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"Public and private in welfare services"

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PUBLIC AND PRIVATE IN WELFARE SERVICES

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ABSTRACT

This paper examines relationships between non-government welfare organizations (NGWOs) and governments, and discusses questions relating to the boundaries between statutory and non-statutory activities ; privatization of welfare activities ; and important characteristics between governments and NGWOs. It reports preliminary data from a large national survey of NGWOs. The paper is intended as a discussion paper, as the data reported are part of an as yet uncompleted monograph. The estimate of 37,000 NGWOs in Australia is a point estimate, and its derivation is discussed on page 3.

TABLE 1 : FUNCTION OF NGWOS
(N = 571)

CATEGORY	N	%	EXAMPLES
INCOME	17	3.0	. emergency finance . goods and/or services
ACCOMMODATION	8.3	14.5	. emergency housing . residential . nursing home . provision of housing
EMPLOYMENT	29	5.1	. sheltered workshops . income generation project . work ethic/skills maintenance and development
EDUCATION	41	7.2	. pre-schools & kindergartens . toy libraries . adult education . special education
HEALTH	37	6.5	. family planning/pregnancy termination . pregnancy support . first aid/rescue services . support of frail and ill . preventive education & skills . general health care
PERSONAL CARE	66	11.6	. day-care centres . home-based care . domiciliary services . foster care . adoption . support and advice

TABLE 1 (CONT.)

CATEGORY	N	%	EXAMPLES
PROTECTION	5	0.9	<ul style="list-style-type: none"> . prevention/remedial of abuse . crisis intervention . disaster relief . road safety
THERAPEUTIC CARE (or Rehabilitative)	62	10.9	<ul style="list-style-type: none"> . disability rehabilitation . psychological rehabilitation . counselling service . community programs
INFORMATION	22	3.9	<ul style="list-style-type: none"> . community services and facilities . financial advice . legal advice/referral
INTER-PERSONAL DEVELOPMENT	75	13.1	<ul style="list-style-type: none"> . religious/spiritual . social/recreational activity
COLLECTIVE ACTION	79	13.8	<ul style="list-style-type: none"> . public education or advocacy for group rights/shares . community-based organisation for social/environmental improvement . self help provision for group need
SERVICE SUPPORT	48	8.4	<ul style="list-style-type: none"> . funding provision . research . co-ordination/planning/support services . volunteer management and/or training
MULTI-FUNCTIONAL	7	1.2	<ul style="list-style-type: none"> . total community development . mixed range of therapeutic, personal care, accom. & health . General personal care and community support services
TOTAL	571	100	

TABLE 2 : LIFESTAGE OF CLIENTELE OF NGWOS

	N	%
All or any	221	38.7
Children	115	20.2
Youth	37	6.5
Adults	108	18.8
Elderly	90	15.8
	571	100

TABLE 3 : ROLES OF NGWOS

	N	%
Commitment to Social Change	64	11.2
Explicit maintenance of social order	58	10.2
Extension of Government role/ (unreflective) provision of needed collective service	390	68.3
Self-help survival/advancement	59	10.3
	571	100

**TABLE 4 : DISTRIBUTION OF ORGANISATIONS BY
INCOME LEVEL (UNADJUSTED) : 1971, 1976, 1980**

Income Level	YEAR					
	1971		1976		1980	
	No.	%	No.	%	No.	%
Less than \$5,000	120	47.0	151	39.2	192	34.7
\$ 5,001 - 10,000	18	7.0	24	6.2	45	8.1
\$10,001 - 25,000	30	11.7	53	13.8	39	7.0
\$25,001 - 50,000	29	11.3	40	10.4	61	11.0
\$50,001 - 100,000	17	6.6	32	8.3	66	11.9
\$100,000- 250,000	26	10.2	39	10.1	59	10.6
\$250,001- 500,000	7	2.7	20	5.2	35	6.3
\$500,001- \$1 million	3	1.2	15	3.9	30	5.4
Over \$1 million	6	2.3	11	2.9	27	4.9
Totals	256	100.0	385	100.0	554	100.0

**TABLE 5 : DISTRIBUTION OF ORGANISATIONS BY
INCOME LEVEL (ADJUSTED) : 1971, 1976, 1980**

Income Level	YEAR					
	1971		1976		1980	
	No.	%	No.	%	No.	%
Less than \$5,000	47	18.5	102	26.6	192	34.7
\$ 5,001 - 10,000	47	18.5	57	14.8	45	8.1
\$10,001 - 25,000	43	16.8	40	10.4	39	7.0
\$25,001 - 50,000	30	11.8	43	11.1	61	11.0
\$50,001 - 100,000	17	6.7	37	9.7	66	11.9
\$100,001- 250,000	29	11.1	39	10.0	59	10.6
\$250,001- 500,000	18	6.9	28	7.3	35	6.3
\$500,001- \$1 million	13	5.1	18	4.7	30	5.4
Over \$1 million	12	4.7	21	5.4	27	4.9
Totals	256	100.0	385	100.0	554	100.0

1971 and 1976 values have been inflated by the June quarter CPI to 1980 values.

TABLE 6

AGENCY INCOME (\$) BY PERCENTAGE
RECEIVED FROM GOVERNMENT

Income \$	Nil	1-25%	26-50%	51-75%	Over 75%	Percentage of agencies in income category
less than 5,000	71.4 62.2	9.1 24.2	6.3 13.3	2.3 6.9	10.9 16.5	33.5
5,001 - 10,000	39.5 8.5	7.0 4.5	23.3 12.0	7.0 5.2	23.3 8.7	8.3
10,001 - 25,000	34.3 6.0	8.6 4.5	17.1 7.2	11.4 6.9	28.6 8.7	6.7
25,001 - 50,000	18.3 5.5	11.7 10.6	15.0 10.8	10.0 10.3	45.0 23.5	11.5
50,001 -100,000	19.0 6.0	19.0 18.2	19.0 14.5	17.5 19.0	25.4 13.9	12.0
100,001 -250,000	24.1 7.0	13.8 12.1	12.1 8.4	13.8 13.8	36.2 18.3	11.1
250,001 -500,000	5.9 1.0	26.5 13.6	32.4 13.3	20.6 12.1	14.7 4.3	6.5
500,001 - 1 million	14.3 2.0	14.3 6.1	28.6 9.6	25.0 12.1	17.9 4.3	5.4
over 1 million	14.8 2.0	14.8 6.1	33.3 10.8	29.6 13.8	7.4 1.7	5.2
percentage of agencies in category	38.4	12.6	15.9	11.1	22.0	100.0

Notes

In each cell there are two figures. The first is the row percentage i.e. adding across each row (top figures only) gives 100%. This means for the top left hand cell, that of the agencies with incomes under \$5,000, 71.4% get nothing from government, 9.1% get between 1 and 25% of their income from government ...

The *second figure* in each cell is the column percentage i.e. adding down each column (second figures only) gives 100%. This means for the top left hand cell, that of the agencies which get nothing from government, 62.2% have incomes under \$5,000, 8.5% have incomes between \$5,001 and \$10,000 ...

TABLE 7 :

<u>NUMBER OF LEVELS OF GOVERNMENT FUNDING REPORTED BY ORGANISATIONS</u>		
	No.	%
Federal Funding Only	96	29.1
State Funding Only	90	27.3
Local Funding Only	16	4.9
Federal and State Funding	90	27.3
Federal and Local Funding	5	1.5
State and Local Funding	15	4.6
Federal, State and Local Funding	18	5.5
	—	—
Totals	330	100.0
	—	—

TABLE 9

POLICY ROLE OF GOVERNMENT : PERCENTAGE OF ORGANIZATIONS

	Commonwealth Gov't	State Gov't	Local Gov't
Government plays a major policy role	19.1	17.6	5.4
Government plays some policy role	29.5	42.0	28.5
Government plays no policy role	<u>51.4</u>	<u>40.4</u>	<u>66.1</u>
	100.0	100.0	100.0

TABLE 8 :

	<u>BREAKDOWN OF FUNDING SOURCES OF ORGANISATIONS</u>					No.
	Level of Funding (%)					
	1 - 25	26 - 50	51 - 75	Over 75		
<u>A. GOVERNMENT</u>						
Federal	37.0	32.5	13.8	16.8	100.0	203
State	37.3	33.5	12.0	17.2	100.0	209
Local	71.7	17.0	1.9	9.4	100.0	53
<u>B. EXTERNAL (NON-GOVERNMENT) FUNDING</u>						
Parent Organisations	49.3	19.2	13.7	17.8	100.0	73
Private Firms, Trusts	80.6	8.3	2.8	8.3	100.0	36
Other Organisations	61.5	18.0	10.3	10.3	100.0	39
<u>C. FUNDING GENERATED WITHIN THE ORGANISATION</u>						
Investments	90.8	7.1	-	2.1	100.0	98
Fundraising, Donations	49.7	17.9	10.3	22.1	100.0	330
Membership	64.3	9.7	6.8	19.3	100.0	207
Fees for Service	49.7	29.3	10.2	10.8	100.0	157

In addition to the quarter of the Federal Government's budget which goes in cash payments to individuals, many types of subsidies and grants are paid to NGWOs for them to provide welfare services and to develop community organizations. The State governments provide a wide range of services in the areas of child welfare, family support services, probation and parole, among other things. They are not able to provide all of the services required by the community, and like the Commonwealth Government, they provide grants to NGWOs which provide a range of personal social services, casework and family support services, and occasionally provide cash relief to those in emergency situations.

Social service provision in Australia (and in all other western nations) would collapse were it not for the activities of NGWOs. From the earliest days in colonial Australia "charitable organizations" have been part of the social welfare system. Also from the earliest days these organizations have depended, in varying degrees on public funds. The location of responsibility is no simple matter. It can be argued that as NGWOs provide essential services, and do so with the assistance of government, it is the governments, who in reality, are responsible for the services, for if the NGWOs were to cease their activities, the pressure on governments to take over would be almost irresistible. This situation is particularly apparent in relation to NGWOs which have a "monopoly" of service. This is not a new situation.

While government plays a dominant role in income support and supplementation, the provision of services is something shared by government and NGWOs. The Commonwealth Government provides very few services itself, but provides hundreds of millions of dollars to NGWOs so that they might provide services. State Governments provide a wide range of services, but they too provide hundreds of millions of dollars to NGWOs. Questions then arise about the extent to which the allocation process takes place within a general societal consensus with high levels of legitimacy and acceptance of aims, objectives, policies and priorities; or whether the situation is characterized by ad hoc and expedient decision making with high susceptibility to political pressures and interest group activity.

NGWOs have proliferated in Australia in recent years. The heavy charity stigma of the late 19th century together with the poor image of the agencies has disappeared and NGWOs operate on an extremely wide front of social need, service provision, community development and social activism. The tens of thousands of NGWOs in Australia give some credence to the frequent assertion that non-government action is highly regarded, able to provide support, able to pioneer new services, and above all able to provide a degree of flexibility which is not always apparent in government. An important point to note is that NGWOs provide on the basis of need, while governments provide on the basis of right. While the assertion is frequently made that non-government welfare organizations have an important ideological and service role to play, available data and analytical literature are sparse indeed. The large, and long established agencies have had histories written about them, most notably the Australian Red Cross, the Salvation Army, the Smith Family, Legacy, The Brotherhood of St. Laurence, The St. Vincent de Paul Society, The Benevolent Society of N.S.W., but these tell us only about one part of the non-government welfare apparatus.

In addition to these well known organizations there is a wide range of smaller community and service bodies, many operating on a shoestring and having few if any paid staff, and no assets. They provide a contrast to the major institutional service providers, i.e. those NGWOs involved in residential care of elderly people, or disabled people, or children. The larger organizations have major capital assets and their running requires extensive manpower and administrative commitment. Smaller community organizations have different objectives and interact differently with their clientele and with government, and take different sorts of places in the community.

Whether the organizations in question are large or small, innovative or reactive, important questions arise when considering their position within the contemporary welfare state. Only three sets of issues will be posed for discussion:

- * can a neat dividing line be drawn between statutory and non-statutory activities?
- * Does the existence of many tens of thousands of NGWOs in Australia suggest a privatization, not only of welfare activities, but also of the problems and issues they deal with? Do NGWOs perform tasks which properly should be performed by government?

- * As there is a substantial transfer of funds from government to NGOs, what are the most important characteristics of the relationships between these two sets of entities?

II

Before attempting to discuss these issues it may be instructive to note some of the characteristics of Australia's NGOs. A large national survey was carried out in 1981 and we are still analysing the mountains of data it has produced. Data used in this paper come either from the national survey or from smaller interview studies. Details are listed under "references".

There are at least 37,000 NGOs currently operating in Australia. This is a point estimate derived from interval estimates for two different strata in a preliminary survey. There are between 20,000 and 30,000 agencies in the more populous local government areas (LGAs) which cover 83 per cent of the population, and between 5000 and 18,000 in the less populous LGAs which cover 17 per cent of the population. The point estimate for the more populous stratum is 25,266 agencies, a figure about which we are reasonably confident. The point estimate for the less populous stratum is 11,701, a figure about which we are less confident. If anything, the estimate of 37,000 may under estimate the total, as indicated by follow-up detailed surveys undertaken in several of the LGAs from which the sample was drawn. The detailed tables are based on responses from 571 NGOs throughout the country.

We have classified the organizations into thirteen functional areas. A classification description is in Table 1. As many of the organizations perform more than one of the functions listed, our detailed (and forthcoming) classification will enlarge this thirteen point classification to a forty two point classification. This large classification will enrich the description of non-government welfare in Australia, but will be of less use in statistical analyses as the cells become quite small.

Data were obtained on many aspects of the target groups with which NGOs dealt. When examining gender of target group, almost three quarters (72.2 per cent) dealt with both males and females, 20.8 per cent dealt with females only

while 7.0 per cent dealt only with males. Table 2 shows the numbers of NGOs dealing with clients by life stage.

A very general attempt was made to classify the agencies by role, and a four point classification was used. This appears in Table 3 and work is presently underway in broadening the role classification.

Almost half the NGOs responding were formed in the 1970's (48.6 per cent between 1971 and 1980) and 30.4 per cent of all the organizations were formed in the five years 1975-79. We do not know whether organizations have always proliferated at this rate. We do not know yet whether many of the new organizations are specific purpose organizations with short life span or whether they are here to stay.

Almost 69 per cent of organizations report having been founded by individuals or small groups of people, and twice as many reported recent increases as against decreases in membership (28 per cent to 14 per cent). Longer established organizations indicated concern with issues of health care, disability, the aged and accommodation. Newer organizations tended more to emphasise unemployment, drugs and alcohol, family planning, childcare, migrants, women's issues and community fragmentation, poverty and powerlessness.

554 organizations reported their income for 1980, and it can be seen from Table 4 that 34.7 per cent had current budgets of less than \$5,000, with half the organizations operating on an income of \$25,000 or less (49.8 per cent). Another third (33.5 per cent) were divided evenly in the ranges \$25-50,000, \$50-100,000, and \$100-250,000, with a further 16.6 per cent exceeding a quarter of a million dollars, and that 4.9 per cent had incomes exceeding one million dollars. 256 and 385 organizations respectively reported income data for 1971 and 1976. The main trend over the ten years 1971-80 was a growth in the percentage clustered in the \$5,000 and less, category which is consistent with the large growth of essentially smaller organizations. Table 5 which has income adjusted to 1980 dollars demonstrates this.

There are notable differences among the states. While 34.7 per cent of agencies have incomes below \$5,000, 57.5 per cent of agencies in Western Australia and 47.4 per cent in Queensland have income below \$5,000. Western Australia also has the largest proportion of agencies with incomes over \$1 million (10 per cent) while Queensland has the smallest (2.6 per cent). When

income is combined with function, it is notable that 66.2 per cent of agencies dealing with inter-personal relations have incomes below \$5,000 as do 64.3 per cent of those involved in collective action and 63.6 per cent of those involved in information. By contrast, none of the agencies dealing with employment, and only 2.5 per cent of those dealing with accommodation have incomes under \$5,000. At the other end of the spectrum 17.9 per cent of those dealing with employment and 17.7 per cent of those dealing with accommodation have incomes over \$1 million, and of all the agencies reporting incomes of over \$1 million, 52 per cent are in the accommodation area. When taken by lifestage target group, 44.4 per cent of agencies with incomes over \$1 million deal with elderly people. This reflects the combination of age and accommodation (mostly nursing homes).

Age of organization is another important indicator of income. Of the agencies with incomes below \$5,000, 82.5 per cent were founded after 1960, while only 1.6 per cent were founded before 1900. At the other end of the spectrum only 1.4 per cent of the agencies founded after 1960 had incomes over \$1 million, compared with 17.2 per cent of those founded 1946-1959; 11.7 per cent of those founded 1901-1945; and 8.3 per cent of those founded before 1900.

61.6 per cent of NGWOs receive some funding from government and as Table 6 shows 71.4 per cent of NGWOs with incomes below \$5,000 get nothing from government; and of the agencies which get nothing from government, 62.2 per cent have incomes below \$5,000.

Of those receiving government funding 38.7 per cent received funding from more than one level of government, while 5.5 per cent received funding from all three levels (Table 7). Funding of course, comes from many sources other than government, as Table 8 shows.

38.4 per cent of NGWOs receive no government funding at all, compared with about 22 per cent which are dependent upon government for more than 75 per cent of their income. Only about 17 per cent of NGWOs generate no funds from within their own organizations while more than 43 per cent generate half or more of their income themselves (35 per cent generate more than 75 per cent themselves).

When the agencies were asked in the survey whether each level of government played a major, minor, or no policy role in their activities they reported that the Federal Government had a 'major' policy role in 20 per cent of the

organizations, 'some policy role' in 30 per cent of the organizations and 'no policy role' in 50 per cent of the organizations. State and local government played lesser roles (Table 9). When asked how important government funding was for programme and activity changes, 27 per cent of NGWOs said 'not important', 30 per cent said 'some importance' and 42 per cent said 'very important'. Clearly there is a strong reliance on government.

III

Classifications of NGWOs are complex and difficult.

The development of a clear understanding of functions and roles comes only after long empirical study, and even then little is fixed. For more than a decade, Ralph Kramer has been involved in a major cross-national empirical study of NGWOs. He has developed two classifications of NGWOs. In 1973 he identified four characteristic roles - vanguard; improver; guardian of values; and supplementer. In 1979, his further empirical work led him to suggest that a more appropriate role breakdown is - specialist; advocate; consumerist; and service provider or agent. In the latter classification many agencies try to perform all four roles simultaneously.

The largest single function performed by NGWOs in Australia is that of providing accommodation (14.5 per cent of NGWOs). Rarely does this activity permit agencies to be very innovative, nor to experiment and develop new projects and techniques (although the potential is there). Although program analyses are not part of our present project, other research dealing with residential care for children, elderly people and handicapped people indicates that the functions in question can be and are performed by either government or NGWOs with very little difference in emphasis, performance or direction. NGWOs in this category incidentally, are those with the largest budgets.

The second largest functional grouping in Australia is of NGWOs involved in collective action such as advocacy for group rights, public education, self help, community based organizations. NGWOs may serve as critic, and lobby governments to improve or extend services or service concepts; to some extent they may be valuable in defending government services against anti-government

and anti-spending sentiments. These agencies are heavily involved in monitoring, criticising and prodding government and use ad hoc coalitions, citizens' committees, media outlets and a wide range of lobbying and political tactics. The functions performed by these groups would not be performed by governments, and thus a clear division is obvious and noticeable. It is of interest to note that these NGWOs are among the poorest, and have the second largest proportion with incomes below \$5,000.

When examining the role of NGWOs (Table 3) it can be seen that 78.5 per cent are clearly within the mainstream of public activity and their work is concerned with the explicit maintenance or reproduction of the social order or the (unreflective) provision of needed social services. In this regard they act as conscious agents of government. This is reflected in funding provision.

While many NGWOs rely on government for funding, government relies on NGWOs for service provision. In 1979 the Commonwealth Department of Social Security had approximately 12,000 employees, yet provided funds for the employment, in NGWOs of a further 11,000 people. The NSW Department of Youth and Community Services employs some 2,400 people in programs provided by the Department, yet provides funds for the employment of 9,000 workers in NGWOs. The relationships between NGWOs and government in Australia are tense, for there is no agreed-upon set of objectives - the divisions are not clearly specified and the futures, of course, are quite uncertain. The only thing that appears reasonably certain is that this heavy government support of personnel would be forthcoming only if government expected NGWOs to perform functions of which government wholeheartedly approves.

A quick skim through the main social services show that most are provided by both governments and NGWOs e.g. emergency relief; rehabilitation of disabled people; child care; home based care for elderly and/or disabled people; day care centres; health education; residential facilities for children, elderly and disabled people; emergency accommodation; drug and alcohol treatment; information services. There are very few activities performed only by NGWOs and most fall under the head of "collective action" or advocacy. The only major function performed exclusively by government is regular income maintenance.

There is, however, a relationship between NGOs and government which regulates transactions and determines the nature of funding. Michael Horsburgh has identified four forms of control which governments in Australia have over NGOs. First, some organizations are incorporated by Act of Parliament. Second, some organizations operate under an Act which regulates classes of organizations e.g. Acts relating to hospitals, nursing homes, and charities in general. Third some organizations require a licence to operate in a specific area, or NGOs may be subject to general rules of inspection and approval. Fourth, there are organizations which operate within the law in general. Michael Chesterman has shown the many facets of law that impinge on organizations, varying from approval of buildings to provision of liability insurance against accidents to incorporation for the purposes of satisfying financial institutions such as banks and donor bodies.

To the extent that NGOs see themselves as private organizations with a self-selected clientele, and further as employees of NGOs are not public servants, there is a clear division between statutory and non-statutory. But as has been shown, the interconnections are so strong both from performance, personnel and funding perspectives that it would be inappropriate to call one sector private and the other public.

The joint nature of social service activity has been demonstrated and it would be prohibitively expensive for government to develop the infrastructure for it to undertake activities for which it now funds NGOs. Second, NGOs are assumed to have greater flexibility in providing services, so if government is concerned to ensure the best delivery to the population, NGOs may be an appropriate avenue. Third, it may be politically expedient for government to utilize NGOs. Government can distinguish itself as provider and the NGO as receiver, as well as deliverer. It can both accept the appreciation of the public when the services are popular and also distance itself a little when they are more controversial, pointing nevertheless to the obvious existence of community support/need evidence by the fact that its grant only meets part of the costs. (An example is women's refuges). Government will be more popular for supporting an NGO, usually, than for extending the bureaucracy. Furthermore, as many NGOs have strong community supports it may be difficult to bypass them without electoral damage. Of course there is argument about whether any service is necessary and whether there is an obligation on government to provide it.

IV

It has often been said that social work is an attempt to apply private solutions to public ills. It would be much harder to argue that NGWO activity is of a similar order due to the interconnections already demonstrated. Furthermore the potential for innovation can be found in both government and NGWOs, and the location of innovative action is often fortuitous.

Activities and target groups are often shared by government and NGWOs, and NGWOs frequently share vulnerabilities and characteristics of government such as institutionalisation - a 'creeping formalisation' which often results in rigidity, inertia, insularity and resistance to change and ineffectuality - such as inefficiency, insularity, low accountability, 'a casual, muddling and bumbling style of operation' and other administrative deficiencies arising from a 'charity market' context of independence and laissez-faire. (Kramer).

At a conference in Melbourne in 1980 Martin Rein outlined four ways in which government plays an active role in the welfare activities of the non-government sector - by mandating, stimulating, regulating, and supporting. Mandating is the procedure by which government passes legislation which requires that certain activities take place. Regulating involves the establishment of procedures for overseeing the activities of the agency. Stimulating refers to the means by which government provides incentives to agencies to do what government would like them to do. Supporting an agency takes place so that it will provide services at a standard, and to a clientele, deemed appropriate by government.

While government may be trying to forge various types of partnerships with NGWOs there is a debate about the future of the Welfare State, a debate which focuses on the extent to which it can structure interventions into market activities to ensure a beneficial redistribution of material resources and of life chances. Arguments about the present and future operations of the Welfare State revolve around the degree of state intervention and the public/private split.

This debate, at the present time is taking place against:

- a) a backdrop of widespread but carefully engineered and fuelled criticism of Welfare State expenditure, the legitimacy of the expenditure, and the legitimacy of the recipients of that expenditure;
- b) expressions that privatization is an appropriate social service strategy and that transferring service delivery to private hands either on a user pays or contract basis is the way of the future;
- c) expressions that volunteerism must be enhanced and encouraged, so that "undesirable" superprofessionalization (and its associated costs), and bureaucratization can be reduced and replaced with a more spontaneous altruism; and
- d) development of a new thrust in "family policy" to counteract any suggestion that the state may be replacing the family as the main agent of care. In the new family policy, the caring function is moved from the formal to the informal.

The way in which these arguments find (even temporary) resolution has a profound effect on the activities of NGWOs and their relations with government, not to mention issues in the provision of informal services. Many of the arguments are found in conservative and neo-conservative political expression. Australian conservative politicians have extolled the virtues of voluntary action as a means of reducing public expenditure by shifting the burden of care onto the family. Mr. Patrick Jenkin, the former British Secretary of State for Social Services was quoted in the press on 20.1.81 as saying that his government's commitment to community responsibility for welfare was "not caring on the cheap - it is a way of getting more for your money".

Important distinctions must be made between formal and informal services on the one hand, and public and private services on the other. The distinction between formal and informal is a matter of great ideological and research concern, while the distinction between public and private in many service situations is illusory. Public authorities fund non-government welfare organizations to provide certain services which government has neither the inclination nor perhaps the capacity to provide. The issue of why organizations are funded and the extent of that funding is the subject of ongoing research but it must be noted that most NGWOs are not private

enterprises. It is not strictly true to say that NGWOs are neither responsible nor accountable to government. At times, funds are provided with strings attached and at times continue only to the extent that certain conditions are met.

V

The complex relationship between government and NGWOs has been explored in two published reports (SWRC Reports numbers 17 and 28 - see references). One issue is that of autonomy and accountability of NGWOs, and another is what government expects from NGWOs in return for the provision of funds.

As NGWOs receive considerable funds from government it might be natural to assume that agency autonomy would be severely constrained. In his four country study, Kramer found this not to be so for a variety of reasons, and in a study carried out in Western Australia we came to a similar conclusion.

In our W.A. study we found that the traditional agencies were very heavily dependent on government funds. They received roughly equal amounts from the Federal government and from the State government. Funds from the Commonwealth government came under legislation and all of the funding went through very rigorous processes with considerable scrutiny by public service officers. This irritated the agencies. They were particularly resentful of the fact that they had to fit into a bureaucratic pattern, that they had to have their projects examined by "public service clerks", and that they were subject to the most incredible bureaucratic delays in getting their funding through. This applied particularly to funding from the Commonwealth government.

On the other hand the funding from the State government came through very much on an informal basis. The people in the agencies had very good working links with government ministers and senior public servants. There was no legislation which determined how much money would go to the agencies. The Western Australian government was much more concerned with funding large traditional agencies than it was with small groups. And if one were able to negotiate comfortably with senior ministers or the Premier, then funds were

forthcoming without any difficulty. Personal relationships were very important in the negotiating process. One of the interesting points that came through in the study was that agencies said that if funds were no longer available from government then they would have to close - they simply couldn't continue without government funding.

The interesting factor was that there was no program accountability at all. The autonomy of the agencies was not really compromised, and to some extent one could argue that this led to a situation where there was no co-ordinated planning in terms of the needs of the client populations. The organizations were financially accountable to the extent that they were to demonstrate that there was no financial impropriety in respect of their funds but there was no program accountability. This is related to three factors: first, clearly specified program goals do not exist - second, there is no competent overview of service needs, and should such an overview be developed there is no centralised power to ensure that there be co-ordinated and comprehensive service development - third, evaluative procedures and processes do not exist.

In a follow up study on funding models we are now examining the various ways by which funds are moved from government to NGWOs. One distinction has been to identify those funds which are allocated to agencies in general, compared with funds which support services within agencies. When funds are provided to agencies in general it is less likely that program goals or service objectives have been specified, nor evaluation procedures developed. It is more likely that the agencies are funded on the basis of reputation. Of the \$34.5 million which the W.A. State Government provides to NGWOs, approximately 95 per cent is agency support and approximately 5 per cent is service support. Autonomy of course is not compromised, but by the same token, accountability is slight.

In his studies, Ralph Kramer found that in many cases the agencies had developed so that they had a virtual monopoly of certain resources required by government and this helped maintain autonomy. This together with the political power of agencies, most by way of influence, and their capacity to bring political pressure to bear when necessary, comprises a second set of reasons

that ensure autonomy. Third, he found that while many agencies received a large proportion of funds from government, they were rarely totally funded, and as such could legitimately argue that multiple and diverse sources of funding would preclude surrendering control of their programmes to a single sponsor. Fourth, government generally demanded a very low level of accountability, and nobody seemed to want to upset the balance. Kramer quotes one government official as saying "if we knew more, we'd have to pay more".

The Australian experience seems to be that funding is often on a "you hatch it, we'll match it" basis. One large multi-purpose agency with multiple (government) sources of funding reported that once a grant is given there is a requirement that accounting and auditing procedures be adhered to and statistical information be provided, but that none of the funding bodies required day-to-day overseeing of what the agency is doing. Initiative nearly always comes from the NGWO seeking funds, and rarely does government do anything other than respond by way of providing funds. The funding, however, comes in a manner which is unpredictable and unsystematic. Commonwealth funding comes via a strict legislative guidelines while State funding almost invariably comes on an ad hoc basis with limited accountability procedures being required.

Differences between Federal and State approaches to NGWOs are obvious not only in their accountability procedures and functional areas covered, but in the expectation of NGWOs, held by officers in the various government bureaucracies. The responses summarized here are those given by a sample of Commonwealth Department of Social Security officers, and (primarily N.S.W.) State Government officers.

STATE

COMMONWEALTH

NGWOs are seen as:-

Extensions of state policy; supplementary rather than substitutive; vehicles for innovation and experimentation as well as providers of basic services. State implements its policy through NGWOs.

Community organizations which provide services with government's assistance; government assists but it follows demand rather than pursues policy of its own.

Government Commitment

Commitment not certain from year to year.

Once accepted, commitment becomes reasonably secure, especially when initial funds were for capital funding - it becomes commitment "by default".

STATECOMMONWEALTHPurposes of Funding

Program oriented to complement government services; use of consultants aims to ensure the implementation of government policy.

Oriented towards organizations and capital expenditures - for activities in which the government does not, and does not intend to, engage.

Reasons for Funding

Cost factor: claimed to be cheaper; enables voluntary effort to be used.

Cost factor - but also as a means of encouraging community initiatives in self help. Belief that the submission model identifies the priorities of need.

Political advantage and/or patronage is seen as an important factor in the allocation of funds.

Political factors acknowledged but are not seen to be as important as in the states.

Historical reasons: tradition of government support for NGWOs.

Historical reasons: support for welfare effort of voluntary (mainly religious) bodies.

Belief that NGWOs can do better work with less stigma attached to the recipients of services.

Belief that NGWOs are more experienced in providing services, and more appropriate than government, as providers.

Expectations

Delivery of service for which an organization is funded; simple accountability via annual or six monthly reports; service can be innovative at times; service to be delivered with expertise; funded NGWOs should not criticize Minister.

Accountability within certain rigid requirements; cost effectiveness; quality of service; service evaluation is sought.

Initiative/Response

Initiatives mainly from NGWOs but some joint initiatives, e.g. through the provision of consultants. Division of tasks: government provides funds, information; NGWOs provide service delivery.

Initiative seen almost entirely as the prerogative of NGWOs; government does not assume responsibility for the service it funds; government responds - it does not initiate.

STATECOMMONWEALTHCriteria for Obtaining Funds

Maintain relevant programs; provide progress reports; continue to show needs are being met; abstain from criticizing the government.

Implicit assurance of continuity of support once capital funds are provided; rigid financial accountability but no program accountability.

Value for Money

Uncertain - at best, a qualified belief that funding is justified by performance; marshalling voluntary effort increases the value of funds.

More doubts about receiving value for money, but efforts being made to improve evaluation methods.

Advantages

Freedom of NGWOs to develop services; easy budgeting for government; cheaper; government policy can be implemented through NGWOs.

Cheaper for government, but doubts about value for money.

Disadvantages

Insufficient control over programs; too much church influence; system of negotiation taking too much time; funding too selective; difficulties in establishing right priorities; some discontinuity of services.

Lack of co-ordination of service; NGWOs have difficulties in recognizing areas of need; difficulty of evaluation.

Future Prospects

Stricter procedures; less money; more stringent criteria for funding; greater rationality in the allocation of funds.

Gradual improvement in the relationship between government and NGWOs; more community participation in decision making.

VI

Our welfare futures are inextricably connected with the way in which issues of public provision are traded off and reconciled. NGWOs cannot alone cope with the full range of welfare needs of the Australian people, and from past commitments and practices, government does not provide all that is needed. The situation however, is one in which substantial public resources (mostly through capital funding) are transferred to private hands. Accountability is slight and a dependency pattern is created whereby continuing funds are needed by the agencies for survival, and government is locked into providing funds to the largest agencies. Past funding creates a situation in which public and private are intertwined and which is difficult to dislodge.

NGWOs are important to government as a key vehicle for implementation of public policy; as an information network; as a means of mediation of social issues into "proper channels"; and as a cheaper and more flexible avenue than alternatives - government itself or the market. However, there are disharmonies and inconsistencies in the relationship, and these do not always divide along expected public/private lines.

Funding by government may take place because government has a vision of society; or because government has no vision but is happy to respond to suggestions; or because government believes services provided by NGWOs are cheaper. Funding is provided either for the support of a service or a general activity. It sometimes comes about as a method of policy and priority setting, and sometimes as a result of expediency.

At one stage it was thought that government funding would reduce autonomy of agencies, but overseas studies suggest that agencies are reasonably autonomous because (a) their dealing with government are like a simple business transaction, (b) they may have a monopoly of relevant resources and skills, (c) they are able to bring political pressure to bear, (d) government does not require a high level of accountability.

NGWOs divide into those which are part of our society's dominant power structure and those which are essentially powerless. The former have been engaged in their activities for a long time and because of their socio-political

position have strong expectations of continuing funding and experience few constraints. A different pattern obtains for those community oriented NGOs particularly those which work from an oppositional stance and concern themselves with self-help, consumerism, information and advocacy. It would be of value to examine further the nature of funding patterns relating to this distinction. It is important to identify whether government officers see their commitment to the powerful or the powerless, to government, to particular agencies, or to particular client or consumer groups.

One can identify the bonds which link governments and NGOs, but the strength of the threads and the way in which they are woven or plaited requires further study. Because of the different tensile capacities relating to size, resources, scope, accountability, efficiency, responsibility, quality and dependency, the actors perform on an unstable tightrope.

As Kramer has pointed out, the reality is of two co-existing organizational systems, occasionally co-operating, and infrequently competing or being in conflict. The work so far undertaken in this project shows that the stakes are big but that the two systems roll along with poorly articulated and often conflicting expectations. A great deal of data collection and analysis has been done so far, but we have barely scratched the surface.

REFERENCES

This paper is essentially a working paper, and as such a list of references is not included. Some of the data and ideas emanate from and are reported more fully in the "already available" list below (Dozens of additional references are included in the sources listed there). New data and ideas in response to this paper will appear in the items listed below as "forthcoming".

Already Available

Adam Graycar and Wendy Silver, Funding of Non-Government Welfare : Agencies Serving Disabled People in Western Australia, (SWRC Reports and Proceedings no. 17) 1982.

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Forthcoming

Adam Graycar and Wendy Silver, Funding Models for NGWOs (SWRC Reports and Proceedings).

(Several authors) Classification of NGWOs in Australia (SWRC Reports and Proceedings)

Ian Yates Non-Government Welfare and the State : Issues in Social Justice (SWRC Reports and Proceedings).