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### The best of times, the worst of times: Community-sector advocacy in the age of 'compacts'

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# **The Best of Times, the Worst of Times: Community-sector Advocacy in the Age of 'Compacts'**

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The recent introduction of written 'compacts' between government and community services organisations (CSOs) in Australia offers the promise of meaningful co-production of policy. However, recent research has highlighted that many in the community sector continue to perceive that there are significant constraints on their capacity to engage in advocacy. This paper examines the impact of the current governance regimes on the Australian community sector and explores the dimensions of these perceived constraints. The paper argues that both government and community sectors must make concessions and adjustments. Governments must accept that the use of contracting monopolies to stifle advocacy has weakened their capacity to deliver responsive services, while community organisations must accept that new governance regimes require new modes of participation in the policy process.

## **Introduction**

It should be recognised that central control of public advocacy would have the effect of depriving government of quality independent input. If effective delivery of quality service is the primary goal, government policy suffers in quality, relevance and

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effectiveness where it is no longer able to draw upon independent input, and indeed criticism. (Einfeld 2001, 4).

Despite the warning implicit in Einfeld's statement, one of the most common themes that emerges in any current discussions with workers in Australian community services organisations (CSOs) is that they feel increasingly constrained in their capacity to undertake advocacy work. Advocacy-related activities by CSOs are seen as subject to narrow dictates imposed by current approaches to the management and governance of public services (Maddison, Denniss and Hamilton 2004; Melville 2001; Carvalho 1998; Lyons 1997), and recent moves by the federal government to change charity legislation and de-fund some peak organisations representing the disadvantaged, has only served to reinforce the sense of constraint (Tomar 2004).

Allegations of government attempts to control dissent by CSOs are not new, and indeed have been a complaint of CSOs since the rapid expansion of their activities in the 1970s. Roelofs (1987) warned in the 1980s of the perils faced by non-government organisations that dare to 'bite the hand that feeds', and the same theme is highlighted in a recent report by the Australia Institute on Australian NGOs, titled *Silencing Dissent* (Maddison, Denniss and Hamilton 2004; Maddison and Denniss 2005). But it appears that in the new millennium the debate has taken on an even greater stridency. New contracting and governance provisions have channelled community-sector input through consultative processes and funding streams which appear to exclude dissenters, and there have been sustained attacks on the integrity of a range of non-profit advocacy organisations, including CSOs, by conservative think tanks and commentators. McGuinness, for example, decries the 'propaganda activities of [CSOs] devoted to the destruction of capitalism' (McGuinness 2003a). Mowbray (2003) identifies a number of right-leaning think tanks and libertarian journalists who, he claims, are waging a war on progressive non-profits.

But paradoxically, to paraphrase Charles Dickens, if it is the worst of times it is also the best of times. While many in the community services sector claim exclusion, those who would wage the war identified by Mowbray (2003) do so because they assert that CSOs are in fact too powerful and have been capturing policy agendas. In more mainstream discourses on policy development and service delivery, the focus has shifted to approaches such as partnerships, co-production, participatory governance and social governance, all of which give the community services sector a central role in policy making. Edwards (2004) calls for the greater use of co-production and the joint provision of essential services and public goods, with the State and CSOs working together to create synergy in local resource management and to increase community ownership over policy outcomes. In a related debate, authors in Britain and Australia have written obituaries for old-style New Public Management (NPM) that indicate that the focus on outcomes and the purchase-provider model that were the basis of NPM, and the primary cause of tensions between government and the community services sector, have given way to citizen-centred governance seeking to deliver public value (Mulgan 2003; Reddel and Woolcock 2004; Smith 2004).

In the last few years, Australian State governments have been developing written protocols to regulate government–community relations, including those related to the participation of CSOs in policy development, with the aim of stimulating a significant cultural shift towards stronger mutually collaborative relationships. These protocols, which have variously been termed *compacts*, *agreements* or *partnerships*, follow the lead of the UK compact processes which first emerged in the mid-1990s to

establish formal channels of community services sector engagement with the public sector and codes of practice for CSOs active at the national, regional and local level. The Australian federal government has yet to fully commit to a corresponding national process; nevertheless, it is likely that the State compacts will play a significant part in shaping the future evolution of policy input by the community sector.

The aim of this paper is to make some preliminary observations on how these new compacts will impact on the operation of advocacy by organisations that provide community services. It builds on earlier work by Casey and Dalton (2004) and by Earles (1999), Melville and Perkins (2003), Melville (1999, 2001), Sawer (2002) and Lyons (1997, 2001a, b) on the advocacy dimension of the work of the Australian community sector and the impact of new models of government funding. In this paper we explore how the compact framework may create opportunities and challenges for CSOs that seek to engage in advocacy. This involves focusing more closely on the nature of, and government response to, advocacy under the current funding regimes. The paper seeks to identify what, if any, constraints exist and evaluate debates about their legitimacy.

### **The Australian Community Services Sector**

The choice of the terms *community services organisation* (CSO) and *community services sector* (shortened to *community sector*) to define the organisations addressed in this article follows the accepted Australian vernacular as the label for non-government, non-profit organisations working to deliver a range of so-called separate services or to represent the interests of a specified constituency in regard to such services. As an emerging industry with a diverse range of services, CSOs can overlap with health, education, employment services, recreation and housing industries. However, CSOs are not so directly and uniquely engaged in these activities as to be classified as health or education service providers (Lyons and Hocking 2000). Community services are made up predominantly of small organisations delivering services locally although some of the bigger more well-known CSOs include the Salvation Army, Mission Australia and the Smith Family. The sector also includes numerous peak organisations that represent member organisations.

The community services sector is a subset of the broader non-profit sector which is made up of organisations that are separate from government, do not distribute profits and seek to provide a range of public goods and services to, or on behalf of, members and/or groups of interests. These criteria are met by thousands of organisations that include hospitals, charities, business associations and small self-help organisations, as well as unions or churches, and numerous commentators have noted how this diversity has probably impeded acceptance of common nomenclature (eg Lyons 2001a).

The last four decades have witnessed a significant expansion of the community services sector in Australia. Several explanations for this growth have been offered. Some commentators have focused on how the contraction of the welfare state and demands for greater flexibility and efficiency in service delivery have stimulated the expansion of the community sector through outsourcing of government functions (Quiggin 1999). According to Lyons and Hocking (2000), however, the growth of the community services sector in Australia in the 1970s and early 1980s was not so much the result of the spread of outsourcing but of the effective advocacy by a key group of non-profit organisations, their clients and other activists.

## Advocacy Defined

The capacity of non-state actors to act collectively to realise social and political change has long been of interest to political scientists and sociologists. Initially focused on lobby and interest groups (Dahl 1961; Polsby 1963; Kimber and Richardson 1974), more recently the focus has shifted to the study of the nature and role of social capital and civil society, in which CSOs play a key part (Putnam 1993; Edwards 2004). There is a certain ‘romanticism’ about civil society (Goss 2001), but the discourses associated with these approaches serve to underline that CSOs intervene in the policy process through direct and indirect dynamics. Brown et al (2000) list a range of activities which include overt political mobilisation and resistance, as well as those that promote mutuality, civic virtue, trust and moral obligation.

The range and form of political participation is shaped by the interests of both CSOs and government institutions. On one hand, CSOs seek to intervene in policy processes through a range of collaborative and confrontational strategies, while on the other governments seek their intervention, albeit primarily through predetermined institutional channels. In general, the State defines the rules of engagement and creates the institutional contexts that can foster, hinder, or suppress participation.

This paper focuses on the direct, more politically focused and active interventions of CSOs that have the explicit goal of influencing policy directions. While it is acknowledged that these activities are often also directed at private-sector organisations, the focus is on the interventions aimed at influencing public-sector processes, at local, regional, national and supranational levels. Also, any discussion of organised collective action must acknowledge that while it is the course of action chosen by the majority of people or organisations wishing to influence government, many others, primarily those from powerful elites, choose individual strategies—such as political donations—that are outside the scope of this article.

Politically focused interventions by CSOs go by a range of labels that include *advocacy*, *lobbying*, *activism* and *political participation*. This paper chooses to use *advocacy*, the term most widespread in the vernacular of Australian CSOs. Advocacy is ‘an attempt to influence the decisions of any institutional elite on behalf of a collective interest’ (Jenkins 1987, 297). Attempts to influence can evidently take many forms and can include developing public policy, supporting minority or local interests, overseeing government, or collaborating with other groups in the sector. Lyons (2001a) notes that non-profit advocacy organisations can advocate in their own material self-interest or for what they interpret to be the public good. At the same time, while an advocacy organisation may claim that the set of ideas for which it advocates will, if embodied in policy, advance the public good, other organisations that do not believe in those ideas will accuse it of only seeking to advance some hidden interest. Advocacy from the community sector can be conceptualised as criticism of a recalcitrant government or as the independent output that any government needs as ‘intelligence’ that will help ensure the responsiveness of services (Einfeld 2001).

However, whether a particular activity is deemed to be advocacy can be as much a result of which label sits comfortably with the CSOs and governments involved as with any academic definition. In a recent report on Australian advocacy organisations, it was found that there was no consensus over the meaning of advocacy among interviewees, partly because of mixed feelings about the political connotations of the term (Dalton and Lyons 2005).

Just as there is no easy delineation of advocacy activities, it is also difficult to delimit the organisations that work in advocacy. Many CSOs are likely to claim that they are ‘non-political’ and that their goals are to service their client target groups and not to influence government policies. The exact proportion of organisations that have advocacy as their main objective is difficult to establish, and figures vary widely between researchers (Knoke 1990; Van Deth 1997; Taylor 1999; Melville 2001). The differences in definitions and methodologies used in such studies make comparisons between such research difficult, and any figures quoted should be regarded as indicative. At best, we can say that survey research finds that a substantial minority of CSOs has advocacy as a primary activity (Parry, Moyser and Day 1992; Van Deth 1997).

While attempts to classify organisations according to the level of their advocacy work can be useful, we should not lose sight of the fact that the wider conceptualisations of what constitute political activities mean that, by default, most CSOs engage in some advocacy work. The simple articulation of a demand is equivalent to exerting pressure upon a part of the political system (Kimber and Richardson 1974), given that, as Knoke notes (1990, 220), ‘social groups lobby and lobby groups socialise’. There is always a potential for political engagement and at any moment circumstances may impinge on the least apparently political organisation which will then mobilise itself in response. Almost any organisation will act as a pressure group if certain situations adverse to its interests present themselves (Baggot 1995). The campaign by licensed clubs in New South Wales against new taxes on poker machine revenue demonstrates how the latent advocacy potential of the community sector can be activated given the right conditions (*Sydney Morning Herald* 2 October 2003).

### Advocacy under Current Regimes

The existence of constraints on advocacy work by CSOs has been a familiar theme since the emergence of a strong community sector. The discourse on these constraints has been expressed in terms of lack of resources, deliberate exclusion from decision-making domains of those likely to challenge the status quo, and, as noted in the introduction, the perennial dangers of ‘biting the hand that feeds’ (Roelofs 1987; Maddison, Denniss and Hamilton 2004). Also, given the early concerns about the legitimacy of advocacy by CSOs, governments in many countries have used a variety of legislative and funding processes to restrict advocacy (Randon and 6 1994), although in Australia there has been little legislation in this area.

In the 1990s a range of studies examined how *economic rationalism* or *managerialism* may affect the Australian community sector, in particular how it has ushered in new contracting regimes (Lyons 1997; Nowland-Foreman 1998). A significant amount of analytical work on how contracting and project-based funding regimes have affected the ability of peak organisations in Australia to lobby and undertake advocacy work on behalf of their members has been conducted by Melville (1999, 2001). Other scholars have focused on the implications that changes to charity laws hold for advocacy (McGregor-Lowndes 2002; Industry Commission 1995). But now, as a result of the contemporary governance modes of service delivery, a new discourse has emerged which attributes to these new modes even greater restrictions on advocacy (Maddison, Denniss and Hamilton 2004; Maddison and Denniss 2005). Roelof’s (1987, 2003) continuing radical analysis of the role of NGOs sees them as

primarily serving to entrench the hegemony of dominant classes, by providing a safe, non-conflictive outlet for the ‘cheeky and restless’.

At the same time, other authors claim that the possibilities for partnership offered by governance approaches are creating new opportunities for advocacy through the co-production of services. The death knell for NPM has been rung and the competitiveness and tensions caused by contracting regimes is being replaced by new collaborative partnerships (Reddel and Woolcock 2004). Some point to the evolution of political systems in advanced democracies towards incorporating new forms of citizen participation that are perhaps yet to be fully exploited by non-profit organisations (Smith 2004). The problem may not be that of government proscribing advocacy, but that Australian CSOs have not been able to adapt to the new forms of articulating and communicating community interests (Melville and Perkins 2003).

The arguments that claim greater restriction on advocacy or, conversely, new opportunities are detailed in the following sections.

### *Restrictions*

Surveys have documented the restriction on community organisations and the repercussions they fear may be incurred by speaking out (Melville 2001; Maddison, Denniss and Hamilton 2004). The new constraints have been attributed to a number of related dynamics and can be put into two categories—those dynamics that have affected organisations’ *capacity to resource* advocacy; and those dynamics that have affected organisations’ *willingness to engage* in advocacy.

Some of the dynamics affecting the capacity to *resource* advocacy include:

- *Lack of untied funds.* The move to project-based funding links increasing percentages of available funding to specific activities, which generally exclude advocacy. Advocacy can be funded only from the shrinking pool of uncommitted funds, private membership or fundraising. The new models of government funding therefore affect advocacy through the reduction in the sector’s capacity to resource advocacy activities (Sawer 2002).
- *Funding shift to business model.* The new funding regimes have rendered the work of the community sector more complex. This has led to a shift of resources from supporting advocacy to supporting the core management functions. Whereas in the past the typical profile of a community-sector program coordinator was that of an activist, the typical profile now is more that of a business manager.

Some of the dynamics purported to affect organisations’ *willingness* to advocate include:

- *Competition, fragmentation and lack of cooperation.* An increase in the number of CSOs and an increase in competitive tendering, which engenders competition and secrecy between them, are seen as fragmenting the sector and constraining joint advocacy activities (Considine 2003).
- *Government control of advocacy through contracts.* The increased use of contracting and competitive tendering, which effectively decouples the policy and service provision roles, constrains the possibility of independent action by contractors. In some contracts, specific provisions restrict or prohibit advocacy-related activities (eg the obligation to inform funders before issuing media releases or application of intellectual property law in contracts to require organisations to keep information

they acquire in the course of government-subsidised work confidential). This translates into a loss of voice for non-profit advocacy organisations, including CSOs (McGregor-Lowndes and Turnour 2003).

- *Lack of a sense of efficacy in the new policy-making environment.* The changing nature of the policy role in government has resulted in an increasing concentration of expertise within the public service or, in some departments, within ministers' offices, which leads to even greater internalisation of policy processes and a tendency to develop policies influenced principally by negotiations between professionals (Halligan and Power 1992). Government agencies are seen as more sophisticated in their management of consultation processes and continue to be accused of using them to capture/stifle independent advocacy, including that from CSOs (Tiernan 2001).
- *A new culture of government–community-sector relations.* A new culture is emerging which appears to give licence to a more open silencing of dissent (Maddison, Denniss and Hamilton 2004; Maddison and Denniss 2005; Dobell 2003).

But are such perceptions based on reality? To date, research findings have been inconclusive. Dalton and Lyons (2005) found that reliance on government funding among advocacy organisations had not affected their commitment to advocacy. Instead, the study found that organisations that rely substantially on government funds continue to devote significant resources to advocacy work and the CEOs of these organisations expressed a desire to do more advocacy work if possible. This finding suggests that there may always be a gap between organisational commitment to advocacy and the resources available to support such commitment. Other recent work in the United States suggests that government funding has either no effect or even a slightly positive effect on advocacy, as any suppression impact is outweighed by the government's dependence on the CSOs it funds and the self-interest of funded organisations to promote policy changes aimed at improving the lives of clients, which generally augment the organisation's resources (Chaves, Stephens and Galaskiewicz 2004).

But the research and reactions of the sector to recent events do suggest that the perception that current federal and State governments wish to suppress advocacy is relatively widespread. Indeed, it could be argued that the recent foray of State governments into drawing up compacts constitutes an acknowledgement on behalf of the States that it is time to move State–community-sector relations to a new footing by (re-)establishing a stronger sense of cooperation and trust.

### *New Opportunities*

The opposing view is that that the new level of engagement between government and CSOs provides new possibilities for influencing the policy process, and previous forms of advocacy are being replaced by more effective participation processes. Some literature, for example, emphasises the symbiotic character of community-sector–government relations. Saidel (1991) notes that CSOs' dependence on government funds can be balanced by government agencies' dependence on these organisations to deliver needed services. Most authors have noted, however, that this balance is more likely to occur when the number of organisations providing a given needed service is significantly limited. In a study that quantified the extent of perceived resource dependence between non-profit service providers and the



State of New York, Saidel (1991, 546) found that ‘public-sector agencies and nonprofit sector organisations reported virtually identical [levels of] resource dependence on each other’.

The emergence of new collaborative partnerships between government and CSOs suggests that there has been a move from mere consultation to effective co-production of policy and services which better incorporates the views of the community sector (Mulgan 2003). The community sector is seen to be gaining a new voice in decision making through the realignment of government and non-government governance structures. Contemporary approaches such as participatory governance (Reddel and Woolcock 2004) and social governance (Stanley 2004) are predicated on significant non-government participation in policy making.

Mulgan (2003) indicates that co-production is not only about service delivery but also about the building of evidence that informs policy reform. Citizens and CSOs become more intimately engaged in public services and so become fundamental to shaping new agendas. While NPM and governance paradigms had already incorporated concepts such as stakeholders and customer satisfaction, Mulgan uses a public value approach to further accentuate what he sees as the crucial and multifaceted role of public participation in determining policy directions. Mulgan writes from a UK perspective and much of his discourse is predicated on the existence of the formal compacts that were established in the late 1990s (Home Office 1998).

In the Australian context, Bishop and Davis (2002) note that there is no single methodology for policy participation, but that it is shaped by the problem at hand. They identify a series of discontinuous techniques and identify five types of participation: consultation, partnership, standing, consumer choice and control. Each of these types has specific participation instruments which potentially provide CSOs with opportunities for advocacy. As a result of the expansion of the sector, more opportunities for consultation and collaboration exist, so, as a consequence, the power distribution in policy making should shift.

The emerging structures and processes of government and governance offer a range of new possibilities that are yet to be fully exploited by CSOs. For example, the increase in ministerial policy staff evident across Australian governments—which was identified above as a reason for exclusion of CSOs—also creates a potential new ‘entry point’ for policy advice that CSOs can seek to exploit. Even the direct democracy and e-democracy processes can be sources of new opportunities for CSOs, despite their emphasis on bypassing community groups to reach individual citizens (see OECD 2003; Goss 2001). The reality is that these processes usually end up being dominated by representatives of organised collective action. A quick analysis of the register of ‘citizens’ participating in policy summits, citizens’ juries, and even online discussion groups reveals the organisational affiliations of participants.

### **Government–Community-sector ‘Compacts’**

The emergence of compacts as written rules of engagement between governments and CSOs is a particular example of the relationships being forged under the new governance regimes. They first emerged in the mid-1990s in the United Kingdom, where they have now been implemented at both national and local levels, and in the late 1990s similar written agreements were developed in Canada as *accords* (Plowden 2003; Lyons 2001b). UK compacts have been widely accepted and by

July 2005 over 90% of local areas in England were covered by, or were developing, a Local Compact (NCVO 2005a). The UK compact declares that one of the fundamental aims is:

To recognise and support the independence of the voluntary and community sector, including its right within the law, to campaign, to comment on Government policy, and to challenge that policy, irrespective of any funding relationship that might exist. (Home Office 1998)

The Canadian accord uses similar language to describe the principle of independence:

The independence of voluntary sector organisations includes their right within the law to challenge public policies, programs and legislation and to advocate for change; and advocacy is inherent to debate and change in a democratic society and, subject to the above principles, it should not affect any funding relationship that might exist. (Voluntary Sector Task Force 2001)

In Australia, the first initiatives to create written documents began around 2000, and new documents are still being created. So far there are compact-style documents only at State level and often then only in relation to community services. The documents use language similar to the UK and Canadian compacts and accords to frame the discourse about the policy participation of the community sector (although the preferred labels for the documents appear to be *agreements* or *partnerships*). The draft NSW *Working Together—An Agreement between the NSW Government and NSW Non Government Human Services Organisations* states that:

Non-government organisations are independent bodies that are free to pursue their goals, which may involve advocating for changes in Government policies and priorities. In this sense, there is a healthy tension inherent in the relationship between Government and the non-government sector. (NCOSS 2004)

The Australian Capital Territory *Social Compact: A Partnership between the Community Sector and the ACT Government* states that:

[T]ensions are a part of the policy process. A mature relationship between community sector organisations and government can tolerate conflict and be sustained despite disagreements over some aspects of policy. (Chief Minister's Department 2004)

The current status of the Australian State-level compacts is outlined in Table 1.

In 2001, Lyons (2001b) indicated that the right conditions did not exist in Australia for the development of compacts, and in many ways the fact that the emergence of written partnerships has been so sector- and state focused supports his assertions. But at the same time the new written partnerships do, in effect, transfer the UK and Canada compact paradigms to Australia. However, this transfer process reflects the Australian political reality: State governments have more direct responsibilities for service delivery and so are more closely engaged with the community sector; Australia does not have the same centralised, national non-government coordinating structures as those in other countries, and therefore compact development has reflected the 'federalisation' of our community sector; State governments are Labor, and so are more likely to adopt models from the current UK and Canadian governments of the same political affinity.

**Table 1.** Status of Australian compacts, March 2005

State/ Territory	Form of the compact	Date of implementation	Government agency
Victoria	<i>Partnership in Practice—Partnership Agreement between Department of Human Services and the Health, Housing and Community Sector</i>	2002	Department of Human Services
NSW	<i>Working Together—An Agreement between the NSW Government and NSW Non Government Human Services Organisations</i>	Draft awaiting final sign-off by Premier	Whole of government
Queensland	<i>A Draft Community Services Industry Plan Statement of Partnership was not implemented. Welfare-sector partnership currently being negotiated</i>	Development has been stalled	Department of Communities
Northern Territory	Partnership Agreement currently under development	Under development	
WA	Phase 1 of an NGO Industry Plan, which contains a proposed <i>Framework for Partnership to Guide Government and Non-government Relations</i>	Phase 1 completed June 2004. Final version under development	Whole of government
SA	<i>Advancing the Community Together: Partnership between the State Government of South Australia and the Volunteer Sector</i>	2002	Whole of government
ACT	<i>The Social Compact: A Partnership between the Community Sector and the ACT Government</i>	2004	Whole of government
Tasmania	Proposed development of an industry-wide plan and/or agreement with the Tasmanian government	Currently proposed	Whole of government

Source: The authors.

The federal government works more with peak organisations or with larger CSOs that have a nationwide presence, and while there have not been compacts developed at a national level, the federal government continues to struggle with the issue of how best to structure its relations with the community services sector and other non-government organisations (Tomar 2004; Maddison and Denniss 2005). In late 2002 the Howard government provided seed funding to establish a new council for charities and other non-profits, namely the Community Business Partnership Scheme, and in 2003 new charity legislation was drafted in response to the government's Inquiry into the Definition of Charities and Related Organisations, although the future of this charity bill is at present uncertain. Also, in July 2003, the Prime Minister's Community Business Partnership Scheme awarded a contract to the Melbourne-based Institute of Public Affairs to undertake research to develop a trial protocol for non-government organisations (IPA 2003).

The impact of possible differences in approaches between Liberal and Labor governments to the development of compacts is more difficult to determine. Maddison and Denniss (2005, 374) describe current relations between the Howard government and non-government advocacy organisations as characterised by 'at best, suspicion

and, at worst, complete breakdown', which they attribute to the government's particular hostility to dissent. Yet recent interviews with executives from three Councils of Social Services (pers. comms, August–September 2005) indicated that there are also many State government actors that do not appear to fully support the compact processes and that their development at State level is very much a sign of a need to repair the poor relationships that had become apparent in recent years. According to the Councils of Social Services, State-based compacts have emerged primarily as a result of the greater intensity of the interface between government and community sector at that level and that, given that such relationships are mediated by the bureaucracies, the political party in power may not make much of a difference. They commented that moves by the Coalition to create a new coordinating council and the mooted changes to tax laws appear to be contrary to the spirit of the compacts being developed at State levels, but also that in some areas the Coalition has been seen as fostering positive dialogue with CSOs and peak organisations.

In the light of these responses it not clear that the development of compacts in Australia by Labor-led governments was the result of any deliberate policy by Labor to embrace CSOs. It may simply be an accident of electoral history that Labor governed in all Australian States when the influence of UK compacts and Canadian accords first hit our shores, and when the relationships created by NPM finally broke down to the point that a radical fix was needed. The metaphor of the arms of government embracing or constraining non-government advocacy offered by Maddison and Denniss (2005) may be evocative but it perhaps does not reflect the complexity of government–community-sector relationships, which are mediated by ideologies, contractual obligations, structural divisions of responsibilities and legitimate questions about the representativeness of some CSOs. Those who believe that public choice perspectives are embraced by the current Howard government only and that a Labor victory at the national level would in some substantial way 'rescue' government–community-sector relations may be disappointed.

The State-by-State development of compacts in Australia may be a more piecemeal 'back door' development of compacts than the experiences of other countries, but the cumulative effect will have the same potential impact as the more unitary national approaches of the United Kingdom and Canada. The key question is, of course, not whether the compacts will work in Australia but whether they work anywhere (and what does 'work' mean?). The jury is still out. In the United Kingdom there have been a number of evaluations of compacts, which have focused more on the processes of implementation than the consequences for policy outcomes (Osborne and McLaughlin 2002), and in mid-2005 the Home Office invited tenders for a widespread evaluation and research project on the Compact Plus initiative which involved repackaging and shortening the existing Compact with the view of achieving greater compliance nationally and locally (NCVO 2005b). The evaluations are generally positive, pointing to early indications of some good relationship building and synergies for innovative policies and programs. But the evaluations also show that successes are localised, based on specific confluences of factors that promote positive outcomes, and that despite the success there is also widespread frustration and concern about the operation of the compacts. The evaluations make a range of recommendations including, for example, the need to: improve local ownership; recognise the importance of process not just outcomes; improve various capacity-building elements; and embrace a wider range of CSOs (Osborne and McLaughlin 2002; Joseph Rowntree Foundation 2001). However, it is important to

note that all the evaluations focus on current participants in the compact processes, ie those ‘insider’ organisations that have bought in, or have been brought into, the centre circle of stakeholders sitting at the table. There appears to have been no evaluations that involve those outside this core group and the National Council for Voluntary Organisations (NCVO) has expressed concern that the new Compact Plus program and its proposed evaluation has the potential to accentuate a division between those who have opted in and those who have not. The NCVO warns that:

It is important that Compact Plus . . . reflects the needs of, voluntary and community organisations of all sizes. We must guard against Compact Plus creating a two-tier voluntary and community sector, divided between those who have opted-in and those who have not. (NCVO 2005a)

Australian compacts are yet to be fully implemented so it is premature to speculate about their outcomes. The Victorian Department of Human Services (VDHS) conducted a survey of the community sector in 2003, soon after the implementation of the *Partnership* in that State, and then conducted a follow-up survey in 2005 (VDHS 2005a, b). At the time of writing of this article the second survey had not been fully analysed and a narrative report was not yet available, but the raw data indicate that while overall satisfaction among the community sector of the relationship with VDHS appears to have remained steady, in questions on specific behaviours by VDHS, such as transparency, communication and integrity, the community sector appears to have rated VDHS higher in 2005 than in 2003 (VDHS 2005a, b). A specific question on consultation was not asked in 2003, but in the 2005 survey 63% of respondents were satisfied with DHS consultation processes, 18% were dissatisfied and some 20% were neutral in their opinion (VDHS 2005b).

Future research will determine whether the compacts in Australia have adapted to the local realities of government–community-sector interactions and whether the policy development processes included in the various documents have served to improve relationships related to advocacy activities by CSOs. Specifically, such research must address the following key research questions:

- What is the distinctive nature of Australian compacts vis-à-vis the compacts of Canada and the United Kingdom?
- Have advocacy strategies changed as a result of the compacts and, if so, how?
- Have compacts redirected advocacy strategies towards more institutionally supported actions and crowded out non-institutional actions?
- Have compacts affected what types of organisations engage in advocacy?
- What are the implications of compacts for the legal and regulatory environment governing advocacy activities?

## Conclusions

The last three decades have witnessed a significant evolution of the community services sector. CSOs have moved from the periphery into a central role in discourses of service delivery and policy development. They first emerged in significant numbers from the social movements of the 1970s and are now considered, along with a wider array of non-profit NGOs, to be the core of what has come to be known as the Third Sector, which is seen to play a key economic, social and political role in post-industrial societies.

While new approaches to governance that have evolved in parallel to the extension of the community sector offer the promise of meaningful co-production of public policy, surveys of workers in CSOs highlight their frustration with what they perceive to be their increased marginalisation from policy-making domains. Contracting and project-based funding have decoupled the policy and service roles, and, instead of providing CSOs with greater participation in both may, have led to a concentration of power over policy and services in government hands. While some argue that, because of the emerging governance regimes, it is ‘the best of times’ and CSOs have never been so central to policy making, others argue that it is ‘the worst of times’ and that they have never been so excluded. Some lament that CSOs have no power, while others warn that they have too much and have hijacked public agendas.

These opposing views may not be mutually exclusive. It is possible that they simply reflect the differences between jurisdictions, areas of interest and the organisations involved. There are administrations with reputations for being more or less open to dialogue and CSOs with more collaborative or more combative styles. Some CSOs are also themselves open to the criticism of not truly reflecting the views of a community they claim to represent or to not practising good internal governance and so are marginalised by other CSOs and government.

Current policy making and service regimes may in fact produce divergent impacts. Co-production may reflect the experience of a small subset of ‘winners’ in the competitive tendering stakes. The partnerships between government and CSOs that are being codified through written agreements may be the precursor of a new neo-corporatism that favours a selected few of what governments as contractors consider to be the more successful and reliable CSOs. This may become a form of ‘social democratic corporatism’ (Garrett 1998) that seeks to stabilise links between State and civil society and serves to build the political consensus and stability needed for longer term decision making. Such neo-corporatism appears to affirm the insider–outsider dichotomy (Grant 1995), but the question remains whether the respectable, reliable and responsible insiders—usually defined as such by the governments that contract to them and sign partnership agreements with them—simply end up captive to the interests of the State.

The durability of the opposing discourses also symbolises the continuing ideological cleavages. Einfeld’s (2001) defence of advocacy and McGuinness’s (2003a, b) denouncements are the contemporary Australian reflection of the constitutional debates that occurred in the United States nearly two centuries ago between those who warned against mob rule and others that extolled the virtues of popular democracy, and it is unlikely that any amount of evidence will convince either camp of the opposing view.

The concerns about exclusion expressed by many in the community sector appear to confirm the worst forecasts issued about the impact on advocacy of contracting and market bureaucracies. However, the other reality is that some of the distress may be a sign that many CSOs are finding it difficult to define their advocacy role in the changing political contexts. Melville and Perkins (2003) indicate that while many peak organisations they studied appear to be successfully adjusting to new realities, others are ‘unrealistic’, ‘recalcitrant’ or simply frustrated that the same old lobbying tactics do not work in a new policy environment. This reflection on peak organisations could well be extended to the community sector in general. While they are given primary responsibility for advocacy, other organisations continue or aspire

to dedicate considerable time to advocacy-related activities but appear to be increasingly concerned that the market relationships of the past few years have made it less 'safe' for them to do so. However, it is not always clear what evidence that concern is based on.

The balance between inclusion and exclusion, as well as between independence and control, requires concessions and adjustments. Governments must accept that the use of contracting monopolies to stifle advocacy and dissent will only serve to weaken their capacity to deliver and sponsor services that respond to community needs, while CSOs must accept that new governance regimes require new advocacy strategies.

The new compacts currently being implemented at State level are likely to be a major determinant of the how the sometimes tense balance of policy issues will evolve. There is significant work that needs to be done to monitor the evolution of advocacy in the age of compacts. Extensive content analysis may show that the aspirations of the new compacts are little different from those of earlier iterations of consultative and contracting relationships between government and the community sector. Certainly, it is yet to be demonstrated that compacts will overcome the previous contradictions of the worst excesses of new public management.

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