trying to arrive at an agreement on that. But we still seem to be unable to overcome some of these obstacles, even when there is the best of intentions on both sides. The feeling about not speaking out because they might be defunded is part of the culture and founded on very little reality. Because in my experience in DOCS over the last ten years I can think of very few services that have been defunded. Moreover, none that has been defunded because they've advocated on behalf of their clients or on behalf of the sector, saying things that the Government doesn't like. In fact, very rarely are they defunded even if their performance is not great. We tend to work with peaks to try to improve their performance rather than defund them. I think that the perception, or rumour, of defunding for speaking out can be quite a useful way of stirring people into action, or a way of injecting some emotion into a debate but I don't think it's got much reality to it. (Interview Respondent 88)*

It is interesting to note, the very different perceptions between peaks and government officers about the potential for social advocacy (for example using the media) to create difficulties for the on-going funding of organisations. Certainly, there is anecdotal evidence of organisations being defunded following very public media campaigns. Whether or not there are other issues of concern, i.e. internal management problems or financial accountability issues, which coincide with defunding, the community sector is very aware that going to the 'media' is seen as a major threat by governments. At another level, as the public servant indicated, the reality of this perception may remain largely untested for many organisations.

Immigration is another contentious area that has experienced relationship difficulties, as this respondent points out:

*If we get frustrated with the bureaucrats, we are able to tell them about those frustrations. They are frustrated sometimes about stuff too, but we all try to do the best we can for our client group, who are newly arrived migrants and refugees. Therefore, in order to do that we have to maintain an amicable relationship with government, otherwise I think we would be failing our clients. The advocacy thing is a big thing now, but I think also so is funding and how the Minister has the discretion to decide who is funded and who is not funded. The funding round used to be every three years, but now it is every year. It is very hard to do anything when you know that the following year you have to reapply for funding. You spend a lot of time writing reports, filling in a submission document, and with the kind of work that we do it's hard in one year to show a very positive outcome. (Interview Respondent 56)*

Another area experiencing somewhat strained relations with government is the women's sector. A respondent of an organisation that was defunded a few years ago explains:

*We suffer a little from the fact that when a Liberal Party is in power they think we are a front for the Labor Party. However, when Labor is in government they think we are a front for the Liberal Party. I suppose any government is going to feel that way about any organisation that queries, questions, or lobbies them for things. In addition, when we do attack them it is because largely the things they do are just not helpful to women at all. Unfortunately, this Federal Government has a very patronising attitude towards women and we object to that. You know, the Prime Minister said he could not find a suitable woman to be Governor-General. That is*

*Australian Community-Sector Peak Bodies – Chapter Four*

*incredible! We are a bit of a needle in their side because so many things they do are retrograde as far as women are concerned. (Interview Respondent 32)*

Another women's group, which has, maintained its funding, has a somewhat ambivalent reaction to government:

*Overall, we have a very good relationship with the Government. However, we are always a little bit apprehensive and not quite sure what's around the corner. When it comes to the bureaucrats we are a little bit unsure, but with the policy people, we have a very good relationship with them. (Interview Respondent 9)*

A government bureaucrat in DOCS had this to say about relationships with non-government organisations:

*There is that sort of power imbalance in that we hold the purse strings, but whilst there is that power imbalance we recognise that to provide good services to the community we need to have good relationships with them and we need for them to be good service providers. It is a partnership in that sense, but there is a power imbalance. However, the reality is that if you look at the political fallout to defund them this is problematic. Therefore, I think they have more power than they give themselves credit for. (Interview Respondent 85)*

Women's groups, children's services representatives, migrant, youth and homelessness peaks are all prominent in advocating rights for their respective sectors because of the controversial issues that conflict with government policy. As we have seen elsewhere earlier, advocacy brings with it an implied threat—real or otherwise—to an existing funding program, as this respondent of a youth organisation points out:

*It is always a challenge for a peak organisation or a lobbying organisation to know how critical they can be in the media while maintaining a relationship with the funding body. They are less likely to blast an organisation for its advocacy, but they are more likely to freeze them out, or reduce opportunities where that organisation can be involved in innovative and new developments. (Interview Respondent 6)*

Whilst we have earlier cited responses by bureaucrats to the fear expressed by many peaks that their advocacy will bring them an inevitable defunding, a government bureaucrat in DOCS reinforces the comments but brings a new insight to the issue:

*I think there is a tension there. I really do think that funding in the terms of the agreement, in the way we fund NGOs by reviewing them each year, there is scope to cease funding them. However, in reality that is very difficult. Politically, it is very difficult to defund an organisation, unless they have severely breached their conditions of funding. The reality is, yes, the Government could stop funding them if it believed that the organisation was not providing a useful service, but you could also have political fallout over it. Therefore, maybe the fear about being defunded is a bit greater than the real situation. However, I also think that to have a constructive relationship from our perspective, the NGOs that are most effective are the ones that can build constructive relationships with government. However, I think they always have to assess whether they should be completely blunt and embarrass the Government versus the danger of destroying a good relationship with their funding body. So, yes, there is a real tension there but the reality is that it is very difficult to defund an organisation that is funded to be a policy advocate in a policy advocate role. (Interview Respondent 85)*

Another issue that was found amongst some of the NSW peaks was that concerning funding the large charities. The following comment comes from a respondent of a homelessness organisation.

*The thing about governments now is that they really seem to be trying to eliminate small services and concentrate on giving funding to the big four: the Salvation Army, Mission Australia, the Uniting Church and St Vincents. However, charity money is very stretched now and I know this from Mission Australia, who give us service in kind. We have our general meetings and they provide members with lunch on that day. Therefore, they make a small contribution that way. However, their donation money has been shrinking and shrinking over the years and they just cannot provide any more. (Interview Respondent 4)*

Despite funding programs appearing to favour large charity organisations, there seems to be praise, especially of their efforts, rather than bitterness, by many small organisations. This can be seen in the following comment by a respondent of one small unfunded network peak:

*Some of the church groups, such as St Vincents, as a whole are not too bad, and the Sallies, up at the top, might be esoteric but we find them marvellous because they go to so many meetings trying to find out what it's really like and they're very good about it. They don't think we're a bunch of ratbags and they refer heaps of*

*Australian Community-Sector Peak Bodies – Chapter Four*

*people to us—not consistently, because they know the sorts of things we do—which means they go to a lot of trouble. (Interview Respondent 7)*

Government bureaucracies—administratively and interactively—are another area in peak body operations that come under heavy criticism. The crux of the problem in government / non-government relations is a lack of trust.

*I do think we do have a constructive relationship with some bureaucracies. However, in terms of the relationship between DOCS and the non-government sector and, in particular community-services peaks, I think there is very little trust there. Like any relationship, it should be a two-way thing, but DOCS has trouble trusting the non-government sector, and the non-government sector has very little trust with DOCS. I think the relationship is dysfunctional—broken down. There are still some good people in the Department, but I think the organisational relationship has really deteriorated. I think it has to do with [staff] turnover at DOCS and because of changes in staff and changes in government policy from the Minister's office. I guess, DOCS has made an effort at times, but then the environment changes, or the staff changes, and DOCS backs away from its earlier commitments. Organisations feel they cannot trust DOCS because nothing ever stays the same. (Interview Respondent 6)*

A government bureaucrat said that the Department was putting a lot of effort into overcoming these difficulties.

*We have been developing good and direct relationships with peaks, and our director-general, probably in the last six months or nine months, set up what's called the DOCS Dialogue, which is inviting the peaks in every couple of months for a discussion across the table on anything that the peaks want to talk about. Therefore, I think we have probably moved on from that. (Interview Respondent 88)*

Much of the effort at maintaining good relations also rests with peak organisations themselves, as one respondent points out:

*It's in our own interest to make them understand that while we will be critical at times when we feel that's necessary, we also want to maintain a constructive working relationship. Some government agencies are better at working in that constructive way than others. DOCS, for instance, are not good at building relationships, whereas with some of the other government departments it is a lot easier. (Interview Respondent 6)*

To return to the persistent bugbear of advocacy and funding security, the government officer wanted to make clear what the Department's role was, as well as the peak body's role:

*In the community services grants program we've been negotiating a services framework for that program that looks at the objectives, the key activities, the outputs and outcomes for services that are funded through that program, and one of the objectives applies to peak organisations and provides key activities that include advocacy and developing service infrastructure and all those sorts of things. I think that in those negotiations it was clear that there was a point beyond which it is unacceptable when activities are politically involved using that Government's money. What they do with their own money is, of course, their own business, but I think the SAAP and CSCP services framework does demonstrate the parameters within which we fund peaks, and the peaks have agreed with that in our negotiations. (Interview Respondent 88)*

Such a commentary emphasises the caretaker role of government departments with respect to administering public monies. During the Thatcher era in Britain, development NGOs such as Oxfam were sued for using government funding to lobby and advocate against funding cuts to the overseas aid budget. Changes were made to the administration of the Charities Commission to make it clear that any lobbying or advocacy work had to be funded privately (Melville, 1999b). It has been argued (Melville, 1999a) that neo-liberal ideas and New Public Management, once entrenched in the Australian political culture and public sector, would lead to similar restrictions on the use of funds here. It seems less clear cut than in the British context.

However, in the interest of greater clarity, there is more to the grants program than simply the way public monies are utilised. In this next comment by another DOCS officer, the Department's wider expectations of peak body activities within its programs framework are explained further. The clear priorities are 'information, support and advice on policy and operational issues' and not lobbying activities or advocacy per se.

**Australian Community-Sector Peak Bodies – Chapter Four**

*Through the development of our service frameworks in our program, in terms of the peaks, there are three objectives and the third objective is actually designated to validating the role of peaks. In that framework, we talk about peaks providing information, support and advice on policy and operational issues to services in the sector in the community. So, in a sense the role of peaks is validated through this framework. DOCS is recognising that they have a role in all of that, whereas with a lot of other program reforms that have happened in the last ten years I think some peaks have felt that their role has been seen as not useful because they are not necessarily a direct service provider. However, we are saying, 'Look, we need to look after the industry, we need to spend dollars in developing and supporting the industry as a whole'. That is where the peak comes into being. We fund them and we want to continue to fund them to do that. (Interview Respondent 85)*

This positive outlook suggests that there is some hope that those future relationships between the Department of Community Services and peaks will improve. The Department of Health, the other major funder of peak bodies in New South Wales, as we have noted, is also reviewing its relationship with NGOs. However, this appears to be a more difficult task to mend because of deeper fractures that exist, as emphasised by a respondent of a health peak cited earlier. Apparently, the relationship is highly conflictual. As noted earlier, state peaks appear to have their most critical problems with government bureaucracies rather than with the Government's political machinery and its policy makers. One way to overcome this level of discontent and mistrust might be to develop a working relationship that is truly democratic. DOCS feel that it is part way to achieving this through their concept of 'community partners'.

*We use the term 'community partners' when we are talking to NGOs, although one or two peaks have reservations about that term. But, we continue to use it because it is a statement about how important we think that relationship is, and it's important for us to use that language, even if there are those in the non-government sector who don't agree with it, because it sends a message to our staff as well about how they should be relating to the non-government sector. (Interview Respondent 88)*

The idea of 'community partners', though, will need much more than just rhetoric if it is ever likely to take root as a function in reality. There is considerable scepticism about this notion amongst NSW peaks. Peaks are waiting until it get some 'trainer wheels' and there are some tangible mechanisms put forward about ways and means by which to achieve a real sense of partnership.

### 4.3 VICTORIA

Only two state-wide peak organisations in Victoria took part in the survey. One is a child-welfare peak and the other a youth peak. The reason for such seeming lack of interest by peaks in this state is not complacency, but because of the previous State Government's negative reaction to peak bodies, resulting in a large number of organisations being defunded. A concise appraisal of these two peaks' relationship with the current State Government can be seen in Table 4.3:1 below.

**Table 4.3:1. Victorian Peaks' Relationship with Government (N=2)**

<u>State Government Funding:</u>		
More than 50% of income	1	50.0%
<u>Special Program Funding:</u>		
Less than 50% of income	1	50.0%
<u>Loss of Funding due to:</u>		
Political activity	1	50.0%
Change in funding guidelines	1	50.0%
<u>Government Pressure:</u>		
Withdrawal of all funding	1	50.0%
<u>Nature of Relationship with Government:</u>		
Uncertain/Distrustful	1	50.0%

Only the youth peak responded to any questions in the survey pertaining to the variables about government relationships. This peak was totally defunded partly because of its advocacy and had an uncertain relationship with the Victorian Government. The child-welfare peak was never funded and did not indicate the type of relationship it had with the Government. The meagre findings in this scanty table

are a sad indictment of the nature of the relationship, which the previous State Government had with peak bodies in Victoria.

The youth peak was asked to outline the reasons why the previous Government defunded it and the events leading up to it and surrounding it. One peak respondent answered in the following way:

*I think there were a number of contributing factors. One was certainly that we were giving the Kennett Government a hard time about what they were doing for the youth sector and the community sector generally, particularly with their privatisation of the community sector by introducing tendering and competition into the sector, but also by insisting on those when people were forced to reconstitute their organisations as businesses, as for-profit businesses, instead of not-for-profit. So, rather than being incorporated associations, they had to reconstitute their organisations. The level of Government involvement in a whole lot of community services here in Victoria during the Kennett years was through influence in the government structures of community organisations and was quite extensive. Certainly, it affects the youth sector, and the competition that the youth sector felt was part of that. That culminated in our core funding being put out to tender and our decision to take an ideological position by not tendering for it. However, it was not as simple as it sounds, for we were told clearly by the powers-that-be in the Minister's office and by departmental officers that should we, tender we would not be successful. (Interview Respondent 44)*

The circumstances surrounding their defunding were related to the Kennett Government's competitive tendering policies which had a profound impact on this peak. However, the organisation was only 'finished off' as a government-funded peak by the Kennett Coalition Government, for much of their funding was lost earlier.

*If you look back a bit further in our history, in 1990—this is a Labor Government—we lost 60 percent of our funding and the folklore around at the time was that we lost it because when the Minister of Youth Affairs came to do a launch at our offices some kids attached to our organisation tipped a bucket of water over him in protest from a second story window, which was not condoned by our organisation. Understandably, he was furious, and in the next funding round, we lost 60 percent of our core funding, which really devastated the organisation. (Interview Respondent 44)*

This comment suggests that ministers of both major political parties have a common notion of acceptable forms of lobbying and the degree to which they may sometimes personalise public protests. This is borne out in an analysis of the documentary data collected from Federal Hansard during this project. We asked a government bureaucrat about the 'Kennett years':

*My understanding was that the [Kennett] Government wanted to put everything out to tender rather than just keep funding the same bodies. What I have been told is that they decided to tender the peak bodies, and various consortia of groups of people put together a proposal for this tender. My understanding is that that happened, but an election was called and the result was uncertain, so that in the meantime the tender process never proceeded beyond the initial stage, or else it was happening during the election and it all fell in a heap basically. No one had renewed their funding and they were defunded because of all of this. (Interview Respondent 76)*

In the current post-Kennett period, the youth peaks and several others have reapplied for government funding and been granted smaller than previous core funding. The respondent expressed a view on the situation under the in-coming Labor Government.

*The [Bracks] Government genuinely views peaks as quite useful things, if it is a peak body that works reasonably well. My view of the youth peak over the past year or so is that it does work reasonably well. Peaks are a useful addition to the policy debate and can provide a bit of outside thinking and leverage that you do not always get within government. One of the ways that this Government can make a point of difference is to say that it wants to consult and be open and listen to views. It came in with various sorts of policies, one of which was restoring democracy, and the Government would consider that part of this democracy is having a debate about things. After the new Government came in the bureaucracy had to remember, or re-learn, how to do consultations. (Interview Respondent 76)*

This comment about democracy is interesting indeed and tends to concur with those who argue that NPM and public choice theories have been accompanied by strong anti-democratic practices, which have reduced the input of advocacy organisations such as peaks (Melville, 1999a).

The peak respondent referred to above also commented about the pressures on the bureaucracies wrought by the change in government:

*Australian Community-Sector Peak Bodies – Chapter Four*

*I think there is a big difference, at least in Victoria at the moment, between the departments and the politicians, and it really depends on your relationship with an individual politician and our relationship with the present Minister of Youth Affairs is excellent. But, I think, certainly there was never a purge with the change in government basically and so what we've got are a lot of bureaucrats who don't know how to do business other than the way the Kennett Government did it. (Interview Respondent 44)*

A bureaucrat expanded on Government expectations of peak bodies, and the way peak bodies might be valuable to the Government:

*If it is a body that is representative of organisations and can speak for several of them—but is it representative? You may or may not end up with a peak body that speaks for all of them. It is easier to deal with one body rather than large numbers of smaller organisations that probably do not have the resources to lobby government or work with government, or whatever. It is useful for government to work with one organisation that has a representative role and in policy debate too, and to add a perspective to the debate, which might not be about policy. It might be about the impact of different programs, or the Government position, or whatever, and they can add a voice to that, as well as undertake particular things for the Government that you asked them to do. (Interview Respondent 76)*

Here we see again a common thread running through this study: on the one hand a need for peaks to provide input into government policy, but on the other the need to 'manage' or streamline the different or multiple voices that claim to speak on behalf on a constituency or constituencies. This argument returns our discussion to the move towards amalgamating peaks attempted by the Federal Government recently, with similar purposes, although not exactly with the same political motivations.

A peak respondent talked of the extensive compromises made and the costs these have for the organisations, as well as some benefits:

*One of the biggest political influences as a result of that history with Kennett and which may even have been happening beforehand, has been rather than coming outright and slamming something that the Government's doing that is crap and often is, what we find ourselves doing is trying to always phrase it in the most positive way possible so that we don't get accused of being a bunch of leftie whingers. Rather than being an advocacy organisation that proves that a problem exists, we have to actually go a whole lot further and as well as prove, rather than just say, that young people who are independent and living away from home on study allowance are 37 percent below the poverty line—for that is true and they can put that out—but we have to go the next step by saying what should be done about it. So, we spend an inordinate amount of energy doing policy work, which I actually think is the Department's job in trying to find solutions to problems that we see in their policy. We sometimes go to very sensitive lengths trying to frame things in as constructive and sophisticated way as possible. (Interview Respondent 44)*

The above peak notes that one of the costs of advocacy is the need to undertake policy development work. Rather than simply criticising from the 'side-lines', they are more empowered when they are able to put forward policy options and solutions. However, as a number of small Commonwealth peaks noted, this work entails considerable resources and staffing. The pay-off may be that the department or minister may take up their policy, but the cost is that they 'feel they are doing the department's job for them'. It is clear that the line between policy consultation, advocacy and policy development is a very fine one indeed. Where does one stop and the others start? Some federal peaks reported an increased expectation by funding departments to undertake policy development work as part of their funding conditions. They considered this an imposition because they received little or no core funding and it impinged on their independence from the state.

Despite the positive changes that have taken place with the change in government in Victoria, this respondent is less optimistic about the future:

*It is still a them-and-us relationship, which we are trying to break down and get into the partnership stuff that the Government is talking about. I am still sceptical about that at this stage. In Victoria, at least, they talk about partnership, collaboration, consultation, and we are still getting a four-day turn around to consult on government documents and things like that. However, that is not real participation. (Interview Respondent 44)*

A government bureaucrat outlines the stresses and pressures of the bureaucracy that often result in placing it at odds with non-government organisations, in an effort at bringing them to an appreciation of the bureaucrats' position.

**Australian Community-Sector Peak Bodies – Chapter Four**

*Bureaucrats have to respond to the needs of their minister and work under constraints that may not be appreciated if you're not inside; it could be the volume of work, or burden of work, or variety of work, or deadlines that have to be met. You are often not as free as you would like to be, or do not have the resources that you would like. I suspect that peaks do not necessarily understand some of the pressures on bureaucrats or the traps for bureaucrats. It may well be that some bureaucrats are not as open or not forthcoming as the peak bodies would like them to be. Alternatively, it could be a personal style that could be a long practice or a habit of not disclosing until a decision is made so that you cannot be tripped up for having misled anyone. (Interview Respondent 76)*

It is clear from the comments above that major problems in relationships between government and peak bodies in Victoria are rooted in the bureaucracy, just as they are in New South Wales. One of the causes of these problems is misunderstanding of the respective roles of peaks and bureaucrats. Analysis of the sources of this misunderstanding needs to go well beyond the 'personal aspects' of day-to-day working relationships. Nevertheless, things in Victoria were far worse for state peaks in the recent past.

#### 4.4 QUEENSLAND

Twelve of the peak bodies participating in the survey were state-wide organisations located across Queensland. Their responses to relationships with the State Government are seen in Table 4.4:1 below. Two of these organisations may be described as general welfare peaks, two representing aged and disability organisations, four in housing and homelessness, one each concerned with children and youth, and two specialty peak bodies.

**Table 4.4:1. Queensland Peaks' Relationship with Government (N=12)**

	<u>General</u>	<u>Aged &amp; Disability</u>	<u>Children Youth</u>	<u>Homeless Housing</u>	<u>Special</u>
<u>Federal Government Funding:</u>					
Less than 50% of income			1 8.3%	1 8.3%	
<u>State Government Funding:</u>					
Less than 50% of income				1 8.3%	
More than 50% of income	1 8.3%	2 16.7%	2 16.7%	2 16.7%	1 8.3%
<u>Local Government Funding:</u>					
Less than 50% of income			1 8.3%		
More than 50% of income					1 8.3%
<u>Special Program Funding:</u>					
Less than 50% of income				1 8.3%	
<u>Other Government Funding:</u>					
Less than 50% of income				1 8.3%	
<u>Loss of Funding due to:</u>					
Political activity			2 16.7%		
Change in funding guidelines			1 8.3%		1 8.3%
Change in legal statute					1 8.3%
Increased duties without increase in funding		1 8.3%			
<u>Government Pressure:</u>					
Withdrawal of all funding				1 8.3%	
Withdrawal of part funding			2 16.7%		1 8.3%
More government administration			1 8.3%	1 8.3%	1 8.3%
Control by outside agency			1 8.3%		1 8.3%
Cease media commentaries				2 16.7%	1 8.3%
Government bureaucrats on executive					1 8.3%
<u>Nature of Relationship with Government:</u>					
Amicable	1 8.3%		1 8.3%		
Uncertain/Distrustful	1 8.3%	2 16.7%		3 25.00%	1 8.3%
Tense					1 8.3%

On the face of it, Queensland peaks appear to be in a happier position than the Victorian organisations, or even New South Wales organisations, for that matter. For one thing, none of the peaks in Table 4.4:1 recorded that their relationships with government had completely broken down. One housing peak, though, recorded the loss of all its funding when the previous Coalition Government was in power. A peak representing sexual minorities lost most of its funding and experienced more pressures from government sources than any other organisation. Nevertheless, overall, a respondent of a housing peak

*Australian Community-Sector Peak Bodies – Chapter Four*

may sum up the situation following the recent change of government to the Labor Party in Queensland in the following comment:

*I think the relationship has improved. I mean there are still difficulties, there always are, and there are always tensions between Government and organisations that advocate for consumers and other organisations. However, I do not think it is as difficult as it was. (Interview Respondent 59)*

Although Queensland peaks did experience some problems in their relationship with the previous Government, including a threat to introduce a tendering process, none of these difficulties was as extreme as with the previous Coalition Government in Victoria. This is not to suggest that harmony exists between peak bodies and the present Queensland Government across the government sector:

*I suppose I would say it is amicable, but we have had different relationships with different departments and different parts of the department. There is a particular area now where there's a difficult relationship because of a policy issue that we do not agree with, there's a bit of an impasse now, and it's extremely difficult. However, with the area where we get our funding from and the particular officer in that area we have a very good relationship. It is hard to give one word to describe our relationship with the Government, but I suppose overall it is amicable. (Interview Respondent 59)*

Not all peak views of their relationship with government are the same and obviously some peaks have a more fractured relationship than others do. This may indicate a perspective concerning relations with a department rather than relations with the whole of government. The following comment reflects the disenchantment surrounding the notion of 'partnership' bandied around by various state governments. The rhetoric is not matched by mechanisms in which to put a 'real partnership' with the sector in place.

*It is a dreadful state of affairs. The relationship between the Government and the non-government sector here is dreadful. It is a whole lot of rhetoric on partnership and God knows what else, but it has taken a backward step in control. They say a whole lot of things in one area, but then conform to a completely different way. (Interview Respondent 27)*

In this next comment from a housing peak, we see the level of discontent is located in relations with the departmental bureaucracy. The level of discontent appears to emanate from a differing view about what policy information should be made available for public scrutiny and input. At the ground level of program, administration there seems little room for dissatisfaction. The problems occur at the policy development stage.

*They invite us in only when it suits them, and if we find out about things after they've gone five miles down the track they say: 'I'm really sorry, I don't think you'd be interested in being involved in that point of view. But, this is what's already been decided and if you would like to make some comment, then fine'. Our distrust level is not at the people at the level of program consultation; it is at the level of the bigger picture stuff. The fact is that we honestly think they do not want us there, or else they think we do not understand enough to be involved at that level. However, perhaps we might have something valuable that we might want to say. I think they are afraid. For me, it is about allowing us to have too much information that we might be able to use to our advantage. So, all we get are dribs and drabs. (Interview Respondent 24)*

A respondent provided us with the Government perspective on relations with the peak bodies in the housing sector, particularly in relation to communication and consultancy processes. It is clear that the department wants to maintain control over the policy agendas. Setting up consultation processes, which challenge this control, could be very threatening to the bureaucracy.

*I suppose from a bureaucrat's point of view I think it would be a fair observation to say that there are times when some parts of the organisation are reluctant, possibly through a lack of confidence about what might happen if we actually go and talk to the community. There's some concern about sharing ideas and if you share your ideas then you might lose control of your agenda. So, one of our roles is to actually work in this area to overcome those concerns and to ensure that consulting with the community is a positive experience and it not necessarily leads to a situation where the community always agrees with what we are doing. It is a valuable exercise and one that does not mean the end of the world. (Interview Respondent 86)*

Even when the Department's position is explained to peaks, often a level of distrust remains. One respondent says this is a symptom of mass-bureaucratisation and lack of support for a specific peak body. In addition, politicians indicated that they already had established regional mechanisms, which provided opinions on government policies.

*Australian Community-Sector Peak Bodies – Chapter Four*

*Housing is a department that is notoriously over administered, for the want of a better word. However, there was neither political nor bureaucratic support for our organisation. When we discussed the possibility of a public housing peak body the bureaucracy's response was: 'Not only is it not on our agenda, we are considering it. It is not on and nor is it likely to be'. You talk to politicians and we got 'Oh well, you've got regional groups there and we can always find out from them what we want to know regionally'. Therefore, it was more that we were not wanted at all. (Interview Respondent 24)*

This leaves unanswered some serious questions about the role of peaks in policy making. Some would argue that peaks are an important, if not core component, of extra-parliamentary processes. They provide input not available to government through other avenues (Melville, 1999a; Sawyer, 2002). The comment indicates that this is not a view generally shared amongst bureaucrats or government ministers. Maybe they fear the proliferation of peaks and then would have to decide whose voice should be heard? Indeed, whose voice should be considered representative if any are representative at all?

For the bureaucrats, the role of a peak body is to help find better and more expedient ways of developing policies that might be implemented by government departments. Peaks are 'seen as a conduit between government and the sector and policy departments. Governments need feedback about their policies and programs to ensure that they are relevant to changing needs' (RPR, Organisation Consultants, 1996 cited in Australian Council of Social Services, 2001:2).

One government bureaucrat puts it this way:

*We fund the peaks knowing that firstly they want to have a good understanding of the policies and objectives of the Department, but not necessarily to say that we expect them to agree with what we are doing. We would, however, at least hope they would have a good understanding of our intent. If we want to be able to make opportunities for the organisation to capture community views then we get the resources to actually manage that relationship, say, for example, in the area of public housing in developing a new policy, then they are confident and skilled enough to be able to maximise their use of the community sector when they undertake consultation. That role is a role in developing, and, I think, the capacity of the organisation to seek community views is improving. I also think the community's capacity to input into the Department's policy processes is improving as well. (Interview Respondent 86)*

There is more scepticism about policy development in the disabilities sector, as a respondent outlines:

*It is more about implementation of government policy and the reform that is required in some policies. I think it is amazing actually if you sit back and pay attention to what is actually happening. It is a state of chaos now. We try to shape a new operation in the disabilities area and get policies that are clear and understood by everybody, but in fact, it is not. It's all, one might say on one hand, ground-breaking stuff with new areas that are flexible and innovative, and setting the pace for all sorts of new ideas, but on the ground in practice it's all chaotic, with organisations waiting for three months for payments to come through for people with disabilities. (Interview Respondent 27)*

As far as this respondent is concerned, much of the blame is with the bureaucracy, or with the bureaucrats:

*I think the bureaucrats now are quite difficult. Although they went along and were seeming to make lots of changes, I think it's going to slam shut with a minister that will take their advice. We are starting to find that lower level bureaucrats are doing the control thing again. They are trying to tell autonomous services what they ought to do and starting to show they are in control. They start to infringe across areas where they have no right to be in, and so all of the relationships break down because they have no respect for the organisations as completely independent organisations. (Interview Respondent 27)*

From the above comment, one sees a public service and bureaucracy imposing quality assurance and accountability measures on peaks and the sector, in the midst of bureaucratic chaos and inefficiency. In a study, McDonald (1999) found that welfare bureaucracies often failed to meet their own standards of internal demands for accountability and quality assurance, sometimes descending into chaos. This is a sore point with the sector. The sector is asked to meet new accountability requirements for their funding and quality of service delivery by departments, which are in a perpetual state of chaos.

The comment also notes the continuing tension between organisational autonomy and state funding. It is a constant source of irritation and not readily resolved. Gronberg (1987 cited in Lyons, 1997:14) suggests that the real issue is to reconceptualise the funding relationship in very different terms. For example, she identified four predominant kinds of relationships between US government funders and

nonprofits. These included cooperation, competition, accommodation and symbiosis. In the Australian context, we seem to remain stuck in the funder as ‘stick holder and threat’ dynamic, which does not allow the sector and the government to move forward. Even so, there are moves within Australia, to develop a more mature relationship with non-government organisations, such as a formal partnership contract or compact.

For a peak on sexual minorities, it is a question of mutual mistrust:

*It is certainly tense on our part because we do not know what they are going to do next. I do not know whether they trust us, but I always wonder when the next funding cheque is going to arrive. The government’s ban on us making media comments is problematic and we have to be very careful that we do not say anything untoward about the Government. (Interview Respondent 21)*

The organisation has experienced problems with using the media for advocacy and lobbying work. The comments indicate that the organisation still does not have a clear indication how to strategise with media tools before they incur the wrath of the Government and put their funding in jeopardy.

We asked a respondent about the Government position on media activity by funded peaks.

*We would expect that obviously in funding the peaks that there would be times when the position of the peaks would be different to ours. We would certainly accept the view that peaks represent their constituents and there would be times when the views that peaks have would differ from the views that we hold. What we endeavour to do, though, is to ensure that the relationship between ourselves is strong enough that those differences can be aired properly and considered, and points of dispute be acknowledged and at times agree to disagree. We would have some difficulty where public policy debate was fed through the media rather than through face-to-face discussion. We have a number of mechanisms within the organisation to prevent that happening, and I’d be disappointed or surprised if peaks wanted to make a particular policy view public through the media which we haven’t previously been made aware of simply because of the kind of relationship that we do have. We have quarterly meetings with peak bodies around various policy issues, which is an opportunity for peaks to raise questions, seek clarification on policy intent, voice concerns and disagreements, and so on. However, we would not necessarily deny peaks the right to use the media. (Interview Respondent 86)*

Whilst that mechanism has been successful for the Department of Housing, the development of a trusting relationship in order to deal with situations of conflicts of opinion without fracturing the relationship is not an easy process. This is even more so after the tense atmosphere created by a previous government whose changing policies had a negative effect upon peaks and the sectors they represent. As we have seen earlier, an accusation by government that sometimes arises in a tense political climate is one of assumed ‘partisan’ bias as indicated in the following response:

*We are fair to both sides. We are non-politically affiliated. We do not have any political affiliations at all and we make that clear. If the Labor Government does something wrong, we criticise it. If the Liberal-Coalition does something wrong, we criticise it too. It is an even-handed approach, I guess. (Interview Respondent 53)*

Yet, despite its neutral position, the organisation’s national body lost its funding because of a claim of partisanship, for example, an officer bearer had once been a member of the Communist Party of Australia. A respondent gave a blunt reason for this unfortunate misunderstanding:

*The Government very seldom initiates dialogue. (Interview Respondent 53)*

So, for all the good intentions of some departments at least, the Government does not ‘initiate dialogue’. Little wonder, then, that tensions and distrust manifest themselves in the relationship. Just how the chasm of incompatibility between government and representatives of the non-government sector might be bridged is obviously a major task requiring great effort on both sides, not only by compromise on individual policy but by a completely new approach and mind-set to establishing links beneficial to all concerned, an issue to which we will return in the next chapter.

## 4.5 TASMANIA

Six state-wide peaks in Tasmania took part in the survey; three of them are non-specific sector or general welfare peaks and three are sector-specific, with one each representing the disability sector, women's and youth organisations. Responses to the survey questions were limited to funding sources and types of relationships with government. The findings can be seen in Table 4.5:1:

**Table 4.5:1. Tasmanian Peaks' Relationship with Government (N=6)**

<u>Federal Government Funding:</u>	<u>General Peaks</u>		<u>Sector Peaks</u>	
Less than 50% of income	1	16.7%		
More than 50% of income	1	16.7%		
<u>State Government Funding:</u>				
Less than 50% of income	1	16.7%		
More than 50% of income	2	33.3%	2	33.3%
<u>Nature of Relationship with Government:</u>				
Amicable	1	16.7%	1	16.7%
Uncertain/Distrustful	2	33.3%	2	33.3%

The responses show a lot of ambivalence. For instance, the youth peak claimed to have an amicable relationship with government, but also that the relationship had broken down; we decided to record it as 'uncertain'. The women's peak also recorded conflicting responses in the survey, but during the interview admitted that it had an amicable relationship with government, although it received no government funding. Overall, without having actually lost any government funding and no apparent pressure from the Government, it would appear that these peak bodies had a better relationship with the State Government than any of the states reviewed so far.

A bureaucrat explains why the Government has such a good relationship with peak bodies in the state:

*It's partly a function of size and limited resources, which, of course, whilst negative in one way really means that we have to work cooperatively together because otherwise we wouldn't be able to achieve good outcomes. In relation to the youth peak that we fund we talk regularly, at least twice a week, and we try to meet and when we meet a lot of it is informal. We are not in a formal interactive situation. We will have a cup of coffee, sit down and we are honest with each other. We are not playing games. It is too small an environment. I mean, I cannot rather come the heavy too much, for firstly I know the peak can get an appointment with our Minister anytime they want. So, I cannot sort of hide behind any great power structures and I cannot say, 'The Minister has said this and that' because they can ring the Minister's Office and find out that the Minister did not say that at all. It is because of our networks too that we come across each other all the time at the same meetings. You cannot say one thing to one group and another thing to another group because everybody is talking to one another and seeing each other all the time. Therefore, it leads to a great deal of transparency, which is a good thing. (Interview Respondent 75)*

The successes in the relationship were also attributed to the way in which individual policy actors within bureaucracies view their roles and responsibilities. The suggestion is that the current good working relationships could change if there were any significant alterations in departmental staff:

*If we were different personalities then we wouldn't necessarily be operating the way we do, and should one of us change or the office staff undergo major changes and different personalities were there who had different agendas and wanted to work in ways that we have in the past, then there'd be nothing to say that we could maintain the good working relationship that we currently have. (Interview Respondent 75)*

At one level of analysis, this is self-evident, but it puts too much emphasis on the actions and discretionary behaviour of bureaucrats as policy actors (Ham and Hill, 1993). An efficient and effective public sector should be one that has a culture of neutrality and impartiality in which merit and equity are the core values (Melville, 2001a). So, does this mean that better working relations between representatives of the government and the non-government sector hinge on compatible personalities, or does it require some structural changes as well? One respondent provided the following analysis:

*Peak bodies are not all the same and I think that some governments interstate, and particularly the Federal Government, have a perception of a peak body that is old-style peak bodies, which necessarily have an*

**Australian Community-Sector Peak Bodies – Chapter Four**

*adversarial stance to government. It is an assumption that peak bodies are always going to be after government and that the relationship between government and peaks has to be faulty. I do not believe that peak bodies should or can operate that way in the current world. There is another style of peak body, and its relationship with government is tricky, but it is not necessarily adversarial. It is much more collaborative. It may have the capacity to lapse into an adversarial mode, but its preferred modus operandi is proactive and constructive. I do not know if the Feds understand that, and I do not think many state governments do either, but the State Government down here does. (Interview Respondent 23)*

According to the above respondent the reasons for some of the problems experienced by peaks is in the style and stance of ‘social advocacy peaks’. These peaks came of age during the social movement activities of the 1970s. They often adopt an adversarial stance. There is little room for these peaks to develop sophisticated relationships with the state. Unfortunately, there are serious consequences for this kind of peak in a neo-liberal policy environment—a policy environment which legitimates the voices of mainstream Australia at the expense of marginalised voices (Melville, 1999a; 2001b).

A government officer explains how a youth peak handles ‘advocacy’ and conflict with government:

*Where the organisation is being negative about the Government doing something, it wants there to be a positive outcome from it. Some people just thump the table and slam almost for the hell of it to score points for their point of view without necessarily looking to how that will actually achieve the outcome they are looking for. The youth peak is always looking to see ‘Really, we want a positive outcome. Is my criticism ok, or am I actually better off going and talking to the Minister about the issue and making the criticism in a private way rather than immediately running off to the press as the first port of call?’ (Interview Respondent 75)*

One respondent claimed that the future of government / NGO relations depends on the growth of the ‘new peak’. Examples of these kinds of peaks exist. It could be argued that organisations such as Greenpeace have reconstituted themselves as professional and sophisticated activist organisations. This organisation makes extensive use of a wide range of social activist tactics and strategies, which include electronic communications—for example, the Internet to lobby governments here and overseas. The Australian welfare lobby has a long way to go before it can match Greenpeace’s use of mass communication as part of their everyday advocacy and political tools.

*Old [style] peaks are not going to survive with this Federal Government. Peaks that do not observe that are probably not going to last. I think we need to work on that experience and find ways we can define roles of peaks by using the state of play. For me, it is about collaboration, proactive working relationships. (Interview Respondent 23)*

This model of the ‘new peak’ may be just around the corner in Tasmania, but at present, the State Government has several other difficult issues to contend with as indicated below:

*There’s always been funding from the State Government for the community sector, but it has always been very tight in Tasmania. Now I think it is a fraught relationship, but I guess that is the same in any state. Because Tasmania is a disadvantaged state, community-sector organisations have huge demands. Government services have been cut back, sector funding has been cut back, or is inadequate. There are these constant dialogues about how we need more money, but there is not any more money. Ideologically, having a State Labor Government has been easier in some ways, but I know that in real terms it has not made much difference. It is always spending on priorities for what money there is, but I think that everybody recognises that there are not much public monies in Tasmania. (Interview Respondent 50)*

One way the previous Tasmanian Government attempted to conserve funds for the community sector was to introduce tendering in some funding programs. The women’s peak never received government funding, but encouraged Tasmanian women’s refuges to apply for grants through the tendering process. Three refuges managed to obtain some funding despite a challenge by a large charity organisation.

*I do wonder if some of the larger Christian organisations are in favour of tendering. They are certainly very good at it. However, I guess not with this round with the women’s shelters. However, certainly when there has been other tendering, the economies of scale and the fact that they have teams of people that that is what they do. I do not know whether they are philosophically in favour of it, but they are certainly good at it. (Interview Respondent 50)*

Another problem-solving device for the government purse is to deny that a membership-based non-government organisation is a ‘peak body’ and thus avoid providing it with secretariat funds. One general

*Australian Community-Sector Peak Bodies – Chapter Four*

welfare peak has survived on the lesser amount of service division funding although in reality they are not service providers:

*We have very good relationships with ministers and with a range of government departments. Perhaps we can have another go at talking through around being a peak body. Maybe by just going to the top straight away. We got a letter the other day saying 'Sorry guys, we are not funding you. You already get funding for this, this and this', which includes some peak body activities. Well, we say, 'We need to go back to the drawing board'. In Tasmania, you have to watch what toes you step on, but if you can be aware of that, you can actually achieve quite a lot. (Interview Respondent 48)*

A bureaucrat outlined a new initiative of the Tasmanian Government to reach the community sector through a policy called '*Tasmanians Together*'.

*When this Government came into power in 1998 one of the things it promised was extensive consultation with the Tasmanian community to come up with a 20-year plan for the state. So, basically what it did was through the Department of Premiers and Cabinet went out and consulted with the community, basically from scratch and through a process of forming a group representative of the community called Community Leaders and numbering between 20 and 25 persons. They drove the whole process and they decided all the time what was going to be in the final documentation. We ended up with about 20 goals such as 'provide all Tasmanians with the opportunity to participate in decisions that affect their lives'. (Interview Respondent 75)*

That plan is coupled with direct government access to the community sector, which involves bypassing the intermediary role of peak bodies, as the government officer pointed out:

*Sometimes we obviously go to the regional groups rather than to the youth peak. But, they know that that's what we're doing and because those people are represented on their committee then why would we go to the peak if their next step was to go to those people when we have direct lines to them. (Interview Respondent 75)*

Such a move by government in other jurisdictions (state or federal) would cause great consternation among peak bodies, who would see this as a suspicious and unwanted intrusion into peak operations. Indeed this did occur with increasing frequency following the election of the Howard Government in 1996. Some ministers in the Howard Government started to do this because of a 'distrust' in the efficacy of the advice provided by peaks. Ministers began using firms to conduct market-type research by directly contacting important individuals in the community, instead of working through peaks. They also resorted to the use of focus groups as a means of obtaining alternate advice and information (Melville, 2001b:102). This caused consternation amongst federal peaks during the course of this study. In some sections of the sector, it was seen as a precursor to defunding. It was seen as a major challenge to the role and legitimacy of peaks. For the Howard Government, it was seen as another source of information gathering. They argued that peaks are not and cannot be the sole source of opinions or consultation mechanisms.<sup>1</sup> However, due to a better government–peak relationship in Tasmania it is not seen as a threat but collaboration. This reflects the cooperative nature of relations between the sector and the State in Tasmania.

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<sup>1</sup> This was discussed at length at a workshop for national peaks convened during the ACOSS national congress in Canberra in November 2000 (Melville, 2001b, 102).

## 4.6 SOUTH AUSTRALIA

Thirteen state-wide peak bodies in South Australia participated in the survey. Those taking part were two general welfare peaks, three representing the aged and disabilities sectors, three representing women's and child welfare organisations, two youth peaks and three on housing. Five executives from these peaks took part in interviews, but unfortunately, no state government officers agreed to participate. The findings from the survey are seen in Table 4.6:1:

The findings in Table 4.6:1 tell an extraordinary story. Approximately 40 percent of peaks had lost all of their funding. A third had lost funding due to political activity and nearly half had done so because of a change in funding guidelines. These figures are even grimmer when it is considered that one aged peak responded to none of the questions—i.e. received no funding whatsoever and recorded no type of relationship with government. It is obvious from this that South Australian peak bodies have experienced a very torrid relationship with government.

**Table 4.6:1. South Australian Peaks' Relationship with Government (N=13)**

	<u>General</u>	<u>Aged &amp; Disability</u>	<u>Women &amp; Children</u>	<u>Youth</u>	<u>Housing</u>
<u>Federal Government Funding:</u>					
Less than 50% of income	1 7.7%		1 7.7%		1 7.7%
More than 50% of income		1 7.7%			
<u>State Government Funding:</u>					
Less than 50% of income		1 7.7%	2 15.4%		1 7.7%
More than 50% of income	1 7.7%	1 7.7%	1 7.7%	1 7.7%	1 7.7%
<u>Local Government Funding:</u>					
Less than 50% of income	1 7.7%		1 7.7%		1 7.7%
<u>Special Program Funding:</u>					
Less than 50% of income			1 7.7%		
More than 50% of income	1 7.7%				
<u>Other Government Funding:</u>					
Less than 50% of income			1 7.7%		
<u>Loss of Funding due to:</u>					
Political activity			2 15.4%	1 7.7%	1 7.7%
Change in funding guidelines	1 7.7%	1 7.7%	2 15.4%	1 7.7%	1 7.7%
Reduction in funding			1 7.7%	1 7.7%	
Changes in program	1 7.7%				
<u>Government Pressure:</u>					
Withdrawal of all funding		1 7.7%	2 15.4%	2 15.4%	
Withdrawal of part funding	2 15.4%				1 7.7%
Control by outside agency			1 7.7%		
Cease media commentaries	1 7.7%		1 7.7%	1 7.7%	
Being ignore by government					1 7.7%
Government demands seeing reports prior to publication				1 7.7%	
<u>Nature of Relationship with Government:</u>					
Amicable	1 7.7%			1 7.7%	1 7.7%
Uncertain/Distrustful		2 15.4%	1 7.7%		2 15.4%
Tense	1 7.7%		2 15.4%		
Broken down				1 7.69%	

Like Victoria, Queensland and Tasmania, South Australia had shifted from a Liberal-Coalition to a Labor Government in recent years. The change in government affected relations with the state peak bodies to a significant extent. Most of the survey responses took place during the period of the previous Government. A South Australian youth peak describes how the change in government affected them:

*It has actually been a stark contrast for us in the last couple of months because we are inundated with requests for consultation, participation in different government processes. It has become clear how many things we were shut out of by the previous Government, I suppose, in comparison with this Government. The present government understands peak bodies and the role that they have in a democracy, and it understands the role that they have in policy development. The previous Minister of Youth had a whole youth unit and that unit became solely focused on 'celebration activities' for young people. There was no policy work being done within Government across the State on significant issues. It was all activity based, you know celebration events, which the Youth Minister was keen on. (Interview Respondent 87)*

*Australian Community-Sector Peak Bodies – Chapter Four*

Actually, during the Liberal-Coalition term in government an attempt was made to integrate peaks and the state government agencies on an equal footing. This is outlined in a government document called *Working Together*. This policy initiative was ‘ten years in the making’, according to one respondent:

*Essentially, Working Together is a document that sets out the shared values and aims of the major welfare peak, the South Australian Council of Social Services (SACOSS) and the Department of Human Services (DHS). It spells out how they are going to work together, how the DHS values peak bodies, how they will fund them, and those sorts of things. It has actually been a very useful document when processes that have been set out in Working Together have not been followed through at ground level. I know several of my members have pointed to the document and said: ‘Hang on a minute, what you’ve just done in the Department is in total contravention of the document that you signed off on’. It has been a way of getting a dialogue going about some of the processes that have remained that prevent us working together properly. (Interview Respondent 87)*

The new Government also adopted the document as part of its agenda in dealing with peaks.

*They have only been in power for three months, but they have made a commitment to carry on the Working Together agreement. We were concerned that they might have thrown it out and started again. Given that it has taken the community sector ten years to get what it wants, we did not want to do that. However, there has been quite a climate of change within some of the departments here, with some new appointments and chief executives being replaced. So, there is a different culture of ‘working together’. (Interview Respondent 87)*

As far as this respondent was concerned, the existence of their youth peak (under the previous Government) depended on a decision by the Minister to put it out to tender, as in Victoria.

*What the [previous] Minister wanted to do was he did not want to recognise us as a peak body for youth affairs in this state. He believed that what had happened in Victoria with the Kennett Government tendering out that state’s major youth peak’s funding should also happen here and that it should be put up for grabs to see who really was the peak. In addition, in fact if there wasn’t anyone that he fancied being the peak then he would set up a ministerial advisory committee of young people. This was the same sort of model that the Federal Government used when they defunded the national peak. It had set up the Youth Roundtable as a substitute for a national peak, with the Minister stating that he believed that policy advice relating to young people should come directly from young people, rather than from a representative youth sector organisation. However, it is unreasonable to expect young people (or any individual) to provide policy advice to government without the appropriate support and information. (Interview Respondent 87)*

The response of the peak was to launch a public campaign with the support of its organisational membership.

*There was a number of rolling campaigns highlighting what the Minister was doing and we were being pressured to keep quiet, but our membership said ‘No way’. If we lose, our funding doing our job then so is it. It is not going to change the fact that as an unfunded peak we would be still saying the same things; we just will not have any money. The Minister was making the mistake of thinking that the funded secretariat was the organisation. If the Minister decided one morning that he did not want to fund us any more then he could do so. The other thing was that we had to send all media releases or all media comments via the Minister’s Office before they were put out. (Interview Respondent 87)*

In the end the youth peak was defunded (although, with the change in government it was refunded on a triennial basis). One respondent explains why the defunding eventually occurred:

*We were not doing anything, but we were continuing to be a fearless advocate for our sector. However, the political climate changed and the Minister at the time decided that what we were doing was not what he thought we should be doing. We should not be disagreeing with the Government as often as he perceived we did. We should be agreeing with them more, but we pointed out that there were a number of areas where we did work alongside government. I think his perception at the time was that 10 percent of the work we do are things that get into the media. However, these were quite often unresolvable matters, which is why we went to the media to raise awareness about the issue of youth unemployment. The areas where we worked alongside the bureaucracy were very cooperative relationships. All of this background work is never seen publicly, but when we were challenging the Government on their policies around cutting youth employment programs that was one of the main things that got us into trouble, and it was in a climate where the national youth peak body had just been defunded. (Interview Respondent 87)*

Another peak representing single mothers and their children was defunded around the same time. This quote illustrates the political vagaries surrounding funding decisions.

*Australian Community-Sector Peak Bodies – Chapter Four*

*It was actually due to political change, but we cannot prove that. I mean, there is no way you can ever prove that a group goes out of fashion. In the 70s with the Whitlam era, sole parents were recognised for the first time as a group that needed funding of more than a few dollars a week and sole parent were often seen as scapegoats. If you follow the media and read articles about sole parents they are rarely seen as heroine, but usually the terrible sole parent, or teenaged sole parent. We did not do anything as an agency; we just went out of fashion. However, what happened was there was this political change on a mega scale and in the local scene the Department of Family and Community Services (FACS) went through huge upheavals. They divided themselves up into regions and each region had to put in where they wanted money spent, and because we were a state-wide organisation they actually didn't want any of their money spent on us. Therefore, instead of having \$120,000, we got \$11,000, which actually meant we were defunded. We challenged them saying 'We don't fit into your regional model', but we were defunded because the politics around funding had changed, not because our agency is ineffectual. They bought this argument but would not give us back full funding and said that we no longer needed to do the whole state. (Interview Respondent 31)*

The state-wide peak on homelessness was not defunded but it felt threatened with this whenever it challenged the previous Government, however slightly:

*There is always that threat due to 'biting the hand that feeds us', which means we might not be fed. We had just had a state election and we got a letter to the editor published in The Advertiser, which apparently got up the Minister's nose. The article was about the Democrats making some pledges, Labor making some pledges, but we had no information from the Liberals and they did not seem to be interested. In fact, they did have a platform on housing, but they only put it on the web the night before the election, which didn't draw a lot of attention. Therefore, the comments we got from the Minister's Office were that he was upset about it. (Interview Respondent 73)*

Relationships with the South Australian Government were generally strained and lukewarm at most, according to one respondent of an aged peak:

*You go to speak to these people [politicians/bureaucrats], how much time do you get? You get 20 minutes. How can you talk to these people about the issues you face every day? I have invited them to come to our office any time they like, but I have only had one minister do that and he never actually walked through our office, nor has he gone to our AGM. It is not that they do not know there is a problem. I believe they know there are problems, but it's 'How can we deal with it, with what we've got?'. We have a Minister that wants us to go to the Federal Government. He pushes me to write and try to get funding from the Federal Government. However, the Federal Government has closed the doors. I think the fact is that there's not enough ministerial direction when it comes to mature aged issues, let alone appreciating that there are major issues out there that are only going to get worse—it's not going to get better. I get frustrated about this. They just want to bury their heads in the sand. (Interview Respondent 29)*

The response of the Government to one women's organisation illustrates the neo-liberal political agenda of ignoring marginalised groups in favour of mainstream issues. Government ministers refuse to engage in the kinds of dialogic mechanisms that have become an established part of state and community-sector consultative processes since the 1970s.

*We were finding it harder here in South Australia because the Government was refusing to grant us interviews on various things that we wanted to raise with them. We just could not get the ministers to speak to us. They would not grant us interviews and they were not interested in us coming along and discussing something with them. However, we could enter correspondence with them. I had a less than happy list of correspondence with the Government on their industrial relations. We exchanged a number of letters on the subject and they were less than forthcoming or willing to discuss it. In fact, they were highly critical by saying that we were aligning ourselves with the unions. (Interview Respondent 57)*

Not simply strained relations: two policies of funding implementation were introduced that totally alienated the peaks. One was tendering:

*The reason for a breakdown in communication and the relationship between the bureaucracies and the non-government service providers has been the culture of competitive tendering in this State. (Interview Respondent 87)*

The introduction of a tendering process in funding NGOs has left a community sector divided by suspicion. This is an interesting development, given the strategy of tendering is taken from market-driven models of operating. In the private sector, organisations often cooperate to work out which part of the market niche each should service or occupy. Yet, when community-sector organisations do this the

*Australian Community-Sector Peak Bodies – Chapter Four*

bureaucracy tells them that they are working in an anti-competitive way. The community-sector infrastructure is based on a cooperative model. The infrastructure of networks and relationships is very fragile and collapses under the strain of 'imposed' tendering policies.

*One of the things that have come up is even on contracts to supply client services you are often competing. Information is being guarded now in case you give your competitor an advantage. People are becoming less outgoing, with less exchange of information, especially between those working with the same clients. This was something that came up with people feeling very unhappy about it but not really knowing how to deal with it, because you desperately need to get that tender to keep going. (Interview Respondent 57)*

One of the other major issues for peaks concerns amalgamation, where peaks are forced by various means to join together (close down) as fewer peaks receive less funding. This policy has led to the demise of traditional peaks with long-standing representation in the community sector.

*I can only say that many departments in the State Government have tried to streamline their services at the expense of peaks. It's an assumption of mine but talking to a lot of people and going to a lot of meetings, going to conferences, task forces and stuff like that, the more I listen to them... What they are trying to do is rationalise by trying to bring more services in line altogether, and where there's any duplication in any way they get rid of it by reduction through both the SA Government and local councils. They might say: 'We've got three organisations that handle disabilities in a specific area of Adelaide. Why don't we amalgamate them for the benefit of the people?' However, really what will happen is they might save a lot of money, but there will be more unemployed because if you amalgamate you obviously also lose staff. (Interview Respondent 29)*

For the sole parent organisation, another issue is at stake. New interest groups are emerging, groups who want a share of scarce resources (e.g. fathers and male lobby groups). The outcome has been an inappropriate shift in public monies initiated at the federal level. This has had a significant impact on groups at the state level.

*There's been a active lobby group of disenchanted separated fathers who are in a much better position than sole parent mothers to do lobbying. They are much more motivated to do it in a sense that they have more money and are more likely to go and talk to other men in positions of power and influence. Shared-care parenting is the result of their lobbying for parenting payment to be shared between the custodial parent and the access parent. What this means is that the mother—chiefly the mother—will lose money—like, hundreds of dollars—because this goes back to 1<sup>st</sup> July last year. It's an impossible thing to handle, for Social Security it's impossible, for the sole parent it's impossible, and it's back in Parliament again trying to work out how to make it work. It is the result of lobbying, not through policy, which has affected heaps of people. One of the things that the Government is trying to be ethical about is by saying: 'Well, OK, we'll give the access parent some money for when he has the children, but the onus is on the mother to prove he hasn't taken access'. Whichever way you look at it the mother still loses. We have clients now who have lost \$30 a week and they are already below the poverty line. In addition, they find they are also in debt to the tune of hundreds of dollars. (Interview Respondent 31)*

It is seemingly insensitive actions by government, like this, without any policy forethought that is incomprehensible to long-standing advocacy organisations, such as this sole parent organisation. The sole parent organisation has spent years lobbying the government about issues concerning family violence and relationships, as well as gender inequality. Such incongruity is often at the heart of apparently irreconcilable fractured relationships between government and peak organisations, which try to represent their community-sector constituents. In South Australia, contradictory, confusing and sudden changes in government policy have left behind disorientated peak bodies going from one extreme to the next. It is little wonder, then, that the survey results show disparate findings: a high proportion of funded organisations along with a significant number of defunded organisations and deeply flawed relationships mingled with a surprising degree of amicability.

## 4.7 WESTERN AUSTRALIA

Thirteen state-wide peak organisations from Western Australia also participated in the survey. These include two general welfare peaks, three health-based peaks, one aged and two disability peaks, one peak representing family-oriented organisations, two housing peaks and two speciality peaks. Their responses to the survey are seen in Table 4.7:1.

**Table 4.7:1. Western Australian Peaks' Relationship with Government (N=13)**

	General	Health	Aged & Disability	Housing	Special
<u>Federal Government Funding:</u>					
Less than 50% of income	1 7.7%		1 7.7%	1 7.7%	
<u>State Government Funding:</u>					
Less than 50% of income	1 7.7%		1 7.7%		
More than 50% of income		2 15.4%	2 15.4%	1 7.7%	2 15.4%
<u>Local Government Funding:</u>					
Less than 50% of income	1 7.7%				
<u>Special Program Funding:</u>					
Less than 50% of income	1 7.7%	1 7.7%	1 7.7%		1 7.7%
More than 50% of income				1 7.7%	
<u>Other Government Funding:</u>					
Less than 50% of income			1 7.7%		
<u>Loss of Funding due to:</u>					
Political activity	1 7.7%		1 7.7%	1 7.7%	
Change in funding guidelines	1 7.7%			1 7.7%	
Short term funding only		1 7.7%			
<u>Government Pressure:</u>					
Withdrawal of all funding			1 7.7%	1 7.7%	
Withdrawal of part funding	1 7.7%		1 7.7%	1 7.7%	
Cease media commentaries				1 7.7%	
Reviewing funding situation			1 7.7%		
Do more with same funding amount					1 7.7%
Thwarting lobbying role					1 7.7%
<u>Nature of Relationship with Government:</u>					
Amicable	1 7.7%	1 7.7%			
Uncertain/Distrustful	1 7.7%	1 7.7%	1 7.7%	1 7.7%	2 15.4%
Tense		1 7.7%	2 15.4%		

The peak representing family organisations did not respond to any of the questions featured in the table, which means it was not funded at the time of the survey, and it recorded having no relationship, either way, with the Government. The other peaks were receiving some government funding, while three lost some of their funding and one had recently lost the lot. The state's major general welfare peak, Western Australian Council of Social Services (WACOSS), took part in the survey but was unfunded at the time. Nine of the peaks (nearly 70 percent) had a negative relationship with government. Five of the surveyed peaks and one government representative also participated in interviews.

The Liberal-Coalition Party governed when the Western Australian peaks participated in the survey, but the interviews were conducted after a change in government to the Labor Party, in February 2001. Some peaks were already feeling a sense of change in attitude towards them and the community sector. A respondent from a major health peak told us what relations were like under the previous Government:

*[There] was the brick-wall thing when it came to asking them for any kind of funding, both for us and for keeping programs going with individual health centres, and knowing what was happening with other community organisations and the hardships they were going through as well. The tension came from a constant suggestion that you should be looking at partnerships, or dropping your outputs or something like that, that put it back onto us. Therefore, it meant we had to vary our contract and we were not in a secure enough position to do that in our health centre. I know with other community centres there were different kinds of tensions. But, it caused tensions in the community sector as well because it put us in competition with each other, and we've actually had instances where we've had one centre played off against another, and we really shouldn't be putting ourselves in that position. (Interview Respondent 52)*

*Australian Community-Sector Peak Bodies – Chapter Four*

However, as this respondent continues, the (new) incoming Government was faced with a difficult task of restoration:

*It's still tense now because the Government has put a shield up to be able to cope with the big issues and we feel like we've got to stand in line and kind of fall off the back again. And that I guess for health, I knew that when this Government got into power that the first thing they would deal with were the hospitals, the overloaded administration, the under-funded and under-resourced on-the-ground stuff for nurses and general practitioners, and people like that in hospitals. Those things have to be cleaned up within departmental practice, which is what they are doing now. They are not going to come to us until they have fixed that up, or certainly gone a long way towards it. (Interview Respondent 52)*

Of course, it was early days then and expectations were buried beneath a mountain of distrust and a disjointed relationship with government. Funding was still a major issue despite a change of government, as this same respondent explains:

*We knew that with the then State Government there was no hope of getting any funding under the Liberal Government. However, we are not having much more luck under the Labor Government now. That is because finances are extremely tight and we have actually had money taken away from individual centres. (Interview Respondent 52)*

The cutback in funding was echoed by a disability peak:

*Now they have just done a whole lot of amalgamations of various departments and things like that. They have kept the Disabilities Department separate, though, from any of the others, which I think is very important. We do not want to be put in with Health, Aged, or anything like that. Most of the agencies are now looking down the barrel of significant cutbacks in funding. I think there is sufficient pressure on the Government to isolate disabilities from those funding cuts. (Interview Respondent 43)*

The situation was even more drastic for other sector peaks, as this family peak body points out:

*All the ministers are going around saying: 'We've been left with no money and we're actually going to be cutting back on service delivery over the next year'. I mean, our services are expecting not just any CPI increase but even possibly, a reduction of last year's funding. (Interview Respondent 41)*

According to a community-development peak what funding is available (under the purchaser–provider model of funding) is used selectively:

*With the purchaser–provider model of funding it has become more directive, with the Government deciding what the community's needs are rather than the community having the option to pick up some sort of need and apply for funding, some sort of discretionary funding. All the money seems to be more tied up in what the Government has decided the communities need. So, there is less flexibility for communities to say, 'This is an emerging issue. This is what we need to look at. Is there a funding source that we can apply to in order to address that issue?'. It is a little bit different to what it was in the early '90s, when organisations would apply for funding to do a certain thing and the money would go to the organisation and it would still be accountable. Now, funding goes to services and the Government decides what those services are. (Interview Respondent 45)*

We asked a health-service peak about how the shortage of funds would affect their branches, especially given the increases in operating costs.

*What we wanted was for them to allow for increases, like SACS award increases, which we all work under, workers' compensation increases and we knew that Family and Children's Services and other government departments were doing that, but the Health Department wasn't for us. It was for the hospitals. What they did was freeze our money in 1996 and when we asked them about it and explained that we cannot absorb any more work, the response was drop your outputs. Then in 1999–2000 it was the first year after much hard work by us that we got CPI increases attached to our funding. However, it was at the 1996 levels and the level of CPI we got was more than wiped out by the two SACS increases last year and this year. Fremantle branch dropped its hours of operation. Perth dropped hours of opening last year. Bunbury has cut back on its resources. Everybody is doing different things to be able to cope with the cutbacks. (Interview Respondent 52)*

A bureaucrat in the WA Department of Health describes the previous Government's policy on funding peaks:

*Australian Community-Sector Peak Bodies – Chapter Four*

*The previous Government had a purchaser–provider and a competitive purchaser–provider kind of policy to its allocation of resources. But, it's also the case that competition legislation nationally and some requirements of financial legislation in WA have required us to move away from the standard previous grants process with the non-government sector. (Interview Respondent 89)*

We asked a government bureaucrat to what degree the current Government is committed to the tendering process:

*To the extent that there are legislative frameworks, yes. The extent that there is a level of interpretation around that in terms of how it is implemented, then, yes, government is developing a whole-of-government policy in relation to its processes with the non-government sector. (Interview Respondent 89)*

The officer had this to say about how the current Government viewed its relationship with the non-government sector:

*It is true that Government has said it is keen to work with the non-government sector and that's one of the reasons it's adopted this policy of looking at a standardised way of government agencies working with the non-government sector, and I think it is true that government resources are under pressure and Government is quite rightly asking—as it has asked many of its other programs—'What is the value for money that we're getting for these programs, and in terms of our priorities, is this where it's appropriate for us to be making an investment?'. However, that is not targeted at the non-government sector alone. It is just a principle of good financial management and policy in terms of the outcomes, which Government is expected to deliver and is expecting its agencies to deliver. (Interview Respondent 89)*

Whether the current Government finds itself committed to past policies or not, the legacy of the past lingers in different ways. Tendering was less an issue for many peaks than the Government's selective process that elevated some peaks and 'dissolved' others. Despite problems of funding facing most WA peaks, the respondent from a health peak told us how the previous Government had in fact favoured their organisation.

*It was a period in history when the Liberal Party had come to power in WA and was reputed to be disempowering peak body lobby groups. There was a real fear that peak bodies would be undermined. However, at the same time, they established our organisation, which was established with the purpose of being critical of government policies. They wanted to have a counter-voice to the AMA really, an independent voice that might be able to devote some critique and counter influence to the doctor's lobby. (Interview Respondent 51)*

This reveals quite a contrast to the health services peak interviewed above, and we asked the respondent how the favoured organisation has fared since the change in government:

*It is a strong, robust, solid relationship with Government and the bureaucracy. It is a curiosity, and I am aware that we are the flavour of the month, that we are an accepted organisation. In addition, I suppose, there has been all the way along that at any time the organisation could lose favour, but we have never done so. One of the strategies has been to become indispensable. However, it is not a deliberate strategy, but one that is seen as a critical player on the landscape and that is what this organisation has done. (Interview Respondent 51)*

A government bureaucrat offered the following explanation as to why some peaks receive more favour than other peaks. The response is interesting as it focused on choice and style of lobbying and advocacy strategies and not necessarily policies.

*Government would always hope to have good relationships with our providers and with our peak bodies, which allow us to have working conversations rather than the notion that one needed to advocate a position in the media as a starting point for a negotiation. And, certainly, we would be seeking to work with any organisation that we're directly involved with to be saying, if there are issues let us have an open discussion about those, but let us do it in a way that means we can work constructively towards an issue. (Interview Respondent 89)*

At the opposite end of the scale, a defunded peak describes how selective these decisions can be for some groups.

*About six or seven years ago, we were officially recognised as a peak. Then one of our ministers decided to do a big overhaul and everybody that was a peak was 'depeaked' and we were told we were now service*

**Australian Community-Sector Peak Bodies – Chapter Four**

*providers. That happened about 1994, I think. We then only had one officially recognised peak and that was WACOSS. (Interview Respondent 45)*

A family service peak describes the way the Western Australian Council of Social Services (WACOSS) has been used by the Government (and the problems this has caused other peaks):

*The Department, but also the Office of the Minister, for the past five or six years, has wavered over periods of time as to whether or not they saw the legitimacy of a peak body like ourselves. What came across quite strongly from the Government and the Department was that WACOSS was the peak body that they consulted. If we tried to make representations on issues that were very important to our members, we were told that 'Look, that's all very well, but we actually don't want to talk to you; we only talk to WACOSS because that is the body that we consult with'. Concentration over the last eight years was largely or often that the Government said it had spoken to WACOSS. In fact, WACOSS was often not aware of the particulars of the issue we were interested in, so that is why the Government wavered. At times, they would be willing to listen to us or come directly to us instead of to WACOSS, although that was not their stated policy. Therefore, we were never quite sure whether we were in or out. It also meant that we had to do a lot of work with WACOSS to ensure that when they were consulted on those issues that were relevant to us that WACOSS actually said that Government needed to go and talk to us. Several other peaks had lost their funding and there was not an established liaison between the sector peaks and WACOSS. We were actually the essential group that got the sector peaks' liaison with WACOSS going again and WACOSS started a process they called 'peaks meetings'. However, for the past 18 months there has been none of that at all. (Interview Respondent 41)*

It was not, however, all good news for WACOSS:

*WACOSS lost money in its own right and money was given to funded services to give to peak bodies. Then WACOSS had to really lobby the services by asking them 'Can you give that money to us so we can survive?' because the agencies could give it to whomever they wanted. It rather changed. Even in the time of the Liberal Government, it changed and it became less tenuous for WACOSS and there was more certainty in their arrangement with Government. (Interview Respondent 41)*

However, according to a community-development peak, changes brought about by the incoming (present) Government has strengthened WACOSS's position as a leading peak body:

*The new State Government is not so bad. We had a meeting with WACOSS the other day and they are quite excited. At last, they are in there and being involved, being asked to be involved. I think with the previous Government there was not so much of that. WACOSS tried very hard to get in there and tried to be the peak that WACOSS really is and they were invited to meetings but they didn't have any power in terms of decision making. Now, they are feeling that after a short time with this Government that that is starting to change. (Interview Respondent 45)*

Bureaucratic control is acknowledged by at least one peak, which receives its funding from two departments:

*We have a little bit of flexibility because the Department of Family and Children's Services, which provides half of our funding, recognises how community development should work, whereas the Department of Training, which provides the rest of our funding, has a more top-down approach: 'We will tell you to do this and if you'll do it we'll give you this money, and this is what you have to do'. We are annoyed with the Department of Training and the way it was dictating what we are supposed to be doing. (Interview Respondent 45)*

We approached a government bureaucrat for a response to the concerns expressed above. This reply shows quite clearly the problematic nature of trying to measure the 'outputs' of organisations that are providing services to other organisations (such as the lobbying and advocacy role of peak bodies). The bureaucrat's reply included a mechanism for resolving conflict where this might exist:

*The first thing is we purchase outputs of service. We are not purchasing peak bodies as a role. If the Department is funding a peak body, as an organisation for service, then we are doing that not to support their operations per se, but because they can deliver particular outputs, which are important to us. However, we would want to reflect in our contracts that the contract represents a business agreement, which is done in a spirit of good will. There is certainly dispute resolution clauses in all our contracts and those would set out a process on how a dispute is to be handled. This would suggest that going to the media is not the way to resolve a dispute, but we would not be saying 'Don't go to the media to resolve a dispute'. We would be saying that if there is a dispute there is a series of steps to go through. (Interview Respondent 89)*

*Australian Community-Sector Peak Bodies – Chapter Four*

We asked the officer if defunding a peak that did go to the media or would not follow the above processes was an option for government. The response is contradictory. On the one hand, they suggest that the process of defunding a community organisation is quite complex. The government would need evidence of gross financial, managerial and administrative neglect and incompetence or fraud. While this may be the stated policy, peaks, which step outside the accepted political limits, are defunded. They may not be closed down immediately. They close up when they are not granted a continuation or renewal of their funding contract.

*We would not use it as a threat. It would be a natural consequence of saying that our objectives are not compatible. But, there is always the issue which is that, you know, particular organisations have a particular perspective, or they would like to lobby to get a higher level of funding than they're getting, or they would like their particular issue to be seen as one of Government's top ten issues. To the extent that is a normal part of debate and an appropriate part of debate in the community sector, as opposed to something that is destructive, or not conducive to a good working relationship, it is there where we make a distinction between whether it is something we can work with or not. To the extent that people want to do some things that are outside the law, or they employ people who turn out to be bad financial managers, or who actually don't keep good sets of accounts and don't report appropriately, and those sorts of things, then Government has to move to protect its interests, which may mean withdrawing funding. Usually, though, this would happen following a period of review, or via a dispute resolution process previously agreed upon by both the parties. (Interview Respondent 89)*

A community-development organisation clearly spells out the advocacy role played by peaks in this following quotation:

*It is in our constitution that we advocate on behalf of our members, but it is not part of our funding agreement that we advocate. We are not funded to do that. I guess, then, it would be a voluntary thing, wouldn't it? Well, it would not be reported in our annual report to the Department. We do not write down any advocacy work that we do because we are not funded to do it. When you feel like there's a bit of a drain on your human resources, doing a lot of lobbying and advocacy is taking up a lot of your time, so you're almost doing it voluntarily because it's not indicated in your report. If we find that we're not keeping up with the demand from our member centres in terms of delivering a service to them, then we would have to forego the peak role that we have, the advocacy, the lobbying, all that sort of thing, attending all those meetings, we would have to say 'Sorry, that's got to go by the wayside. We do not have the time. We have to do the things we are funded to do first. If we have some free time then we will put it into that'. While it is not part of our funding, it is part of our constitution. Therefore, I guess it will be our volunteers on our executive committee who will be doing that. However, then they are all busy and they do not have time either. (Interview Respondent 45)*

The government bureaucrat agrees with that, except they distinguish between advocating for the needs of peak members and advocacy which is critical of government funding policy:

*The reality is we know that that is the way peak bodies operate and to some extent that is their role, which is to weigh the issues on behalf of their constituents both with Government and also members of the public. I think there are different kinds of advocacy. If the issue for the organisation is they're dissatisfied with a government agency over matters of funding and those sorts of things, then, in my view, it is inappropriate for that to be something that is flogged out in the newspapers because there are generally two sides to that story and people would need to be very sure about the way they're representing an issue, because, I think, Government always has a right of reply in that situation if we're likely to be involved in these things. (Interview Respondent 89)*

The bureaucrat was also concerned about advocacy that seemed to contradict government policy, which in the extreme can lead to defunding.

*In relation to the overarching interests of a peak body, which is to advocate on behalf of its members, to the extent that they are advocating for something that is against government policy we would have to understand whether that impacts on their ability to deliver what it is we are funding them to deliver, because if they're delivering something with public funds then our expectation would be that that is delivered according to government policy. If they are merely identifying with a particular perspective on a matter, which might be the perspective of their constituency, or the perspective of their board, then as an organisation they are at liberty to do that. Where it might represent the need of change in legislation, they are at liberty, just as anyone in the community is at liberty, to lobby politicians and others about a particular perspective. But, in terms of the relationship of that to their funding, we would have to make a judgement based on government policy about whether it would still be appropriate to continue to fund that organisation. For example, if an organisation is advocating for euthanasia, saying their care providers are fully supportive of euthanasia and going to operate*

*Australian Community-Sector Peak Bodies – Chapter Four*

*that way, then we would have to say we are withdrawing funding from that service because, one, it is against the law, and two, at this stage it is against government policy in WA. (Interview Respondent 89)*

In that direct and honest appraisal of conditions of funding, we can clearly see the blurred line between what government may view as acceptable and unacceptable issues on which organisations can lobby. The government does not need to spell these out clearly as they hold the trump card. Firstly, its relationship with peak bodies, as well as the community sector at large, hinges on its policies, regardless of what these policies may represent in terms of wide social approval. The view espoused above rests on an assumption that government policy is designed for the ‘common good’ or ‘public interest’ and should not be opposed. Secondly, government holds the ultimate ability to disempower any organisation that disagrees with its policies. Extra-parliamentary consultation mechanisms, which are not part of established institutionalised democratic processes, may be easily dismantled by the state.

The Western Australian situation offers a unique opportunity to witness a process of change in government policy during a shift in partisan government dominance. It had yet to make the radical steps in the policy environment, if that is ever likely to happen, that we have seen in the other states (except New South Wales), where a former Liberal Government has been replaced by a Labor Government in recent years. Perhaps in Western Australia, it is still early days to determine the eventual outcome, although, as far as the community sector’s representation is concerned, WACOSS’ oscillating relations with Government seem to predict better times ahead for peak bodies. However, for the moment, WA peaks are faced with a Government in transition and a public purse stretched to its limit.

## 4.8 THE TERRITORIES

Between them, the Australian Capital Territory (ACT) and the Northern Territory (NT) had ten peak bodies that participated in the survey. Five of these are ACT peaks, with two general welfare peaks and one each representing aged, homelessness and youth organisations. Only one of these took part in an interview and no ACT government officials agreed to do an interview. Five of the surveyed peaks also resided in NT, with one of them a general welfare peak, and one each representing aged, disability, non-English-speaking background and youth organisations. Three of these participated in interviews; in addition, one non-surveyed peak body and a government officer also took part in interviews. The findings for the surveyed peaks are seen in Table 4.8:1:

**Table 4.8:1. Territory Peaks’ Relationship with Government (N=10)**

	<u>ACT Peaks</u>		<u>NT Peaks</u>	
<u>Federal Government Funding:</u>				
Less than 50% of income	2	20.0%		
More than 50% of income			1	10.0%
<u>Territory Government Funding:</u>				
Less than 50% of income	2	20.0%	1	10.0%
More than 50% of income	3	30.0%	3	30.0%
<u>Special Program Funding:</u>				
Less than 50% of income	1	10.0%	1	10.0%
<u>Other Government Funding:</u>				
More than 50% of income			1	10.0%
<u>Loss of Funding due to:</u>				
Political activity	2	20.0%	1	10.0%
Change in funding guidelines	1	10.0%		
Change in program	1	10.0%		
Funding redirected to church-based organisations	1	10.0%		
<u>Government Pressure:</u>				
Withdrawal of all funding	1	10.0%	1	10.0%
Withdrawal of part funding	2	20.0%	1	10.0%
More government administration			1	10.0%
<u>Nature of Relationship with Government:</u>				
Amicable	1	10.0%	1	10.0%
Uncertain/Distrustful	3	30.0%	2	20.0%
Completely broken down			2	20.0%

The findings indicate that peaks in both territories receive similar levels of funding. Whilst peaks in both territories seem to have lost funding for different reasons, and the types of government pressure they

*Australian Community-Sector Peak Bodies – Chapter Four*

experienced are more or less similar, the ACT peaks appear to have a less fractured relationship with government than the NT peaks, two of whose relations have completely broken down—a situation that is worse than any state.

Peak relationships with the ACT Government at present appear to be supportive and cooperative, according to this generalist peak body:

*I think the mood in ACT of late is that we will work with the Government, rather than work against it. I must say, it has changed dramatically over the last few months, the reason being we had this moratorium on purchaser-provider for a while and they formed this reference group, which all peaks were on, and now they decided that we pressured them to have a compact, similar to the system in England. Our Government here in ACT decided to go ahead and have a compact with us. We have been negotiating that for the past few months and it is looking very positive. It looks like we are going to get one and it looks like it will have those actual clauses in it. They said 'You can speak out against us and we cannot defund you'. So, now the Department is supportive and we work very well with it and all other departments, for that matter. (Interview Respondent 22)*

One significant area of dispute is the purchaser-provider split:

*They want to control very much. You know all these outputs, they call them outcomes, but they are very heavily subscribed. One would have thought that a peak organisation should be just given some money to behave like a peak and get on with it. I mean, you really cannot nail down what peaks do to such an extent that you can say 'Well, I have produced X number of wickets'. It is much looser than that and it is more like an experience than it is a thing that you produce. They want very much a hands-on kind of role. I think it is because they really do not understand how to manage purchaser-providers. Therefore, it is a mixture between a grant and a purchase of a provider. (Interview Respondent 22)*

That comment would suggest that the same dichotomy of government support and bureaucratic control exist in the ACT as it did in the states as discussed earlier. We asked this respondent about pressures to conform under a threat of defunding:

*It was generally when the former Chief Minister was in power that it was generally known that if the community sector spoke out against the Government—it was a Liberal Government then in the ACT—you were in danger of losing your funding. (Interview Respondent 22)*

Apparently, that was not the case with the previous Labor Government. This respondent describes the difference in their organisation's relations with the current Liberal Government and the past Government:

*I think the ministers do own a lot of their own stuff. Previously, with the Labor Party, many of their policies came from the grassroots and they do not have this feeling of ownership if you question it. If you say, 'I don't agree' or whatever, you were not shot down in flames. If you dare to question any of the Liberal Party's policies, they really get very cross with you. They are very prickly, much pricklier than the Labor Party. That is not to say that we always agree with Labor Party policies but at least you can debate it with them. (Interview Respondent 22)*

That last comment appears to echo an earlier statement about Federal Government ministers being personally committed to a policy and responding to criticism of it as a personal affront. The respondent's first comment about improving relations with Government had obviously emerged from an earlier position of conflict over the policy, such as mutual obligation:

*Mutual obligation, that was a big one that was very difficult. You can have a program where you are going along quite happily, when suddenly they introduce mutual obligation. Purchaser-provider was another policy that was quite difficult for many of our member organisations because they did not have the wherewithal to be able to cope with that. It was just introduced—bang! — It was there. Then, we in the ACT said we would not cooperate, so then they had a moratorium. The ACT Government doesn't seem to have any proper social policy, although it has a social policy unit purporting to have social policy, but it doesn't consult with the sector, so one wonders about the quality of their social policy. Part of the new compact agreement is that instead of having policy introduced there will actually be contribution from the not-for-profit sector that will join with Government to help formulate policy in areas that are affected. That will be a great step forward, instead of having things introduced over the top of what we are already doing, without consultation. (Interview Respondent 22)*

*Australian Community-Sector Peak Bodies – Chapter Four*

That comment focuses on one of the most important issues for peak bodies: their role in formulating social policy. But, consultation and participation are one thing, funding to implement policies in the community sector is quite another thing, for as this respondent points out:

*None of the territory peaks are funded the same as in Canberra because there is not any peak money. (Interview Respondent 22)*

Thus, finding a 'supportive' department that peaks can 'work very well with' is not likely to occur in a financially deprived peak body industry. As for this respondent's own peak body, it survives on program funding:

*We applied for a tender and were successful in getting it for the second time. But half-way through running the first half of that, or the first three years of that, 'mutual obligations' was introduced on top of our contract, which wasn't a contract deliverable. However, they introduced it sideways and now it is part of the contract deliverable. (Interview Respondent 22)*

Turning now to the Northern Territory, we find a situation quite different from that for peaks in the Australian Capital Territory, and one that resembles the states (with the exception of New South Wales), perhaps closest to Victoria. For a perception of relations with the previous Liberal-Country Party Government in NT, this peak respondent refers to events involving the NT Council of Social Services:

*When the Northern Territory Government first came to power NTCOSS was defunded in 1978 based on advocating around housing issues. It was advocacy around housing for low-income people and squatting that was happening in Darwin at the time. I mean, you did not have to do much up here then. My understanding was that NTCOSS was not directly involved in the housing action, but it was one of the supporting groups. There was a range of groups at the time that was defunded. NTCOSS was not refunded again until 1998. (Interview Respondent 66)*

The previous Government apparently had a problem with the role of peaks in advocacy work in the same way the current Federal Government has been likewise criticised:

*They did not want to recognise us as a peak body because peaks are potentially critical of government. They did not fund peaks, particularly peaks that were advocacy bodies critical of government. They would say they have other avenues to tell the Minister, which is not necessarily true, but that is how they wanted to see it. (Interview Respondent 66)*

A respondent representing organisations on the aged gave another view of the previous Government's attitude towards peak bodies:

*From my understanding, the peak body funding slowly developed from service delivery funding. The peak body role slowly started to be recognised by the Government and certainly up until the recent election we were still very much regarded in a token manner and with a lack of understanding of what peak bodies do by the previous Government. The bulk of our funding has always been based on client service delivery. (Interview Respondent 55)*

A non-English-speaking background peak was defunded for their criticism of government funding. The circumstances surrounding this are outlined below:

*In my own heart one of the reasons I think we lost the immigration grant was because the welfare workers that we had employed for seven years were sometimes quite critical of government policy. They would speak up and provide a strong advocacy. Over the years, Immigration has slowly changed their contract with the workers and the word 'advocacy' is not on—it is taboo. They are not allowed to provide advocacy. I think that they might have felt uncomfortable with the fact that the people they funded have sometimes turned around and 'bitten the hand that fed them', or at least criticised some aspects of government policy and that might have been a contributing factor. (Interview Respondent 65)*

By all accounts, the situation for peaks has changed significantly since the Labor Government came to power in the NT in 2000, as this respondent puts it:

*We have a good relationship with the new Government. Some of their essential people, including the Chief Minister, have come to see us several times to talk about policy issues and we have a very close and cooperative working relationship. In addition, because they know that we will criticise them if need be, I think*

**Australian Community-Sector Peak Bodies – Chapter Four**

*they accept that. We are working on a different footing now, and it's not like 'We'll keep funding you so long as you mind your Ps and Qs'. (Interview Respondent 65)*

And from a generalist peak:

*Since the Labor Government has come in, we have managed to get them to recognise us as a peak and to give us three years funding. However, we are still trying to negotiate proper terms on what a peak is and adequate funding. It's still kind of a service agreement that includes terms that are more in line with what a peak is, but we're getting there, we're almost there. There are a few organisations that are starting to be seen as peaks, but there is a whole lot that has not been funded. However, we see a much more positive future ahead of us, at least, based on what we have been talking about of a consultative partnership approach. The most noticeable change is that people can actually talk out. (Interview Respondent 66)*

A disabilities peak concurs with these comments:

*We are fortunate to have a very good Health Minister. We do not always agree and he certainly encourages us to represent the industry of disabilities how we see fit. We have not had a problem there because we have an open-door relationship and we share information. I mean, it is just so fortunate that we have such good relations. We operate very professionally, although we are still largely volunteer based. The majorities of us who represent the organisation are CEOs in our own right and know how to go about dealing with difficult matters. We advertise and do our media releases and share them with Government, which gets a copy. Not that we feel any obligation, but we do that based on our good relations. (Interview Respondent 39)*

When we asked an aged peak if they were happy with the present Government, their response noted the problems associated with the 'implementation' of policy, rather than the policies themselves.

*Yes, so long as they get their policies in place. Their policies look good. Now, all they have to do is implement them. (Interview Respondent 55)*

A bureaucrat in the NT Department of Health, Family and Children's Services was asked to comment on the present Government's relations with peak bodies. It includes recognition of the role of peaks in advocacy and policy development as well as being a conduit for comments on government policies and service delivery issues. The comments about peak body roles and responsibilities are similar to those endorsed in the HORSCCA (1991) and the Industry Commission (1995) Inquiries.

*We believe that in order to progress to work in partnership with non-government organisations we have to work with peak bodies. And, for that reason we actually then went about to develop a policy on peak bodies, and we feel that it will give us and other people coming after us some guidelines on peak bodies. These guidelines really look at what is the role of a peak body, what function do they perform because there are some partnerships that could work with us, but by-and-large they are really there to support the non-government sector. We also recognise that some peak bodies will have an advocacy role for clients of specific groups, or for the non-government sector in general, and that is really their core business. But, if we were to fund them for different projects not associated with that then they can, like other organisations, actually tender for some of those services, such as training and so on. However, they are not our agents. I mean, we fund them to perform a function and if their function is as a peak body, it includes policy development and advocacy, provision of information about services and issues, community education, relationships in their sector for development, national and international linkages, which are what we identify as the core function of a peak body. That's it in a nutshell, it pretty well covers what peak bodies are. (Interview Respondent 80)*

Some peaks still feel they have a problem with the bureaucracy and the way it works with non-government organisations. Consultation occurs with the sector, but there is no indication of what happens to the information collected during this process. Thus, peaks feel they have wasted a lot of time taking part in 'consultation' but do not have any way to measure the effectiveness of this work. They become cynical about the consultation process. Some feel it is something governments merely do because modern democracies are expected to engage in it (Sawer, 2002:40).

*You have no idea how many times we get an invitation to look at a policy paper, for instance. We do that but we never hear anything back. You never hear whether what you have said has gone any further, what perception was in the Department, whether anything is going to be done about it. In most cases we spend endless hours going to meetings, going to consultations and no results. So, you think to yourself 'I could have gone to the beach that day and had the same outcome'. (Interview Respondent 65)*

*Australian Community-Sector Peak Bodies – Chapter Four*

One major criticism by peaks of bureaucracy is the lack of administrative, political and management expertise within the bureaucracy. Staff members are unable to work with non-government organisations in a mature way, as a form of partnership.

*Government bureaucrats often have no skills in dealing with organisations, which leads to distrust on both sides. Much time, which should be spent working with clients, is spent writing funding submissions, doing evaluations, etc. Bureaucracies are often extremely reluctant to form a two-way real partnership and want to hang onto a top-down approach. (Interview Respondent 28)*

This generalised complaint is common to both regional and state-based peaks. We asked the government officer if they could respond to this criticism. They agree that this is a common problem but that the new Government is attempting to build a form of partnership with non-government organisations. This is because of the willingness of the new Minister to acknowledge the work of the non-government sector.

*We started a new initiative two years ago. One of the evaluations from the non-government organisation's feedback to us was probably one of the most successful things we did in giving them one contact point in the Department where they could actually know whom to ring and talk to them on any issue that emerged. In the past, it could go to six different areas because we are being funded by program and activities. An organisation might have funding from four different sources and they have to see four different people. By the time they have finished, they were utterly confused. Therefore, it is somewhat quite right when they talk about—well, I suppose it is a very general comment—that government bureaucrats have no skills in dealing with NGOs. I think they were quite confused when they were shunted from pillar to post. I am being very honest with you here. However, now, I feel we have a very good relationship with them, and they feel that with the new change of government that this Government is far more willing and ready to view them positively. (Interview Respondent 80)*

However, in the NT it is not only the territorial government that some peaks have to deal with in their negotiations for funding and policy matters. Federal Government also has a stake in maintaining relationships with territory peaks. This comment is from the NESB peak body mentioned earlier:

*I have been trying for many years now to have regular meetings with the Community Liaison Officer of the Department of Immigration and Multicultural Affairs. They have to do a monthly report on peak issues. As we are a peak body, we are in a position to provide comments. I get questions emailed to me and I have to answer them, but if I say anything that is seen as critical, or not agreeing with government policy or whatever, they immediately go on the defensive. 'Well,' I say, 'you want to know what the views of the community are', but I do not want to get into an argument. I find it always has to be done on their terms. (Interview Respondent 65)*

The re-allocation of funding to traditional organisations and church-based organisations is seen as inappropriate by some parts of the sector.

*Federal grants for migrant services seem to be going very much to places like the Wesley Mission. For instance, some of the employment contracts that were allocated to the ethnic communities councils or their equivalent, or even to migrant resource centres, have gone to the Christian-based organisations. That has created quite a bit of a stir in the communities because there was no consultation with any of the stakeholders. It was just a decision by the Department implemented without any evidence that this would improve service provisions. Instead, there is an enormous influx into our office of people saying: 'I'm a Buddhist, I'm a Moslem, or I'm a Hindu and I really don't feel comfortable going to Anglicare'. (Interview Respondent 65)*

The funding decisions are due to the insensitivity of the Federal Department of Immigration, not to the NT Government, but it still affects the NT community sector.

The Territories present some similarities with the states in their relationship between state governments and peak bodies, but there are also considerable differences. In the ACT, for instance, the Government has remained in the hands of the Liberal Party, but positive changes have taken place in its relationship with Canberra peaks without the need for a change in government. The contrast between the ACT Liberal Government and the Federal Government in its attitudes towards peak bodies is very apparent. The NT situation is similar to the states, but for New South Wales, where a Labor Government bringing with it more tolerant and equitable relations with peaks has replaced a former Liberal Government. The former Government's negative attitude towards peaks has been replaced by a new liberalism. However, in both Territories appropriate funding remains a nagging issue for peaks. The low level of funding is not

due to lack of government support, but due to a crisis in the financial condition of the ACT and NT Governments.

## 4.9 SUMMARY

Throughout this chapter, we have investigated the nature of the relationship between regional governments and state/territory-wide peaks using data from the survey and interview material. In total, this data derived from 93 surveyed peaks and the commentaries of 55 peak executives and government officers. In Table 4.9:1 the combined findings of the surveyed peaks can be seen at a glance.

**Table 4.9:1. State/Territory Peaks' Relationship with Government (N=93)**

<u>Federal Government Funding:</u>		
Less than 50% of income	16	17.2%
More than 50% of income	6	6.5%
<u>State Government Funding:</u>		
Less than 50% of income	22	23.7%
More than 50% of income	42	45.2%
<u>Local Government Funding:</u>		
Less than 50% of income	7	7.5
More than 50% of income	2	2.2
<u>Special Program Funding:</u>		
Less than 50% of income	17	18.3%
More than 50% of income	3	3.2%
<u>Other Government Funding:</u>		
Less than 50% of income	5	5.4%
More than 50% of income	1	1.1%
<u>Loss of Funding due to:</u>		
Political activity	19	20.4%
Change in legal statute	1	1.1%
Change in funding guidelines	14	15.1%
Short term contract only	1	1.1%
Funding reductions	4	4.3%
Change in program	2	2.6%
Increase in duties without funding increase	1	1.1%
Funding redirected to church-based organisations	1	1.1%
<u>Government Pressure:</u>		
Withdrawal of all funding	13	13.98%
Withdrawal of part funding	17	18.28%
More government administration/control	7	7.53%
Control by outside agency	6	6.45%
Cease media commentaries	11	11.83%
Funding situation under review	2	2.15%
Expect to do more on same funding	2	2.15%
Expect to have government representative on committee	2	2.15%
Government involvement in peak staffing	1	1.08%
Bureaucratic abuses	1	1.08%
Government demands seeing reports prior to publication	1	1.08%
Being ignored by government	1	1.08%
Pressure to seek private funding	1	1.08%
Inconsistent/impenetrable performance indicators	1	1.08%
Government thwarts lobbying role	1	1.08%
Other	1	1.08%
<u>Nature of Relationship with Government:</u>		
Amicable	16	17.20%
Uncertain/Distrustful	41	44.09%
Tense	17	18.28%
Completely broken down	6	6.45%

How do the findings in this table compare with the findings in Table 3.7:1 listing responses to the survey by national peaks? There is, in fact, very little difference between them. The national peaks seem to have more negative relations with the Federal Government, and somewhat more of them had all or part of their funding withdrawn. In view of this, the slightly higher proportion of state/territory-wide peaks that lost funding due to their political activity seems anomalous with what we have learned from national peaks about the Federal Government's greater sensitivity to advocacy critical of government policies. The

difficulties in state/territory peak relations with government seem more apparent at the bureaucratic level rather than at the political (ministerial) level of government, as it appears to be in relations between national peaks and the Federal Government. However, there are significant exceptions to this rule. In Victoria, relationships between the State Government and peak bodies were extremely fractured, and under the present political regime, the healing process remains long and tenuous. In other states where a former Liberal Government existed, relationships are also mending at varying rates, with Tasmania perhaps in the best state of repair. The Northern Territory is also witnessing a remarkable comeback, although relations are still strained due to a general lack of peak funding. The most stable situation has been seen to be in New South Wales where no recent changes in partisan-based government have taken place, and therefore no dramatic changes in policy towards peak bodies have occurred there for some years. Nevertheless, relationships with government departments are not so healthy, with that between the Department of Health and its funded peaks particularly disjointed. However, there appears to be some attempts on behalf of departmental officers to address some of the differences caused by tension in the relationship. Some of these issues are taken up further in Chapter Six.

## 5. PEAKS: BALANCING OPERATIONS

### 5.1 ROLES OF REPRESENTATION

When peak organisations are asked to define a peak body (Chapter 1, section 1.2), we find that peaks consistently refer to this type of organisation as representative of its membership. Peaks 'represent their member agencies' as one peak body put it. Another claims a peak body 'represents [its constituent's] views to government', or 'represents the collective views of its members to government', according to Hamilton and Barwick (1993:3). What then is expected of a peak body that represents its constituency? Among the definitions offered, it seems that there are two main connected roles, advocacy and lobbying. Peaks 'advocate on behalf of their members'. The Australian Industry Commission agrees, for it considers a peak as 'a representative organisation that provides...advocacy and representation (among other duties)...for its members and other interested parties' (1995:181). We see from this that peaks represent their members and other interested parties, which, according to one peak, means an organisation that 'offers a strong voice for the specific community sector in the areas of lobbying government'. In another peak's opinion, a peak body 'has a mandate and responsibility to represent a specific group of people'. However, who exactly is this specific community or group of people? In the words of one peak they are 'a representative, advocate, conduit and support organisation for the interests and needs of groups with similar philosophies, principles and practices and roles within the community'. However, for some major general social-welfare peak organisations the role of advocate may extend beyond those with similar philosophies, principles and practices to a broader, more amorphous constituency of a community population, which has one thing in common, disadvantage, whether physical, economic or social.

To understand the advocacy and lobbying roles of peak organisations, we have turned to a recent publication describing the notion of advocacy in nonprofit organisations in the USA. The authors argue that the main role is advocating on behalf of members or a sector (Boris and Mosher-Williams, 1998). They refer to the American equivalent of peak organisations as 'nonprofit associations (that) form a vital feedback link between people and their government. People often bring concerns to government and monitor business, government and the nonprofit sector through nonprofit organisations' (1998:490). A similar concept is seen by one Australian peak, whose definition states that 'a peak body...represents their (constituent's) views to government, the community and the business world'. According to Hopkins (1992:32) advocacy is

*'The act of pleading for or against a cause, as well as supporting or recommending a position [by which] advocacy is the active espousal of a position, a point of view or a course of action'.*  
(cited in Boris and Mosher-Williams, 1998:501).

Hopkins makes a distinction between lobbying and advocacy: lobbying, on the other hand, 'means addressing legislators with a view to influencing their votes' (1992:32 cited in Boris and Mosher-Williams, 1998:501). The two concepts (lobbying and advocacy) are part of the process of representing the interests of a sector. A peak body is duty-bound to pursue these roles as an obligation towards its membership, constituency or specific community. The peaks' own definitions of themselves make it clear that this process is a quintessential role of any peak body. Peaks are the representative organisation for its membership, constituency or specific community. These roles are well established within the sector and by two previous government inquiries (HORSCCA, 1991; Australian Industry Commission, 1995). It would seem contradictory for government to fund a peak body to act on behalf of the community but then withdraw those funds whenever peaks advocate or lobby on a controversial issue as part of this 'representative and consultative process'.

The discussion in this chapter focuses on the role of representation of generic peak bodies, such as ACOSS. As previously noted by Melville et al (1998), May (1996) and Lyons (1995), this organisation is unique among peak bodies in Australia, which generally confine their representations to a specific community sector, because, as this respondent puts it:

*Australian Community-Sector Peak Bodies – Chapter Five*

*The basic point of the organisation is to represent the needs and issues for low income and disadvantaged people—what might be meant as the community at large. (Interview Respondent 61)*

This community at large is obviously not the organisation's membership body. The dual roles played by peak organisations—advocating on behalf of member organisations and the users of these organisations—are problematic for all peaks. This is even more so for generic welfare peaks. Advocacy on an issue considered of concern to a broad-based constituency who are not directly involved in the operation, function and direction of an organisation may be a risky undertaking for the executive to engage in. This is especially so when the action or issue at stake is not necessarily in agreement with the wishes of the paid membership whose constituency the organisation purports to represent.

*While the organisation seeks to represent the circumstances of the sector and highlight the needs of the sector, its main focus is on those who are at the end of the line, the people whom the membership has as its constituents. Sometimes, the interest of members as organisations might come into conflict with those of the people at the end of the line. In those sorts of circumstances we take the position that we see, on the best of our knowledge and expertise drawn from the collective wisdom of members, it is in the best interest of people who are the poorest in society. That may not always accord with the views of the members, and there are other issues where there are different views about what is the highest priority to take up. However, all the members accept that that is the case. However, we do not purport to represent members' views in all circumstances because that is the reality of the sector. (Interview Respondent 61)*

The question that concerned us here was how the organisation managed to represent its member organisations' constituencies, on the one hand, while claiming to advocate on behalf of society's most disadvantaged who may not be identified as members' constituents. This respondent indicated that the organisation had developed a holistic identity that was recognised by the membership:

*That's why they join us, knowing that our primary job is to represent the needs and issues of the poorest people, and on the whole that's very sensible because most of the community sector's clients are low income and disadvantaged people. In addition, that involves a synthesised voice from the sector. However, not always, because sometimes the voices of the sector have different interests. We always come down on the side of what might be best for the broad constituency that is people on low incomes, or who are otherwise disadvantaged, and the membership understands that. They would not necessarily expect us to parrot, or take the positions of, individual members on an issue. They would understand and appreciate that our job is, to the best of our knowledge and use of the information available, to present the best case that will advantage people on low incomes, or who are otherwise disadvantaged. However, there are times when we could not represent the sector's views because there is no longer a consensus on this issue. It is usually up to a selection in a range of collaborative work where there is some consensus on issues. However, there are also times when the views are diverse and it is impossible to reconcile industry interests with those of people with low income. (Interview Respondent 61)*

Another respondent from the organisation suggested that these kinds of organisations are unique when viewed from an international context:

*We are unique, I think, internationally, from what we can work out, in that we have as our strategic plan to be the national voice for the needs of people affected by policy and inequality. It was an interesting exercise for us to formulate this up-front, for our peak council, which is indeed the peak council of the community welfare sector, makes us the peak of peaks. We do not say it that way. However, in fact our council comprises all peak bodies—most of our members are peak bodies themselves. In my experience, 95 percent of the time they don't clash, for our member organisations, first and foremost, are there to alleviate poverty, to overcome inequality, and to make Australia a just and fair society, and that's what we are set up for and they don't lose sight of that. Mostly, we speak with the full backing of our members. Therefore, the organisation is unique, although it is difficult at times, but not often. (Interview Respondent 60)*

However, it is this uniqueness of representation on behalf of the community sector that is appreciated by 'the person in the street', especially those whom the organisation purports to publicly support and on whose behalf it claims to speak. A common view is that it 'sticks up for the battler'.

*We are often regarded as the 'battler's friend' helping all those people out there on struggle street, and it couldn't be put much better. I think it is very important because we do try to influence policy and try to set policy in order to*

**Australian Community-Sector Peak Bodies – Chapter Five**

*minimise poverty and disadvantage. But, I have noticed that there is another role that we play and that is by giving voice to those both having a body that's out there actually trying to raise issues from the point of view of disadvantaged people and being recognised for that. Getting space in the debate for those people is so bloody important for pensioners, unemployed people and down-and-out people who come up to you and say: 'Mate, we notice how youse always sticking' up for we unemployed people. Keep it up, stick it up 'em'. I think that is important for outside people. In a way, you could say that we are undermining the revolution because we are keeping those people a bit involved. However, the reality is that the revolution is for those people to feel that they are still part of the system because there is somebody trying to stick up for them. However, not necessarily getting anywhere is also important. (Interview Respondent 61)*

A successful revolution or not, the fact that there are at least generalist peaks willing to undertake advocacy beyond their immediate sector representation, reflects a particular characteristic of the Australian community sector that is unique among global welfare institutions. Balancing the needs of both the organisation's membership and its commitment to its broader constituency is, however, not always easy—which may explain the reluctance by large umbrella organisations in USA or England, for instance, to extend their advocacy beyond the needs of their members. One respondent talked about their organisation's difficulties in meeting its commitments to both its members and to its wider sector representation:

*A broad-based advocacy is one of the great strengths of the organisation, but it is also one of its potential faults. One of our great strengths is, where there is a conflict of interest between members' needs and the needs of the disadvantaged in general, we are 100 percent clear where we stand, we never compromise giving voice to the needs of people in disadvantage. That's what we're primarily for: advocating on behalf of people in disadvantage, and we are backed by our member organisations to the extent that their interests are compatible and reflect ours. But, there is a bit of a push within our membership that says that maybe we should be doing a bit more of that industry stuff because it is a bit more of an industry now that they've got bigger contracts from government. Some of them are less comfortable with our advocacy because they have these big contracts and their money sources are streaming. Some believe that if they don't get bigger and continue to grow that the private sector providers will move in on the so-called level playing field and wipe us all out, and, of course, things will not be quite so good. Because of those pushes and trends, there is internal debate about whether we meet those industry needs sufficiently, whether there are unmet needs and how we might address those in our next strategic plan. Another major area for us is about a strong community sector, which is a sort of industry area, so that issues affecting the community sector will be good with a strong vibrant community welfare sector. We do not give this area as much time and energy as we would like and there is talk about exploring this much more in our next strategic plan. It is important, then, to know how we might set up an industry support and do more to address it, partly because it seems like an emerging need that people are more interested in, and partly to make sure we don't lose those members whose main interest this is, in order to avoid diminishing our strength and credibility. (Interview Respondent 60)*

Conflicts of interest between advocacy and survival are not uncommon among peak bodies concerned over 'how far to push government', including this church-based organisation:

*If there is a negative perception in government, it might respond by saying 'that organisation has been critical of us lately', and then our member agencies feel that this might mean that government will cut back their funds. Agencies do not like the thought of government raising critical questions because naturally enough agencies feel that it could flow on to government reducing their funding. The agencies have people employed and programs in place, so it becomes a question of, 'are they too dependent on government funding and what will they do if people are made redundant?'. So, there's all sorts of human resource issues if funds were cut back. They want us to advocate, but they do not want it to cost them anything. Naturally enough, everyone would like the world to be a different place, that is a human reaction and I can understand it. However, there is a balance issue ultimately and you have to argue your case in a way that hopefully does not get up the nose of the Government. That is, though, also argue the case in a way that produces some change. However, if you embarrass the Government or get up their nose, they might want to settle the score. (Interview Respondent 83)*

The roles of representation for peak bodies, then, sometimes have to be compromised not only for the sake of the survival of individual organisations, but also for the benefit of the sector that the peak represents. In turning back to the survey findings, we find that more than 50% of the peaks were formed as a response to grassroots issues and 14% said it was a direct response to political pressure (see Table 2.2:2). It is clear from this that most peaks originate as a representative body, whose duty it is to advocate on behalf of member organisations, and, as we have seen, also for the sector in general. Governments need to recognise

this and realise that for representative organisations such as peak bodies, their duties in advocating for their membership and sector may of necessity challenge existing government policies. That government often finds this essential aspect of advocacy unpalatable is clearly seen by the 19 percent of surveyed peaks which have lost or been threatened with the loss of their government funding (see Table 2.3:8). Such action creates a major dilemma for community organisations, which depend on government funding but are at odds with government policies affecting their clients or constituents.

As we have seen from comments by both peak executives and senior government bureaucrats throughout this report, a major contradiction exists in relationships between them and in differing perceptions. According to many executives, government threatens funding because of peak advocacy, while the bureaucrats deny using such threats. The senior bureaucrats interviewed in this study also claim that government accepts peak advocacy as an essential role of peaks' representation of community-sector needs and demands.

One solution proposed by a respondent in this study is for a legislative review of the situation of interrelationships among government agencies and community-sector representatives. This could be undertaken by a special commission appointed by Federal Parliament, comprising representatives of government and major social-welfare peaks, in order to establish statutory guidelines that include a standard legal definition of a peak body in its terms of reference. This definition would recognise the customary duties, constitutionally or contractually expected, of peak bodies by a consensus among their constituencies. A list of duties would include advocacy and lobbying on behalf of these constituencies, with neither restrictions nor prejudice. The commission should include State/Territorial Governments and peak bodies in the debate by way of subcommittees, so that State/Territorial Governments could adopt the same definition in a cross-border standard that would improve relations, and to which peak executives, as well as government representatives, could refer in the event of contention or dispute.

## **5.2 RELATIONS WITH GOVERNMENT AGENCIES**

The interview commentaries throughout this report strongly indicate deep-seated problems in relationships between government and peak bodies. This is supported in the survey findings. Less than 20% of the surveyed peaks claim to have an amicable relationship with government (see Table 2.4:1). The outcome of such a high proportion of fractured relations is that nearly 20% of the peaks are barely coping with managing their organisations, or not coping at all. Approximately 50% claim to be managing with varying degrees of difficulty, with a few closing down altogether (Table 2.4:3). About 15% of the peaks have had all their government funding withdrawn (Table 2.4:4).

More peaks in receipt of federal funding were defunded compared with those, which are state-funded organisations—the exception being in Victoria. In terms of actual government–peak relations, the situation is little different between federally funded peaks and state-funded peaks, with about 10% claiming to have an amicable relationship with government (Table 2.4:2). With the exceptions of Victoria, Western Australia and the Northern Territory, most state peaks claim the problems centred in their relations with government bureaucracies or problems at the administrative level, rather than differences over government policies.

According to the survey, more than 40% of the peaks claimed that government policies impinged upon their operations, compared with nearly 16% which said bureaucratic interference was a major impediment (Table 2.5:1). As for the government response to relations with peak bodies, the surveyed peaks point out that government perceptions of them greatly hinder the relationship. Nearly a third of them say that government thinks they are too critical of its policies, with about 18% stating that other negative perceptions include either being too radical or being 'rabble rousers' (Table 2.4:5). If this is a true assessment of the situation then these perceptions probably contribute to the disjointed relationships.

On the other hand, more than half of the peaks indicate a government view that (is more positive) they are well administered and nearly a third of them indicate a perception of efficiency (Table 2.4:5). If these are accurate assessments, then the proportion of defunded peaks might have otherwise been much higher, for

*Australian Community-Sector Peak Bodies – Chapter Five*

this indicates that government was willing to tolerate peak dissension so long as the peak managed its operations well. However, overall it seems that relations between government and peaks are far from the mature and consensual partnership which bureaucrats in the interviews say is a government ideal.

It would seem that perseverance with these fractured relationships is not because of any striving towards such an ideal. Rather, government needs peaks to act as intermediaries in its relations with the community sector, while peaks need government funding to operate.

*In terms of peaks' relationship with government, it would be about providing government with a perspective from the community sector. It's giving them information about what's actually happening in the services that are being funded by government and also about providing advice—outside advice—to the people inside government, who are shaped by the structure that they have to operate in, so that they may be well informed. In addition, it gives them an opportunity to see another perspective. In addition, it gives the people inside government, who are trying to push for change, added legitimacy to making the changes they want. There are some politicians who are supportive of peaks—and others who do not even know they exist. (Interview Respondent 69)*

And from the bureaucratic level of government administration:

*So far as bureaucrats go, there are some I think who are very aware that if they lose the peaks they've lost their entire entrée into the sector—an easy entrée into the sector, anyway—which they really value because they're trying to administer these programs; because they don't know what's actually happening on the ground. That is because they are so short staffed. (Interview Respondent 69)*

According to one respondent, the crux of the problem in government–peak relations is the issue of autonomy and independence within this relationship:

*I think it comes down to the issue of independence. One of the reasons why government funds peaks when things are working well is because they are independent of government and not seen as a mechanism of government. However, that independence is not a valued thing by government because sometimes it can lead to disagreement with government. I think that peaks have to bite the hand that feeds them. That is one of their roles. (Interview Respondent 68)*

For politicians, as well as bureaucrats, an alternative is to by-pass the role of peaks altogether, which is, as we have seen, something that is happening more frequently at the federal level. For bureaucrats, going directly to the sector may depend on sufficient staffing, or, as one respondent suggests, it may simply be a matter of improving interpersonal relations with peaks:

*One of the issues that has been raised quite consistently across the Supported Accommodation Assistance Program (SAAP) sector is that people are saying that in years gone by they used to have a personal relationship with an [departmental] office. So there would be somebody they knew they could ring up and speak to on any issue, who would know them and would come out and visit them. However, that does not happen any more because staff moves on and there is not that history within the department now. There are certainly some bureaucrats who do not know what they do not know and are not aware of the amount of information that's out there in the sector that they're missing out on. But, there are others that are very aware of it and are quite alarmed at the thought of there not being some sort of organised structure in the community sector that they can tap into when they need to consult and need to go out and see what's happening on the ground. So, there's increased interest in getting direct contact with consumers that is, consulting directly with consumers. (Interview Respondent 69)*

For peaks, direct government contact with the sector is as vital an issue as funding to their ability to act as a viable community voice. It then becomes a matter of walking a fine line between community representation and government control. Peaks are seen as party-political partisan by some conservative governments. They are not seen as a core part of extra-parliamentary institutions and processes of deliberative democracy (Sawer, 2002; Carson, 2001). Conservative administrations expect peaks to adjust their strategies and alliances to adopt to changes in government administration or ideological positions.

*Governments, of course, need NGOs as the vital service delivery component—and increasingly so, if you look at obvious things like the job network, which is a massive transfer of service delivery from a government to a non-government context, and housing being another example of that with the growth of the community housing sector.*

*Australian Community-Sector Peak Bodies – Chapter Five*

*There's no doubt that the delivery role is seen as important, but the change for the community sector is how to balance that role and the receipt of government funding to do that role with their independence. I think that is a critical interface that is obviously a very real issue for all agencies, but especially for peaks because their advocacy role is their primary function. (Interview Respondent 68)*

Some peaks do indeed recognise the political ramifications of their work. They are cognisant of the impact of globalisation on welfare policies pursued in Australia, for example, in the area of homelessness. This level of sophisticated political analysis is not found evenly amongst peaks, or within and between sectors. This makes it difficult for peaks to develop and maintain solid and effective inter-sectoral cooperation and collaboration during difficult political and financial times.

*I do think that government does think peaks are less relevant and I think that that's got something to do with peaks themselves, which I think peaks have been genuinely trying to grapple with. They are giving the same line repeatedly for years and they have not adjusted it to the political ear that they are trying to get into. I think that certainly the conversations I've heard –there has been a real effort to try to adjust the debate to fit the current circumstances, and to apply the principles that are still held dear in the current political situation. I think in doing that you certainly end up with some people in the sector who seem to be opportunistic by sort of sucking up to the current political masters. In addition, other people see themselves as holding the line. But, I think, for most of the sector they're trying to do something in between, trying to be realistic and get some good outcomes in the current environment and to genuinely assess what is going on to try to get an understanding of the big picture, such as, 'what are the impacts of globalisation on housing the homeless?' (Interview Respondent 69)*

In the present political climate, there is recognition of the impact of the network society (Castells, 1996) and computer-mediated communications on political decisions and policies. The influence of globalisation with its accompanying 'stage-managed politics' is an important feature of modern democratic societies. Some argue that societies are less democratic because of the narrowing of constituencies and policy agendas, due to the influence of neo-liberal and public choice ideas on democratic institutions and consultative processes (Melville, 1999b; 2001; 2003).

*There's a broader issue around modern politics and the fact that the key in a media age to managing politics and being successful in politics is minimising negative or counter messages from the Government's point of view. Media management—spin doctoring—has become a critical part of the way the public sector, as well as governments, operate, and that, therefore, if we look at the idea of dissenting voices, or independent voices of any kind, there's been a direct attempt to muzzle and quieten those agencies. (Interview Respondent 68)*

So far as the youth sector is concerned, one way of gaining control over non-government agencies and of 'muzzling' the 'dissenting voices' has been not only by defunding the national youth peak—if, indeed, that was the real reason for its funding loss—but also to create the Youth Roundtable, comprising selected young people 'representing' the voice of youth. Coupled with the notion of a community roundtable is a divide-and-rule tactic of government by choosing to listen to whatever voice in the sector accommodates its agenda. As mentioned above, in this media age, governments have become more sophisticated in devising strategies of 'managing' public dissent.

*Government should not be allowed to get away with that, playing one person off against other people. Because the sector should be saying, 'Of course there are different views, but this is the view of this peak, which is another perspective, and this is our judgement, or our range of advice about where we think that thing should be going'. I think that is the difficulty about translating members' views into policy outcomes and policy proposals. The biggest weakness that peak bodies have is the internal structures in genuinely facilitating the transferring of ideas and experiences into policy proposals. Some peaks do that better than others, but I do not think the structures are necessarily there at the moment to strengthen the sort of advice that's being put forward. (Interview Respondent 68)*

One of the common criticisms of peaks is that they are not 'representative' and do not speak on behalf of their constituent base, or that their constituent base is too narrow (AIC, 1995:187, 197-198). Peaks are seen as unable to widen their constituent base to be able to provide government with 'one united voice' on sector needs and issues. The response of the Federal Government to this issue in recent years has been to try to reorganise the sector through amalgamations, establishing alternative representation mechanisms and

bodies, and defunding groups seen as ‘unrepresentative’. The whole issue of ‘representation’ is a vexed one for peaks and governments.

*The issue of what constitutes representation is a critical part of the whole jigsaw puzzle. The notion of representation in the community sector is a very important one, but we do not have it right. It is not enough to talk on behalf of consumers, or the great unwashed any more. I think the idea of constituency and representation, and how you represent diversity within that representation, is critical too. There’s incredible diversity within the membership, and the key challenge for peaks is to engage with government in a meaningful way, and to be at the table, but at some point to be independent and to be reflecting that diversity within your constituency. (Interview Respondent 68)*

As we noted earlier, the Howard Government (1996+) has defunded some 15 national peak organisations. Among those that were defunded were major national peaks and in some cases the only national peaks representing the aged and pensioners’, women’s health, youth and housing sector—four essential areas of concern and welfare services in the community. This respondent commented about how their peak organisation slid into a defunded status. They believe that the organisation’s campaigns ‘around higher education, the common youth allowance and a range of direct policy issues which were against what the membership were calling for’ were a major contributing factor, because,

*...In the end, the organisation was seen as a barrier, or a problem, to the implementation of the Government’s policy agenda, amongst other broader philosophical questions. I think the organisation was always very clear what it was trying to do. It was trying to represent the interests of young people. Whether you regard that as being ideal or not it is a debate for another day, but it was very clear it didn’t take a mandate that it didn’t have, and that is a problem some peaks have in claiming to represent a group that they clearly aren’t able to represent and have no mandate to represent, or no permission to represent. We were always very clear that our mandate was youth sector based. (Interview Respondent 68)*

This last comment may appear to contradict an earlier statement on broad-based constituency by the national welfare peak in the previous section. However, perhaps not, for both organisations see their representations in terms of a mandate from their membership. The youth peak confined itself to all issues pertaining to the concerns of young people, who in turn represent the constituency of member organisations. As a respondent from the youth organisation points out, however, those problems of self-assessment often only arise when the organisation is in crisis:

*We really needed to look at our own performance and look at our own way of operating much more critically than others might think. It was always a dilemma for me as our situation unfolded, but the loss of legitimacy externally for what we had done, the work we had done, made it very difficult for us to genuinely look at what was involved, all of the dynamics of what was involved, and to learn a lesson from what we did better and what we did wrong. That’s very difficult because there’s a polarisation across sector about it because it feels under attack and they get defensive and can’t look at the key issues involved; some can but many others cannot. (Interview Respondent 68)*

Internalising problems, guilt and reassessment are no doubt common reactions among peak bodies that find themselves defunded. This respondent, however, looked at the bigger picture, especially the broader political climate—in this case the financial policy of managing the federal budget deficit.

*Once the Howard Government was elected and anybody who followed the political process realised that the ‘black hole’ was being prepared, or the political ground on that was being prepared for a very savage budget. I guess we expected to see it more than anyone does in that regard. In addition, I think, the Government took a strategic decision, which from their point of view was proven successful over time about reducing the budget deficit. So, if you’re going to cut, cut hard, as the Treasurer remarked, ‘in for a penny, in for a pound’, because people are going to be outraged whatever the level of the cut is. I think that is offensive and outrageous on many levels, but it’s also a message and a clear indication of how peaks are viewed and the message is seen ‘equally unhappy with the cut no matter what size it is’. I do not think it justifies what is done, but I think that interprets the salesmanship of those cuts. (Interview Respondent 68)*

There is a general perception within the sector, (Melville, 2001:103-104) the decline of the organisation was the result of ministerial interference and particular policy preferences of the government.

*Australian Community-Sector Peak Bodies – Chapter Five*

*I started in January 1998 and for the first half of the year, it was my job to try to renew the funding agreement. We had a three-year funding agreement, which we had signed in '95. The organisation had been trying to renew the agreement for a number of months towards the end of 1997 by opening up negotiations and holding a couple of meetings. The Minister would not meet with the organisation and those discussions normally took place with bureaucrats. We were getting the clear messages that there was political interference. Not disinterest, I guess, and it was not obvious what was going on up to that time. (Interview Respondent 68)*

The eventual defunding was simply played out in the course of a ministerial decision not to refund the organisation. What this case study demonstrates is the necessity for developing and maintaining links with other peak bodies, so they can work together politically within and/or across sectoral or portfolio boundaries and support other peaks over funding issues. No support was forthcoming from other peaks.

*What happened was they [the government] waited until our funding contract expired, and our funding actually ran out in June 1998. So, rather than cutting our funding, which is what they did to other peaks at that stage, they simply decided to let our funding agreement expire. The interesting thing for us is that we were actually always out of the Community Sector Support Scheme (CSSS) program. However, on one level that was always positive for us because we could deal directly with the bureaucrats related to our own area of interest. There was not the competition for resources with other peaks—there was just one other peak body funded from the same source. That was always seen by us to be an advantage. However, obviously, once the world changed it was a disadvantage because we were isolated and there was no real solidarity with other peaks in the same funding program. (Interview Respondent 68)*

Following the defunding there was little time to reflect on the past or dwell on post-mortems on what should have been done. Rather the organisation took direct action in the manner of one of their advocacy campaigns. As an organisation, this peak was a model of good governance, policy development and consultative mechanisms. Once they lost their political legitimacy, it was not possible to continue in their current form. The options for alternative organisational forms were not very satisfactory either in the short or long term.

*When we were defunded we very much immediately launched into a survival campaign or a reaction campaign—we called it our 'biteback' plan or strategy. The idea was that we did not want to just give up meekly. Realising that life was very much going to have to change from that point onwards and that there wasn't going to be any immediate resolution with the Government, we needed to try to galvanise our support. We felt that our legitimacy had been taken away, but there was lots of support expressed for what we had done, lots of solidarity, and I think in terms of peak bodies that had been defunded obviously they all reacted in different ways and some have tried to continue on. From our point of view, though, our whole structure and intent was focused in a particular direction about advising government, and without that mandate and without that funding it was really going to be very difficult. What became very apparent was that we could not be both a consultancy firm (and effectively to do bits and pieces of projects and research), and keep up a policy and advocacy role. We had this enormous consultative machinery in place with the aim of developing policy, but it was no longer funded. We had our board, we had our policy groups, we had our various other structures and mechanisms, but they were very expensive to maintain. (Interview Respondent 68)*

Bouncing back was never going to be an easy road of return. What the experiences of the youth peak clearly demonstrate, however, is that, in this country at least, fully functional peak bodies can only become operational with the support of government monies.

*We looked at all the options, we looked at foundations, we looked at state government funding, we looked at private sector funding, we looked at self-funding, and none of these was sustainable. It was not sustainable in the form that we were in, and, I guess, the issue was that we had a very strong professional staff team that drove a lot of activity. One of the things that we learned in retrospect was that we were not making full use of our members in terms of their energy and their financial resources. However, they were happy with the work that was being done and were somewhat saying: 'yep, we support you, get on and do it and we'll work with you'. But, when the crunch came and we needed to rely on them more heavily, they weren't used to that, weren't ready for it, or for us to say that they've either got to put \$200,000 between them on the table if they wanted any sort of peak body, or they've got to talk about what strategies to put in place, and put in place an expanded executive to manage things in recognition of the fact that we wouldn't be able to have regular board meetings. However, these were not sustainable. (Interview Respondent 68)*

*Australian Community-Sector Peak Bodies – Chapter Five*

The peak undertook a political assessment of the lack of support from the Federal Coalition Government and decided it would not be possible to rebuild relationships during their period in office. This meant the peak had to make a strategic decision about its future and closing down completely was the only viable option.

*There was a realisation that the election had been run and lost from our point of view and we were facing at least three years without funding—as it turned out it was a lot longer, maybe six to nine years and we needed to take stock and assess where we were going. Our preferred position was to formally dissolve the organisation as an incorporated association, and then to have a meeting to set in place arrangements that would result in a new identity, new modus operandi, new culture, which was a nexus between keeping the old organisational identity and moving forward. Some members felt it was important not to run the organisation down but to move on and recognise that historically these things come and go. We needed to move to the next phase to get to the phase after that. But, it's fair to say that there was some reluctance and some sadness to go down that path, for people didn't want to let go and some people felt, as a counter-argument, that all of the support and momentum that we were able to get would be lost by doing that. The board eventually decided to do that and set mechanisms in place since then to move forward. However, it has not been as successful as we would have liked it to be. (Interview Respondent 68)*

This country's only national youth peak body has passed into oblivion. Whilst the events leading to its demise proved a unique experience for this peak, the defunding of established peak organisations is, unfortunately, far from an uncommon occurrence, especially, as we have seen, among national peaks and peaks in Victoria.

Several of the government officers interviewed pointed out that, from their experience, defunding is not common. Government pursues every endeavour to prevent it, so that when it does occur it is usually the last resort in a long confrontation between a peak body and its funding body. Given that the fear of losing funding by many peaks may be an exaggeration of reality, nevertheless, in recent years it has happened with much greater repetitiveness than in previous years.

Although government officers do not acknowledge that peaks are defunded for conducting campaigns which oppose government policies in the course of fulfilling their duties as advocates on behalf of their constituencies, from the experience of many peaks which have been defunded, such as the national youth peak whose story has just been told, the loss of their government funds inevitably followed a period of active advocacy.

At the crux of threats to defund or the reality of defunding is the question of 'whose money is it?' Some of the government officers interviewed pointed out that since government has assumed the role of safeguarding public monies, it has the responsibility of ensuring that money is spent wisely. Funding community organisations might carry with it a certain risk with a possibility of organisational mismanagement, embezzlement or of using the funds for purposes other than those agreed upon in contracts between government and the organisation in question. It might be argued that conducting public campaigns in opposition to inappropriate government policies is one of those activities that are not covered in the funding contract. Such an argument has been used by government agencies when threats to an organisation's funding are applied. However, it can be argued that government was aware of the advocacy role of a peak body when it signed a funding contract with them. Moreover, as peaks persistently claim they are independent bodies, so long as the advocacy is not utilising public monies intended for other purposes that have been contractually agreed upon. Therefore, an act of defunding that appears to many peaks, as punishment for opposing government on issues of concern does not fall within the jurisdictional obligations of government as guardian of the public purse. In these circumstances, government seems to be acting not simply as guardians of public monies but as though the money used for funding peaks is actually owned by government. Public monies exist not for government dispersal as it sees fit, but for use by the public from whose taxes and other revenues these monies derive. The legitimate use of these monies, then, is as much for the support of community organisations in servicing the community sector as it is for public utilities. Funding peak bodies as representatives of the community sector should therefore be an obligation of government and not be treated as a privilege at government's discretion.

*Australian Community-Sector Peak Bodies – Chapter Five*

What is required, then, to ensure that government fulfils its obligation and to protect against the misuse of public monies by incompetent community organisations, is an independent arbitration body comprising representatives of all parties and of stakeholders, who are the community itself.

In the previous section, we indicated a legislative process that defined peak bodies. This could also be extended to frame how and by whom the public monies intended for community, organisations are to be used. A committee representing the arbitration body could then oversee such usage. One respondent from the youth sector had some thoughts on how public monies should be utilised by community organisations and how this might be arbitrated to avoid government protecting its own political and ideological interests through the manipulation of those funds. For this respondent one solution is to take funding decisions out of the hands of individual ministers and the executive arm of government. This should prevent limiting funding of policy and advocacy functions to those groups, which hold the same ideological persuasion of any particular government of the day. The democratic functions that peak bodies perform are essential to maintaining a vibrant civil society, which includes debate and public input into policy. Censorship of these groups should be seen as anathema to the tenets and practices of liberal democratic institutions and processes.

*Governments do not really want peak bodies. They don't really value their roles, so the way they respond to that is to just fund them because they feel they have to, but to put the squeeze on them and to underfund them, then to fund them to fail. (Interview Respondent 23)*

*The root cause of our organisation's situation and that of many other peaks is that they have relied on government funding for survival and to 'bite the hand that feeds you' is a risky strategy. I think the issue fundamentally is about taking the funding of peaks away from executive government and meeting immediate government priorities. The only way I can think of doing that is to look at establishing a joint Senate House Committee in the Federal Parliament to actually oversee the administration and accountability of funding to non-government peaks, where a budget and an appropriation would be allocated and criteria established, and a debate would be had in that form about the best bodies, the range of organisations, or interests that needed to be represented being funded, and that also becoming the reporting mechanism, so that it brings the Parliament into play—not just the executive government—so that peaks are working for the benefit of the whole community and the whole Parliament as represented by the community; so that it isn't just meeting the executive government's interests of the day. That would obviously be around core funding and about their rights-based work, and obviously peaks would be free to gain an income from individual government agencies for particular projects, or particular activities that met the immediate government's objectives—there's nothing wrong with that so long as it's a consensual relationship. However, I think the main issue is that there needs to be some certainty and longevity of funding for peaks that transcend political cycles and transcend immediate political debates. I think that would strengthen democracy—I truly believe that—and strengthens the representations of minority views in the community, of the disempowered and voices of the disadvantaged, and it would provide greater accountability within a parliamentary context of those interests as well. I don't think it is political correctness or anything like that to just talk about those people's interests being better or different than others, but it is about saying they are particular and they need to be dealt with in a particular thoughtful and appropriate way, and they need to be communicated effectively. In addition, I think, that within that there is obviously a whole range of responsibilities on peaks around representation, involvement; and how they manage the competing interests of their constituencies is a major issue. Also, there is how they behave responsibly, so that if they are entering a broad community dialogue this is done in an appropriate and professional way. (Interview Respondent 68)*

There is much merit to these ideas and governments now and in the future should pay heed to an outline such as this. We would add that the overseeing committee, while it should comprise Federal Senators as suggested, equally representing all political parties, should also include representatives of the community—perhaps directors and/or executives of community peak organisations. Selection could occur through a consensus across all major national peaks. A problem may arise in the future event of a Senate majority dominated by one party or a prevailing ideology, and this could be overcome through the legislative process outlined earlier. This would then not only establish a legal definition of peak body, but also how the committee should be formed and who it should comprise, as well as its aims and objectives and its duties within a legal framework. A statute would then be necessary to encompass various legal codes guiding both the parameters of an arbitration committee and which types of peaks should be included in the funding arrangements. This would need to ensure that these represent the full range of community sectors, with long-

term funding contracts based on the size of membership, number and type of services, and the extent of the broadest constituency.

A further mechanism should be injected into this legal framework to ensure that the Federal legislation provides a model for State/Territorial Parliamentary bodies to emulate. Subcommittees similarly constituted would need to be incorporated into the Federal legislation as a complementary arm within each regional jurisdiction. Thus, with a non-partisan, non-ideologically based, legally founded infrastructure serving the community via its legitimately recognised representative organisations within all jurisdictions across the country, a wholly functional, truly democratic welfare state would be established free of the taint of corruption, misuse of public monies or manipulation to achieve political ends that pervades the present government-peak body arrangement.

Some may consider the above suggestion administratively and politically naive, but it highlights the need to find better ways to legitimate and safeguard the democratic rights of marginalised and disadvantaged citizens in policy making. The HORSCCA (1991) and AIC (1995) inquiries noted that there has long been bi-partisan political support for the work of peaks in advising government on service delivery and policy issues. Peaks performed vital services in providing government with advice about the impact of their decisions and services on different members of the community. This bi-partisan consensus has been swept aside by powerful political ideologies and major reforms to the working of the public sector. Unless this is addressed in an institutional manner, we may find that important mechanisms of deliberative democracy are permanently undermined, and the voices of the so-called 'mainstream' crowd out the needs of marginalised groups in our community. This poses a serious threat to the fragile nature of civil society, which many policy makers now recognise is a vital part of any healthy society.

### **5.3 NEW APPROACHES**

At this point, it might be worthwhile looking at alternative ways of establishing a relationship between government and peaks. We have just discussed one possibility, which utilises the Parliament (and not just the government of the day) in the process. That alternative is still based on the utilisation of public monies. As we have already seen, in Tasmania relations with government are harmonious because the peaks we interviewed were 'proactive, constructive, collaborative' in their relationship with government agencies, rather than taking an 'adversarial stance' as these peaks claim is the case in other states

Another alternative is to seek funding apart from government resources, as non-government organisations in the USA already do, because of the control government imposes on peak bodies when funding them. This was suggested earlier by a national specialist peak:

*Funding for consumer peaks in Australia will ultimately not be something that will be driven by government, and even arguably should not be driven by government. (Interview Respondent 70)*

A number of respondents came up with alternate suggestions to improve government-peak relations. One such alternative is based on a view in which welfare is seen as an investment opportunity rather than as a charity.

*We have held too long to what I describe as a charity-welfare model. I do think we need to move more towards a social enterprise model, where disadvantage is tackled more holistically by merging social and economic objectives, and that is my critical argument. You can take any sort of debate to this issue, but I fundamentally believe that you get results according to the context and frameworks in which you view what you're doing. I also think that if you compare the social sector in Australia against the trends that are emerging in Europe it becomes evident that we are lagging behind. We are only seeing people in terms of welfare objectives. (Interview Respondent 38)*

We were curious to learn why the present system of welfare objectives was now seen as inappropriate and perhaps inoperative when it had worked for so long.

**Australian Community-Sector Peak Bodies – Chapter Five**

*We are still dominated by charity, churches and community groups and we are still primarily financed through government grants and philanthropic donations. So, it is a donor-donee framework, and it is that we work in a welfare context in which the disadvantaged are regarded as the responsibility of welfare, not of society. Therefore, we have a culture where we unnecessarily pathologise people who are disadvantaged, and also we are very reactive in that we don't tend to look at the trends and tackle them in an anticipatory way, or in a preventative way, even though we use a lot of that kind of language. We are still operating in this volatile short-term funding environment. We have a limited range of metrics to evaluate outcomes, and because we are locked into this framework where we are reliant on grants and donations, as a sector we are actually undercapitalised and inefficient. The welfare model is arguably driving a rift between the rich and the poor. The current framework in which we are operating says those who are operating in the economic sector can just continue to do that and survive on pure economic objectives, and we're giving them permission to do so rather than saying they have to incorporate more social objectives into their framework of operating. In addition, equally, we have to say to welfare: 'you can't build sustainability if you maintain a lot of characteristics that are there at the moment and are inherent in the system'. (Interview Respondent 38)*

We asked if the current Federal Government, with its attempts at encouraging peaks to find their finance within the business sector, was viewing the situation from a social enterprise perspective.

*I would argue that the Howard Government belongs to the old model of thinking. It is still in a philanthropic model by saying 'give, do not engage, but rather than government give, let business give'. (Interview Respondent 38)*

Another question concerned the peaks' role in consultation on social policy. Many peaks feel they are shut out in the present welfare system. According to one respondent, what we are witnessing is the demise of one organisational form as new forms take shape in response to new challenges and a new economic and political environment. Global imperatives and not national (social) policy goals and options shape that environment. This process is seen as a healthy part of any democratic society undergoing major social, economic and political transformation.

*I actually think government tries very hard. The world is very complicated, no one can ever be consulted enough, and in a democratic system, everyone is always competing for its power base in society. I think that sort of whinge is a good sign, for it shows a healthy democratic base in society. However, I think, that if you have inefficient systems then representative bodies will die as they become irrelevant, and as they die, they squeal harder, or louder—the death rattle. However, all of that is part of a healthy environment of change. Yet, the more I look and the more I have been in this sector, the more I think what we are doing is not effective. In fact, things are getting worse. (Interview Respondent 38)*

We asked if present peak bodies could become part of the social enterprise model. The social enterprise model is seen as a driver of change and innovation, whereas peaks are viewed as part of the inertia and problems associated with the present system. It could be argued that those peaks, which do not have the capacity or willingness to adapt to this changing environment, would cease to exist in any form.

*I think by definition that a peak body and government are the same animal. They represent the lowest common denominator, the average thinking, because that is how they survive—they survive by membership and ownership of the agenda. With government that is what it is always trying to do, represent the will of the people, and a peak body is trying to represent the will of its members. They are not, therefore, ever going to be the drivers of change and innovation. In addition, so, you need different means and mechanisms to do that. I do not think existing peaks are players here, although there are emerging new peaks, such as the Social Entrepreneurs Network of Australia. They are new membership organisations, but interestingly it is not the traditional welfare member organisations that are absorbing them. (Interview Respondent 38)*

What then are the advantages of the social enterprise system? This new system is seen as encompassing elements of both the corporate world and the 'social and community' world so that it is not another commercial enterprise. The social enterprise model operates from a reworked form of 'communitarian' political and ideological thought. It has become popularised in Britain and to a lesser extent in Australia.

*Particularly in OECD member nations, they are actually pouring a lot of money into social enterprise. In addition, I think we need to also do this. They are really trying to respond to a shift that has occurred where disadvantage—now more than ever—is located in particular communities and neighbourhoods. The new model is the merging of*

welfare with employment initiatives. That is a critical start and we are starting to do that here. We already have many good social enterprise models. It is not about letting government off the hook, and nor is it about forcing the sector into a pure commercial model. In fact, I think, it is a drive to bring the corporates into a social enterprise model as much as it is trying to build welfare into a social enterprise model. We are not saying anyone should be let off the hook. We are saying to governments, we are saying to corporates, we are saying to the world: 'invest more in this sector'. We have to if we are going to sustain any kind of social and economic norms. (Interview Respondent 38)

The Social Entrepreneurs Network (SEN) of Australia is a new peak body. According to one respondent, SEN is 'an organisation that is starting to tackle some new models'. However, what are these new models?

*They are social entrepreneurial organisations, which are just starting to emerge here in Australia. They are about new structures, or new ways of putting pressure on the social sector to continuously improve itself, and, I believe, the feed of capital alone does not do this. You actually have to demonstrate new ways of thinking. Therefore, I am arguing that we need more organisations like the Social Entrepreneurs Network of Australia, which are encouraging new thinking. What is important is that we do not start to think of social enterprise as just low margin enterprises in areas where there is little economic activity. I think it is more than that. It is about establishing enterprises, which is dominated by what I call entrepreneurial thinking. Entrepreneurial thinkers are creative people who have a vision about how they are really going to make a difference in these communities. In my view, you cannot make a difference in a disadvantaged community unless you tackle the economic and social issues, which I do not see as separate animals. I think that the more you put a black line between them the more your solutions are going to be counterproductive because it's only by merging them and seeing the whole needs of people in context that you really do improve solutions. (Interview Respondent 38)*

Advocates of this approach emphasise its role in the future of the welfare industry. There are others in the sector that remain unconvinced that the new model was feasible. They believe that current relations with government funding bodies could be improved. It is the management of existing peak bodies, their 'rank-n-file' welfare working staff and their member organisations who have to be convinced that the social enterprise model is going to work. It may be true that the new model is making headway in Europe, but most European countries, including the United Kingdom, do not have the long tradition of government funding support for NGOs that Australian peaks have enjoyed. It remains to be seen whether the Social Entrepreneurs Network of Australia and other new peaks adopting the new model are viable enough to prove through experience that they can successfully supersede the present government–peak welfare arrangement.

## **5.4 SUMMARY**

Throughout this study, the existence of a dual relationship in the role of peak bodies has been a constant theme. On the one hand, peaks owe their loyalty to the constituencies they represent and are duty-bound to act on their behalf for a favourable outcome. On the other, peaks have a somewhat tenuous relationship with their government funding bodies that often brings them into confrontation with government over their duties of representation towards their constituencies. As we have seen this dual relationship, with peaks in the middle, is fraught with the danger of fragmenting under pressure and even disintegrating through the withdrawal of government funding, as we have seen in detail in the case of the national youth peak.

In this chapter, we have attempted to demonstrate the extent of the fragility of this two-way relationship for peak bodies by investigating two essential segments in the relationship. One segment is the role of peaks in representing their constituents, which may be a strict membership, or it may extend to the sector to which the membership belongs, or, in the case of the national general social-welfare peak that was our focus of this particular investigation, it may encompass many sectors with a common concern for disadvantage. In the relationship with their constituencies, advocacy plays a defining and essential role for peaks in improving the situation for consumers and clients, especially when their needs conflict with government policy. For many peaks this then leads to deteriorating relations with their funders, sometimes resulting in real or perceived threats to their funding.

The second segment is concerned with the nature of the relationship with government. This is seen at its worst in the experiences of the national youth peak. It was completely defunded in response to what they perceived as carrying out their duties to their constituents by trying to change government policy through advocating on behalf of youth. What this means is that government holds the ultimate power of disarming its opposition by removing the very substance—its income—that keeps the organisation viable. Of course, as the youth peak pointed out, loss of funding does not necessarily mean the end of the organisation. However, it did mean a loss of legitimacy, which is tantamount to disempowerment. One respondent suggested placing the authority of funding peaks in the hands of a Senate committee. We elaborated further by suggesting that an arbitration body be created that would involve the Senate and representatives of the community organisations chosen by a consensus of peaks. Peak funding be protected under a legislative structure in the Federal statutory framework, which could be adopted by state government jurisdictions.

In attempting to arrive at a solution to the problems of peak–government relations, we also sought alternative modes of operation for peak viability. A new model was suggested by those involved with SEN that eliminated dependency on government funding and sought viability through what is referred to as social enterprise. This has yet to become a proven mode of operation for most existing peak bodies, some of whose managers perceive it as a threat, while others are sceptical of its long-term feasibility. This new model, which we shall refer to here as ‘a new paradigm peak’, is already in operation. Time will tell how feasible it will be.

A number of other ideas emerged throughout the interviews in an effort to find new ways of restructuring the nature of relations between peak bodies and their funders. In some cases, this required greater cooperation with the government funding body and a less adversarial approach. In others, it was suggested that peaks need to adopt a more business-like professional approach to working with government. Some thought peaks in Australia needed to adopt a ‘compact’ with government, along similar lines to those introduced by the UK Government. Others see Australian peaks eventually going the same way as NGOs in the USA, where corporations, rather than government, provide the funding. In addition, with the new paradigm peak model, the first thing to do is to overcome traditional charity perceptions in welfare. Many peaks are in the process of developing strategies to respond to these new policy issues and funding pressures. Indications are that some are still resisting these pressures while others are adopting different organisational strategies to survive. A number of new models of peaks are emerging. These have been summarised in Figure 1. Five models have been identified in this study to date: the old paradigm—social advocacy peaks of the 1970s and 1980s; the emerging peak; the reinvented peak; the new paradigm peak; and the industry peak. A more comprehensive discussion of the major organisational and theoretical characteristics of four of these models is in Melville’s paper (2002:18).

Each of these models exists in one form or another along the spectrum of ideals outlined above. There is a strong belief among community-sector organisations that the problems they have encountered in recent years are forcing them to re-think their roles, especially among the more traditional older style peaks. It has become obvious that the old adversarial style of relationship with government is no longer viable in a neo-liberal environment. These very peaks are in frequent confrontation with the government bureaucracy and are most likely experiencing defunding. They also represent some of the most disadvantaged and marginalised groups in the community.

**Figure 1: Models of Peak Bodies—Organisational and Political Characteristics**

<p><b>Model 1: The Old Paradigm</b> E.g. Social advocacy peaks of the 1970s–1980s</p> <p><u>Main Characteristics:</u></p> <ul style="list-style-type: none"> <li>&gt;&gt; Recalcitrant and resistant to change</li> <li>&gt;&gt; Strong focus on one target group</li> <li>&gt;&gt; Sees problems with peaks in terms of relationship with bureaucrats; no sense that all are policy actors, i.e. politicians and public servants are conduits of 'various ideological positions'</li> <li>&gt;&gt; High levels of frustration with funding and no strategic thinking</li> <li>&gt;&gt; Relationship with funding bodies usually quite tense</li> <li>&gt;&gt; Recognise some of the current policy challenges, but stuck in a view of 'activism' and 'activist politics' based in another era</li> <li>&gt;&gt; Definitely feels 'under siege'</li> <li>&gt;&gt; Many do not want to change the status quo or the way they operate</li> <li>&gt;&gt; Still resisting competitive tendering and other market type policies.</li> </ul>
<p><b>Model 2: The Emerging Peak</b> A hybrid of existing peaks</p> <p><u>Main Characteristics:</u></p> <ul style="list-style-type: none"> <li>&gt;&gt; A more sophisticated analysis of policy and political environment</li> <li>&gt;&gt; Frustrated with bureaucrats and government policy, but have an analysis of the 'ideological' components of it</li> <li>&gt;&gt; Do not think that a change in government will necessarily alter things significantly for peaks</li> <li>&gt;&gt; Try to work in a very tense and oppositional environment</li> <li>&gt;&gt; Thinking strategically how to deal with opposition and hostility to their target group; some reshaping of their organisation is taking place</li> <li>&gt;&gt; Not quite sure where they are headed or how long they will stay afloat, but are quite aware it will be something new</li> </ul>
<p><b>Model 3: The Reinvented or Reconstituted Peak</b></p> <p><u>Major Characteristics:</u></p> <ul style="list-style-type: none"> <li>&gt;&gt; They want recognition for the work they do in the sector</li> <li>&gt;&gt; Relationships with government are seen as complex; peaks want a more mature relationship with funders and policy makers</li> <li>&gt;&gt; High levels of policy analysis and development (write policy, which is used by government departments)</li> <li>&gt;&gt; Recognition of the ideological dimension of current battle of peaks as part of citizens' rights to a voice in policy and democratic regimes</li> <li>&gt;&gt; Trying to develop a more sophisticated approach to dealing with old problems—and hostility of government, funders and other peaks</li> <li>&gt;&gt; Some have quite amicable relationships with government and bureaucracy</li> <li>&gt;&gt; These peaks incorporate large charities and other individual organisations, which are 'acting' as peaks, although they do not fit into a common definition of peaks</li> <li>&gt;&gt; Willing to engage with competitive tendering, but recognise that it threatens the advocacy role of peak</li> </ul>

**Model 4: The New Paradigm Peak**Major Characteristics:

- >> Acceptance of, and working with, competitive tendering and current policy environment
- >> Survival is a major priority
- >> Adopting a new ideology about NGO roles: e.g. must integrate social/economic thinking and not resist economic considerations shaping policy
- >> Growth in social enterprises
- >> Partnership is essential element in operating and planning
- >> Re-energise the sector by mutuality and cooperation
- >> Prepared to reshape to meet modern needs
- >> Incorporates the enterprise model with commercial practices and improved analysis, and builds up a capacity for social economy
- >> Innovative and flexible in organisational policy thinking
- >> Some believe strongly in the social entrepreneurial model of welfare

## 6. SUMMARY AND CONCLUSION

### 6.1 SUMMARY OF MAJOR FINDINGS

One of the major themes identified in this study is the problematic relationship between peaks and government ministers and bureaucrats. We have focused on this in this report. Documentary data collected during the study demonstrate that ‘public choice theory’ has had a profound influence on social policy and many of the politicians and bureaucrats working with the Howard Government (1996+). The pilot study conducted in 1998 (n=24) revealed that these policies had resulted in a significant reduction of funding and in defunding of certain groups seen as critical of government policy or as non-mainstream and self-interested. Community sector peaks defunded (or amalgamated) represent women, aged persons, people from non-English-speaking backgrounds as well as housing, disabled and youth groups. The ARC Discovery Grant extended this work and found that the legitimacy of community-sector peaks to speak on ‘behalf of their dual constituents’ has come under increasing scrutiny in recent years. Most nonprofit organisations in Australia belong to some sort of peak body or council. The roles of these organisations vary but they all engage in political lobbying and/or advocacy for their member organisations and/or client group. Politicians, funding bodies and government inquiries questioned the ability of peaks to speak on behalf of a broad range of welfare users as well as their member organisations (AIC, 1995:197). It is often argued by governments and bureaucrats that community-sector peaks should operate as industry peaks, such as the Farmer’s Federation, to avoid these conflicts of interest. Others see this as a way of eroding the voice of welfare users, whose interests will not be represented as effectively (if at all) by ‘industry peaks’ (Melville, 2001).

This extended study confirmed the hypothesis that peaks are undergoing major changes in the current neo-liberal political climate. This was most evident in the level of government support (political and financial) of peak bodies. The funding environment of peaks has changed significantly since the election of the Howard Government, although some of these changes had begun under previous governments. More than half of the peaks claimed to have received threats to their funding from government and 10 were totally defunded. Nearly 40% of reasons given for these threats or funding loss was due to political activity (advocacy and lobbying) on the part of peaks and changes in funding guidelines. During the course of the study (2000–2002), over 20 nationally funded peaks were defunded. National peaks’ relationships with governments are largely negative, with less than 20% claiming to have an amicable relationship, and nearly 8% stating it had completely broken down. There was little difference between the state- and federally funded peaks. Policy pressure from government included funding cutbacks, challenges to the legitimacy of the ‘representative role’ of peaks in policy making, increased government administration, and demands to cease advocacy (such as lobbying in the media). The in-depth interviews with peak executives provided further details about changes to their roles and policy environment.

Some of the major changes in the way government has dealt with peaks include

- Relations between ministers and peaks poor or non-existent, but better with bureaucrats;
- Trends towards amalgamations, defunding and reductions in core funding;
- Challenge to legitimacy of peaks—they no longer are seen as representative of their constituents and are not seen as accountable to them;
- Major changes in funding levels and policies (from core funding to short-term project funding);
- Use of stringent funding contracts, which contain clauses that effectively silence peaks (e.g. bans on media comment and criticism);
- Use of unrealistic and untested performance measures and criteria;
- Fickle, sudden and mandatory changes to funding regimens;
- Greater control exercised over the internal operations of peaks by state bureaucracy;
- Unpredictable policy environment—changes constantly and without rationale;
- Pace of welfare reform has overtaken the sector;
- Increased workloads and expectations from government and member organisations.

The above policy issues appear to have had a more profound impact on federally funded peaks. The study found significant differences in the policy environment of state-funded and state-based peaks. Some state government ministers and bureaucrats provide considerably more support for the advocacy

and policy advice of peak bodies than the Federal Government. In NSW, a number of state peaks claimed to have an amicable relationship with government (16%) while 8% said the relationship had broken down completely. The interviews with peak executives reveal that problems are mainly with departmental funding policies and personnel, rather than with the government's ideological position and its social policies. Variations on this occurred between different parts of the welfare sector in most states. Several NSW peaks argued that the introduction of competitive tendering was a way to silence vocal critics of the state government. Vocal critics of the NSW state government rarely won tenders.

Peak bodies in several states had experienced considerable difficulties because of the policies of governments in the 1980s and 1990s. State-based peaks in Victoria, South Australia and Western Australian had all experienced major restructuring through the introduction of competitive tendering and contracting introduced during previous governments. This had led to a reduction in the diversity of peak groups. These governments had also imposed severe restrictions on the advocacy and lobbying activities. In all three states, the current Governments are trying to build bridges between themselves, the sector and the bureaucracy and repair damage to relationships. In Queensland, a somewhat similar situation to Victoria existed before a recent change in government, but according to peak executives, the situation was far less threatening and intense. A much happier situation existed with Tasmanian peak bodies. Respondents reported close, cooperative and collaborative, even personal relations between peaks and government bureaucrats responsible for funding them. In both the ACT and Northern Territory, peaks experienced a difficult time under previous government administrations, but they reported that relations had improved during the course of the study.

As outlined briefly above, the interview data gave the impression of marked differences in the experience of peaks at the state and federal levels of government. When comparing this with the survey data there was surprisingly little difference between the national peaks and the state/territory peaks. The results of the survey show that 18% of the national peaks had been totally defunded, compared with 14% of state/territory peaks, but 20% of the latter was due to political activity, compared with 16% in the national peaks. Sixteen percent (16%) of the national peaks lost funding due to changes in guidelines, compared with 15% of the state/territory peaks. In terms of relationships with government, 16% of the national peaks, compared with 17% of the state/territory peaks, said it was amicable, while 6% and 7% respectively, indicated that the relationship had completely broken down.

There were several other important outcomes from the study. There was not significant inter-peak cooperation and inter-sector political activity going on given the assaults on the funding and advocacy work of peaks. Another surprising finding was the absence of the use of Internet and computer-based technologies (ITC) to undertake policy work and political lobbying. This is despite the growing number of peaks who have access to computers and networks and who use the Internet to advertise their resources and services.

## **6. 2 A COMPARATIVE REVIEW OF FINDINGS OF THE 1998 PILOT STUDY**

To gauge the extent to which the findings in this study might indicate changes in the situation for peak bodies in recent years, this brief review will compare them with the findings of the only other existing empirical study on Australian peaks, the pilot study in 1998 (Melville, 1999), which should provide a statistical comparison, as well as comparative attitudes and approaches through comments made by peak executives in both studies. The sample in the 1998 study comprised 24 peak bodies, 13 (54%) of which were national peaks and 11 (46%) state-wide peaks, compared with 48 (34%) national peaks, 93 (65%) state/territorial peaks and one (1%) international peak in the present study. The latter figures, whilst not necessarily an exact reflection of the actual distinctions, are probably closer to reality than the 1998 figures. A comparison of sector representation can be seen in Table 6.1:1.

**Table 6.1:1. Comparison Between Sector Peaks in 1998 and 2002 Studies**

	Children		Health		Youth		Housing		General		Other		Total	
<b>1998</b>														
Federal	4	16.7%	5	20.8%	2	8.3%			1	4.2%	1	4.2%	13	54.2%
State	2	8.3%	1	4.2%	2	8.3%	2	8.3%	2	8.3%	2	8.3%	11	45.8%
Total	6	25.0%	6	24.0%	4	16.7%	2	8.3%	3	12.5%	3	12.5%	24	100.0%
<b>2002</b>														
International									1	0.7%			1	0.7%
Federal	3	2.1%	10	7.0%	1	0.7%	2	1.4%	9	6.3%	23	16.2%	48	33.8%
State/Terr.	11	7.8%	7	4.9%	8	5.6%	12	8.5%	17	12.0%	38	26.8%	93	65.5%
Total	14	9.9%	17	12.0%	9	6.3%	14	9.9%	27	19.0%	61	43.0%	142	100.0%

The 1998 study had higher ratios for children, health and youth sector peaks, while the current study had higher ratios for general welfare peaks and others, which in the latter case included a larger range of sector peaks, such as those representing aged, disability, women, non-English-speaking background persons, Indigenous persons, legal services peaks and specialist organisations. Due to its much larger sample, the present study is more likely to be reflective of the actual distribution of peak sector representation.

In the 1998 pilot study, one peak was founded before 1958; 13% of the sample in the current study were established by 1960. In addition, a higher proportion of peaks in the 2002 study than the earlier study was founded in the 1980s. Once more, the considerably larger sample of the present study would suggest its findings on peak duration to be closer to the reality. In the early study the smallest three peaks, or 12.5% of the sample, had fewer than ten member organisations each, and the largest had 12,700 members (probably including individuals). By comparison, 15.5% of the peaks in the 2002 study had fewer than ten member organisations, and only one peak had more than 10,000 members, including individuals, as well as over 600 member organisations. There appears to be some agreement here. The figures on staffing also seem to be in approximate agreement. The 1998 study showed seven (29%) of the peaks with only one full-time paid staff member and 57% of the sample with two to four staff members, compared with the present study's 18% with only one full-time worker and over half with between two and four staff members. Three peaks (13%) in the early study had more than ten staff, while 14 (10%) in the 2002 study had ten or more full-time staff, with two peaks having more than 500 full-time workers. These high staffing figures belong to large charity organisations, which were apparently not featured in the pilot study.

Annual income for both samples shows interesting contrasts. Whereas, three peaks in the earlier study indicated they had an income of less than \$50,000, a fifth of the peaks in the 2002 study, or nearly twice the proportion of the early sample, earned less than \$50,000. Higher proportions of the earlier sample than the later sample received an income between \$51,000 and \$220,000. Only two of the earlier peaks recorded an annual income between \$1,000,000 and \$1,200,000, while 15% of the peaks in the current study received in excess of \$1,000,000, including five (4%) with annual incomes of more than \$10,000,000. Once again, these incomes reflect the number of large charity organisations in the later sample.

In comparing the activities in which both samples were engaged, it is perhaps not too surprising to find that both placed great emphasis on information dissemination, networking and advocacy, clearly an indication of how important these activities are to peak bodies, regardless of the distance in time and differences in sample size. In other words, these not only represent essential activities in the role of peak bodies, but also reflect a need of peaks to counteract pressures on them to conform to government perceptions on a supposed proper role for peaks. One might expect greater pressure on the earlier sample, in view of comments not only about changes in policy following the in-coming Liberal-Coalition Government in Federal politics, but also the pressures being applied at that time by various conservative governments then in power in nearly all states.

In the 1998 study these pressures included providing policy advice on short notice, working in a 'reduced and insecure funding environment', competitive tendering, changes in funding guidelines, to 'do more with less', 'to advise without lobbying, to be active but invisible', and problems caused by 'indecision and poor planning from government, confusion, reaction to public criticism and inconsistency over the consultation process'. Such remarks have a familiar ring, since they are often echoed in comments made by

interviewees in the current study and are found listed in Table 2.4:4 of the present study. The threats of tendering made in 1998, however, did not materialise to the extent that peaks at that time expected they would.

In the current study only 4% of the sample said that their organisation required total restructuring due to the tendering process, and 14% said they needed to only do some restructuring. The State Governments of Victoria and South Australia adopted tendering, but the process was abandoned with recent changes in government. The Federal Government never adopted it as a widespread practice.

Peaks views on government perceptions of them in 1998 very strongly indicated an expectation by government that peaks should be compliant, or an 'arm of government', as one peak expressed it. Another said that they were expected to 'keep the troops in order', and one commented that 'we are their captives'. Such views, although not entirely missing in the interviews of the 2002 study, did not appear to dominate peaks' impressions of government perceptions. Rather, in the current study, such statements as 'too critical of government policies' or 'too radical' seemed to be the prevailing thoughts on the matter. What appears to be the case is that the government ideal of peaks in roles subservient to the government will in 1998 had been replaced by 2002 with a more realistic notion, which from the government point of view is a rebellious stance by the peaks.

Inadequate funding remained a major source of peak discontent with government both in 1998 and in 2002. In the earlier study nearly two-thirds of the sample listed inadequate funding as a major impediment to operating as peak bodies. In the current study the survey indicated that 17% of peaks thought inadequate funding an impediment, 13% said that threats of withdrawal of funding was an impediment, and nearly a third of the sample claimed the actual reduction of funding to be a major impediment to their operations. In 1998, there was a great deal of criticism of the way government treated peaks. The survey-included comments on the poor relationship between peaks and government – which involved 'pretend consultations', 'chop and change in plans', 'blatant lying and dishonesty' and 'low levels of corruption' noted by respondents (Melville, 1999a:180). There was also a great deal of concern over the threatened introduction of tendering and government pressure upon peaks to seek alternative avenues of funding, such as membership fees, fund-raising campaigns and corporate sponsorship. The fact that the tendering process has not replaced traditional methods in government funding programs, and corporate funding has proven to be unpopular in the business sector, means that these fears had dissipated to some extent by 2002.

### 6.3 THEORETICAL AND POLICY IMPLICATIONS

Analysis of comparative literature has revealed that community-sector peak bodies are **unique organisational forms** to the Australian social-welfare context. There are no direct organisational equivalents in the international context. The main difference between Australian peak bodies and their overseas counterparts is that they have a 'dual constituency and play a dual role'. They are both member-serving organisations as well as advocates for people (clients) who use the services provided by their member organisations. In the three countries used as a comparison (UK, USA and Canada), the equivalent organisations do not try to perform both functions. They are either industry organisations or lobby and advocacy organisations. Empirical data from this study and analysis of theoretical material provide evidence of the unique historical relationship with the Australian welfare state and the role played in policy making. The Australian welfare state legitimated the role of peaks through public funding. Two major government inquiries conducted by the HORSCCA (1991) and the Australian Industry Commission (1995) provide evidence of this legitimisation. Until recently, only Britain had provided core-state funding to a form of community development or industry peak (community development councils). The work they perform in the UK is closely tied to that of central government (Hunter, 1993). There has often been considerable tension between the Australian state and peak bodies, especially over their advocacy roles in policy. However, the political consensus was that these bodies provided a conduit for governments to test out their policy and get direct opinions from welfare consumers. Peaks maintained that a strong element of autonomy should exist in this relationship. These results provide new critical insights into the role and nature of these organisational forms in a cross-comparative perspective. Until recently, Australian community-sector peaks have been incorporated into the formal and informal policy-making process through a process of institutional arrangements and practices not evident in other countries.

The results of the empirical study clearly show the impact of neo-liberal ideologies on the role of advocacy bodies in the Australian political context. The policy of governing for the 'mainstream' has become the catch-cry and accepted practice of the Howard Government. The current explanations of this phenomenon centre on notions of extra parliamentary institutions, deliberative democracy and democratic theory (Sawer, 2002). This widespread phenomenon requires a more comprehensive explanation. The narrowing of the political discourse by public choice and neo-liberal ideologies, coupled with globalisation of social policy (Bardouille, 2000), welfare state contraction, and major shifts in the mass communication revolution have fundamentally altered these processes during the 1990s. Policymaking and consultation with community groups are more exclusive rather than inclusive, media stage managed, and organised along 'individual and personal networks'. Bureaucrats still play a major role in mediating these processes, as access to ministers is more restricted. However, bureaucrats are working in a public sector, dominated by outcomes and outputs as well as with a private, market and individualistic ethos and practices.

The main thesis emerging from this study is that there has been erosion of democratic institutions and policy-making processes under a neo-liberal regime in recent years. Two secondary theses are emerging. The state is becoming more centralised and controlling of the community-service sector as it withdraws from direct service delivery. The data from this study corroborate Fenna's (1998) observation that the executive arm of government has come to dominate policy making in contemporary Australia. This finding is contrary to Rhodes (1997), who claims that the policy making becomes more diffused and fragmentary in an era of neo-liberal governance. Major changes are taking place to establish policy configurations and networks between community-sector peaks and various levels of government. New policy networks are forming, which is more differentiated, and more exclusive so that the state will be provided with a single and more 'united voice'.

Peaks are struggling to deal with the changes outlined above. The empirical data from this study (2000–2002) demonstrate a concerted effort to silence certain critics of government (youth and housing) and to reset the priorities for the funding of consumer peaks or advocates. This is based on a model of a different kind of policy activism, which is essentially individualistic and not 'collectivist' or by groups of people. Some traditional welfare groups have been sacrificed in the process of the restructuring of the welfare state and the political discourse, which have both accompanied global neo-liberalism. States want to manage the economic necessity of a globalised world and put less emphasis on internally managing the process of public dissent within democratic discourses (Bardouille, 2000). The need to maintain social order through managing welfare recipients can be done at a micro level much more effectively than through collective claims on resources. Peaks which grew out of the new social movements era and the consumer and rights-based movements are finding these new discourses very difficult to negotiate as they are no longer privileged in this process.

At the Federal level, the Government is pursuing policies to streamline peaks even further. There are policies in place to separate the advocacy function of peaks from the member-serving roles, with the establishment of industry peak bodies, similar to the National Council of Voluntary Organisations in the United Kingdom. If this policy is successful, it will bring a major change in notions of 'representative democracy' in this country since the early 1930s (May, 1996:252). It was during this period that governments started to fund peaks to represent the voices of poor and marginalised groups in policy making, in recognition that the state was not able to do so adequately within existing institutional arrangements.

Many peaks are in the process of developing strategies to respond to these new policy issues and funding pressures. Indications are that some are still resisting these pressures while others are adopting different organisational strategies to survive. Five models have been identified in this study to date: the old paradigm—social advocacy peaks of the 1970s and 1980s; the emerging peak; the reinvented peak; the new paradigm peak; and the industry peak. It is anticipated that governments will continue to encourage and support the development of industry peaks, which will have no overt lobbying or advocacy role for groups of service users. This work will have to be done by other grassroots groups or organisations in the community with less financial aid from governments.

## 6.4 CONCLUDING COMMENTS

We have covered a lot of ground in our exploration of Australian peak bodies, their form, function and performance, and, perhaps most important of all, their relationship with government. In arriving at our conclusions in our study of peak bodies, we have extrapolated findings from our survey figures and commentaries from our extensive interviewing material. As comprehensive as we have tried to be in this report, we cannot pretend that our findings and analyses are a definitive study of peak bodies in this country.

As this report goes to print other interpretations are being formed that will help push a deeper and broader understanding of the role of peaks in the complex interrelations involving government and the community sector. One recent paper written for the Queensland Government and presented to the Premier's and Cabinet Office outlines a proposal for a strategic framework for the development of a community services industry plan. It found that 'government departments believe peak bodies serve as a link between government and the broader sector', just as many government officials we interviewed within their own context have pointed out. In its explanation of the role of peaks, the paper states that:

*Peak Councils are significant players in the Community Services Industry, not only as employers in their own right, but as policy shapers, spokespersons on behalf of other parts of the sector and increasingly, as conduits between Government and the Community Services Sector. (Community Services Strategy, 2000:3)*

We have already noted the changes apparent in the Queensland Government's attempts at improving relations with state-wide peak bodies. We were also made aware of tensions and a lack of communication. The Community Services Strategy Secretariat is striving to overcome these obstacles and give peaks a greater function in the formation of an industry plan.

Another recent analysis on peak bodies' relations with government was outlined in a consultation report by Morgan Disney and Associates (1999) to the Federal Department of Family and Community Services (FACS). The report focuses on the disability sector, which, it will be recalled, resisted a move by FACS to amalgamate its representative peak organisations into a national federation. Several observations on issues of concern to the disability peaks in their current relationships with government and with each other were made in the report, not the least of that was the matter of funding peaks in the future. The peaks were adamant that both the disability sector and government should collaborate on how the peaks should be funded:

*No organisation believes that the Government should decide what is funded without further discussion with the sector. Most accept that the Government has the right to decide which organisations it will fund. However, there is also a strong argument that this right must be exercised through a consultative or negotiated process with the sector and the wider community. (Morgan Disney and Associates, 1999:9)*

Considerable references have been made throughout our report by both peak executives and government officials on the effects of the relationship with various governments, particularly with respect to the enormous changes in the political landscape across the states and territories, as well as at the federal level, on peak operations. Nonetheless we ourselves have not made observations of our own on the nature of the political regimes that the peaks have had to deal with. We recognised problems with the community sector's needs as represented by the peaks with the political ideals of the incumbent party in government and how its particular ideologies and the political concerns for a public image are often at odds with the role of peaks and the way they assert the rights of the community sectors they represent.

We also recognised the difficulty facing government bureaucrats caught between community demands and the political idealism of government by trying to accommodate their political bosses on the one hand, and the organisations whose funding they administer on the other. What all of this hinges on is a demand expressed time and again by peak executives in the interviews, that peak bodies be treated with the respect and recognition they deserve due to their expertise on community issues and their role as representatives of community opinions. Relations between government and peaks would definitely improve if governments truly accept peaks as a fundamental part of the democratic process. The government must recognise peaks as an asset rather than as a liability to government.

Nevertheless, as the interviews in the current study only too readily assert there is still a great deal of disillusionment, misunderstanding and mistrust in peak relations with government. We should be reminded too that government also feels these negative factors, as interviews with senior bureaucrats make quite clear. It is because of such fractures in the relationship between fundee and funder that alternative arrangements in the funding process are being sought. Legislative guidelines, a Senate committee to oversee community-sector issues and social entrepreneurial approaches are just some means by which these alternatives may be possible in future community-sector relations with government.

Given that the legislative model referred to in this report is not likely to be taken seriously by State Governments or the Federal Government, the researchers would like to propose another option. This involves reform of the state bureaucracy and the tenure and role of bureaucrats. What is needed at both state and federal levels of government is the re-establishment of an 'administrative and management culture in bureaucracies', which is based on the 'public interest' with cores values of equity and neutral decision making. These values (organisational memory and culture) have been lost through the process of the corporate managerial cultural change, which has swept across countries such as Australia in recent years. The imposition of market-driven funding and management mechanisms on the sector and the public service has done little to improve working relationships.

In an era of major welfare–state reform and the reduction of services, the Australian community, whether at the local, state or federal level of government is going to rely on the non-government sector more than it has to date. A vibrant and healthy non-government sector, which is part of a civil society in any democratic society, must continue to respond to the needs of marginal groups in the community. The state needs to ensure the advocacy and representation of marginal and disadvantaged groups who often are locked out of the policy-making process.

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