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On “Not” Becoming an “Agent of the State”? Church-related social welfare agency ‘tactics’ in an era of government contracting

Abstract

United States, United Kingdom and Australian literature on the potential, and actual, impacts on not-for profit (NFP) social welfare and human services agencies of contracting with government highlight the risk that such agencies will become ‘agents of the state’ without remainder, substantially losing their identity and character in the process.

‘Church-related’ agencies are now playing a significant role in the delivery of social welfare and human services in Australia, in a distinctive pattern of involvement with respect to the history and structure of service delivery, and the pattern of policy, political settlement and the constitutional basis when compared to that of both the United Kingdom and the United States.

This outcome of the shift to a contracting regime has received little attention in the academic literature in Australia, neither has there been much attention paid to the actual impact and dynamics of this engagement with government on the mission and identity of church-related agencies.

Theorizing on the impact on NFP agencies of contracting with government has drawn heavily on the literature of organizational sociology, with particular reference to the processes of isomorphism and secularization. There has been an undertone in this literature of an implicit acceptance of sociological determinism in which NFP agencies are ‘fated’ to be inevitably shaped by these processes due to the powerful position from which the government is operating in the contracting relationship.

James C Scott in *Domination and the Arts of Resistance: Hidden Transcript* has identified possibilities of resistance in social situations characterized by an asymmetry of power. In this context the distinction developed by Michel de Certeau in *The Practice of Everyday Life*, between strategy and tactics, provides a framework for identifying and characterizing responses by agencies that might enable them to resist at least to some degree, isomorphic and secularizing processes.

Against this background I have identified a range of possible ‘tactics’ that are available to church-related agencies in their engagement with government. Using this framework I will draw on interviews with a range of senior managers and staff and independent experts, from a purposive sample of church-related agencies and denominational coordinating bodies to explore the possibility that church-related agencies are exercising a degree of agency in their response to the contracting environment to resist, or deflect at least to some degree the impact of the sociological processes associated with the contracting environment.

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This paper will provide evidence from the inquiry drawing on interviews and analysis of publicly available documentation from a diverse range of church-related agencies. The account of the tactics, how they have been used, and factors that may be crucial to their effective employment will proceed through sketches of a number of case studies of church-related agencies responses to secularizing and isomorphic processes, their attempts to maintain their theological and ecclesiological identity and mission and to thus resist becoming, without remainder, 'agents of the state'.

On “Not” Becoming an “Agent of the State”? Church-related social welfare agency ‘tactics’ in an era of government contracting

1. Introduction

From 1996 to 2013 funding for social welfare in Australia has been dominated by contracting by government¹ with not-for-profit (NFP) agencies,² with a substantial increase in engagement with ‘church-related’ agencies, though the exact extent of the increase is difficult to establish.³ Given the policy shift to NFP contracting in Australia from 1996 onwards, any impact on ‘church-related’ agencies’ may be significant. Are these agencies going to retain their identity and commitment to their founding values and traditions, or are they going to become no more than ‘an agent of the state’?⁴

In this paper I begin with a brief account of sociological processes associated with contracting by NFP agencies with government, as well as providing an account of the possible tactics by which agencies may resist this fate.⁵ While the term ‘becoming an agent of the state’ has a certain rhetorical flourish, it does point to the possibility that an originally ‘values’ driven NFP ceases to display an active connection with those values in its choices, character and behavior, and manifesting the organizational characteristics of a bureaucracy. This provides the framework for case studies of three diverse ‘church-related’ agencies and their tactics. The agencies are:

- The Brotherhood of St Laurence (Anglican)
- Centacare Rockhampton (Catholic)
- The Wayside Chapel. (Uniting)

2. Theoretical framework on becoming an ‘agent of the state’

A striking aspect of the Australian literature on government contracting of employment and social welfare services with the NFPs has been the widespread concern about negative impacts, not only on the recipients of services and the community, but also on

¹ The term government is used generically unless a specific level of government is identified.

² The term ‘third sector’ is used in the UK, ‘nonprofit’ in the US, ‘voluntary and community agencies’ in New Zealand literature. Social welfare for the purposes of this paper includes human and community services. The term ‘church-related’ is used because of its specificity in characterizing the significant relationships of governance and tradition to the Christian churches of actually existing agencies in the social welfare and employment services sectors in Australia. For a critique of the use of ‘faith-based’ and ‘religious’ terminology and the rationale for the usage of ‘church-related’ see Doug Hynd, “What’s in a Name? Social Welfare Agencies Engagement with Government Beyond ‘Religious’, ‘Faith-Based’ and ‘Secular’ Terminology,” *Third Sector Review* 20, no. 1 (2014).

³ Information on websites of denominational coordinating bodies for the Catholic, Anglican and Uniting churches and the Salvation Army taken in conjunction with indicative figures compiled by Hughes et al (2006) on the public ministry of the Australian churches suggest the estimate of around 50-60% is reasonable. See also Howe & Howe (2012); 326. See the Productivity Commission Australia, “Contribution of the Not-for-Profit Sector,” in *Research Report* (Canberra: Available at www.pc.gov.au, 2009).

⁴ On the role of the church in complexifying political space see William T. Cavanaugh, “Killing for the Telephone Company: Why the Nation-State Is Not the Keeper of the Common Good,” *Modern Theology* 20, no. 2 (2004); “From One City to Two: Christian Reimagining of Political Space,” *Political Theology* 7, no. 3 (2006). See also Luke Bretherton, *Christianity & Contemporary Politics: The Conditions and Possibilities of Faithful Witness* (Oxford: Wiley-Blackwell, 2010).

⁵ This paper reports on research undertaken for my PhD project ‘*Becoming agents of the state? ‘Seeking the flourishing of the city’? An interdisciplinary inquiry into ‘church-related’ agencies’ engagement with government in contracting of social welfare and human services in Australia from 1996 to 2013.*

the agencies themselves,⁶ a concern arising from a diverse range of theoretical and normative perspectives.⁷ Little research however, has been done on 'church-related' agencies engagement with government during this period.⁸

There is a substantial body of theory available to explain why contracting is unlikely to be 'value free' in its impact on NFP agencies.⁹ Neo-institutionalist organizational analysis, specifically, the processes of coercive, mimetic, and normative isomorphism which posit the reshaping of an organization to conform to the structure and behavior of the contracting partner provides a plausible set of insights for approaching this issue.¹⁰

Specifically:

- In 'coercive isomorphism' agencies adapt to state norms and procedures through formal, and/or informal pressures, or expectations, leading to downgrading of distinctive elements in the practices of the organisation related to its identity. This can occur through the adoption of bureaucratic and organisational forms or value commitments to qualify for funding, or to meet accountability requirements.¹¹
- 'Mimetic processes' involve the adoption of technologies and organizational procedures to conform to the prevailing cultural norms for successful and effective organizations, including those of the funding agency and its contracting requirements. Here the issue is the adoption by the agency of specific forms of organizational behavior and technology not coercively mandated by the contract.
- 'Normative isomorphism' is usually driven through professionalization arising from formal education and legitimation, delivered through a cognitive base produced by university specialists. Professionalization in NFP agencies may, for example, conflict with the non-managerial logic of volunteering in which integration is more

⁶ Peter Shergold, "Social Enterprises and Public Policy," in *Supping with the Devil? Government Contracts and the Non-Profit Sector*, ed. Peter Saunders and M. Stewart-Weeks (Sydney: Centre for Independent Studies, 2009). Australia, "Contribution of the Not-for-Profit Sector." Early concerns were raised in the US context by Jennifer R. Wolch, *The Shadow State: Government Voluntary Sector in Transition* (New York, N.Y.: The Foundation Center, 1990). Also relevant is Steven Rathgeb Smith and Michael Lipsky, *Nonprofits for Hire: The Welfare State in the Age of Contracting* (Cambridge, Mass.: Harvard University, 1993).

⁷ See my unpublished paper, *Becoming 'agents of the state'? The impact on 'church-related' not-for-profit agencies of contracting with the Australian Government*, where I survey the Australian literature. Examples include: Gemma Carey, "Conceptualising the Third Sector: Foucauldian Insights into the Relations between the Third Sector, Civil Society and the State," *Third Sector Review* 14, no. 1 (2008); David de Carvalho, "Social Obligation and Public Policy: The Role of the Market, the State and Civil Society in Enhancing Social Welfare," *COMMON Wealth Issue Papers* 6, no. 1 (1997); "To Market, to Market ...: The Changing Face of Church Charitable Organisations," *Australasian Catholic Record* 74, no. 3 (1997). Peter Saunders and Martin Stewart-Weeks, *Supping with the the Devil?: Government Contracts and the Non-Profit Sector*, 1st ed ed., vol. CIS Policy Forum 16 (St Leonards, NSW: Centre for Independent Studies, 2009).

⁸ See the previously cited paper *Becoming 'agents of the state'? The impact on 'church-related' not-for-profit agencies of contracting with the Australian Government*

⁹ Garth Nowland-Foreman, "Can Voluntary Organisations Survive the Bear Hug of Government Funding under a Contracting Regime? A View from Aotearoa/New Zealand," *Third Sector Review* 3, no. 1997 (1997); "Purchase-of-Service Contracting, Voluntary Organizations, and Civil Society: Dissecting the Goose That Lays the Golden Eggs?," *American Behavioural Scientist* 42, no. 1 (1998).

¹⁰ Paul J. DiMaggio and Walter W. Powell, "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields," in *The New Institutionalism in Organizational Theory*, ed. Walter W. Powell and Paul J. DiMaggio (Chicago, Illinois: University of Chicago Press, 1991).

¹¹ This process is also discussed in terms of the 'asymmetry of power' between government and agencies

important than the drive for professionalization.

The sociology of religion approaches organisational change in 'church-related' agencies through the concept of secularisation, manifested in, and taking place through, changing connections with sponsoring churches and/or the theological/ideological tradition on which an agency was founded. This process may work through the processes of mimetic and normative isomorphism setting off an increasing distancing from the tradition and ecclesial structure.¹²

'Internal institutional' secularization, can be understood as the process of churchly/ecclesial authorities' authority within organizations declining, as an outcome of intra-organizational conflict between 'ecclesial' and corporate leadership.¹³ The patterns of response and degree of secularisation by 'church-related' agencies to these pressures may differ because of the working of governance structures of agencies, theological and founding narratives and intentional action by agency management.¹⁴

Intra-institutional secularization¹⁵ may threaten the maintenance of the non-market character of 'church-related' agencies through their transformation into market-oriented organizations, and/or taking on the norms and structure of state bureaucracies in their functioning and service delivery.¹⁶

¹² Mark Chaves, "Intraorganizational Power and Internal Secularization in Protestant Denominations," *American Journal of Sociology* 99, no. 1 (1993); "Secularization as Declining Religious Authority," *Social Forces* (University of North Carolina Press) 72, no. 3 (1994); "Denominations as Dual Structures: An Organizational Analysis," *Sociology of Religion* 54, no. 2 (1993).

¹³ Michael L. Budde and Robert Brimlow, *Christianity Incorporated: How Big Business Is Buying the Church* (Grand Rapids, Michigan: Brazos Press, 2002); Michael L. Budde, "The Rational Shepherd: Corporate Practices and the Church," *Studies in Christian Ethics* 21, no. 1 (2008).

¹⁴ John Murphy, "Suffering, Vice and Justice: Religious Imaginaries and Welfare Agencies in Post-War Melbourne," *Journal of Religious History* 31, no. 3 (2007).

¹⁵ Secularization at the institutional level is compatible with significant critiques of secularization as an overarching theory in which secularization takes the form of social differentiation rather than the dwindling away of religious belief. See José Casanova, *Public Religions in the Modern World* (Chicago: University of Chicago Press, 1994); "Rethinking Secularization: A Global Comparative Perspective," *The Hedgehog Review: Critical Reflections on Contemporary Culture* 8, no. 1-2 (2006).

¹⁶ Paul Oslington, "Economic and Theological Issues in the Contracting out of Welfare and Labour Market Services," in *The Church and the Free Market: Dilemmas in Church Welfare Agencies Accepting Contracts from Governments*, ed. Brian Howe (Melbourne: Australian Theological Forum for the Victorian Council of Churches, 2002). Denominations have both 'religious', i.e. churchly, authority and organisational agency structures. Each of these structures deals with different forms of uncertainties and has different goals. Churchly authority deals with questions of pain, suffering, moral responsibility and the purposes of human and community life. Agency structure deals with the uncertainties around questions of resourcing and engagement of agencies at an institutional level with the structures of the sector within which it is operating. Mark Chaves, "Denominations as Dual Structures: An Organizational Analysis," in *Sacred Companies: Organizational Aspects of Religion and Religious Aspects of Organizations*, ed. N. J. Demerath III, et al. (New York, N.Y.: Oxford University Press, 1998). The challenge of maintaining the identity of their health and social welfare institutions against the pressures associated with contracting has received increasing attention by the Australian Catholic church. This discussion has drawn on theological and ecclesiological perspectives, with both issues of governance and mission being addressed Gail Winkworth and Peter Camilleri, "Keeping the Faith: The Impact of Human Services Restructuring on Catholic Social Welfare Services," *Australian Journal of Social Issues* 39, no. 3 (2004); Neil Ormerod, ed. *Identity and Mission in Catholic Agencies* (Sydney: St Paul, 2008). Gerald A Arbuckle, *Crafting Catholic Identity in Postmodern Australia* (Deakin, ACT: Catholic Health Australia, 2007). See also the discussion on the crisis of identity in the Australian charitable sector by Stephen Judd, Anne Robinson, and

A major Australian empirical study into the impact of employment services contracting on service delivery provides substantial evidence over the past decade of the failure of contracting to achieve innovation and diversity in this program and a narrowing of the mission capability of church-related agencies involved in delivering that program under contract.¹⁷ Aside from this research project there has been relatively little empirical research undertaken in Australia.

3. Tactics: options for ‘not’ becoming an agent of the state

Much of the theoretical implicitly treats the sociological processes discussed above as irresistible, that agencies are ‘fated’ to undergo with consistent outcomes. I will argue however that for both theoretical and empirical reasons, the drive the process may not be as inexorable as an uncritical neo-institutional account of isomorphism might suggest.¹⁸

In justifying this theoretically, as opposed to demonstrating it empirically, the assumption of a sharp and impermeable boundary between the ‘secular’ and the ‘religious’ needs to be questioned.¹⁹ An historical study of churches and secular voluntary organizations in urban areas in the United States at the turn of the nineteenth century for example, showed that churches were baptizing secular attitudes and attractions, at the same time as secular organizations were adopting religious forms and symbols. Adoption of ‘secular’ forms and symbols may transform them to achieve sacred purposes, while secular groups who employ religious symbols for their purposes do not necessarily rob them of their connection to the sacred.²⁰ Boundaries between what are

Felicity Errington, *Driven by Purpose: Charities That Make the Difference* (Sydney, NSW: Hammond Press, 2012).

¹⁷ Mark Considine, "Governance and Competition: The Role of Non-Profit Organisations in the Delivery of Public Services," *Australian Journal of Political Science* 38, no. 1 (2003); "Markets, Networks and the New Welfare State: Employment Assistance Reforms in Australia," *Journal of Social Policy* 28, no. 02 (1999); "Competition, Quasi-Markets and the New Welfare State: Reflections on the Challenges Awaiting Clients, Governments and Welfare Professionals," in *Contemporary Perspectives on Social Work & the Human Services: Challenges and Changes*, ed. Ian O'Connor, Paul Smyth, and Jeni Warburton (French's Forest, NSW: Pearson Education Australia, 2000); "Market Principles and Welfare: The Dilemmas of Privatising Australia's Welfare Services", *Catholic Social Welfare* 2, no. 2 (1993); Mark Considine, Jenny M. Lewis, and Siobhan O'Sullivan, "Quasi-Markets and Service Delivery Flexibility Following a Decade of Employment Assistance Reform in Australia," *Journal of Social Policy* 40, no. 04 (2011); Mark Considine, Siobhan O'Sullivan, and Phuc Nguyen, "Mission Drift? The Third Sector and the Pressure to Be Businesslike: Evidence from Job Services Australia," *Third Sector Review* 20, no. 1 (2014). Wilma Gallet is exploring this issue in as yet unpublished research.

¹⁸ On the possibility of ‘religion’ as an independent variable see the discussion in the Introduction to Fred Kniss and Paul D. Numrich, *Sacred Assemblies and Civic Engagement: How Religion Matters for America's Newest Immigrants* (New Brunswick, New Jersey: Rutgers University Press, 2007).

¹⁹ See comments on the simultaneity of world and otherworld in Omar M. McRoberts, *Streets of Glory: Church and Community in a Black Urban Neighbourhood* (Chicago, Illinois: Chicago University Press, 2003). 142

²⁰ D. Scott Cormode, "Does Institutional Isomorphism Imply Secularization? Churches and Secular Voluntary Organizations in the Turn-of-the-Century City," in *Sacred Companies: Organizational Aspects of Religion and Religious Aspects of Organizations*, ed. N. Demerath III, J., et al. (New York, N.Y.: Oxford University Press, 1998). Recent discussion points to the ambiguity that surrounds the character of the ‘secular’ and ‘secularization’ and along with the apparent public resurgence of ‘religion’ is currently being debated around the theme of the ‘post-secular’. See Justin Beaumont and Paul Cloke, eds., *Faith-Based Organisations and Exclusion in European Cities* (Bristol, UK: The Policy Press, 2012). An account of this debate in the field of anthropology can

commonly referred to as, the 'religious' and the 'secular' are porous, and influences may move in both directions.

'Church-related' agencies may resist the impact of the state, while simultaneously remaining involved in assisting, at least to some extent, the government's project to govern at a distance through acting on behalf of the government in provision of social services. Agencies need not be passive subjects in the face of the pressures arising from contracting with government. A key factor in negotiating these pressures may be found in the exercise and the character of agency leadership.²¹

'Tactics' that agencies may use, to resist isomorphic pressures, include:

- Developing a diversified funding base
- Applying a values/mission template to the decision-making process; and
 - Rejecting funding that is incompatible with agency mission
 - Rejecting funding that requires delivering services in ways incompatible with agency mission and values,
- Diversifying services and providing related services, including fee-for-service options, particularly in training and education.
- Quarantining creative and innovative sub-projects from major government-funded programs and seeking alternative funding sources for such programs.
- Enhancing organizational security through maintaining strong external links with philanthropic bodies, businesses, local churches, maintaining collaborative relationships with other service providers and actively participating in the relevant 'peaks'.
- Reviewing, and where necessary, restructuring governance relationships with the relevant congregation(s) and/or denominational bodies.
- Adapting organizational structures and expanding staff development: through multiskilling, team-based approaches to support flexibility, promote innovation and a more holistic approach to service delivery.
- Developing and delivering orientation programs for staff, management and board on the mission, identity and underpinning theological commitments of the agency²²

Moving from the specifics of tactics to the key organizational processes, four key issues

be found in. Philip Fountain, "Toward a Post-Secular Anthropology," *The Australian Journal of Anthropology* 24, no. 3 (2013).

²¹ Alison Oakleigh, "Not Just a Tool: The Responses of Non-Profit Leaders to 'Service-Delivery' Relationships with Governments," *Third Sector Review* 15, no. 2 (2009). Oakleigh has highlighted the active role that can be taken by leadership in 'church-related' agencies in seeking to manage the relationship with government. Rev Ray Cleary observed that ... *the most significant role of whoever was the leader of the organisation was to be the storyteller. In other words, they actually had to tell what this agency was about, why it was doing certain things, what it was engaged in, and try and bring the staff, whoever you employed, with you with that story.* (Interview 5 December 2013) See an exploration of how the culture of modernity has shaped the professional and business acumen of *UnitingCare* CEOs at the same time as this culture's hostility to Christian faith has become problematic for the vocation ('calling') of UC agencies and the faith formation of UC and Tasmania's Corporate Governance Policy in John Bottomley, "In, but Not of the World: A Report on Issues to Strengthen the Faith and Vocation of *Unitingcare* Chief Executive Officers, Boards and Agencies," (Melbourne, Vic: *UnitingCare* Victoria and Tasmania Commission for Mission, Synod of Victoria and Tasmania, 2008); John Bottomley and Howard N. Wallace, "Risk Management in the New Heaven and the New Earth: Isaiah and *Unitingcare* Victoria and Tasmania's Corporate Governance Policy," *Uniting Church Studies* 13, no. 2 (2007).

²² Adapted from Peter Frumkin and Alice Andre-Clark, "When Missions, Markets, and Politics Collide: Values and Strategy in the Nonprofit Human Services," *Nonprofit and Voluntary Sector Quarterly* 29, no. suppl 1 (2000).

anchored the focus for the research:

- Governance: the strength and the character of the accountability relationship and connection to stakeholders, particularly the legal arrangements under which the Board is constituted and the CEO appointed and/or the linkage to the denominational ecclesial structure.
- Mission and identity: the character of the public expression of the underlying commitments and character of the agency and its connections to the specific Christian theological tradition and ecclesial community that it is linked with, the language used in expressing mission purpose and values and the extent to which these actually shape the decision process in contracting
- Funding: the proportion of the funding that comes from non-government sources, is not tied to specific programs, and is solely at the discretion of the agency as to what it will be spent on. The absolute level of the funding handled by the agency is also important as a proxy indicator of the size of the agency. This makes a difference to the degree of vulnerability to government pressure, as does its reputation for innovation and quality in delivery in shaping its relative degree of freedom to push back against governments.
- Leadership is critical in driving intentional action with respect to the above issues particularly for 'church-related' agencies placing of themselves within a frame of meaning drawing on the Christian tradition. To fail to do so is to concede secularization not only as a process, but also as an outcome.

The rejection of sociological determinism implies for 'church-related' agencies a placing of themselves within a broader frame of meaning drawing on the Christian theological and ecclesiological tradition. To fail to do so would be to concede the sociological account not only as a process, but also as goal.²³ Agencies in asserting the possibility of an ongoing identity against the pressures of conformity to the state can appeal to an account of negotiating a lived tension that has its beginning in the prophet Jeremiah in the Hebrew Scriptures with his call to those in exile in maintain their identity to seek the flourishing of the city.²⁴

4. Research

In my cross-disciplinary approach to researching the impact of contracting with government by 'church-related' agencies, I explored the impacts of engagement between church-related agencies and government through semi-structured interviews with current and recent senior management and board members in church-related agencies,²⁵ focusing on how the agencies themselves have perceived and responded over

²³ The issue is discussed in some detail in Christian Smith, *The Sacred Project of American Sociology* (Oxford, UK: Oxford University Press, 2014); Christian Smith et al., "Roundtable on the Sociology of Religion: Twenty-Three Theses on the Status of Religion in American Sociology—a Mellon Working-Group Reflection," *Journal of the American Academy of Religion* 81, no. 4 (2013).

²⁴ I have traced out this tradition in a paper 'As if exiles', yet 'seeking the flourishing of the city' - trajectory of a scriptural theme as theological orientation for research into 'church-related' agencies engagement with government' presented to the ACU Fifth Annual HDR Theology and Philosophy Seminar, Strathfield, NSW, 1 October 2014.

²⁵ The protocols for the design, structure and conduct of the interviews drew upon the literature on "elite" semi-structured interviewing: Joel D. Aberbach and Bert A. Rockman, "Conducting and Coding Elite Interviews," *PS: Political Science & Politics* 35, no. 04 (2002); Peter Burnham et al., *Research Methods in Politics* 2nd Comprehensively Revised and Updated ed. (Basingstoke, Hampshire: Palgrave Macmillan, 2008); Darren Cronshaw, "Interviews and Other Practical Research Approaches for Theology," *Crucible: Theology & Ministry* 4, no. 1 (2012); John Forester, "Policy Analysis as Critical Listening," in *The Oxford Handbook of Public Policy*, ed. Michael Moran, Martin Rein, and Robert E. Goodin, *The Oxford Handbooks of Public Policy* (Oxford: Oxford University Press, 2008); Kenneth Goldstein, "Getting in the Door: Sampling and Completing Elite

the period under review to contracting with government with a particular focus on the impact on agencies' mission, identity, sources of finance and governance. In addition to the interviews, I analyzed publicly available documentation on agency web sites, particularly annual reports, financial statements, strategic plans and statements of mission and vision.

In developing a purposive sample of church-related agencies for interviews, I tried to achieve diversity and balance in terms of the level of funding, range of programs delivered and, national, regional and local geographical reach and denominational tradition. I also engaged with the major denominational coordinating bodies around a range of policy and advocacy issues arising from contracting.

The interview process established that the respondents who agreed to participate, usually at the CEO or director level, all displayed an active engagement by their agencies with the issues under inquiry. My reporting and interpretation of the findings by way of case studies reflects this. No sector-wide, unqualified conclusions can be drawn from this research.

The research was exploratory in character, shaped by the focus of inquiry, rather than specific disciplinary boundaries. The disciplines and theoretical insights drawn on were chosen for their utility, in terms of relevance and appropriateness, in the task of inquiry and interpretation. The inclusion of theology as an element in the inquiry arose from the need to take account of the imperatives underpinning the establishment of the agencies, their ongoing relationships with churches and Christian traditions of social tradition and critique, and was directed at developing interpretive narratives about the agencies arising from their engagement with government in contracting.

The research commenced at the end of a policy period in social welfare and human services program areas in Australia that had been dominated by the implementation of a 'not-for-profit' contracting model. It also proved to be a point in time in which a number of people who had been in senior management in 'church-related' agencies had just, or would shortly be retiring. This added something of an oral history dimension to the interviews. Interviewees took a reflective approach to the issues under inquiry and on this basis some extensive quotations have been included.

5. Case studies on 'not becoming an agent of the state'

I report in this paper on three case studies of 'church-related' agencies that are diverse in terms of size, denominational tradition and geographical location. I draw on interviews and documentary analysis to provide an account of the ways they have sought to resist the pressures of a contracting relationship with government.²⁶ The interviews also provide evidence of the pressures from the contracting process.

Interviews," *PS: Political Science & Politics* 35, no. 04 (2002); Beth L. Leech, "Interview Methods in Political Science," *ibid.*; "Asking Questions: Techniques for Semistructured Interviews," *PS: Political Science & Politics* 35, no. 04 (2002); Dean Hammer and Aaron Wildavsky, "The Open-Ended, Semistructure Interview: An (Almost) Operational Guide," in *Craftways: On the Organisation of Scholarly Work*, ed. Aaron Wildavsky (New Brunswick, USA: Transaction Publishers, 1993).

²⁶ The research involved a degree of triangulation, drawing on interviews, current agency documentation and historical and public policy research. Due to limitations of time and resources I was not able to undertake ethnographic engagement with agencies. On triangulation see McRoberts, *Streets of Glory: Church and Community in a Black Urban Neighbourhood*.

In the case studies that follow, material cited from agency web sites has been set out with borders in blue type, while quotes from interviews are in green type.

5.1 The Brotherhood of St Laurence: 'We have Father Tucker looking over our shoulder every day'²⁷

Case study summary: The Brotherhood of St Laurence's tactics

- Governance structure provides a continuing link with the church and establishes a community that actively carries the vision of the agency into the policy process.
- Leadership carries on the story of the agency in a living way reflecting on its continuing relevance in shaping the identity of the agency
- Diverse funding sources have enabled the agency to maintain a reasonable degree of independence of government
- A commitment of funding to research and innovation at the community level as an ongoing signature element of the agency's operation
- A commitment to a strategic approach rather than just 'chasing the money'.

The Brotherhood of St Laurence (BSL), named after St Laurence the patron saint of the poor, is a non-government, community-based organization based in Melbourne. It was founded in 1930 as a religious order of the Anglican Church, with members including priests and lay brothers,²⁸ but eventually morphed into a welfare agency with links to the Anglican Church in Melbourne.

The Brotherhood's activities today are regionally based in a range of locations in Victoria, prioritized to those areas where it can have the greatest impact, through a community strengthening approach to bringing about neighborhood change. The Brotherhood works to establish innovative programs such, as for example in the national Home Interaction Program for Parents and Youngsters (HIPPIY) which are they rolled out in areas outside of the Brotherhood's direct involvement, working through partnerships with other organizations in local communities. BSL seeks to be an influencing organization engaging with key decision-makers on social and economic policy based on strong research.²⁹

The founding Christian tradition of the Brotherhood and its grounding in the Anglican Church is evident not only in its Chaplaincy activities across the agency, but also in the attention that it gives it in the account of chaplaincy on its website. It interprets this historical Christian linkage and practice unapologetically in inclusive language in the context of its current mission.

Chaplaincy at the Brotherhood has historically had an essentially Anglican character, seeing itself as supporting staff and clients with pastoral care and sacramental ministry. It has attempted to have an inclusive and broad approach and seeks to play a holistic role as observer, reflector, and enabler. The Brotherhood understands its role as not just influencing the material wellbeing of the person, but also recognizing and nourishing the person's 'inner self' and sense of place. The role of the Chaplain therefore is to support and

²⁷ You'll see on the wall, we have Father Tucker looking over our shoulder everyday" Interview Tony Nicolson CEO BSL, 21 January 2014

²⁸ For a detailed history of the agency see Colin Holden and Richard Trembath, *Divine Discontent: The Brotherhood of St Laurence: A History*, Reprint 2010 ed. (North Melbourne, Victoria: Australian Scholarly Publishing, 2008).

²⁹ <http://www.bsl.org.au/about-the-brotherhood/> Downloaded 11 October 2014

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encourage everyone at the Brotherhood to see they have a role to play in addressing the spiritual needs of the organization's clients and each other.³⁰

The current statement of Mission, Vision and Values by the Brotherhood uses the common language of justice, shaped by reference to professionalism but also makes explicit reference to its Christian origins as an agency.

Vision: An Australia Free of poverty

Mission: To research, develop and deliver innovative and high quality services and practices to drive change that benefits all Australians.

Our Values: The Brotherhood inspired by our Christian origins seeks the common good through compassion with a generosity of spirit and reliance on evidence.³¹

Governance

The Brotherhood is incorporated under the Brotherhood of St Laurence (Incorporation) Act 1971, no. 8188 of the Victorian Parliament, and is an income tax exempt charity with deductible gift recipient status.

The framework for the governance of the Brotherhood of St Laurence has the following elements:

- The President is the Anglican Archbishop of Melbourne.
- Up to 40 Charter Members, including the Executive Director. Charter Members receive and adopt the reports of the Board and of the auditors, receive and adopt the annual financial statements, elect Board Directors and fix the remuneration of the auditors, as well as transacting any other business at general meetings.
- Board may have up to 14 members, including the Executive Director and at least two people who are clerics in Holy Orders of the Anglican Church of Australia. The Chair is required to be a communicant member of the Anglican Church of Australia. Nominations to the Board come through a nominations committee, which is comprised of the Chair, the Executive Director, another director and an external person.

The Brotherhood is clearly linked to the Anglican Church, but has a degree of independence in not being directly accountable to the Synod of the Diocese of Melbourne. As Tony Nicolson the current Executive Director of the Brotherhood explained *... the Archbishop has to approve the appointment of the chair, and the executive director.³²* The links to the Anglican Diocese though are strong, and the current CEO is a great believer in the structure. It is an *... enormous benefit for the Brotherhood to be associated with the church, and we think the church benefits greatly from having this association with the Brotherhood.³³*

Nominations to the Board come through a nominations committee, which is comprised of the Chair, the Executive director, another director and an external person. A critical element in deciding on nominations to the Board is through identifying governance needs. *... When we do our strategy, and each year we do a formal review, a big review tends to be every three years, because we think that's the practical strategy period for this organization. But each year, in January, we revisit it because we have to develop an action*

³⁰ About the Brotherhood <http://www.bsl.org.au/about-the-brotherhood/> Downloaded 10 October, 2014

³¹ <http://www.bsl.org.au/about-the-brotherhood/> Downloaded 10 October, 2014

³² Tony Nicolson CEO BSL 21 January 2014

³³ Tony Nicolson CEO BSL 21 January 2014

TSR conference

*plan for this calendar year. At that time we say okay that's our plan, what are our governance needs here?*³⁴

The role of the Charter members requires some explanation, as this governance arrangement is unique to the Brotherhood. Charter members are the shareholders, that is ... *people that have had a very significant association with the Brotherhood over a long period of time, ... So they're what I think of as the flame carriers, they know the DNA of the Brotherhood. The Chair and I meet with the charter members three or four times a year, to report to them on what's happening, what are we doing, and also to get an opportunity to bounce ideas around with them. It's normally a two hour meeting, it's an hour of me reporting on what's happening, and then an hour on an issue. ... And where they think you might be losing sight of something, or perhaps you're going down the wrong track or something, they're not afraid to tell you ... I think it's a really important mechanism ... to put a handbrake on managerialism and to make sure that the original spirit... of the organization isn't lost. Of course the members attend the annual meeting, and exercise their governance responsibilities there as well.*³⁵

A key element in retaining the identity of the Brotherhood is with the Charter members because it is with them that the authority over the board, aside from the powers assigned to the Archbishop, effectively rests. *...we look at our charter members, some people are getting old, we might have had a couple of deaths. So we consider when it would be good to have someone that had a background in this as a member of the charter. The nominations committee then puts those forward to the Board, and they're put to the annual general meeting, and people are elected to become charter members that way. ... I think it's helped us ensure that we don't get swept up in chasing contracts or whatever, we know what our strategy is, and then when there are opportunities to tender for contracts, we know whether that fits or not.*³⁶

The issue of agency identity and maintaining that in a situation where many of those employed by the agency are not connected to the Christian church comes through the retelling of the story of the Brotherhood. Tony Nicolson observes that... *I often tell the story of the Brotherhood through the prism of Father Tucker. Tucker was, I'm not, of the Anglican tradition, I'm a Catholic, but he was in many ways quite an inclusive sort of guy. So he's said to have a saying that he'll join hands with anyone who shares our objectives, so he would with people of other faiths, people of no faiths. So telling the story of Tucker, and the story of the Brotherhood, is something we repeat with our staff, get them comfortable and understanding it, and we put quite a lot of effort into chaplaincy over the last seven or eight years ... from time to time there has been a tension in the Brotherhood between the secular and the church that's by and large not here now, but people are very comfortable in the knowledge that we have our origins in the Christian tradition, that we have ongoing relationships with the church.*³⁷

Beyond those structural mechanisms there is the issue of how the agency maintains links to the church at the local level. Given that the relationship between local parish churches and the welfare arm has become distant over the past decades there has been a need to rethink that element of the relationship. *... rather than be an organization that delivers services from a church premises, whether it's material aid or whatever it is, we'd like to think that we might be able to facilitate ordinary parishioners, in being good neighbors too vulnerable people in the community. rather than us, the Brotherhood,*

³⁴ Tony Nicolson CEO Interview 21 January 2014

³⁵ Tony Nicolson CEO Interview 21 January 2014

³⁶ Tony Nicolson CEO Interview 21 January 2014

³⁷ Tony Nicolson CEO Interview 21 January 2014

just being a service delivery, why aren't we a community development agent, where we help ordinary people help ordinary people? That's not to say you don't need professional services, of course you do, but there's a lot we could be doing, tackling loneliness, isolation, a whole range of social ills that are at the basis of a lot of the issues that services are trying to tackle. So that might be volunteers running playgroups, it might be training people to support vulnerable people.³⁸

Reflecting on the founding tradition of the Brotherhood Nicolson observed that ... *Fr. Gerard Tucker originally established the Brotherhood of St Laurence to strengthen the capacity of Parishes to respond to the needs of their community, not to take that responsibility away from them. Our organizations were established by visionary members of the community - ordinary folk who recognized a need and gathered people together to address it. This is not an argument for abandoning the professionalised community welfare sector. Rather it is a plea to establish a sector that re-imagines its place within, and its connection to, the broader community. Where organizations re-discover and re-invigorate their mission as vehicles for harnessing the altruism of their local communities, rather than simply as contractors to government. If our sector continues on its current trajectory it will increasingly become ineffective and unviable as governments constrain funds to it in a search for illusionary efficiencies. ... for both these reasons alone - the lack of skilled employees and the cost of practitioner intensive care models - the current community welfare service paradigm will become unviable. Not immediately but not in the distant future.³⁹*

In an address several months after my interview Tony Nicolson took this theme further in a lecture on "The Future of the Community Welfare Sector" that critiques where the current approach to welfare delivery has taken us and attempts to begin a conversation about the future for 'church-related and other community agencies. *There are aspects of the current paradigm that are undesirable. We have clearly gained things through the professionalisation of care but importantly we have also lost things. ... We not only lose the sense of responsibility that citizens have for issues in their community, displacing it to the community welfare sector, we also lose the diversity of networks and connections and opportunities that the broader community can bring to social needs. And most importantly we lose that intangible quality of authenticity that is created through voluntary caring relationships. As a consequence, the richness and effectiveness of service provision is greatly reduced.⁴⁰*

Income and financial vulnerability

The Brotherhood still has a distinct degree of financial independence, though the extent of dependence on government funding has increased over the past 10 years as evidenced in Table 1. To put this in historical perspective in 1971 government grants comprised 3% of the Brotherhood's income. In 1977 it reached 24.4%.⁴¹ Despite this subsequent shift the BSL has maintained its independence from government funding by a range of social enterprises and in the extent of this it remains unique in the Australian context.

³⁸ Tony Nicolson CEO Interview 21 January 2014

³⁹ Tony Nicolson speech on the future of the community Welfare Sector 27 May 2014
http://www.bsl.org.au/fileadmin/user_upload/files/speeches/Tony_Nicholson_speech_on_community_welfare_sector_27_May_2014.pdf Downloaded 11 October 2014

⁴⁰ Tony Nicolson speech on the future of the community Welfare Sector 27 May 2014
http://www.bsl.org.au/fileadmin/user_upload/files/speeches/Tony_Nicholson_speech_on_community_welfare_sector_27_May_2014.pdf Downloaded 11 October 2014

⁴¹ Holden and Trembath, *Divine Discontent: The Brotherhood of St Laurence: A History*. 199

Table 1: BSL Financial vulnerability/independence

Year	Total Income	Govt funding	Fundraising	Social Enterprises
2012-13	\$61.80m	62%	7%	23%
2011-12	\$62.03m	66%	7%	21%
2010-11	\$51.93m	57%	6%	19%
2009-10	\$51.44m	54%	9%	28%
2008-09	\$48.70m	53%	9%	28%
2007-08	\$49.07m	58%	11%	31%
2006-07	\$50.55m	56%	9%	35%
2005-06	\$43.30m	50%	20%	30%
2004-05	\$41.03m	55%	15%	30%
2003-04	\$40.32m	51%	16%	33%

Though comprising 23% of total income in 2012-13 the actual surplus available to the Brotherhood from its social enterprises was of the order of \$1.5m. In commenting on the financial strategy of the Brotherhood Tony Nicolson observed that while it may not seem much ... *it's gold to be able to have \$1.5 million to spend on research and policy development for example. In terms of independent sources we've been incredibly blessed with gifts in people's wills. If you look at our annual report, nearly every year we get about \$2 million in bequests. But, also, just ordinary people's charitable giving our donor base has been pretty strong. But it's also about having a mixture in your business model, so you've got to have a mixture of longer term stable funding that you know is going to be there.*⁴²

To give some perspective on the relative size of the Brotherhood, I have listed in Table 2 the other Anglican agencies included in my research.

Table 2 Anglican Agencies Summary 2012-13

Agency title	Income \$m	Govt & program driven funding % of income
Anglican Agencies		
1. Anglicare SA	105.34	98.6
2. Anglicare Sydney	98.22	87.9
3. Anglicare Tasmania	53.40	97.8
4. Anglicare Victoria	64.18	87.4
5. Anglicare West, South West, ACT	42.31	88.0
6. Brotherhood of St Laurence (Vic)	61.80	62.0
7. Samaritans (NSW)	42.60	92.6
8. St Luke's Anglicare* (Vic)	27.21	87.7
* Now merged with Anglicare Victoria	Average: 61.88	Average: 89%
	Total: 495	

While the Brotherhood is just about average in size for the Anglican agencies, it is an outlier in its relative financial independence with respect to government funding. These eight agencies have close to 45% of the total funding for the 37 Anglicare agencies that are members of Anglicare Australia and would include most of the larger Anglican affiliated agencies. While some of these agencies have involvements in the aged care sector there are a number of Anglican agencies that are

solely involved in the provision of aged care that are not members of Anglicare Australia.

⁴² Tony Nicolson CEO BSL Interview 21 January 2014

The key difference is the category of social enterprise. In developing independent sources of funds BSL began its involvement with recycling of goods back in 1957 and has remained involved in that enterprise in a diversity of ways.⁴³ The Brotherhood runs a diverse range of businesses, or social enterprises, which raise funds for programs, provide job seekers with training and a job, offer affordable goods and services to people on low incomes, and establish community connections. The businesses also show a commitment to environmental and social responsibility through encouraging recycling, reducing energy consumption and minimising waste. This includes reconditioning fridges, recycling books and re-using vintage clothing. Brotherhood businesses include Brotherhood stores, Hunter Gatherer, Brotherhood Books and Brotherhood Fridges.⁴⁴

Contracting & engagement with government

The impacts of the extended period of government contracting with church-related agencies have been real, though at times subtle and not all bad in Tony Nicolson's view.

Contracting has certainly changed the way ... church related organizations think about results, and there is an increasing tendency over that period of time for those organizations to think of themselves as first and foremost of contractors to government. There are always some interesting warning signs, one is if you're talking to any of your staff, and they say well we are a HACCC program, or we are, you know, we're a program that are responsible by the funding source, that's a real indication that your people are orientated towards fulfilling this contract with government. ... that tendency has been unfortunate, because the history of a lot of Australian social policy has been ... lead by community organizations, very often church based organizations that see themselves as having an independent mission. ... there is a tendency for that to have been lost ... there has been increased professionalization of services, which has by and large been a very good thing. So if you take for example what has happened in the homeless area, which is one area I know very well, the standard of services, the quality of services, whether it's the material resources and facilities that they're operating from, or the standard of the human resources and the program etcetera, has just increased dramatically over the last 25 years, massive improvements ... that ultimately benefit the client. I think that has been in part not driven by the contracting out process, to really succeed in that you have to lift your game and it's not a bad thing. But in that process there have been some down sides ... we have seen much, what I think of as a sort of a managerial culture, introduced into the welfare organisations, church based welfare organisations, and that tends to lead you to ticking the box of some of your standards, whether you're fulfilling the contract and a relationship builds with the funding providers in the public service etcetera ... we've probably got to a point where that focus on management, the effective deployment of resources, has meant that organisations have tended to lose their understanding of what sort of organisation they really want to be. I think ultimately that is a failure of governance in community organisations.⁴⁵

A key policy area in which the impact of contracting has been most clearly manifested has been in employment services. *The JSA system in Australia is probably the most efficient in the world for getting people into work, when they don't have serious barriers to employment, where there's not any degree of complexity. ... Mark Considine and his crew did a seminar here at the Brotherhood, where they've been looking at job service providers,*

⁴³ Holden and Trembath, *Divine Discontent: The Brotherhood of St Laurence: A History*.100-101

⁴⁴ <http://www.bsl.org.au/about-the-brotherhood/brotherhood-businesses/>

⁴⁵ Tony Nicolson CEO BSL Interview 21 January 2014

and looking at the for profits and the not for profits. ... Whatever they looked at, for all intents and purposes there's no difference, they don't get any results by and large, they organise their work in the same way, and they employ similar staffing models, and their governance is very similar. So they looked at governance, and the focus is very much on the balance sheet. I find that very interesting, a lot of these not for profits started to do that originally out of church based organisations, or out of community organisations that have an independent mission.⁴⁶

... it's an interesting question as to why that has happened, ... I think it's about a failure of governance in the community of church based organisations. They don't set a strong strategy for themselves. At the Brotherhood we think of strategy in pretty simple terms, essentially a strategic plan should answer the questions about what sort of organisation we want to be, what we want to achieve over what period of time, and most importantly, what does that mean for how we have to allocate our resources now? Rather than waiting for some time in the future when we get more money. ... Prior to coming to the Brotherhood, I was the CEO of Hanover Welfare Services, here in Melbourne. Hanover is a \$10 or \$15 million small to medium sized welfare organisation, a \$10 to \$15 million turnover focused solely on the issue of homelessness. About 90 to 95 percent of its income come out of commonwealth or state grants for homelessness, so minor sort of funding source. ... you know, there is often this furphy that said well if you're getting a lot of money contracted from the government, you'll be reluctant to criticise government, you'll find you'll just do things to suit the contract. Hey I think a lot of that's happened in a lot of organisations, certainly at Hanover we never let it do it. We knew what we were on about, what we wanted to achieve, what sort of organisation we wanted to be.⁴⁷

Research & policy innovation

Professor Paul Smyth who has had a long involvement with the Brotherhood in social research emphasised its importance, going back to the beginning of the organisation. The founder Fr. Gerard Tucker *...believed that if he was going to have any leverage once he got into see those ministers and premiers that he had to have facts: I can't just go and say, "There's a whole lot of homeless people out there. I've got to tell them how many." So I think that as part of the Anglican Church and part of the establishment in Melbourne The Brotherhood had all sorts of informal links with academics and professors - this is back around World War 2- they pioneered early surveys. ... By the 1960s they started a research unit.⁴⁸*

The next stage in the development of the Brotherhood's social research says much about the way links were built by the agency with potential partners. As Paul Smyth remembers it *... at that time there was a very entrepreneurial CEO at the Brotherhood called Father Nic Frances and there was an entrepreneurial academic up here at Melbourne Uni called Mark Considine, who was the head of school here. As a part of this long-standing informal relationship between the two organisations he used to spend a day a week down at the Brotherhood helping them with research ... At the end of a year or so of doing that, ... Father Nic said, "See the big high rise across the road of the Brotherhood? We could have a whole floor up there as part of the university, doing research in the community." So out of that sort of mixture of visionary things and Mark Considine's skills in getting things done, I think they just cooked up the idea, ... to create one joint position. We'll get your existing general manager role and the Uni can put the university put in*

⁴⁶ Tony Nicolson CEO BSL Interview 21 January 2014

⁴⁷ Tony Nicolson CEO BSL Interview 21 January 2014

⁴⁸ Prof Paul Smyth Interview 12 March, 2014

*some money and we will create a Chair. The person can start a Master of Social Policy at the uni and they can run the research centre at the Brotherhood*⁴⁹

The Brotherhood has continued to maintain a research capacity that has been unique in its scale among 'church-related agencies. The capacity has been leveraged by a partnership with the University of Melbourne. Currently the Brotherhood spends 3% of its income on research, a proportion that it has maintained over a long period of time.⁵⁰ Explaining how this worked Paul Smyth explained... *the Brotherhood always had a consistent budget for research ... it meant there was about eight people maybe in this centre when I started there. So coming from uni ... I knew that if you've got a group of core researchers like that, you can actually grow the business quite simply. Lead researchers can get the contracts and fund a few projects themselves externally. So after a while we had more like 30 researchers ...*⁵¹

There is a significant connection between the Brotherhood's commitment to research and a working business model with some funding not dependent upon government that enables it to invest in policy innovation. *... a number of our programs are actually developed ourselves and then supported by funding bodies, engage them and they can see that it's tested and it works and they'll invest in it. But being really clear about what sort of organisation, what are your priorities, makes it very easy when there are decisions to be made- because you get a lot of internal pressures, people want to build up their areas of the organization.*⁵²

5.2 Centacare Rockhampton: "We are the ministry of the Bishop"⁵³ -

Summary of Centacare Rockhampton's tactics

- There is a clear ecclesial identity worked out through the governance of the agency
- Clarity about its mission operating through the process for checking mission against contracting decisions
- Communication with and orientation of staff about the ecclesial identity mission of the agency on a regular intentional basis

Centacare Diocese of Rockhampton

Centacare in the Catholic Diocese of Rockhampton is a community organisation providing services across the Central Queensland region: from Mackay in the north; to Bundaberg in the south; and west to Longreach. The primary focus is the delivery of compassionate yet professional social services to all through education, counseling and community support – to encourage and strengthen individuals, couples and families to continue to develop and grow. Tracing its roots back to the first services in 1972, Centacare Central Queensland as it is alternatively referred to now operates almost 30 social service programs and employs more than 200 staff⁵⁴ covering around 556,000 square kilometres, with widely diverse demography, economic base and prospects, and social need.⁵⁵

⁴⁹ Prof Paul Smyth Interview, 12 March 2014

⁵⁰ Annual Report 2012-13 p38

⁵¹ Prof Paul Smyth Interview, 12 March 2014

⁵² Tony Nicolson CEO BSL Interview 21 January 2014

⁵³ Interview Dr Ricki Jeffery 9 May 2014 Diocesan Director Centacare Diocese of Rockhampton

⁵⁴ <http://www.centacare.net/about-us/history> Downloaded 10 October 2014

⁵⁵ Interview Dr Ricki Jeffery 9 May 2014 Diocesan Director Centacare Diocese of Rockhampton

Centacare: Catholic Diocese of Rockhampton (Centacare) upholds its role and commitment to deliver service excellence in the local community through the provision of quality services and support to individuals, couples, and families.⁵⁶

As the official Catholic social service agency for the Catholic Diocese of Rockhampton, Centacare serves all people without regard to religion, race, age, economic circumstance or ethnic background. As a not for profit organisation, Centacare's dominant purpose is to provide direct relief of suffering, stress, misfortune, disability or helplessness, sickness and the effects of poverty for the benefit of the community or a section of it. It achieves this role and purpose through the provision of professional community services comprising four streams:

- *Counselling and Education*
- *Family Relationship Centres*
- *Community Care*
- *Case Management⁵⁷,*

Governance

As a diocesan social welfare agency the key figure in the governance arrangements is the Bishop of the Diocese of Rockhampton. The Director of Centacare is on the Centacare Council which provides advice to the Bishop. In her executive role the Director of Centacare reports directly to the Bishop. The Centacare Finance Committee is accountable to the Bishop through the Centacare Council, and meets monthly with the Director and the Corporate Services Manager of the agency to review the budget, cash flows and risks. Dr. Jeffery emphasized the advisory role of the Council and highlighted the theological significance of that governance arrangement.

We're not incorporated so it's advisory and the bishop really is the head of the church here and so he's the head of this organisation. And we take a lot of time making sure staff understand that they are a church worker and we are working for the bishop's ministry⁵⁸

... we are the ministry of the bishop of the diocese. Now, every bishop reports directly to the Pope. They don't report to the archbishop of the state and then to cardinal whoever, ... It's a very firm church connection.⁵⁹

While Catholic diocesan welfare agencies share a similar governance structure the actual operation of each can vary depending on the size of the agency, the character and history of the diocese and decisions made by the Bishop.⁶⁰ In Rockhampton in addition to the Centacare Council there is ... *a diocesan education council and as director of Centacare I'm on that because we work with youth. There's marriage and family life council. ... , I'm on that because that's where our services fit. Our finance committee and council, anything that goes through that also then has to go through ... the Diocesan Development Fund council. So there are lots of checks and balances to make sure that we stay within mission ... There are things that we don't have to do because we're just an entity that's part of a trust ... there's a whole lot of checks and balances that are in place*

⁵⁶ <http://www.centacare.net/> Downloaded 10 October 2014

⁵⁷ <http://www.centacare.net/about-us> Downloaded 10 October 2014

⁵⁸ Interview Dr Ricki Jeffery 9 May 2014

⁵⁹ Interview Dr Ricki Jeffery 9 May 2014

⁶⁰ This became clear in the course of interviews with diocesan agencies and will be explored in more detail in a later paper.

*that you would never have to do if you were actually in that formal, limited by guarantee structure.*⁶¹

Centacare agencies do not have identically specified missions which can make cross diocesan cooperation in welfare matters difficult. For example with respect to contracting for employment services ... *Brisbane Centacare could go into that but because of the diocesan structures they couldn't actually go into that in this diocese because it's not the Bishop's ministry here. So even coming together it's tricky about how we can even work together as Centacares because it's about the bishop's ministry and he decides what needs he wants to support in his communities*⁶²

Income and financial vulnerability

The agency is 96% government funded. The break up between federal and state contracts has varied from time to time but is roughly around a 60 to 40 ratio. *It just shifts in terms of where the dollars are that fit with our ministry—with our mission. And we have some philanthropic dollars.*⁶³ Despite having a small amount of non-government funding, the agency is absolutely dependent upon government contracting.

While the agency has ... *a social enterprise strategy to try and shift away from that and we've got some targets around being 30% non-government funded by 2020 and we've done some research around that. But it starts to get a little tricky and I've noticed some people jump straight into that social enterprise space ... Say it's a bookshop ... they might make \$2,000 out of that. And I just think we really need to be clear about investing a whole lot of energy and effort to our social enterprise at the expense of our core business to raise \$2,000 for the bottom line.*⁶⁴

*We've done a lot of research, a lot of training, we've had a look at things that people are doing, but in a space when staffing's such an issue anyway, to begin another business to bring in dollars to support you is really hard.*⁶⁵

The other alternative for an agency such as Centacare is to commercialise some services, of which Dr. Jeffery observed ... *there's something not quite right in terms of commercialising some of the services that we're government funded for. So how do you decide whether person B walks in the door to receive a service that they're charged a commercial rate when we're being funded to subsidise the rate, when in fact, in terms of regional space, we're all disadvantaged in terms of access. So I really struggle with commercialising the services we already provide and how you choose that, so we have an ethics framework to make those decisions about who we take money from and how we might commercial services that might be a bit similar, but it's a bit tricky I think, even though it sounds good in theory.*⁶⁶

Six out of the eight Catholic agencies listed below that were covered in this study were diocesan in character. The other two were started by religious orders and are substantially different in governance from diocesan agencies. Of the diocesan agencies it is significant that the three regional agencies are of similar size and have a high dependence upon government contract funding as opposed to two of the three metropolitan diocesan agencies. Centacare Brisbane has a much larger reach in

⁶¹ Interview Dr Ricki Jeffery 9 May 2014

⁶² Interview Dr Ricki Jeffery 9 May 2014

⁶³ Interview Dr Ricki Jeffery 9 May 2014

⁶⁴ Interview Dr Ricki Jeffery 9 May 2014

⁶⁵ Interview Dr Ricki Jeffery 9 May 2014

⁶⁶ Interview Dr Ricki Jeffery 9 May 2014

providing services beyond the metropolitan area and a much wider range of services, including disability and childcare.

Table 3: Catholic agencies summary 2012-13 financial year

Catholic Agencies	Income \$m	Govt & program driven funding % of income
9. CatholicCare Archdiocese of Melbourne & Diocese of Gippsland (Vic)	16.90	67.5
10. CatholicCare Diocese of Parramatta (NSW)	6.10	68.5
11. Centacare Ballarat (Vic)	13.92	97.0
12. Centacare Brisbane (Qld)	143.01	86.0
13. Centacare Rockhampton (Qld)	13.10	96.0
14. Centacare Townsville (Qld)	13.50	96.0
15. Good Shepherd Youth & Family Services (Vic)	8.18	64.0
16. MacKillop Family services (Vic, NSW)	57.91	90.0
	Avge: 34.1	Average: 83%
	Total: 272.62	

Mission & identity

Centacare Rockhampton has a strong affirmation of its Christian identity in its statement of mission in that ... it is called by the Catholic Diocese of Rockhampton to share in the healing ministry of Jesus by providing professional community services to enhance the wellbeing of individuals and families.

Centacare's vision is to be the first choice provider of professional community services in the Diocese of Rockhampton..

We value:

- Our Christian ethos and the principles of Catholic social justice.
- People, positive relationships and teamwork.
- Achieving results for our clients and being accountable for our actions.
- Creative thinking and responsive, innovative service delivery.
- Efficient organisational systems and effective stewardship of resources.⁶⁷

Elsewhere on the website under the heading of 'Faith' is the following statement about the mission and identity of the agency:

Centacare is a ministry of the Catholic Church.

Our **Mission** is:

to share in the healing ministry of Jesus.

Before Jesus began his public ministry he returned to Nazareth and entering the Synagogue he took up the scroll and read:

The spirit of the Lord has been given to me, for he has anointed me.

He has sent me to bring the good news to the poor,

⁶⁷ <http://www.centacare.net/about-us/mission-vision-and-values> Downloaded 10 October 2014

**To proclaim liberty to captives
And to the blind new sight
To set the downtrodden free
To proclaim the Lord's year of favour.**

Lk 4:18

cf Isaiah 61: 1-2

The Mission of Centacare is not in the realm of physical healing.

Rather it offers:

- **Hope** to those who experience little freedom in everyday life, by assisting them to gain a level of independence;
- **Insight** to those who feel there is no way forward in their lives, by helping them grow to be the person they desire to be; and
- **Respect** to those who feel put down by society, so they can feel a sense of pride in themselves and in their contribution to society.

Most of all Centacare offers good news to all who experience some sense of poverty in their lives because Centacare offers **Hope**.

Cardinal Joseph Bernadine once wrote about following the healing ministry of Jesus:

Our distinctive vocation is not so much to heal better or more efficiently than anyone else... The ultimate goal is to give ...a reason to hope....

This is also the ultimate goal of Centacare.⁶⁸

Dr. Jeffery discussed the issue of Catholic identity and how it is conveyed to the staff at some length. *We have to have catholic identity. Our staff have to receive training in the catholic tradition. They don't have to be catholic ... I don't have to be catholic, no one else has to be catholic and our clients are obviously not catholic and we're very clear with our staff that Jesus wasn't a catholic and we're doing the work of Jesus ...*⁶⁹

*... I decided that if we had to keep catholic identity then the leaders in the organisation had to have some post-graduate qualification in leadership and catholic identity. So we've done that course through ACU and that's part of the employment for the senior management folk. We do that sort of teaching imparted by formation.*⁷⁰

This issue of identity impacts on the decision-making around the activities of the agency. *So we're clear about this is our mission, this is where the church fits, so I think—what else do you need to do with that? But we also have a diocesan pastoral plan and there are five objectives in that plan and Centacare reports on parts of three of those objectives. So with the bishop we go through this is the plan for the pastoral space of the diocese. Where does his agencies fit?*⁷¹

Given current difficulties experienced by the Catholic Church in Australia arising from its handling of sexual abuse cases, the agency has developed a clear protocol for dealing with the issues. Dr. Jeffery acknowledged that *... being catholic is a difficult proposition for some of our clients so at our direct service level we work on messaging, especially with the child abuse commission, people have chosen not to use Centacare for that reason and that's fine ... so we often inform people about what's happening and why and certainly if*

⁶⁸ <http://www.centacare.net/about-us/faith> Downloaded 10 October 2014

⁶⁹ Interview Dr Ricki Jeffery 9 May 2014

⁷⁰ Interview Dr Ricki Jeffery 9 May 2014

⁷¹ Interview Dr Ricki Jeffery 9 May 2014

*people have issues, that comes straight to me. We don't let staff have to deal with that. They've got a very clear you need to talk to the director. Here is her mobile.*⁷²

In communicating the Catholic identity pointed to the formal documentation, our constitution, the diocesan pastoral plan and our strategic plan. *We do line management with staff. Once a month is what we try and do to that. There's a question there about how does your work reflect the mission? We write a reflection on one of the gospels every Sunday and send that out first thing Monday morning, which says what's this gospel telling us and how does that relate to 2014 and issue a challenge in their space. So we'll say for example to staff in community care, this is what the gospel's challenging us to do this week. How are you responding to it? So we actually do that each week. It's not that we want people to turn into Catholics, but we actually say our values are based in the gospels, catholic social teaching, social justice is part of our space. So we're continually giving some examples and reminders that that's who we are.*⁷³

Contracting

There are a number of key issues around contracting that were raised by agencies with a high dependence upon government funding that emerged in many of the interviews that were held in the six months run up to the end of the financial year. A significant issue was around the timing and process of decision-making by government at the point where contracts became due for renewal. In an interview that took place in early May, Dr. Jeffery highlighted the problems, staffing not being the least of the issues.

*... we have \$6.5 million worth of contracts that are due to end in end of June this year and we cannot say to staff who are attached to that "You've got a job July 1". So three year contracts you get a really big exit as they're coming up to the end because the best we know is in May, so people are making decisions in December about whether to put kids in school, have they got a job, whether they can buy a house and I can't say "Yes, you'll have a job" for any more than six months.*⁷⁴ While this problem was raised by most agencies, the scale of the issue is highlighted where the contracts amounted in this case to 50% of the agency's annual revenue. Difficulties are exacerbated in a regional environment where recruiting suitably qualified staff can be difficult and time consuming with staff turnover usually above 25% per annum.

In the decision-making process around contracting the agency has attempted to shift the focus to look at the issue of the finance last after working through the need and the capability in the program space in which the dollars are offered.

*Is someone else providing, because in a regional space you don't want duplication. In our space we do family intervention services, which is about supporting parents to keep children at home if that's at risk. Anglicare do the foster care. So we're very clear around how that works and then we work together. We don't bring new skills into the space really, unless no one else is doing it and we can build that. So what skills have we got in the organisation that we could leverage that off or who else would we need to bring in to support us to do that or really, should we just make sure Anglicare or Uniting Care is actually looking at this because the money is there.*⁷⁵

Once that threshold is crossed then the agency looks at ... *what it would cost to deliver and we've got all of our unit costs and we know how much more it costs to deliver*

⁷² Interview Dr Ricki Jeffery 9 May 2014

⁷³ Interview Dr Ricki Jeffery 9 May 2014

⁷⁴ Interview Dr Ricki Jeffery 9 May 2014

⁷⁵ Interview Dr Ricki Jeffery 9 May 2014

something in Barcaldine than it does in Rockhampton compared to Mackay. So can you do it for anywhere near the dollars that they're offering? Then we would actually make the decision.⁷⁶

Once you have the contract the real difficulties come with the processes and the time it takes in dealing with the relevant government department to do a variation of the contract ... *because when the contracts come out and you want to do variances and the need actually is not in this postcode but this postcode or the need is actually, whilst it's related to that, it's more in this space. And you talk to the liaison person, who is eight hours' drive away from us anyway, so we only ever see them up here once a year at best, and they tick it all off. ... And then it can take eight months to get a response whether it's yes or no from Canberra once it goes there, so that's particularly frustrating.* ⁷⁷

The issue of flexibility is a source of ongoing frustration in dealing with government where efforts are made to improve effectiveness and efficiency in achieving outcomes at a regional level. So for example if Centacare Rockhampton ... *wanted to work with Townsville Centacare on a common issue, given that we both have folk in the resource sector and doing different things, so to share the knowledge, do some trialling and then deliver one product for two organisations, getting the go ahead for that, a small amount of \$10,000 each, was just too hard. I think 18 months and we still couldn't get agreement Yet you talk to a minister and they think that's a great idea. You actually talk to the DG and it's a good idea. ... The other thing is just regionally you get more bang for your buck ... So whilst in all conversations everyone recognises that if you can work together the collective impact is bigger for the dollars, there are all these barriers in terms of reporting and acquitting the dollars that make it difficult. ... if you looked at the problems 30 years ago, they're still the same problems in the same spaces pretty well now, so we know those silos actually prevent a really good outcome for whole of person, so it's how do you fund that?*⁷⁸

The issue... *is about the flexibility to be able to deliver service. I know you've got to have some sort of framework, but the flexibility to deliver the services where the need is and some flexibility for people who are local to make those place based decisions, there's no trust.*⁷⁹

Decisions about the funding levels for programs also bear down on small agencies. *It gets a little annoying when there are decisions made we'll just cut 10% across the board to help you be more efficient and effective when you really are screwed down to that last bit. Governments, they make standards up and say "We want you now to make sure that you are compliant with this standard and we'll get you audited on that". Where's that money coming from? ... the other thing that government does continually that really stretches us is they'll develop a new reporting online thing—they should get someone in to design them—that just doesn't speak to anything else that anyone else is using, so those costs, you just can never recover from those ...*⁸⁰

⁷⁶ Interview Dr Ricki Jeffery 9 May 2014

⁷⁷ Interview Dr Ricki Jeffery 9 May 2014

⁷⁸ Interview Dr Ricki Jeffery 9 May 2014

⁷⁹ Interview Dr Ricki Jeffery 9 May 2014

⁸⁰ Interview Dr Ricki Jeffery 9 May 2014

5.3 The Wayside Chapel: “I don’t want to be like a dog that’ll beg for any bone”⁸¹

Summary of The Wayside Chapel’s tactics

- Clarity about mission and identity
- Diverse funding sources - not dependent upon government funding
- Governance structure, through a Board with appropriate capabilities works to support that strategy
- Leadership provides guidance on the vision and how it is implemented

The Wayside Chapel

The Wayside Chapel, under the ministry of the Rev Ted Noffs a strong and charismatic leader,, commenced in 1964. The Wayside Chapel is a parish mission of the Uniting Church⁸² located in Kings Cross in the inner eastern suburbs not far from the Sydney CBD. In 2004 the Chapel ... *was in a bad spot. Its income was less than \$300,000 a year, and 90% of that funding came from two tiny Government grants.*⁸³

A decade later 82% of income of \$3.1m pa comes from other sources, Over that decade while there has been an \$8.5m rebuild of the Wayside Chapel facilities, The Wayside Chapel has emerged from that rebuild debt free. Over the same period the agency has moved from employing 2 to around 36 staff.⁸⁴

The Rev Graham Long, the CEO and Pastor of the Chapel who has overseen these developments reflecting on they were achieved acknowledges that... *the Wayside Chapel as a brand, was just handed to me on a plate ... I think a lot of Sydneysiders, and a lot of people around the country, recognised the brand ... So that was a pure gift, that was not my genius that was already there, but we were making no use of that gift when I arrived. ... So this 10 years has really been a story of how to maximise that punching power, and it’s been 10 years of lifting profile, and moving supporters from a very old age group to a younger age group, and we’ve had good success at that.*⁸⁵

The Wayside Chapel statement of identity and mission on its quite striking website affirms that:

Today, under the banner of love over hate, The Wayside Chapel creates a community where there is no ‘us and them’ by breaking down the barriers of judgement and providing a safe place where people from all walks of life are welcome just to ‘be’.

The Wayside Chapel draws people out of social isolation and invites them into the healing place of community. People marginalised by homelessness, mental health issues and substance abuse can turn to Wayside for compassion, tolerance and support.

⁸¹ Interview Rev Graham Long CEO Wayside Chapel 14 January 2014

⁸² Interview Rev Graham Long CEO Wayside Chapel 14 January 2014

⁸³ Interview Rev Graham Long CEO Wayside Chapel 14 January 2014

⁸⁴ Interview Rev Graham Long CEO Wayside Chapel 14 January 2014

⁸⁵ Interview Rev Graham Long CEO Wayside Chapel 14 January 2014

Our community services centre, youth space and outreach service, mental health program, community cafe and our Aboriginal project are all designed to ensure the most disadvantaged members of our community have access to essential health, welfare, social and recreational services.⁸⁶

Overview of Programs and Services

The account of its programs and services is characterised by the focus on the person. The links to programs and services are driven by people, and their need for community and this is reflected in the way they are described. The list of services involves:

*Community Service Centre
Wayside Youth
Day to Day Living
Aboriginal Project
Wayside Café
Op Shop
Community Development
Employment Pathways Project
Social Enterprises
The Chapel*

There are few more radical examples of community than are encountered in our church gatherings on Sunday morning. Many of the barriers that divide people are dissolved and it's not uncommon for a sex worker or someone struggling with addiction to be sitting next to an ex attorney general of Australia. We remind each other that all of religion is satisfied when love is lived in community. Sunday service is held at The Wayside Chapel each week at 10am.⁸⁷

Governance

The Rev Graham Long in carrying the formal titles of both CEO and Pastor for the Wayside Chapel highlights the complex character of the organization and the significance of its history and identity in the community beyond the Uniting Church.

... I'm an ordained Uniting Minister and I'm part of the Sydney Presbytery, and all of those connections are there. What we don't do is put the Uniting logo around the place. We trade as the Wayside Chapel. ... We acknowledge that we're part of the Uniting Church, and even claim to be proud of that, because we are, that's fine.⁸⁸

The Uniting Church within the Synod of NSW is governed with respect to the management of property and legal issues around contracts by the *Uniting Church in Australia Act 1977, No.47 (NSW)* which set up a property trust hold and manage trust property in trust for the Church and is comprised of members of the NSW Synod. Parishes, including parish missions of the Uniting Church in NSW, do not in themselves have a formal legal status. Despite the Uniting Church Property Trust being the legal entity that holds the property for Uniting Church parishes, missions and agencies, in fact it is the constituted Board of the Wayside Chapel that is the key to the operating governance of the agency. It was in gaining a new chair for the board of The Wayside

⁸⁶ <https://www.thewaysidechapel.com/about-us.php> Downloaded 11 October 2014

⁸⁷ <https://www.thewaysidechapel.com/about-us.php> Downloaded 11 October 2014

⁸⁸ Interview Rev Graham Long CEO Wayside Chapel 14 January 2014

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Chapel and finding board members with the skills and the access to individuals and networks in the business community that was critical to finding the funding to become and remain independent of government.

Graham reports that with the new chair he ... *started a partnership that exists to today, but in those early days it was how to knock off board members and go and get the board we really need.*⁸⁹

In the operation of the Board and the CEO there is a strong culture of leadership based on recognition of roles and responsibilities. *So in our board meetings the chair, not because it's legally so, but because they all know how to function as board members, the chair has this respect. And he's not an equal partner, so if we get into a tight squeeze, which is not often, but if we do the chair will say here's what we're going to do, and that's what happens. When the logo was going through the board, two of my board members locked horns, ... a heated discussion went for about 10 minutes. ... Ian stopped the discussion and he said, "This can go nowhere ... I'll tell you what we're going to do, we're going to back Graham, he hasn't made too many mistakes. Next item", ... Now I've taken that model and that works in our various teams around here as well. So our executive team meets and, you know, they're more skilled than me these people in most things, but in the end it's my meeting, and I will canvas views, so in a sense a weigh views rather than count them. So it's not majority rules, but I take their wisdom, and that respect is given to me. And I try to encourage the same sort of thing in the other staff meetings, so the leader leads.*⁹⁰

The rationale of holding the role of the church and welfare provision together was set out quite pungently in explaining why it is appropriate to hold the two roles together. Graham commented that ... *I see some who adopt, with great efficiency, language of government. And in my mind they've become government agencies, they just don't know it. They have a history upon which they don't draw, except to say that's the sign out the front ... What makes Wayside radical is we hold that together, in the one person, ordained minister, CEO. And I understand that all the momentum in the world wants to split those two roles, and in my view that's the tragedy of history because you end up with a business person, often speaking government speak, and you end up with some fool who sings songs on Sunday. And, you know, you've just disempowered both. It's only when you hold that together that there is a creative tension that truly makes it creative.*⁹¹

The role of the CEO is about leadership and upholding the vision of the organization as Graham put it, it is ... *about setting the philosophical framework in which all this stuff happens, but doing all this stuff everybody's better able to do it than me, my contribution is setting the philosophical bounds of it, and people respect that. And I respect that they're better at most of these things than me, and that works. But in the end there's one boss, and nobody is unclear about that. So with lots of – I don't want to be across all things, but they know I don't want to get nasty surprises either. So anything that has a potential for a nasty surprise I get copied into, so I just know what's going on. And anything that's of a question of direction will come to me, and I will canvas opinions, but I will make the call, it's my call.*⁹²

Mission & identity

As stated on the website of the Wayside Chapel:

⁸⁹ Interview Rev Graham Long CEO Wayside Chapel 14 January 2014

⁹⁰ Interview Rev Graham Long CEO Wayside Chapel 14 January 2014

⁹¹ Interview Rev Graham Long CEO Wayside Chapel 14 January 2014

⁹² Interview Rev Graham Long CEO Wayside Chapel 14 January 2014

Our mission is to create a community where there is no “us and them”. The Wayside Chapel has been providing unconditional love, care and support to people on and around the streets of Kings Cross since it first opened its doors in 1964. Under the banner of ‘love over hate’, Wayside’s programs and services are designed to ensure that the most marginalized members of our community have access to essential health, welfare, social and recreational services, as well as offering a place where people are welcome just ‘to be’.

We conduct the work we do through meeting people rather than working on them. Our door is open seven days a week for all of our neighbours, regardless of their circumstance. We never greet anyone at the door with a clipboard or a form with boxes to tick. We give people a ‘hand up’ rather than a ‘hand out’. We stand with people at their worst and see them through to better days.

Our Values

Openness: We have a simple (profoundly simple) mission which is to create a community and our message and work are undiluted with other agendas.

Courage: It takes courage to confront people who’ve lost hope and invite them into the world of relationships with responsibility. Wayside is not an intensive care unit but an invitation into life and community

Teamwork: Our goal (community) is also our method. We work in a collaborative way to invite people out of singular, individual life into the risky and healing place of community.

Patience: We cannot make people change.

If we could, we’d be guilty of manipulation of some kind.

Instead we are on the lookout for sparks of life, signs that people long for better, and we look to engage and help people move to better days and better health

Respect: People have the right to make their own decisions. People have the right to make bad decisions. People who choose singular misery or even death deserve to have their rights respected. Wayside’s mission is not to fix people but to love them and be with them, knowing that if they are really met, they’ll really move toward health and life.⁹³

The articulation of this vision took some time in an ongoing dialogue, particularly between the Graham Long and the Board. Graham explained that eventually ... *we settled on to create a community with no us and them, and we identified, essentially isolation and loneliness as our enemy. There’s something about our western culture that it doesn’t matter how tightly you jamb the people together they’re still alone. And so our mission became to meet you rather than fix you. And that made us different in lots of ways, because in a culture of a privatised self, most of what we do to fix actually alienates people. You know, you walk away with a pamphlet, or a program, or a pill, but you’re more alone than when you walked in. So our vision has always been an attempt ... to create community, and to overcome the barriers that we create in that culture. Housed and homeless, sick and well, saved and unsaved, we attempt to have moments of, what we call moments of mission, where there really is no us and them.*⁹⁴

The expression of this vision puts The Wayside Chapel into severe tension with government programs and the language that they are expressed in. As Graham explains that for most helping agents whether government or non-government, if *you engage with them you are a problem, and they’re here to fix you. And what people don’t realise*

⁹³ <http://thewaysidechapel.uberflip.com/i/272497> Downloaded 11 October 2014

⁹⁴ Interview Rev Graham Long CEO Wayside Chapel 14 January 2014

that even when that's done from good heart, good intention, there's a push-away in it, because you will be forever the needy one, and I'll be forever the ones with the answers and the skills under whatever. So you are important to me because you are a cog in my wheel, and a statistic in my next funding application.⁹⁵

Income and financial vulnerability

The Wayside Chapel	
Table 4: Income & Income sources	
Income 2012-13: \$3.1m	
Sources:	
Government grants:	18%
Corporate donations:	17%
Commercial activities:	20%
Private donations:	44%
Other:	1%

In addition to building its income from private and corporate donations to take care of its running costs, The Wayside Chapel has as a matter of policy sought to build up an operational reserve that provides a foundation from which Wayside can invest in its programs and services as well as underwriting operations; the Wayside's ability to continue operations is highly dependent on private and corporate donations. As the above break up of funding sources indicates. The Board has set a reserve target at one year of expenditure and is currently at 85% of that target.⁹⁶

Of the Uniting Church agencies that I engaged with, listed below in Table 5, it is of interest that the two small parish missions have similar budgets and relatively low dependence upon government funding. Both are characterised by strong 'charismatic' leadership and by partnerships characterised by a willingness to engage in innovative approaches to engaging with the community. The key difference is that The Wayside Chapel has built up a strategically strong Board with a clear distinction between its role and that of the CEO while the Exodus Foundation is much more driven by the personal character of its CEO Bill Crews.

Table 5: Uniting Church agencies Summary 2012-13 financial year

Uniting Church Agencies	Income \$m	Govt & program driven funding % of income
17. Exodus Foundation – Ashfield Parish Mission (NSW)	4.00	29.2
18. The Wayside Chapel (NSW)	3.1	18.0
19. Uniting Communities (SA)	52.14	80.5
20. UnitingCare Queensland (Qld)	1,338.33	92.9
21. UnitingCare Wesley Port Adelaide (SA)	61.69	99.0

⁹⁵ Interview Rev Graham Long CEO Wayside Chapel 14 January 2014

⁹⁶ <https://www.thewaysidechapel.com/documents/TheWaysideChapelAnnualReport2011-12.pdf> downloaded 11 October 2014

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22. UnitingCare West (WA)	24.76	73.0
23. Wesley Mission Sydney (NSW)	145.06	83.0
24. Wesley Mission Melbourne (Vic)	63.63	90.0
		Average: 70.7
	Total: 1,692.71	

Contracting

The Wayside Chapel has only two government sourced funding programs. The question what government program funding it would pick

up and the conditions under which it would pick it up is one which is critical for the agency. Graham made clear that ... *it's not a trivial decision. The two original little subsidies we still have from State Health, and I have to say the senior people who equip those things each year, have to be a bit bilingual, you know.*⁹⁷

The need to be bilingual to speak both the language of the agency's mission and the language of bureaucratic accountability arises from the fact that ... *the government mission and ours is really quite different. But what we can do honestly is report facts. X number of bodies, X number of showers, X number of referrals, X number – so that's what we report, and I think the government don't understand it and couldn't care less about our mission. But, they accept the facts of what we do, and for that there is a certain amount of money. Well if we lost those things that would be \$300,000 roughly out of a \$3M budget now, wouldn't be the end of the world. I wouldn't like to lose it because it's not easy chasing money from the public, but – but I could live with it if we lost it.*⁹⁸

To decide on contracting with government for another program the requirement is that it ... *would have to be a fairly obvious fit for us. We don't have the attitude of golly gosh there's something out there, it's a little bit outside of our mission, let's go for it, and if we get it yippee. ... You know, in order to apply for some things, properly apply, you have to spend a lot of money to know the game you're in. ... Well none of that funding is part of the funding that's on offer, and it's a big burden ...*⁹⁹

6. In Conclusion

These case studies of agencies representing diverse denominational traditions, geography and size highlight some key elements and options in intentionally positioning an agency in its relationship to government and maintaining its character as having an identity not exhausted by that relationship.

Making governance work for the agency in communication and trust with key stakeholders

- Brotherhood of St Laurence
- Centacare Rockhampton
- The Wayside Chapel

Clarity about identity, mission and founding story

- Brotherhood of St Laurence
- Centacare Rockhampton
- The Wayside Chapel

Leadership and processes that communicate the vision to staff and stakeholders

- Brotherhood of St Laurence

⁹⁷ Interview Rev Graham Long CEO Wayside Chapel 14 January 2014

⁹⁸ Interview Rev Graham Long CEO Wayside Chapel 14 January 2014

⁹⁹ Interview Rev Graham Long CEO Wayside Chapel 14 January 2014

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- Centacare Rockhampton
- The Wayside Chapel

Diverse funding sources

- The Wayside Chapel
- Brotherhood of St Laurence

Commitment to research and innovation

- Brotherhood of St Laurence

Process for aligning contract decision with mission and priorities

- Brotherhood of St Laurence
- Centacare Rockhampton
- The Wayside Chapel

Attachment A: Agencies & Interviews

The period of focus for the study was 1996-2013. The starting point was chosen because it marked a change of government at the level of the Commonwealth and was followed by a major shift in policy towards contracting for the delivery of social welfare and human services. The closing point for the study of 2013 was chosen as the change of government at the federal election in August marked what is likely to be another significant turning point in shifting approaches to government service delivery, through a shift to a consumer oriented and empowerment approach for the NDIS and a government willingness to increasingly look to for profit providers.

Interviews were conducted over the period November 2013- June 2014. Comparative data was drawn from agency web sites during June-September 2014 and annual reports 2012-2013 – which were generally the latest available as at that date. I conducted 44 interviews with 42 informants that provided information on 35 agencies in which the informants had previously board or management involvement or were currently involved at senior management level. The documentary analysis covered those 35 agencies, plus an additional 11 agencies where an interview had not proved feasible. The agencies fell into the following categories:

Denominational Coordinating Agencies: 8

Church-related Agencies: 35

- Catholic: 8
- Anglican: 8
- Uniting: 8
- Baptist: 2
- Churches of Christ: 2
- Salvation Army territories: 2
- Pentecostal: 1
- Lutheran: 1
- Independent: 3

Congregational case studies: 3

- Baptist
- Pentecostal
- Churches of Christ

Purposive sample – Geographical/denominational breakdown

Denomination	Qld	NSW	Tas	Vic	SA	WA	ACT	NT	Multi State
Catholic	3	1		1, 4					3
Anglican		2	1	3	1		1		1
Uniting	1	3		1	2	1			1
Baptist		1		1, 1					1
Churches of Christ	1	1		1					1
Salvation Army									2
Pentecostal		1, 1							
Lutheran					1				
Independent		1		1					1
Total	5	12	1	12	4	1	1		10

Identification of the agencies to participate in the research, particularly with respect to undertaking an interview with the director or senior staff differed across denominational categories.

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- Catholic Social Services Australia sent out details of the project to their membership using their mailing list, leaving agencies to contact me if they were willing to participate.
- The Director of Catholic Social Services Victoria discussed which agencies would be appropriate and identified a list of agencies for me to approach by email with reference to his recommendation.
- The Director of Anglicare Australia similarly discussed me which agencies might be appropriate and whose Director who might be interested in participating in the research as did the director of Uniting Care. All these were approached by email, though I made follow up phone calls to clarify issues.

Beyond this I identified a number of significant agencies outside the three denominational groups noted above and approached those agencies. In addition I was able to identify a number of people with relevant experience in the sector some of whom had recently retired or moved on from agencies of interest.

For the documentary research in addition to the agencies where I had identified a senior with a past or preset connection, I included a number of agencies where I had not conducted an interview. In most cases these were agencies where there had been some interest in participating but an interview did not eventuate. These included the following:

- Major restructuring and review of strategic plans meant that people did not feel that they had the time available
- Difficulties on my part about investing time in undertaking a further ethics application beyond the ACU approval
- Inability to get final clarification on identification of the agency with respect to the transcript
- Staff changes between the time of approach and the time of interview
- To improve balance in the coverage another Catholic agency that had its roots in a religious order was added as 6 out of 7 Catholic agencies in the study were diocesan in character

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