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Current Trends in Australian Nonprofit Policy

DOI 10.1515/npf-2015-0023

Abstract: There has been a large growth in nonprofits in Australia over the past 30 years. This paper will chart some of the key current policy trends that have helped shape the sector. The huge investment in the nonprofit sector by government, particularly since the mid 1990s coincided with a strong ideological shift to a neoliberal economic agenda. There was a concerted effort to bring nonprofits under the control of government policy. This has lead to greater competition among nonprofits, the growth of large charities at the expense of small local organisations, and a greater emphasis on adopting business models. Those nonprofit organisations that provide a community development role have been particularly under threat. However while much of the nonprofit world in Australia is increasingly driven by neoliberal, business oriented demands, another alternative phenomenon is emerging, particularly among young people and largely out of the gaze of public scrutiny. As fast as the state finds a way of controlling the productive energy of the nonprofit sector, the sector itself finds a way of curtailing that control, or of creating new ways of operating that go beyond existing structures and rules of operating.

Keywords: nonprofit policy, Australia, neoliberal, community development, emergent forms

The nonprofit sector in Australia has a significant role to play in a number of sectors, notably community (social) service, health, education, the environment, arts, and sport, to name a few. There are an estimated 600,000 nonprofit organisations in Australia, of which about two thirds are small, unincorporated organisations with no legal standing, but which nonetheless play an important role in the life of civil societies in Australia (McGregor-Lowndes 2014, 1). This paper will chart some of the key current policy trends that help shape the sector, and examine the broader socio-economic forces that shape government policy,

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as well as the critical response to these by the sector itself. In particular, the paper examines successive Australian government attempts to create quasi social services markets through privatisation and competitive tendering and the impact of recently reduced funding for community services including its effects on sector working conditions on the size and number of community service nonprofits. In terms of policy initiatives, we examine experiments with policies related to social inclusion and the establishment of an independent non-profit regulator. We look at the emerging legitimacy of a new model of nonpofit – the social enterprise. However, while parts of the sector have embraced the core tenants of neoliberalism and application of New Public Management policy approaches, there has also been some resistance from within the sector with the emergence of a new paradigm.

According to the Australian Bureau of Statistics (ABS), in 2012/13 the non-profit sector contributed an estimated A$55 billion to the Australian economy, representing 3.9% (ABS 2014), while a report by Knight and Gilchrist (2014) suggests that the actual contribution may be significantly more than ABS estimates. The sector employed approximately 1,081,900 people of whom 413,100 were full-time. Approximately 30% of the population also volunteer, creating a large additional volunteer workforce (ABS 2015).

Financial contribution of government, both national and state, has rapidly increased since the 1980s, and currently accounts for over a third of total nonprofit revenue. Total revenue for Australian nonprofits in 2012/13 amounted to some A$107.5 billion, with roughly a third coming from households (donations, fees and charges) a third from government and the rest from other sources, including corporations. However in the welfare sector, over 70% of funding comes direct from government in the form of fees for service and other subsidies. Particularly in the field of community (social or welfare) services, the majority of government services are now delivered under contract by nonprofits.

Several explanations for this growth have been offered. According to Lyons (2001), the growth of the community services sector in Australia really took hold in the 1970s and early 1980s. Historically the Australian Governments did not provide much in the way of community services (Lyons 1994). However, the development of a "community services industry" was the result of the effective advocacy of a key group of nonprofit organisations, their clients and other activists. Lyons writes, "It was advocacy work by a few provider organisations and, later, feminists and other community activists, along with organisations of disadvantaged people themselves, 'consumers' in today's terminology, that prompted the Commonwealth government to begin funding accommodation and then services for older people, people with disabilities, children, the homeless and so on to create the complex fabric of community services we have today." (2001, 37)

The Neoliberal Impact on Nonprofits

The huge investment in the nonprofit sector by government, particularly since the mid 1990s, coincided with a strong ideological shift by all major parties to a neoliberal economic agenda. There was a concerted effort to bring nonprofits under the control of government policy, and in particular under State as well as Commonwealth government policies in particular (Butcher and Dalton 2014). Funding became increasingly constrained by contract for specific services within competition policy.

The policies of neo-liberalism in Australia as elsewhere, turned attention from the state to the market. Aligning with the tenets of New Public Management, they championed privatisation and deregulation drawing on the free play of market forces. Through public policy, the state adopted the mechanisms and principles of the market. The basic assumptions were that individual citizens – now constructed as consumers – should exercise their free choice in accessing goods and services according to their capacity to pay; the providers of such goods and services would continue to provide them as long as the demand remained strong enough and the quality of their services remained sufficiently attractive. Quality was to be ensured through competition between providers. All agents would be motivated by rational self-interest. The philosophical position that justifies all this is a form of neo-liberalism that rests on the core value of individual choice and autonomy (Kenny et al. 2015; Lyons and Dalton 2011).

In fact, and of course, in most cases the disadvantaged citizen/ consumer was not in a position to pay (thus creating a failure of the market), and so the state became the purchaser of services on behalf of the consumer. The basic tenets of neo-liberalism in Australia were translated into bureaucratic regulations that emphasised standards of efficiency, performance and accountability to the state (Deakin 1996; Webster and Harding 2001; Dockery and Stromback 2001; Wright, Marston, and McDonald 2011).To summarise briefly, the shift in government approaches to funding and policy have led to the privatisation of public social services and increasing use of market mechanisms, the widespread use of contracts in which the governments act as purchaser of services, the application of competition policy to third sector organisations with the expectation of consumer choice, and greater emphasis on formal accountability and evaluation (usually in cost benefit terms). Increasingly, governments of both right and left are seeking to apply a competitive tendering model. This entails direct control by the funder/ purchaser. Typically, government determines the types, levels and location of services through its own planning/ political mechanisms, usually without consultation with service providers, and awards contracts for the provision of services

according to a competitive tendering process. Strictly speaking, the tendering agency should be free to set its own price and to determine its own procedures within the terms of the contract. In practice, governments prefer to fix the unit cost for service provision, and to maintain managerialist control over financial reporting by the contracted agency (Lyons 1995; Kettner and Martin 1994). The government may then use the contract in an adversarial sense as a form of threat or control, and as a means of forcing competition between providers. Funded organisations are then expected to operate as efficient businesses, with a focus on achieving the contracted service outputs at minimum cost. So, despite their neoliberal inspiration, these reforms fell significantly short of creating a genuine "contestable market". The experience of the privatised employment services is a case in point. Since privatisation in the 1990s, Australia's so-called Job Network has swung back to being highly regulated and government-controlled, and only open to new entrants to a limited degree (Eardley 2003).

In economic terms, the business objectives of government are thus achieved through agency relationships, in which the state attempts to maximize control of the output while minimising its own transaction costs. At the same time, because the government funding body has monopsony power as sole purchaser, it is in a position to force competitive tendering below the cost of service provision. Nonprofits (but not for-profits) are then expected to provide the difference from their own (fundraising or voluntary) resources. It appears that when in competition with NPOs for-profits find the savings in paying reduced wages, or providing reduced services, or in the case of job network, by "creaming" assisting only those clients with quick outcomes.

There followed several further developments. First, particularly since the recent elections in which conservative parties won in all states as well as federally, there has been a consistent reduction in funding for most community services, particularly in the field of accommodation and homelessness, but also women' services, aboriginal services and refugee support services. This is happening in the interest of "returning the budget to surplus" and "fixing the economy", while rhetoric in support of the defunded service areas remains strong (as in domestic violence for example).

A specific example of how this process has played out is evidenced in the following example of a recent "reform" process in NSW. In June 2014 the NSW Department of Family and Community Services (FACS) announced the successful tenders for the reformed crisis housing system, to be delivered by "a total of 149 new specialist homelessness services across NSW that build on current good practice and innovation at the local level." (FaCS, Specialist Homeless Services Tender Outcomes 2014). The initial discussion paper was released in June, 2010 and despite a two month "consultation process", the Going Home Staying Home

Reforms were driven by a small reference group of Housing NSW staff and some peak organisation representatives who were bound by confidentiality clauses (McManus 2013). In order to tender, Non-government organisations had to demonstrate their capacity to deliver early intervention and support services across a broad spectrum of clients (young people, women and men) through a "prequalification" process. Those NGOs deemed "capable" by FaCS where then invited to tender for the "contract" to provide services. Analysis of the tender outcomes by Homeless NSW (Homelessness NSW 2014) indicates: service contracts for the provision of housing services declined from 370 to 149; Nonprofits involved in housing dropped from 250 to 180; 70 new multi-organisation consortiums were created; state wide organisations increased their proportion of all services from 31% to 39%; there was a decline in small local organisational services and specialist services, most severe in women's housing and Aboriginal housing. It is estimated that 400 people would lose their jobs and potentially leave the housing sector. Some feminist crisis services were handed to large faith based charities.

The second effect, illustrated in the above example from NSW was the growth of "big charity". A recent analysis of data collected through the Activity Information Statement (AIS) which tax exempt charities nonprofits are required to submit to the new national charity regulator, the Australian Charity and Not-for-Profit Commission (ACNC), found that income is heavily concentrated within a small proportion of charities: of the total A$99bn in reported sales income, A$79.6 billion, or 80% of sales income was contributed by the 5% of the charities reporting sales of over A$11.6 million; the next 5% of charities adds a further $10 billion; and approximately 90% (23,800) of charities contributed the remaining A$10 billion or 10% of charity sales (Knight and Gilchrist 2014, 9–10; VCOSS 2015). Ironically, rather than creating a true market with many services from which the consumer can chose, there has followed a dramatic reduction in the number and diversity of services that were funded, while a handful of big charities grew very large indeed. Competition favours the more efficient over the less efficient. Larger organisations gain efficiencies of scale, and from the funding bodies point of view are seen as more reliable, with firm business risk management protocols in place. Organisations are thus driven to grow or amalgamate to survive. Engaging with a few larger providers is also thought to reduce transaction costs to government (Dalton and Butcher 2014).

In response many nonprofits have merged to become larger entities in order to win government contracts. As Tony Nicholson, CEO of the Melbourne-based charity, the Brotherhood of St Lawrence suggests:

> If the trajectory of agglomeration and amalgamation of organisations is allowed to run its course over the next two decades, I fear we will see a welfare arms race in which the lion's

> share of government funding will go to super-sized welfare business, some of which will be "for-profit" in nature, and the smaller, community-based and faith-based organisations will be marginalized or left completely undone (Nicholson 2014).

Indeed, evidence presented by Dalton and Butcher (2014) suggests that there is already an increasing concentration of market share for externalised service provision among a small cohort of large employing organisations. ... "big charity" is winning. The top 13 charities reported annual turn-over of $A 4.6 billion including $A3.5 billion in revenue from government sources. They are crowding out the smaller community organisations who simply cannot compete on the same basis.

A third and related side effect of a contracting culture has concerned an increased discrepancy in working conditions. One of the primary advantages of competitive outsource tendering from the state's point of view is that more services can be delivered at a cheaper price. Nonprofits are forced to subsidize costs of service delivery with the use of volunteers and private donations (Ryan 2002). Saving is also generally achieved by nonprofits paying lower wages to front line workers. There is a consistent tendency for reductions in costs to be made at the expense of a deregulated labour market with front line workers experiencing declining pay and conditions, and often depending on the actual caring being performed on a voluntary basis. However salaries may increase at the managerial level with Deakin finding that managers of both purchasing and providing organisations (but particularly purchasers) receive increased remuneration, expanded role and career progression (Deakin 1996; Webster and Harding 2001).

Despite the rhetoric that accompanies the introduction of economic rationalist policies concerning the greater choice and empowerment of the customer/consumer, there is no evidence of increased consumer power actually occurring, largely because there remain a very limited number of off-the-shelf services available within prevailing resource constraints. Nor are consumers consulted in the planning or delivery of services. As Deakin concluded in the UK:

> ..But none of these developments appears to have benefited service users directly, at least in the short term. There appears to be some awareness of this deficiency and [a consultant has been appointed]... to devise "a methodology for consulting users and their carers". But one may be pardoned for wondering whether such a strategy that leaves the key objective of policy to be addressed in this way can command much confidence. (Deakin 1996, 36)

However another recent policy development in Australia has attempted to address this inconsistency. The much touted NDIS (National Disability Insurance Scheme) is breaking new ground by placing income directly in the hands of the consumer, following an individual assessment of need. The disabled consumer is then able to purchase the service of his or her choice from among the available services. A

similar model is being developed for aged care services. Services themselves will have their direct funding from government reduced or eliminated and instead must survive on the competitive advantage of the service being offered. It is not yet known how well this scheme will work. It is designed to give real choice to the consumer. It may however have the effect of further reducing the number and range of services offered, if service providers have little means of ensuring sustainability of their infrastructure.

The Effect of Neoliberal Policies on Community Development in Australia

Community development is a non-linear process which may arise from the initiatives of people within the community utilizing their social capital with relatively few economic or human capital resources. As such it has been of particular interest to social policy makers in Australia at least since the 1970s, and under various governments, both Federal (e.g. Australian Assistance Plan under Whitlam) and State (e.g. NSW Area Assistance Scheme between 1979 and mid 1990s). Community development programs within nonprofits were actively encouraged and supported through this period, and many remain today. The underlying rationale was the belief that, with minimal financial input, active citizens could be encouraged to identify the social needs of the local community, and to develop nonprofit organisations and programs to meet those needs. This policy encouraged the empowerment of local citizens to engage in decision making, and to be partners in the policy process. It particularly empowered local governments to take an active facilitation and coordinating role in the policy and implementation process.

The key concept of social capital entered the spotlight in the mid 90s from the work of Robert Putnam and colleagues. Following Putnam (1993), social capital is defined as "those features of social organization, such as trust, norms and networks that can improve the efficiency of society by facilitating coordinated actions". Many theorists including Coleman and Putnam, saw social capital as a resource (often the primary resource) open to all groups and communities. Schuller (2007) argued that all forms of capital interact in complex ways, and indeed the value of social capital depends partly on its linkage to other forms of capital, including human capital, financial capital and natural capital. Certainly, the evidence suggests that social capital is capable of producing a variety of positive outcomes, beyond economic advantage, such as improved health, good educational outcomes, lower crime rates, and a stronger community (Halpern 2005).

The interest in social capital by policy makers in Australia coincided with the development of neoliberal agendas. It appeared that harnessing social capital could represent an economically acceptable way of linking community development practice to emerging economic priorities. Indeed Prime Minister Gillard later signalled this in her speech to the Sydney Institute on the economics of social inclusion (Gillard 2007)

Thus from the mid 1990s there emerged a number of funding programs at both commonwealth and State levels that were specifically shaped around the intent of increasing social capital in local communities, thus strengthening "social cohesion", and harnessing that social capital in the development and management of low cost community services that were being outsourced from the state. However, this act of harnessing social capital required that the state retain considerable financial and management control over the operation of the nonprofit organisations that maintained a community development mission. Inevitably this eventually led to a serious erosion of local autonomy and initiative. Attempts to harness social capital by neo-liberal conservative governments also required the development of objective measures of social capital outcomes and of social impacts more generally. This has in recent years lead to a growing industry (run by consultants) to develop and apply various measures of social impact, preferably using a monetized "social return on Investment" methodology. Ironically, this has had the effect of rendering further invisibility to those features of social capital that are most important but least measurable, features such as collaboration, trust, mutual support and cohesion itself. At the same time, new government imperatives to tie funding to quantifiable outcomes, requirements to deliver a "social return on investment" and a net cost benefit, have been the basis of experiments with social impact bonds that are designed to attract private investment, thus driving the sector ever closer to a business model.

The Attempted Development of an Independent Regulator of the Australian Nonprofit Sector

In 2007 the new Labor government came to power promising extensive reform of the nonprofit sector. Five major reforms were announced, the most significant of these was the creation of Australia's first independent, national regulator. Given the size and diversity of the sector, there have been many calls over the years for some sort of independent regulator of the nonprofit sector, one that is not directly controlled by any single branch of government, nor of any particular section of the nonprofit sector itself. This would be an advantage to the sector itself, which to

date continues to struggle to present a strong coherent identity to the community. It would also be an advantage to state and federal governments if it could simplify existing complex and often inconsistent regulations. Indeed, during the last 19 years, four government inquiries, the latest being the Productivity commission of 2010, have recommended that a single, independent, national regulator be established. However governments of all persuasions remained highly ambivalent about granting such strong recognition of the nonprofit sector.

In 2012, for the first time, the labour federal government enacted legislation to create a new national regulator, the Australian Charities and Not-for-Profit Commission, or ACNC (House of Representatives Hansard (2012), 12920–34). This office was intended to be a single destination for regulation and reporting, ultimately replacing all individual state jurisdictions. The newly formed ACNC had three objectives:

- to enhance public trust and confidence in the sector
- to support the sector's independence and innovation;
- to reduce unnecessary regulatory obligations (ACNC 2013, 14)

The intent was for organisations that were registered with the ACNC to provide corporate and financial information only once a year, without the necessity of repeating this with each new government contract.

Perhaps more importantly, the ACNC was able to begin immediately to collect and disseminate data pertaining to the Australian nonprofit sector, much of this data never before available. Within its first two years operation, it rapidly gained the trust and support of the majority of nonprofit organisations (Senate Economics and Legislation Committee Report 2014).

However, only twelve months after its establishment, the new Liberal government, who even in Opposition, had never supported the establishment of a regulator for the sector moved to abolish the ACNC. The then Minister, Mr Kevin Andrews, claimed that the ACNC was a large new unnecessary bureaucracy that would add "more red tape" and impose an "unnecessary burden on civil society", one of more regulation, compliance and duplication (Andrews 2012). He promised to replace it with a small, independent organisation, a Centre of Excellence, whose main purpose would be education and training. The ACNC's regulatory powers would be returned to the Australian Taxation Office against the advice of that organisation.[1] Despite

1 The legislation to abolish the ACNC has stalled in Australia's upper house and in the May 2015 Federal Budget funding was approved for the ACNC until 2019, beyond the current government's term in office. So while it is unlikely that the harmonisation agenda will progress the ACNC will still be resourced to carry out out is other regulatory functions including maintaining a charity and not-for-profit register.

strong opposition from the sector, on 19 March 2014 the government introduced legislation to repeal the new regulator (ACNC (Repeal) Bill 2014).

This opposition was not unanimous. Some states objected to handing over their own reporting requirements to the national body. Both the Catholic and Anglican church did not consider there was adequate justification for the establishment of the ACNC. They claimed that their charities (hospitals, schools, universities, aged care and welfare services) were already fully accountable and transparent to multiple agencies. They argued that additional reporting was unnecessary, costly and burdensome. (Australian Catholic Bishops Conference 2014; Anglican Church Diocese of Sydney 2014).[2]

Powerful for – profit trustee companies, who administer up to 40% of Australia's philanthropic trusts and foundations, also objected to the powers of this new regulatory body, preferring to remain in an essentially unregulated, and largely unaccountable position (FSC 2014, 3).

Prior to the establishment of the ACNC the only accountability requirement for private philanthropic foundations, (of which there are a large but unknown number providing a putative estimate of $A1 billion annually to the Australian community) was an audited annual report to the Australian Taxation Office, with all information remaining "private and confidential" (Krever and Kewley 1991). Currently, the ACNC allows foundations to apply and request that their contact details not be revealed publicly. One of the consequences of this provision is that it inhibits nonprofit organisations from accessing these funds – funds intended for their benefit.

It is ironic that while neoliberal regimes are bent on ever tighter financial and operational control over all forms of nonprofits, they are reluctant to assert even the most minimal levels of control over these private philanthropic foundations, despite the fact that the foundations r receive generous tax benefits (at the tax payers expense) and are supposedly devoted to the public good.

With the appointment of a new Minister (Scott Morrison) in February 2015 there appeared to be a reprieve for the newly established regulator. At the time of writing the future of the ACNC is still in doubt, despite continuing advocacy by the sector for its retention.[3] In the May 2015 Federal Budget, funding was approved for the ACNC until 2019, thus ensuring that its regulatory and information function will continue in the short term at least.

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2 Both these references refer to submissions received to inquiry conducted by Senate Economics and Legislation Committee into the Repeal Bill. Catholic submission No.76; Anglican No.133. http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/ACNC/Submissions.

3 When Tony Abbott was deposed as Australia's Prime Minister (15 September 2015) Scott Morrison was replaced as Minister by Christian Porter.

Social Enterprise

The ultimate conclusion to the increasing move to neo-liberal policies and values is the call for third sector organisations to become businesses, or at least to operate more specifically according to the principles of the market. As noted above, this has perhaps inadvertently lead to the growth of big charity. However it is also deliberately leading to the creation of social enterprises, that is those independent organisations that are creating new services on a micro business model, often drawing on private investments and profit generating activities.

Australian data concerning social enterprises supports the U.S. findings (Barraket et al. 2010). At a minimum, social enterprise consists of the following basic criteria (Dart 2004; Paredo and McLean 2006):

- adopting a mission to create and sustain social value, rather than private value;
- recognising and pursuing new opportunities to serve that mission, normally by identifying a need and articulating a new way of meeting that need;
- engaging in a process of continuous innovation, adaptation and learning;
- refusing to be constrained by a lack of existing resources;

operating with a heightened sense of accountability to and embeddedness within the constituencies involved.

A key issue of course is the centrality of resource generation. The five central criteria listed here do not focus on income generation or the requirement of distribution of profit to individuals and this is sometimes referred to as a "soft" version of social enterprise. However there is an alternative "hard" version, which does make the specific requirement that the enterprise achieves its mission through an explicitly business focus, including the requirement for making a profit.

Regardless of the subtleties of social and economic mission, all versions of social enterprise, including in Australia, tend towards a taken-for-granted acceptance of the language and techniques of business. So roles are described as "CEO", the "Board", "consumers". The organisation engages in "strategic planning", Provides "annual reports" which focus on "financial returns", provide "appropriate executive remuneration". Dart (2004) explores this trend from the perspective of institutional theory and the centrality of moral legitimacy. As business has moved centre stage in neo-liberal thought, government bureaucracies and nonprofit organisations are seen as non-productive and burdensome. It follows that even social sector organisations can gain legitimacy by adopting the language, goals and structures of business. As Dart notes: "Thus moral legitimacy of social enterprise

can be understood because of the consonance between social enterprise and the pro-business ideology that has become dominant in the wider social environment" (Dart 2004, 419). He was referring specifically to the U.S. but it applies as easily to the current Australian economic ideology. Dart goes on to argue that once social enterprise has gained this ideological legitimacy it becomes somewhat immune to rational independent evaluation. Indeed there have been few serious evaluation attempts (Casey 2013).

The preferred business model is one in which the organisation may make a profit, both in order to meet its social objectives but also to make a financial return to investors. The arguments in favour of this strongly business-centred approach have been recently demonstrated in a series of opinion pieces printed in *The Harvard Review* and widely disseminated within the business world. For example,

Pallotta (2013) argues that what he terms "the humanitarian sector" has put itself at an enormous disadvantage by ignoring some basic rules of for-profit enterprises, including maximising salaries of CEOs, using professional paid advertising, building long term plans for return on investment, allowing for risk of failure and raising massive capital in the stock market by offering investment returns. These rules he argues are just as effective for third sector organisations – or rather for social enterprises that are allowed to create profits. They can no longer be called nonprofits. Within Australia, this move to increased privatized, social enterprises is encouraged by government policy, and sometimes receives initial incubator funding, but has not yet become a major policy strategy.

One problem with this approach, as acknowledged for example by Rottenburg and Morris (2013) and Menasce and Dalsace (2011), is the inherent conflict of interest between profit generation and social good. While most nonprofits would acknowledge the importance of financial viability, many operational decisions made by an organisation are likely to find that the two objectives, that is, meeting social needs and financial needs, are noncommensurate. This can have dire consequences for the organisation's operation, including its human resource management (Green 2012). It is also likely that as economic goals and the achievement of profit become paramount, and as an organisation adopts the language of business, then those intangible goals of social cohesion, trust and social justice, become ever more invisible.

A Different Paradigm is Emerging

While much of the nonprofit world in Australia is increasingly driven by neoliberal, business oriented demands, another alternative phenomenon is emerging,

one which signals a resistance to neoliberal pressures. This is occurring particularly among young people and largely out of the gaze of public scrutiny (Kenny et al. 2015). This phenomena is occurring entirely outside the gaze of public policy. Indeed government policy is becoming increasingly concerned that various forms of emerging online advocacy for example are being directed specifically against prevailing government policy and actions and are thus seen as a threat to existing policy.

One obvious cause/ outcome in this shift in cultural approach particularly among young people is the very rapid development of such social media as Facebook and Twitter, both of which have now been co-opted by the formal world of organisations, though, as a means of reaching this demographic group. But originally, and still in the main, these new forms of communication are used by young people to form and maintain networks of "friends" and acquaintances. This kind of ready online collective action does lead to some recognisable nonprofit organisations. One such is Vibewire. The website of Vibewire proclaimes:

> Vibewire was born on the streets of urban, inner city Sydney in 2000 as a dynamic connection point between young people and the arts, culture, business and ideas. A youth-led not for profit, we capture stories from within our urban communities transforming them into opportunities for young people to connect, create, innovate and grow. We ensure young people are included and can participate in conversations that matter. A team of energetic Vibewire volunteers drive our art, digital media, live performance and workspace projects. (vibewire.org)

Vibewire operates explicitly on the belief that "young people should create the future, not just inherit it. Vibewire is a Launchpad for young change makers" (vibewire.org). Its aim, as the website description explains, is to engage young people in active citizenship through their involvement in local arts, culture, politics, current affairs, fiction and ideas. While it is very much an online organisation, it also organises regular face-to-face events in real time within the Sydney area and has developed a physical hub, known as vibewire hub, which acts as a business incubator for young social entrepreneurs to develop new startup ventures. This model is also being rolled out in other states within Australia. As one member put it: "It's really important to have the online networks, but it's actually also really important to have those offline physical networks" (interview, coordinator, 2008). Within the Sydney region, Vibewire is part of a strong and integrated network of emergent organisations, all focused on youth, art and encouraging young entrepreneurs in a myriad of new projects. All struggle with minimal resources but gain strength from collaborating, sharing physical and online resources, and creating joint projects.

These emergent organisations exhibit an interesting paradox. On the one hand they represent the purist form of social entrepreneurship. They certainly exhibit all the criteria of social entrepreneurship identified earlier. On the other hand, they are far removed from the business model of entrepreneurship, showing little regard for profit or formal business tools. They are not competitive but explicitly collaborative in their operations. They largely avoid government funding beyond occasional local government assistance and they are highly democratic in their mode of operation, again with little regard to bureaucratic requirements.

Perhaps as a consequence of this phenomenon, new emergent activist organisations are also springing up which are very much part of the third sector though again, they sometimes defy categorisation. These emergent organisations are driven by passion and not money but by making astute use of the social media are able to operate with adequate though minimal financial resources. Within Australia the organisation GetUp may be taken as an exemplar emergent organisation that operates successfully entirely away from the realm of neoliberal ideology and state bureaucratic control. It may stand as an exemplar counter organisation to the prevailing hegemonic control of civil society.

Its website states clearly its mission:

> GetUp is an independent, grass-roots community advocacy organisation which aims to build a more progressive Australia by giving everyday Australians the opportunity to get involved and hold politicians accountable on important issues. (getup.org.au)

Using a variety of media and other actions, GetUp members take targeted, coordinated and strategic action to effect real change. GetUp does not support any particular party and does not accept government or political funding. It is based on broad progressive values of economic fairness, social justice and environmental sustainability and relies on crowd sourcing to fund its work and in-kind donations from the Australian public (GetUp 2013). Its actions range from petitions, to publicity campaigns using mainstream media, and large scale protest marches and vigils.

While it has no formal membership, members are those who sign up, make donations and sign petitions or otherwise engage with GetUp activities. There are an unknown number but estimated at more than 500,000 such members across Australia. Interestingly, while the organising energy is driven by young people, GetUp is mainly supported, both financially and in actions, by a growing band of older, professional people.

While Getup is actively involved in State and Commonwealth elections over a number of policy issues, most GetUp campaigns are much more targeted. For

example some 165,000 members signed a petition in support of saving the Great Barrier Reef. GetUp is one of a growing number of grassroots activist organisations that have emerged without any clear external agent beyond a small number of committed individuals who see the need for social action and who find ways of mobilising many citizens who similarly are concerned for action to be taken. At a time of disillusionment in Australia with formal politics, it offers a way for citizens to have their voice heard.

Concluding Discussion

Successive Australian governments have attempted to create quasi social services markets through privatisation and competitive tendering. For most community services this has created significantly reduced working conditions and the sector has become dominated by larger charities. At the same time we have seen the emergence of the legitimacy of a new model of nonpofit – the social enterprise. These developments have occurred in the context of Australia's embrace of the neoliberal agenda. Thus, while a handful of very large charities have been able to thrive within the neoliberal policy shift, the nonprofit sector as a whole is in crisis. The bulk of mainstream welfare services are now provided within large charitable organisations, most of which have a conservative, faith-based ideology, and operate as large businesses. Some for-profit organisations are also moving into this space to provide efficient, low cost services, which nonetheless make a profit, particularly in the aged care and early childhood sectors. Services are just that: mainly of adequate quality, provided without any choice on the part of the consumer or indeed the workers who provide the service. There is little regard for the needs of the community as a whole, or indeed for the other needs of the individual consumer. There is little opportunity for advocacy at the organisational level, either for individual clients of for the sector as a whole. Indeed those organisations that provided effective advocacy in the past have in part been defunded or otherwise had their activities curtailed.

Those nonprofit organisations that provide a community development role have been particularly under threat. The nature of community development itself has been redefined, and consistent with a corporate ideology, are simply regarded as the entrepreneurial arm in the development of new enterprises. The criteria for success are couched in terms of measurable outcomes on a cost benefit basis. Empowerment of the community is similarly redefined in economic terms.

However, that is never the end of the story. As fast as the state finds a way of controlling the productive energy of the nonprofit sector, the sector itself finds a

way of curtailing that control, or of creating new ways of operating that go beyond existing structures and rules of operating. Advocacy itself is still very strong. In part broader advocacy has become professionalized, and has shifted from individual organisations advocating on their own, towards collective alliances of organisations advocating together over common issues (Onyx et al. 2010). The extraordinary rise of Getup and similar online organisations attests to the creative and effective use of new technologies and new ways of organising.

Australia to date maintains a thriving civil society, despite the many challenges posed by neoliberalism. There are a great many nonprofits who actively participate in the life of the community. Some of these, those dependent on government funding, increasingly provide a specified service under contract to government. They are increasingly brought under a neoliberal agenda and operate under business criteria. However, outside this range of targeted and funded services, there remain many thousands of large and small nonprofit organisations, operating largely outside government bureaucratic control, with a variety of alternative sources of funding including their own voluntary contribution of time, energy, skills and money, to pursue a particular mission.

Funding: The Charles Stewart Mott Foundation is a major sponsor of Nonprofit Policy Forum, underwriting its open access to the public. Other sponsors include the Levin College at Cleveland State University and the Association for Research on Nonprofit Organizations and Voluntary Action. This special issue was funded through a grant by the Kresge Foundation to ARNOVA.

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