

An Abbott Coalition Government: What can the NGO sector expect?
Dr. Joan Staples
Visiting Fellow, Faculty of Law, UNSW

Paper presented to Australian Political Studies Conference, Perth, WA,
2 October, 2013.

Barry Jones summarised the lead up to the recent 2013 election by saying, 'There was no serious debate on issues, whether simple or complex, and an obsessive emphasis on personalities, stunts and trivia' (Jones 2013). This policy vacuum makes it difficult to predict future NGO-government relations in an Abbott administration. We must pick through the entrails of speeches and comments prior to the election, and make predictions based on these, on past practices of the last Coalition government and on known attitudes of some of the key Ministers.

Howard Coalition Government

During the last Coalition government led by John Howard, the NGO sector experienced significant attacks on its advocacy role. De-funding occurred particularly of those most vulnerable and least able to defend their role (Sawer 2002). 'Confidentiality clauses' appeared in any contract between NGOs and the federal government. These restricted or forbade NGOs speaking to the media on policy and were an important factor in shutting down democratic debate (Hamilton & Maddison 2007). The various attacks on advocacy have been linked to a public choice perspective that is part of neo-liberal ideology (Staples 2006). Public choice describes NGOs as 'predatory' and self-seeking. Its logic denies them a legitimate democratic role as advocates. The Institute of Public Affairs played a crucial role in promoting this perspective and was responsible for advocating many of the measures that were adopted by the Howard government. After 2004, when the government assumed control of the Senate, the language became stronger and the attacks more pervasive with ATO rulings limiting tax deductibility and changes to the Electoral Act (Staples 2006).

Big Society and a return of the culture wars.

A return to the culture wars and attacks on the role of NGOs as public advocates seems likely. The columnist, Andrew Bolt, has called on Abbott to return to the culture wars against the left, against so-called 'elites', against global warming, and against the ABC (Bolt, 2013). However, to date the language of Abbott and his key minister, Kevin Andrews, in relation to NGOs has differed from that of Howard with its public choice emphasis. Instead, the language adopted calls for citizen empowerment for service delivery and appears to relate to a program called, Big Society, espoused by a UK theoretician, Phillip Blond.

The Centre for Policy Development (CPD) has produced two publications focusing on the application of Big Society in the UK and how the policy was welcomed by the Australian Liberal Party while in Opposition. Under the Big Society framework, the UK conservative government has contracted corporations to play a dominant role in delivering a wide range of services that were previously managed by public servants or community groups. The changes have diminished the capacity of the public and community sectors.

Abbott's announcement that 'Australia is open for business' takes on a certain resonance in relation to Big Society, although not perhaps the one he intended at the time. Big Society in the UK resulted in 35 of 40 employment agency contracts awarded by the government going to corporations. It is consistent with the mantra of smaller government and cuts to spending.

The CPD's first report claimed that impacts of the Big Society programs in the UK have included:

- An £81 billion cut in public spending over four years including an average 19 per cent budget cut to government agencies, 60 per cent cut to the budget for new public housing and £7 billion cut to the welfare budget.
- The UK's public service was expected to shrink by up to 710,000 public servants over six years.
- Cameron's budgets have dealt a £5 billion funding cut to the UK's community sector and funding cuts of £110 million to 2,000 UK charities.
- The number of people employed in the UK's community sector fell by 70,000.
- Local government budgets were cut by more than a quarter in 2010-11 resulting in staff cuts of 10-20 per cent and widespread cuts to programs.
- During 2010-11, public sector employment fell by 4.3 per cent. Private sector employment increased by 1.5 per cent (Whelan, J. 2012).

The CPD's second report, *Whatever Happened to the Big Society*, found that the outcomes of Big Society policies were continuing to be felt in profound ways. For example:

- Social investment and enterprise remain small with extremely slow growth.
- Homelessness in England jumped by 14% in a year.
- Financial status has worsened for UK households while income inequality has grown.
- Mental health services were cut while Mental Health Act detentions rose - reaching the highest levels ever recorded.
- Examples of substandard service delivery by outsourced providers, notably large private companies such as Serco, G4S and A4e, continue to emerge.
- Nine in ten community sector and charity providers report they are more at risk under Big Society outsourcing regimes (Elliott 2013).

Smaller government and outsourcing to corporations is not new in Australia, however:

What is new is the use of widely-supported ideas on citizen empowerment, diversity and community autonomy to justify policy changes that are unrelated or inversely related, such as transferring public wealth to corporations, disempowering nongovernment organisations and weakening the public sector' (Elliott 2013).

The author of Big Society, Phillip Blond, has visited Australia a number of times to advise senior Coalition figures. He has been reported as attending a dinner with most of the front bench, lunching with the Treasury Secretary and enjoying private meetings with Tony Abbott, as well as appearing on the ABC's Q & A program (Elliott 2013). As a result, Tony Abbott specifically cited Big Society principles in his 'landmark' speech on the economy, saying that 'securing our future depends more on strong citizens than big government' (Abbott 2013b). This is very similar to much of the rhetoric in the UK when Big Society was introduced.

Kevin Andrews, Shadow Minister for Families, Housing and Human Services, briefed CEOs of community sector organisations on the Coalition's community sector platform in a speech that echoed the ideas of Big Society and suggested that community groups had become too dependent on government (Andrews 2013).

Abolition of the Australian Charities and Not-for-profits Commission

Abolition of the new Australian Charities and Not-for-profits Commission (ACNC) was flagged by Abbott when it was established in 2012. For nearly twenty years, the sector has been seeking relief from heavy compliance burdens and the lack of a clear regulatory

framework, but micro-economic reform under previous governments had always ignored this sector. A Productivity Commission report in 2010 that criticised the existing regime as being 'too complex, too costly and too short on transparency' (Millar 2013), encouraged the Gillard government to proceed with its formation.

It was established with the following objects:

- maintain, protect and enhance public trust and confidence in the sector through increased accountability and transparency
- support and sustain a robust, vibrant, independent and innovative not-for-profit sector
- promote the reduction of unnecessary regulatory obligations on the sector (ACNC 2013).

Its creation saw it placed within Treasury, and with little attention paid to the role it might play in strengthening the sector's capacity or rationalising compliance reporting. In September 2013, the Age ran a story that Cardinal Pell and the Sydney Catholic archdiocese had pressured Abbott to abolish the Commission due to its 'watchdog role' of keeping 'an eye on the billions of dollars received and spent by Australian charities' (Millar 2013). The article also claimed that the scope of the legislation under Labor had been reduced. Its abolition will require the passage of legislation through the Senate suggesting that it will continue at least until the new Senators take their seats in mid-2014.

Incoming Social Service Minister, Kevin Andrews has suggested that the Coalition will set up an independent organisation to be administered by the sector itself to:

- Provide education and support services to registered charities;
- Provide information to assist with the process of registration for new charities and not-for-profit agencies;
- Act as a 'one-stop shop' for information on charitable organisations and agencies operating within Australia;
- Advocate for the rights of charities and not-for-profit agencies;
- Represent the interests of charities and not-for-profit agencies to government;
- Help facilitate the interaction between government and the charitable and not-for-profit sector;
- Undertake research and cross-sector evaluations on issues of concern to the sector; and
- Help foster innovation within the sector (Andrews 2013).

On paper this does not look greatly different from the arrangements that the sector has been requesting, except that the sector was looking for legal regulatory arrangements overseen by government to ensure transparency and accountability. It is to be hoped the new body will not echo the peak NGO body announced by Prime Minister Howard in November 2003 named the Not for Profit Council of Australia which had only hand-picked members chosen by the government.

Of course, the old warriors of the Howard years will still be active and de-legitimising the sector's right to advocate may go hand in hand with Big Society practice. Two Senators in Abbott's ministry, Senators Abetz and Mason, are likely to emerge again in the role of spokespersons against the legitimacy of NGOs to advocate. Senator Eric Abetz from Tasmania, who is now the Minister for Employment as well as the Leader of the Government in the Senate, has a long and bitter history of engagement with the NGO sector. In 2006, as Special Minister of State in the Howard government, he vigorously pursued legislation aimed at monitoring and licensing advocacy NGOs on an annual basis. Together with Senator Brett Mason, who is now Parliamentary Secretary to the Minister for Foreign Affairs, attacks were made from the floor of the Senate on the legitimacy of NGOs in terms suggestive of public choice theory accusing NGOs of being 'accountable to no one' (Abetz 2004, Mason

2004a, Mason 2004b). Both Abetz and Mason also focused their public attacks on the Wilderness Society with many extreme claims that proved to hold no substance but which resulted in the Society experiencing numerous ATO audits that disrupted the work of the organisation.

The Institute of Public Affairs (IPA) again became active in the lead-up to the 2013 election. During the Howard years it was the main protagonist against NGOs with its 'NGO Watch' website. It proposed most of the measures taken by the Howard government that impinged on the sector's ability to effectively advocate. Although its focus has been much wider than NGOs, a similar relationship between the IPA and Abbott looks to be in place. At his speech to the IPA anniversary dinner in April 2013, he responded to 75 requests for action from the IPA saying,

I want to assure you that the Coalition will indeed repeal the carbon tax, abolish the Department of Climate Change, abolish the Clean Energy Fund. We will repeal Section 18C of the Racial Discrimination Act, at least in its current form. We will abolish new health and environmental bureaucracies. We will deliver \$1 billion in red tape savings every year. We will develop northern Australia. We will repeal the mining tax. We will create a one stop shop for environmental approvals. We will privatise Medibank Private. We will trim the public service and we will stop throwing good money after bad on the NBN. So, ladies and gentlemen, that is a big "yes" to many of the 75 specific policies you urged upon me in that particular issue of the magazine (Abbott, 2013).

The dinner was attended by many conservative luminaries such as Rupert Murdoch, Gina Rinehart, Cardinal George Pell, and Andrew Bolt, with Murdoch being the keynote speaker. Not content with the IPA's first 75 demands to the Abbott government, its director John Roskam has since come up with even more requests for conservative action.

Commission of Audit

The justification for cost cutting will be a Commission of Audit. Cutting bureaucratic overlay between the Commonwealth and states has been a consistent theme, and is likely to be a feature of any Commission of Audit (Greber & Anderson 2013). This has particular relevance for the environment movement. In September 2012 following pressure from the Business Council of Australia, Labor attempted to remove Commonwealth responsibility for environmental assessment. However, they pulled back after pressure from the Greens with whom they were still working at that time. Abbott clearly stated in his 'landmark' speech on the Environment that his government wants a 'one stop shop environmental approvals process' (Abbott, 2012a). The most likely implementation mechanism will be that of COAG - the same route as the Labor Government attempted - with the states administering 'a single approvals process including approvals under Commonwealth legislation such as the EPBC Act' (Abbott 2012a).

Conclusion

The Howard government and the IPA introduced a new dialogue that questioned the democratic role of NGOs in Australian society. This period did much to undermine the standing of NGOs and their democratic legitimacy. Under Abbott, we may see a different language reflecting the philosophy of Big Society that has been implemented in the UK. It is likely to appeal to wider citizen empowerment and to promote NGOs as best placed to provide services rather than government. In this sense, it is consistent with a neo-liberal perspective that promotes smaller government. However, if the UK experience is anything to go by, it is likely the movement of services to the NGO sector will not result in the provision of resources to help in this process.

A number of old cultural warriors are back in the ministry and it is unlikely they will have changed their attitudes. Attempts to restrict advocacy may again return alongside Big Society language of the value of community delivery of services. The two positions, public choice and Big Society, are not necessarily logically inconsistent.

The Commission of Audit could introduce new cuts and policies that impinge on NGOs and their effective practice. This would be especially relevant to NGOs focussing on service delivery. The language of Big Society may be used as a rationale for cost cutting of services previously provided by the public service or community groups. Many of these changes could be implemented simply by regulation, not legislation.

The speed of any legislative change affecting NGOs may be slowed in the opening months of the new government while the Greens continue to hold the balance of power in the Senate. However, after July 2014 when the new Senators take their places the future of measures requiring legislative change will be interesting to watch. The complexity of the Senate make-up may throw up some unexpected alliances. As well, the difficult negotiating task the government will face in getting some of its key objectives through the Senate may give reforms aimed at the NGOs sector a lower priority.

Unfortunately for our democracy, the role of NGOs under an Abbott government is unlikely to include their valuable advocacy role. Service delivery NGOs, such as many in the social service sector, are likely to be most affected by changes inspired by Big Society. However, increasingly environmental NGOs have been finding ways to emphasise their independence by ensuring they can operate with little or no government assistance or government contracts. It is to be hoped that these organisations may find a new, stronger voice to not only speak on issues such as climate change, but also to defend the democratic voice of NGOs in Australian democracy.

Bibliography

- Abbott, T. 2013, Address to the Institute of Public Affairs 70th Anniversary Dinner, 5 April, Melbourne, viewed 11-4-13, <http://www.tonyabbott.com.au/News/tabid/94/articleType/ArticleView/articleId/9135/Address-to-Institute-of-Public-Affairs-70th-Anniversary-Dinner-Melbourne.aspx>.
- Abbott, T, 2012a, '*The Coalition's Plan For A Cleaner Environment*', address to the Australian Industry Group. 20 April, Brisbane, viewed 10-9-12, <http://australianpolitics.com/2012/04/20/abbott-environment-plan.html>.
- Abbott, T. 2012b, *Address to the Victorian Employers' Chamber of Commerce and Industry, Melbourne* viewed 20-9-13, <http://www.liberal.org.au/latest-news/2012/03/09/address-victorian-employers-chamber-commerce-and-industry-0>.
- Abetz, E. 2004, Adjournment Debate: Non-government organisations, *Hansard*, Australian Parliament, 15 April, p, 14895.
- Andrews, K. 2013, '*Civil society and the role of government*', Centre for Independent Studies, 23 April, Sydney, viewed 17-9-13, <http://kevinandrews.com.au/media/public-speech/civil-society-and-the-role-of-government/>.
- Bolt, A. 2013, '*Dodging the Grenades of History*', Herald Sun 26 August, viewed 16-9-13, <http://www.heraldsun.com.au/news/opinion/dodging-the-grenades-of-history/story-fni0ffxg-1226703754555>.
- 9 Crosbie, D., "NFP Policy on the Main Political Stage" Pro Bono News viewed 9-2-13 <http://www.probonoaustralia.com.au/news/2012/06/nfp-policy-main-political-stage>
- Elliott, C., 2013, *Whatever happened to the Big Society?* Occasional Paper, Centre for Policy Development, viewed 19-9-13, <http://cpd.org.au/2013/02/whatever-happened-to-the-big-society/>.
- Greber, J. & Anderson, F., '*Abbott told to cut soon and deep*', Australian Financial Review, viewed 9-9-13, http://www.afr.com/p/business/sunday/abbott_told_to_cut_soon_and_deep_s1k7Q3y1O07IDVpnYzix3H.
- Hamilton, C., & Maddison, S., 2007, *Silencing Dissent: How the Australian Government is Controlling Public Opinion and Stifling Debate*, Allen and Unwin, Crows Nest.
- Jones, B. 2013, '*Virtue and vexation: the policy vacuum in the 2013 election*', The Conversation, 16 September, viewed 17-9-13, <http://theconversation.com/virtue-and-vexation-the-policy-vacuum-in-the-2013-election>.
- Mason, B. 2004a, Adjournment: Non-government organisations, *Hansard*, Australian Parliament, 24 June, p. 25079.
- Mason, B. 2004b, Taxation: Charitable institutions, *Hansard*, Australian Parliament, 1 March, p. 20534.

Millar, R. 2013, 'Church lobby in win over charities watchdog', *The Age*, 1-9-13, p. 1.

Sawer, M. 2002, 'Governing for the Mainstream: Implications for community representation', *Australian Journal of Public Administration*, vol. 61, no. 1, pp. 39-49.

Staples, J. 2006, *NGOs out in the cold: The Howard Government policy towards NGOs*, Discussion paper 19/6, Democratic Audit of Australia, viewed, 30-12-06, <<http://democratic.audit.anu.edu.au>>.

Whelan, J. 2012, *The Big Society: How the UK Government is dismantling the state and what it means for Australia*, CPD, Sydney.