On (not) becoming 'an extension of the state' in 'seeking the flourishing of the city': A theologically-informed inquiry into the impact on 'church-related' agencies' of contracting with government to provide social welfare and human services in Australia, 1996 to 2013

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ON (NOT) BECOMING ‘AN EXTENSION OF THE STATE’ IN
‘SEEKING THE FLOURISHING OF THE CITY’: A
THEOLOGICALLY-INFORMED INQUIRY INTO THE IMPACT ON
‘CHURCH-RELATED’ AGENCIES’ OF CONTRACTING WITH
GOVERNMENT TO PROVIDE SOCIAL WELFARE AND HUMAN
SERVICES IN AUSTRALIA, 1996 TO 2013

By

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Submitted: August 2016
DECLARATION

This thesis contains no material published elsewhere, or extracted in whole or in part from a thesis by which I have qualified for, or been awarded another degree or diploma.

No parts of this thesis have been submitted towards the award of any degree or diploma in any other tertiary institution.

No other person’s work has been used without due acknowledgment in the main text of the thesis.

All research procedures reported in the thesis received the approval of the ACU Human Research Ethics Committee, (2013 82N).

Douglas George Hynd
8 August, 2016
Acknowledgements

Researching and writing this thesis has left me deeply indebted to many people. At the head of the queue are my supervisors. I am deeply grateful for the differing gifts that they each brought to the complex task of supervising a thesis that moved across disciplinary boundaries and the seamless way they transferred responsibility between them. My debt to my initial chief supervisor Professor Robert Gascoigne is extensive, starting with his willingness to supervise a research project across disciplinary lines. I thank him for his modelling of thoughtful scholarship, prompt processing of paperwork, gracious acceptance of theological differences, lunch at the Vietnamese restaurant at Flemington during visits to the Strathfield campus, and pastoral support.

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What that action revealed about this area of public policy in Australia helped inform my theological account of the contemporary nation-state in Australia.

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Abstract

The Christian Churches in Australia are not only present in parishes and congregations but are also involved in a wide range of activities in the fields of social welfare, human services and social policy. The historical legacy of this involvement is organisationally-diverse and represents a significant presence in public policy in Australia. With the shift to contracting as a funding technology for social welfare and human services in the 1990s, church-related agencies found themselves engaging in new ways with government. Nearly two decades later there has been relatively little research into the impact of the shift to contracting on these agencies, leaving unanswered the question as to whether, or not, they have now become simply an extension of the state.

Driven by that fundamental question, this thesis is a theologically-informed inquiry into the impact of the shift to government contracting for social welfare and human services with ‘church-related’ agencies in Australia between 1996 and 2013. It has been undertaken to contribute both to the empirical evidence on the impact of contracting with government on these agencies and to assist agencies in reflecting on their mission, in the light of the impact of this pattern of engagement.

The inquiry is shaped by its subject, and its institutional, sociological and theological contexts, rather than a specific discipline. The disciplines, and the theoretical insights drawn on for the research and the interpretation of the findings were chosen for both their theoretical utility and analytical relevance, including theology, Australian welfare history, the sociology of religion, the sociology of organisations and public policy. An account of how the movement across disciplinary boundaries is undertaken is laid out at the beginning of the inquiry.

Theologically the inquiry commences with articulations and developments of the tensions of exilic identity in seeking the flourishing of the city, the secular and sacred character of the contemporary state and how these are manifested in the maintenance of identity and mission for church-related agencies. The sociological processes of isomorphism, and organisational secularisation, provide the theoretical grounding for exploring how these theological themes are manifested against the distinctive background of the Australian settlement of church-state engagement in social welfare provision.

The research involved analysis of publicly-available documentation including annual reports and strategic plans from a range of church-related social welfare and human services agencies, denominational coordinating bodies, as well as extensive interviews with senior staff and board members on the impacts of, and agency responses to, contracting. The analysis explored issues of financial dependency, ecclesial connection, governance and tactics of response and resistance.

The findings included the importance of intentionality by leadership and management of agencies in owning the mission and identity of agencies along with settings of governance, funding, communication of theological commitments to staff of agencies that seem to be conducive to maintenance of identity and mission. These findings are reported through a number of narratives that spell out the processes by which some church-related agencies became an extension of the state and, by contrast, tactics of response and resistance that enabled other agencies to retain identity and continue...
their mission. A significant and unanticipated finding was of the emergence of a sector-level response, through the expansion and development of denominational coordinating agencies that facilitated a continuing policy advocacy role by church-related agencies in their relationship with government.
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# Acronyms and abbreviations

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<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ABC</td>
<td>Australian Broadcasting Corporation</td>
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<tr>
<td>ACC</td>
<td>Australian Christian Churches</td>
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<td>ACNC</td>
<td>Australian Charities and Not-for-profits Commission</td>
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<td>ACOSS</td>
<td>Australian Council of Social Service</td>
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<tr>
<td>ACT</td>
<td>Australian Capital Territory</td>
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<tr>
<td>ACU</td>
<td>Australian Catholic University</td>
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<tr>
<td>ALP</td>
<td>Australian Labor Party</td>
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<td>ANZTSR</td>
<td>Australian and New Zealand Third Sector Research</td>
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<td>APS</td>
<td>Australian Public Service</td>
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<td>ARC</td>
<td>Australian Research Council</td>
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<td>Army</td>
<td>Salvation Army</td>
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<tr>
<td>BUV</td>
<td>Baptist Union of Victoria</td>
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<tr>
<td>CBD</td>
<td>Central Business District</td>
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<tr>
<td>CCVT</td>
<td>Churches of Christ Victoria and Tasmania</td>
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<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
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<tr>
<td>CES</td>
<td>Commonwealth Employment Service</td>
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<tr>
<td>CPI</td>
<td>Consumer Price Index</td>
</tr>
<tr>
<td>CSI</td>
<td>Centre for Social Impact (University of NSW)</td>
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<tr>
<td>CSSA</td>
<td>Catholic Social Services Australia</td>
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<tr>
<td>CSSV</td>
<td>Catholic Social Services Victoria</td>
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<tr>
<td>CST</td>
<td>Catholic Social Teaching</td>
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<tr>
<td>CSU</td>
<td>Charles Sturt University</td>
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<tr>
<td>DEEWR</td>
<td>Department of Education, Employment and Workplace Relations</td>
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<tr>
<td>DEWR</td>
<td>Department of Employment and Workplace Relations</td>
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<tr>
<td>DGR</td>
<td>Donor Gift Recipient</td>
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<td>DSS</td>
<td>Department of Social Security</td>
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<td>ECI</td>
<td>Ecclesial Connection Index</td>
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<td>FCMP</td>
<td>Financial Case Management Program</td>
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<tr>
<td>GFC</td>
<td>Global Financial Crisis</td>
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<tr>
<td>IT</td>
<td>Information Technology</td>
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<td>JSA</td>
<td>Job Services Australia</td>
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<td>JSCI</td>
<td>Job Seeker Classification Instrument</td>
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<td>MCP</td>
<td>Major Church Providers</td>
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<td>MOU</td>
<td>Memorandum of Understanding</td>
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<td>NDIS</td>
<td>National Disability Insurance Scheme</td>
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<tr>
<td>NFP</td>
<td>Not-for-profit</td>
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<td>NGO</td>
<td>Non-government organization</td>
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<tr>
<td>NPM</td>
<td>New Public Management</td>
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<td>NSW</td>
<td>New South Wales</td>
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<td>NT</td>
<td>Northern Territory</td>
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<tr>
<td>PhD</td>
<td>Doctor of Philosophy</td>
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<tr>
<td>PSP</td>
<td>Personal Support Program</td>
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<tr>
<td>Qld</td>
<td>Queensland</td>
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<td>RFT</td>
<td>Request for Tender</td>
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<tr>
<td>SA</td>
<td>South Australia</td>
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<tr>
<td>SPRC</td>
<td>Social Policy Research Centre</td>
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<tr>
<td>Tas</td>
<td>Tasmania</td>
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<td>The Brotherhood</td>
<td>The Brotherhood of St Laurence</td>
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<td>TWC</td>
<td>The Wayside Chapel</td>
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<tr>
<td>UCA</td>
<td>Uniting Church of Australia</td>
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<tr>
<td>UCW</td>
<td>UnitingCare West</td>
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<tr>
<td>UK</td>
<td>United Kingdom</td>
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<tr>
<td>Abbreviation</td>
<td>Description</td>
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<tr>
<td>UCQ</td>
<td>UnitingCare Queensland</td>
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<tr>
<td>US</td>
<td>United States</td>
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<tr>
<td>Vic</td>
<td>Victoria</td>
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<td>WA</td>
<td>Western Australia</td>
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Chapter One: An inquiry across disciplinary boundaries

The inquiry: its character, scope and rationale

From its very beginning the ‘Christian movement’s\(^1\) teaching and practice of charity raised ... the care of widows, orphans, the sick, the imprisoned and the poor to the level of the highest religious obligation.\(^2\) In continuing that tradition, church-related agencies\(^3\) in Australia in the 1990s found themselves facing a shift to contracting by government as a means of providing social welfare and human services.\(^4\) As a public servant in Canberra, working in the Department of Finance on public sector reform at the time, my curiosity was aroused about the possible longer-term implications for church-related agencies.\(^5\) Would they lose contact with their Christian identity and mission and end up becoming extensions of the state?\(^6\) The literature review that I subsequently undertook in developing the curriculum for a Graduate Certificate in Theology and Social Policy, for St Mark’s National Theological Centre in the early 2000s, was shaped by those questions, and laid the groundwork for this inquiry, which I have undertaken as an ‘insider’, with respect to the Christian movement, and as an ‘outsider’ with respect to the church welfare sector.\(^7\)

I have used the term ‘inquiry’ to highlight the exploratory character of this enterprise in both its methodology and its scope. Very little research has been undertaken into church-related agencies’ relationship to the state in Australia following the shift to contracting of social welfare and human services. In both respects it is a venture into only sketchily-chARTed territory. The inquiry covers the period from the federal election

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\(^1\) I use the term ‘Christian movement’ as shorthand to refer to the totality of the communal, institutional and intellectual expressions of Christianity.


\(^4\) The term ‘Federal Government’ is used to distinguish national from state and territory government, as are the terms ‘Commonwealth’ and ‘Australian Government’.

\(^5\) I later worked in the Commonwealth Department of Social Security (DSS) and its subsequent Machinery of Government iterations up till 2011.


\(^7\) My reflexive acknowledgment of the location from which I have undertaken this inquiry is in contrast with the tradition in the social sciences that presumes the necessity of ‘methodological atheism’. See the discussion in ‘On why reflective clarity about method and commitment is appropriate, rather than methodological atheism or agnosticism: Michael A. Cantrell, "Must a Scholar of Religion Be Methodologically Atheistic or Agnostic?,” *Journal of the American Academy of Religion* (2015).
in March 1996, that returned the Coalition to government, as a marker at a national level of the shift to contracting. The period includes the Australian Labor Party (ALP) interregnum, 2007 to 2013, which saw only minor changes in contracting policy, through to the return of a Coalition government in August 2013. Within that period, I have focused the inquiry on agencies with connections to the Christian churches and traditions of social engagement involved in the delivery of social welfare and human services.8

Given the call of the Christian movement to seek the flourishing of community life,9 I explore whether the discharge of that vocation has been threatened by the impacts of the contracting relationship with government. In a post-secular context10 can church-related agencies remain faithful to their mission and identity and resist the pressure to become an extension of the state?11 I have not addressed the question as to whether their service delivery might be in any way superior to that of agencies with other traditions and commitments.12 The key issue in the inquiry is that of faithfulness and integrity of the agencies. The importance of agency integrity in remaining faithful to its

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8 The terms ‘social welfare’ and ‘human services’ taken together sketch the scope of the government programs covered by this inquiry and are used interchangeably with the term ‘social services’. While overseas aid does not fall within the scope of this inquiry, I have consulted literature related to the role of ‘religious agencies’ in overseas aid and development, given that there are parallels in that field to the issues explored in this inquiry arising from agency relationships with government. The instrumental character of the state’s interest in such agencies is highlighted in Ben Jones and Marie Juul Petersen, "Instrumental, Narrow, Normative? Reviewing Recent Work on Religion and Development," Third World Quarterly 32, no. 7 (2011). On the role of ‘religious agencies’ in aid and development see Philip Michael Fountain, The Myth of Religious NGOs (paper presented at the International Development Policy: Religion and Development, Geneva, Switzerland, 2012).


10 According to Bretherton the post-secular “...names a process of reconstruction and deconstruction in which perennial questions about the relationship between religion and political authority are being re-negotiated for the first time since the eighteenth century.” Luke Bretherton, "Can Politics Be Saved? Rethinking Church and State," While the issue of the ‘post-secular’ will be discussed in more detail in Chapter Three, the following comments signal the reason why they are raised in this inquiry. ABC Religion & Ethics Online (2010), http://www.abc.net.au/religion/articles/2010/09/27/3023009.htm.

11 The scope of the tension is nicely captured in the following assessment by Francis Davies: “At the heart of any meeting between religious communities and the modern state is an encounter of epistemologies – theories of knowledge, the nature of truth and the sources and ultimate purpose of human flourishing.” Francis Davis, "Editorial," Public Money & Management 29, no. 6 (2009). 338.

12 Framing questions around the issue of the supposed ‘superiority’ or distinctiveness of the implementation of the mission of Christian agencies in the Australian context is difficult given the continued ‘half-life’ of Christian convictions in a society with institutions and a public ethos that have been profoundly shaped by Christendom, its decline and critique. In any case an account of an agency’s mission is shaped by a specific language and narrative. Whether it is being discharged faithfully will need to be assessed against an account in the language of a specific tradition, whether it be Jewish, Christian, or Muslim. On reporting to government as a bi-lingual activity that recognises this reality see the narrative of The Wayside Chapel, in Chapter Ten.
mission has been demonstrated in the public response to the demonstrated failures of governance and care by churches and their agencies, revealed in scarifying detail by the Royal Commission into Institutional Responses to Child Abuse, where attention has been directed at the failure of agencies to live up consistently to their moral commitments.

**Previous research into contracting with government by church-related agencies**

Previous research into the impact of contracting on not-for-profit (NFP) social welfare agencies and human services agencies in Australia from 1996 onwards has been restricted to a small number of theses mostly dealing with church-related agencies. In the following survey of these theses, I note their scope and limitations, and explain why, and to what extent, they make room for my inquiry.

In 2001, several years after the shift to contracting had commenced, the role of church-related welfare agencies in Australia was discussed in a substantive way in a Doctor of Ministry thesis by the Rev. Ray Cleary, who drew on perspectives from public policy, Australian history and theology in analysing the role of these agencies, and the impact of the changing policy environment. Around a decade later he published a monograph, taking up themes from the thesis, that also drew on his more recent experience as CEO of Anglicare Victoria. Cleary’s concern about the impact of contracting on church-related agencies was driven by a combination of long experience in the sector, a normative theological account of the mission of the church as concerned with social justice and a critical reading of the ideologies that were shaping government policy in social welfare in Australia.

A report for a doctoral work by Robert S. M. Harriman in 2006, explored the theological basis for the identity of the Uniting Church of Australia (UCA), and its relationship to

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13 Not-for-profit (NFP) is the most common term used in Australia for both agencies and the sector. For discussion of terminology see Susan Kenny, "Challenging Third Sector Concepts," *Third Sector Review* 13, no.1 (2013). NGO is commonly used to refer to overseas aid agencies.

14 The theoretical and empirical literature on contracting will be surveyed in *Chapter Five*. References to thesis chapter numbers are in bold in both the footnotes and the body of the thesis.


UnitingCare Queensland as a key agency in the mission of the church in that state. The author drew on his involvement as a chaplain in the agency, at the interface of the church and the delivery of human services in UnitingCare Queensland, in developing his analysis. He provided a theologically-focused account of the relationship between governance and mission in the UCA in the light of pressures on agencies arising from their engagement with government. As was the case with Cleary, Harriman deployed theology in undertaking his exploration of church-related agencies’ mission and governance.

In a 2008 PhD thesis, "Work for All: The Salvation Army and the Job Network", Dennis Garland, himself a Salvationist, used discourse analysis to explore the impact on the Salvation Army of its involvement in employment services contracting through its national agency, Employment Plus. He explored how the Army had engaged with the policy discourses surrounding contracting, and argued that these discourses shaped it in its subsequent engagement with government. Garland drew on the Salvation Army's historical and theological background in developing a normative critique of its involvement in employment services contracting, concluding that the Army had been diverted into becoming an agent, in my terms an extension, of the state.

Alison Proctor, who had prior experience in both the public services and the NFP welfare sector, reported in her PhD thesis, "In Order to Work with Us They Need to Know How We Work": The Relationships between Non-Profit Organisations and Governments in Social Policy Implementation" (2009), on findings from an ethnographic study of three NFPs involved in social welfare provision and policy advocacy. She used a framework of organisational and institutional theory to explore the engagement of these agencies with government. At least two of the agencies were identified as 'church-related', though their actual identity was not disclosed. The thesis provided evidence of the deployment of tactics of response and resistance by agencies in

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18 Robert S. Harriman, "UnitingCare Queensland: Challenges of Authenticity and Congruity" (Queensland University of Technology, 2006). A project as part of the requirements for the Doctor of Social Science.
19 Dennis Garland, "Work for All: The Salvation Army and the Job Network" (University of Western Sydney, 2008). Major findings from the these were reported in Dennis Garland and Michael Darcy, ""Working Together?": The Salvation Army and the Job Network," Organization 16, no. 5 (2009).
20 Alison Proctor, "'In Order to Work with Us They Need to Know How We Work': The Relationships between Non-Profit Organisations and Governments in Social Policy Implementation." (Australian National University, 2009). Also see her discussion of the central theme of her research in 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).
dealing with government in the day-to-day response to the pressures of contracting as well as analysing the factors influencing the agencies’ use of those tactics. She identified an active, intentional response and resistance by agencies to government reporting requirements and to the significance of agency leadership in driving that response.

The PhD thesis by Webster, *Political Wolves in Charity Sheep’s Clothing?: The Outsourcing of Welfare to the Faith-Based Sector under the Howard Government*,21 undertaken from within a historical framework, reported on a comparative study of the Salvation Army, Mission Australia and the St Vincent de Paul Society with regard to their involvement in, and response to, the introduction to employment services contracting in the early years of the Coalition Government. She also explored more briefly the relationship of several other agencies with the Federal government. Her narrative was driven by a normative critique of the role of neoliberalism in corroding these agencies’ identity and mission. I will critically engage with some of her judgements on the agencies’ responses to the contracting framework at various points in this inquiry, with respect to both her methodology and findings.22

The researchers, with the exception of Webster who does not make her institutional or ideological location transparent, made explicit their own commitments as insiders to the NFP sector, and/or the Christian movement. The research noted above was limited chronologically to developments up to 2009. The breadth of the coverage was also limited with respect to the number of agencies and their ecclesial backgrounds and was largely, though not exclusively, focused on contracting in the employment services sector. Garland, only dealt with the Salvation Army, and contracting for employment services. Cleary dealt helpfully with theological issues and the historical and current policy background of ‘church-related agencies’, particularly in Victoria, and some initiatives directed at maintaining the Christian identity and mission of Anglican agencies, but did not deal substantially with the impact of the policy across other denominational traditions. Webster, while looking at several agencies from diverse

21 Amy Webster, "Political Wolves in Charity Sheep’s Clothing? The Outsourcing of Welfare to the Faith-Based Sector under the Howard Government" (University of Melbourne, 2010).

22 The only other Australian theses dealing with church-related agencies do not deal directly with contracting. See: Ken Crofts, "Perceptions of Accountability by Managers of Faith-Based Social Service Not-for-Profit Organisations and Forms and Methods of Reporting Used by These Organisations to Discharge Accountability Obligations to Stakeholders" (Charles Sturt University, 2013); Ian Alexander Bedford, "Reaching out Beyond Itself: A Framework for Understanding the Community Service Involvement of Local Church Congregations" (University of Melbourne, 2004).
ecclesiastical traditions, did not provide a clear theoretical framework for her assessment of the impact of contracting, nor did she deal with the diverse theological and governance characteristics of those agencies. Her discussion was also focused on employment services contracting and did not substantially engage with social welfare contracting more generally. Proctor’s work, while limited in the number of agencies covered, was particularly helpful in identifying the intentionality of agencies’ resistance and responses to the pressures arising from contracting. In summary, this Australian research pointed to a range of possibly useful theoretical perspectives, but was limited in its coverage.23 My inquiry therefore addresses a field that is open to a contribution from an approach that includes agencies from a range of denominational traditions, contracting for social welfare as well as employment services, that takes account of developments between 2009 and 2013 and draws explicitly on theological perspectives.

**Structuring the inquiry**

Following this chapter, that outlines both the scope of the inquiry and the processes of working across disciplinary boundaries, in **Part One: Narrating the contexts**, I provide an account of the theological, institutional and policy contexts. The positioning of Jewish exiles and the Christian movement and their theological accounts of their ongoing engagement and tension with the social order is taken up in **Chapter Two** in developing the theological theme of a community ‘in exile’, while seeking the flourishing of the city. The continuing renegotiation of a communal identity and mission not subsumed by the state is the basis for maintaining the tension of agency difference and independence. In **Chapter Three** I provide a historically and theologically-informed account of the nation-state, the institution with which agencies will be engaging in the contracting relationship. **Chapter Four** addresses the institutional and political context of ‘church-related’ agencies involvement in social welfare and human services through an account of the historical and political background in Australia, and the distinctiveness of this settlement when compared to that of the United States (US) and the United Kingdom

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23 Simultaneously with this inquiry Wilma Gallet undertook research into the challenges confronting religious organisations contracted to deliver employment services as part of Australia’s privatised employment services system. This differed from my inquiry in that Gallet undertook a detailed examination of a small number of agencies in a single program area. She found that employment services contracting resulted in church-related organisations coming to resemble their secular counterparts resulting in the attenuation of their distinctive attributes and religious identity. Wilma Gallet, “Christian Mission or an Unholy Alliance: The Changing Role of Church-Related Organisations in Contracted Service Delivery,” University of Melbourne, 2016. I interviewed Gallet in the course of my research about her involvement in the Salvation Army Employment Plus agency where she had been the founding CEO. See the discussion in **Chapter Nine**.
(UK). Chapter Five surveys the theoretical literature, on the impact of contracting in organisational sociology, and empirical literature, on the impact of contracting of social welfare and human services in Australia from 1996 onwards, along with possible tactics of response and resistance.

In A methodological interlude, Chapter Six, I discuss methodological issues and the conduct and structure of the inquiry, including my development of a purposive sample of agencies, conduct of interviews, identification of a research agenda, and my approach to analysis of the documentary evidence.

Part Two: Exploring the Tensions documents the findings of the inquiry. In Chapter Seven I summarise the findings concerning funding dependence, ecclesial connection and governance at a cross-agency level. Chapter Eight maps tactics of resistance and responses to contracting at an individual agency level, followed by identification of resistance and response emerging at a systemic level through denominational peak welfare agencies. Chapter Nine highlights the conditions under which the tension between engagement and mission in contracting by church-related agencies may collapse, agencies become an extension of the state and how that process may impact on an agency. Chapter Ten presents the narratives of five agencies and their tactics in resisting the pressures to become an extension of the state. In the Conclusion I bring the findings together and suggest their relevance in the light of policy changes in government funding of social welfare in Australia.

The contribution of the inquiry
The findings of this inquiry should be of substantial interest to sponsoring churches, the boards, leadership and management of church-related agencies, as well as other NFP agencies in the social welfare sector in Australia. This research challenges the silence on this issue in Australia, a silence suggesting an implicit acceptance of an account of secularisation theory that anticipated the inevitable departure of ‘religion’ from the public sphere. The findings should be of interest to researchers in Anglophone countries in helping them interrogate the differences between Australia and their own national context, as well as providing empirical insights into the paths by which isomorphic pressures arising from contracting impact on NFP agencies.
Theology, 'public theology', and public policy

The literature in the self-described field of 'public theology' provides relatively few examples of empirically-substantive engagement with episodes of public policy, frequently focusing instead on questions of how theology could be considered to be public in character.\(^ {24}\) The largely intra-theological character of this field has meant that this literature has not been influential in shaping my inquiry\(^ {25}\) as it provided little assistance in providing a workable account of moving across boundaries between theology and public policy, itself a field in which multiple disciplines including politics, public administration and welfare history make an appearance.\(^ {26}\) I have therefore categorised this project as a theologically-informed inquiry into public policy.\(^ {27}\)

More helpful in shaping a theologically-informed approach to this inquiry, that is attentive to the contextual issues, is a range of publications employing diverse methodologies attentive to theological and religious issues in fields such as economics, anthropology, refugees, development, aid, and disaster,\(^ {28}\) along with recent studies on the involvement of 'church-related' agencies in welfare delivery that have paid explicit


\(^ {27}\) For an example of theological engagement with public policy that I have found helpful, and that I shall discuss in more detail later in this chapter, see: Luke Bretherton, *Christianity & Contemporary Politics: The Conditions and Possibilities of Faithful Witness* (Oxford: Wiley-Blackwell, 2010).

attention to theological issues, though with little reflection on methodological questions about the connections between theology and public policy. The connections between theology and specific policy issues in this literature demonstrate varying degrees of explicitness, depth and confidence. This literature illustrates a diversity of contested, and historically-informed methodologies that illustrate movement across disciplinary boundaries, demonstrating the significance of theological/ecclesial traditions and shifts of emphasis in response to changing circumstances.

Starting in the middle

The structure of a PhD thesis, with the required coverage of literature, methodology and the research findings, by its very nature drives toward a linear logic of presentation and reporting of the research and the findings. This is unavoidable, as it is not possible at every point in the presentation to stop and draw attention to, or justify the position taken on all the other connections and assumptions relevant to the argument. This reality applies in spades to this inquiry, drawing as I do upon a variety of disciplinary perspectives. At almost every stage I have made provisional assumptions about the

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other disciplinary perspectives that will come into play in the course of the inquiry. I have sought to manage this issue by pointing where appropriate in each chapter and the connections in other chapters.

I started this inquiry with theology as the orienting perspective, both because I was approaching this from my interest in the dynamics of church-related agencies, as expressions of the Christian movement, and because of there had been a relative neglect of this dimension in research into the social welfare NFP sector in Australia.

This inquiry is shaped jointly by its theological orientation, and its’ institutional and policy focus, not by disciplinary boundaries. While theology provides the primary lens through which I have viewed issues, I have also drawn on theoretical insights from the sociology of organisations, and religion. As a theological activity, the inquiry was undertaken, from a particular time and place, not from an impersonal perspective detached from particularity. Such an approach is not an arbitrary relativism but rather a reflective account of context and commitments that opens up space for a reasoned, peaceable debate, recognising that different accounts of what is happening can be given and debated. Such an approach avoids relativism by being reflexive and dialogical in character.

This orientation points toward ‘critical realism’ as an approach that acknowledges the limitations and difficulties of rationality, as well as its possibilities, as providing the basis for a qualified account of social reality that takes account of context. The ‘critical’

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31 On this following Harvey: *Theology takes its stand not on some purported set of universal principles derived from a mythical “mid-air” position, but as one of the many practices that constitute the ongoing life and language of the church.* Barry Harvey, "Beginning in the Middle of Things: Following James McClendon’s Systematic Theology," *Modern Theology* 18, no. 2 (2002): 252.


35 For an account of critical realism in political science see Peter Burnham et al, *Research Methods in Politics* 2nd Comprehensively Revised and Updated ed. (Basingstoke, Hampshire: Palgrave Macmillan, 2008), 35-37. On critical realism in the sociology of religion see Christian Smith, "Future Directions in the
element arises because beliefs and knowledge, while reaching for an account of reality, may be in varying degrees limited, inadequate, misleading or mistaken as a result of a range of factors that Freud, Marx, Nietzsche and feminist thinkers, in their own even if partial or excessive ways, have drawn to our attention. In this approach, gender, geography, historical location, family experience and social and economic location as well as our moral limitations influence, without necessarily determining, our understanding and perception of social reality. Critical, reflective questioning underpins the practice of social inquiry across disciplinary boundaries employed in this inquiry, keeping open the possibility of different readings, new interpretations and critique by interlocutors.

In rejecting a ‘foundationalist approach’, I have not committed myself to an ‘anti-foundationalist’ position that paradoxically generates its own form of foundationalism. My methodological account is of an ad-hoc openness to dialogue that is ‘non-foundationalist’, expressed as an ethic of engagement, a willingness to work with other people’s agendas, a stance with links to a key theological theme in this inquiry, the mandate of the exile.
... Jewish diaspora existence exemplifies a way of speaking to the world that refuses to privilege and reify the world’s terms.... It also involves the rejection of ... the disposition to develop a generalized epistemology that defines the acceptable standards of what is, and is not, justifiable in advance of actual practice and engagement with concrete dialogue partners.\(^{40}\)

A diasporic dialogue requires engagement through critical, contextual reflection on the history and character of the community's identity,\(^{41}\) with a focus on tactics of response rather than a strategic approach that seeks to exercise a controlling power across a specified domain.\(^{42}\) The latter is not an option open to either a minority in exile, or, in Australia today, to an agency involved in contracting with government. A tactical approach assumes power to be multiple and fluid in its location, requiring a flexible response to changes in the environment; ad-hoc in character, it is manifest in a willingness to refuse reliance on ... state power and its assumptions about the need to secure its territory ... ... the truth about God is not something that can be possessed, or secured through some kind of justification. It can only be witnessed, vulnerably given and received as a contingent gift.\(^{43}\) Theological reflection beginning 'in the middle', points toward the 'post-secular' as a context with both sociological and theological points of reference, in which the boundary between political theology and political power is porous, and there is ... no neutral sphere in which to negotiate the common good without influence from religious or theological thought forms.\(^{44}\)

**Dialogue across disciplinary boundaries**

There is no doubt, as Shinn observes, that ... the roadway between theology and the social sciences, though bumpy and filled with potholes, is well travelled in both directions ... \(^{45}\) as a back-and-forth movement between distinct locations enabling views from differing locations. While helpful, this metaphor does not quite capture the element of tension

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\(^{40}\) Huebner, "Globalization, Theory and Dialogical Vulnerability: John Howard Yoder and the Possibility of a Pacifist Epistemology,"; 54.


\(^{43}\) Huebner, "Globalization, Theory and Dialogical Vulnerability: John Howard Yoder and the Possibility of a Pacifist Epistemology." 52.


between theology and the social sciences. Ellul’s dialectical approach by contrast does not allow theologians to evade the complexity and contradictions arising of their own insertion into a society, where the conversation between theology and the social sciences now begins without shared assumptions. To be productive such a conversation should move beyond repeating the ethical discourse of the prevailing culture translated into vaguely religious language. Rather, it involves testing through careful analysis the socio-cultural context through a self-critical and reflexive moral vision. Ellul employs scripture and theology to continually question and critique the social theories and realities that he is working with before turning the questions from sociology back on any self-satisfied Christianity. Though influenced by both Marx and Barth, Ellul does not deploy a general philosophical theory, or systematic theology, rather employs dialectic as ongoing dialogue with a range of interlocutors that carries with it a sense of both distance and contradiction:

.... dialogue entails both presence (being with, so as to be able to talk together) and distance (being apart, so as to be able to contribute something different) ... we might conceive of presence as public engagement or social responsibility, and distance as theological integrity, that is, critical faithfulness to Scripture and Christian tradition.

This approach expresses the ethic of engagement and critical conversation that I have been developing in this chapter. This dialectic between theology and public policy though does not operate with a clear divide between the ‘secular’ as in public policy, and the ‘religious’ in the form of theology. What counts as ‘religion’, or ‘religious’, changes across time and space, and between differing cultural and social contexts. In an
exploration of recovery after disasters, Santos draws attention to the definition of activities as religious, or sacred, as not owned exclusively by either government or church-related agencies but as an exercise that serves to ... reconstitute the world of time and space in a manner that fits some perhaps emergent criteria of communality and social organization.\textsuperscript{52}

To treat ‘religion’ as an essential and timeless category raises difficulties of definition, and can occlude from view the possibility that the ‘secular’ can take on characteristics regarded as ‘religious’, thus distracting our attention from concrete relationships, connections and processes.\textsuperscript{53} The contrast between sacred and secular does not necessarily align with the distinction between a church agency, and the state; indeed, the alignment can actually be reversed.

Bretherton’s theologically-shaped engagement with public policy involves the working out of a relationship between ecclesial and political life, rather than an intellectually-shaped methodology and has influenced my own approach.\textsuperscript{54} In his account, political theory and theology have parallel concerns about relating theory and lived practice, and ecclesial and political life, as mutually-constitutive categories requiring attention to practice and dialectical in character.\textsuperscript{55} Bretherton works with identifying a web of interactions that we can, he argues, for the purpose of analysis, pay attention, to one thread at a time:

... adoption of political categories to describe the church and the subsequent borrowing of these transmuted terms to theorise political life and how these political conceptualisations are fed back into ecclesial self-reflection means the

\begin{footnotesize}
\textsuperscript{52} Santos, Redeeming the Broken Body: Church and State after Disaster, xx. Santos traces out the intricacies of accounting for the role of the state in theological perspective in the context of disasters and disaster relief, 1-22.


\end{footnotesize}
The relationship between theological and political concepts is peculiarly complex and multifarious.\textsuperscript{56}

This framework draws on the theoretical accounts of the sociology of organisations, and the evidence that emerges from interviews with people with experience and involvement in church-related agencies and documentation published by these agencies. All this in a time and place where the church is not in control and a diasporic theological orientation appropriately informs the practice of engagement.

In approaching public policy from this dialectical and ecclesial perspective, Bretherton provides one case study, close to the centre of my inquiry, on the role of ‘faith-based organisations’ in engaging with the state in the delivery of services. His dialectical approach is relevant to the conduct of my research, in that it sets a framework for interrogation of the extent and nature of organisational change. This aligns substantially with themes developed earlier in this chapter where ‘methodology’ turns out to be not an intellectual system, but rather an ethic of listening and attention, characterised by an attitude of respect.\textsuperscript{57} Bretherton’s ongoing dialogue with political theory involves him in consideration of the response of the church to the limits of the state, the market, and community respectively, mediated in his argument through the categories, developed by Augustine, of exile and diaspora. Bretherton’s political vision calls for the church to pursue the peace of Babylon, while recognising that that this peace is contingent, relative and earthly in character. The call of Jeremiah to the exiles, to seek the welfare of the city in their place of imperial exile, articulated by Augustine and reinterpreted here by Bretherton, is one of repentance and learning obedience to God through pursuing the welfare of Babylon and forming a common life with oppressors and pagans. Exile is the place where justice and faithfulness are to be pursued offering the opportunity to return to the true vocation of the people of God. I will develop this theme and its trajectory in the history of the Christian movement with its roots in Israel in \textbf{Chapter Two}.

\textsuperscript{56} Ibid.170.

\textsuperscript{57} The work of Charles Taylor is exemplary in this regard. David Lyon observes that "... Taylor’s work is thoroughly irect in spirit. The social imaginary informing his theory and theory assessment is one that cares deeply about relationality and about making space for the Other. Indeed, what he does not state explicitly comes out resoundingly in his practice ... namely that recognition and respect are of the essence." David Lyon, "Being Post-Secular in the Social Sciences: Taylor’s Social Imaginaries," \textit{New Blackfriars} 91, no. 1036 (2010): 662.
Part One: Narrating the Contexts

Having developed an approach to moving across disciplinary boundaries, I now lay out the theoretical and institutional contexts for the inquiry, commencing with the theological orientation. While each chapter largely works within a specific disciplinary frame, the narrative, in each contextual chapter in Part One, is developed with ongoing reference to the disciplinary contexts in the other chapters.
Chapter Two: ‘As if exiles, yet seeking the flourishing of the city’: snapshots of a theological orientation for social and political engagement

Choosing a theme: rereading and performing Scripture

In articulating the theological orientation of the inquiry, I begin with an account of how I came to choose this Scriptural theme, the injunction from Jeremiah to the exiles to seek the flourishing of the city. I explore how this trajectory has been developed over time as a guide to the tension of maintaining identity while seeking engagement. The theological snapshots in this chapter that trace these articulations display the significance and vitality of the theme and open up resources for reimagining and reinterpreting how church-related agencies in Australia live the tension of maintaining identity while engaging with government. The tension named theologically in this chapter is explored sociologically in the literature in Chapter Five.

The choice of a theological theme is frequently influenced by what Taylor describes as the ‘un-thought’, the assumptions a theologian has inherited from taken-for-granted traditions of worship, church practice and accompanying theological frameworks.58 In identifying my own ‘un-thought’ I acknowledge the significance of growing up in a congregational practice of worship and discipleship, followed by a longstanding theological involvement with the Anabaptist tradition.59 There are significant reasons beyond this that give weight to my choice. The first is the vitality of this theme in its development and reworking by the Christian movement over time. The second is its prima facie appropriateness in shaping a response to questions raised by public policy and organisational sociology, in a context in which Christian churches exercise neither

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59 The Anabaptist tradition is diverse, during the early stages of the Reformation it emerged in differing forms in the Netherlands, Southern Germany, Moravia and Switzerland, respectively. The key characteristic of this movement for the purposes of this inquiry is that it sought separation of the church from the state and rejected the use of the sword by Christians. Its direct descendants include the Mennonite churches, and the Amish. For introductory historical and theological accounts see C. Arnold Snyder, Anabaptist History and Theology: An Introduction (Kitchener, Ontario: Pandora Press, 1995); C. Arnold Snyder, Following in the Footsteps of Christ: The Anabaptist Tradition (London, UK: Darton, Longman & Todd, 2004); J. Denny Weaver, Becoming Anabaptist: The Origin and Significance of Sixteenth Century Anabaptism (Scottdale, Pa.: Herald Press, 2005); James M. Stayer, Anabaptists and the Sword: New Edition Including “Reflections and Refractions” 1976 (Eugene, Oregon: Wipf & Stock, 2002). On Anabaptist hermeneutics see Stuart Murray, Biblical Interpretation in the Anabaptist Tradition, (Kitchener, Ontario: Pandora Press, 2000). For an accessible account of this radical tradition that includes related movements in Britain and Europe, see Meic Pearse, The Great Restoration: The Religious Radicals of the 16th and 17th Century (Cumbria, UK: Paternoster Press, 1998).
political control nor cultural hegemony. A scriptural theme such as this can generate an ongoing conversation within the churches about how it should be performed, as it comes to us from ‘then’ and ‘there’, and as we engage with it ‘here’ and ‘now’, confronting us with a disconcerting ‘otherness’ that shakes loose our preconceptions.\textsuperscript{60}

Rereading Scripture in new and disorienting contexts has a long history in Israel. The ... generation of the faithful in Babylon reused old memories from Moses. The first generation of the church used the Babylonian memory of Israel in order to face up to the empire of Rome.\textsuperscript{61} Such rereading assumes a surplus of meaning in the text that takes us beyond existing interpretations, involving recognition that Scripture is a living word, able to engage us under the guidance and movement of the Holy Spirit in the changing circumstances, to reshape our imagination of how we might perform our discipleship.\textsuperscript{62}

This requires attention to what we bring to the reading of Scripture.\textsuperscript{63} In imaginatively reworking theological themes, the possibility that politics, despite its supposedly secularity, may also shape, and reshaped by imaginatively-generated themes can be kept in view.\textsuperscript{64} A faithful and imaginative rereading of scripture functions in a dialectical relationship with faithful performance,\textsuperscript{65} in which we pay ...careful attention to the script but not in such a way that repeats it verbatim but rather works imaginatively with it,

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\textsuperscript{62}“The test of which readings prove fruitful simply emerges through the experience, wisdom and grace of the Spirit working in the church over time. There is no short cut to a single "correct" reading, nor any guarantee that there can be a reading that has found everything the text offers to every person in every culture in every time." Samuel Wells, \textit{Power & Passion: Six Characters in Search of Resurrection} (Grand Rapids, Michigan: Zondervan, 2007), 18.

\textsuperscript{63}Vanderburg commenting on Jacques Ellul’s reading of scripture on economic issues draws attention to the need to inquire into ... the kind of mental images, values and commitments we inevitably bring to the reading of these texts, as people of our time place and culture. We cannot avoid these influences but we can take responsibility for them by critically examining the "cultural glasses "through which we are about to begin reading these texts. Jacques Ellul, \textit{On Being Rich and Poor: Christianity in a Time of Economic Globalization} (Toronto, Canada: University of Toronto Press, 2014), xi.


sensitive to the leading of the spirit.  

Re-reading Jeremiah’s letter to the exiles

This is what the LORD Almighty, the God of Israel, says to all those I carried into exile from Jerusalem to Babylon: “Build houses and settle down; plant gardens and eat what they produce. Marry and have sons and daughters; find wives for your sons and give your daughters in marriage ... seek the peace and prosperity of the city to which I have carried you into exile. Pray to the LORD for it, because if it prospers, you too will prosper.” Jeremiah 29: 4-7 (New International Version).

I have chosen this passage in orienting my approach to this inquiry, given its focus on living faithfully without access to coercive power and cut loose from cultural hegemony. It directs our attention to the task of living out human diversity after Babel, itself an image of the human attempt at enforced unity under imperial pretensions. The ‘city’ in the time both of Jeremiah and Jesus is a term used as shorthand for the location of political power and the locus and symbolic centre of both the Babylonian and Roman empires. The ‘city’ thus embodies symbolically and practically the location of power and sovereignty. The shift, over time, from the terminology of city to empire and then state, does not represent a significant shift in meaning but draws our attention to a changing context.

In discussing Jeremiah’s epistle to the exiles, I have chosen the term ‘flourishing’ as the translation for the Hebrew term ‘shalom’, because it has a wider range of reference than the alternative and commonly used translations of ‘peace’, ‘peace and prosperity’, or ‘welfare’. Bouma-Prediger and Walsh, in discussing ‘shalom’ as a virtue, highlight its multiple resonances. Wolterstorff, who has given attention to this theme, initially spoke of “justice in shalom” to capture the breadth of the term, as seeking flourishing in all dimensions of human relationships and experience. In a later discussion he suggested that the term ‘flourishing’ might be more appropriate. Volf, in pointing to the role of religious traditions in carrying visions of human flourishing, draws attention to two specific accounts of flourishing in the Biblical tradition. In Genesis, it is the image of a

66 Lloyd Pietersen, Reading the Bible after Christendom (Milton Keynes, UK: Paternoster Press, 2011), 87.
verdant garden, a habitat for humans to till and keep, and, in Revelation of John, that of a universal city, the New Jerusalem, on a new earth. While I focus on the terminology of flourishing at a communal level, it is in the end a theological echo of the Scriptural injunction to ... love the Lord your God with all your strength and with all your mind, and your neighbor as yourself (Luke 10.27). This inquiry will focus on the dynamics of carrying out that mandate that I would describe as a sociology of faithful engagement, and the tensions that arise from that.

Choosing this passage as a starting point for orienting the performance of Christian social engagement, in a liberal political and social order such as Australia, does not require establishing a close analogy with the social and political context of the ancient Middle East. It is yet another exercise in a long history of rereading scripture, following Israel and the church in seeking to shape a response in the current context. Brueggemann argues in this rereading, that we are not bound to a close socio-political correspondence between its time and ours. When addressing the congregation within the present social context, when the preacher speaks as to a company of exiles, this does not mean that they will all be weak and powerless people:

*It means simply that such people are at work seeking to maintain an alternative identity, an alternative vision of the world and an alternative vocation in a societal context where the main forces of culture seek to deny, discredit, or disregard that odd identity.*

Exile in the Old Testament did not lead the Jews to either abandon their faith or retreat into either despair or a privatised practice of religion. The exile provoked, in Brueggemann's assessment ... the most brilliant literature and the most daring theological articulation in the Old Testament. Rereading of the traditions of Israel taking place in an exilic location, characterised by political power concentrated in imperial government, generated forms of social life rooted in a competing narrative that

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71 Bretherton, *Christianity & Contemporary Politics: The Conditions and Possibilities of Faithful Witness*. Bretherton draws on Augustine's allegorical treatment of the contrast between Jerusalem and Babylon, which he views as an interpretation of Paul 13: 1-7 with echoes of Jeremiah 29:7. Here an allegorical reading of Scripture as a source for theological reflection is traced back to passages from Paul and Jeremiah.
survived that of the empire.  

The politics of exilic community building reflected an existence that was not necessarily handicapped because it was not ‘in control’, but demonstrated in contrast ... the creativity and resourcefulness through which these people remain firmly engaged in the world ...  

Jeremiah’s directive highlights the importance of community engagement in society and culture. Reimagining and practicing community engagement in our time opens up space for consideration of the tensions of identity of ‘church-related’ agencies that are located in the line of connection to that exilic community, through Israel and subsequently the Christian movement. In that line of connection the story of the exiles in carrying out the commission to seek the flourishing of the city may be claimed by such agencies as part of their story.

Jeremiah invited the exilic community to creativity in participating in the public life of the empire. This did not involve withdrawal into a secured sectarian existence, but rather gave it a task and a responsibility, that placed it against the enveloping, hegemonic community within which it therefore lives in tension. Living intentionally out of an awareness of particularity and tradition is not necessarily separatist in either intent or practice. This stance of qualified public accommodation and intentional resistance suggested by Brueggemann’s reading involves both faithfulness, and agility, in which the exilic community accommodates the empire enough to survive, perhaps even to prosper, and yet resists it sufficiently to maintain its distinctive identity and ethic. While Jeremiah held out the hope of an eventual homecoming, his exhortation on the way in which the exiles were to live in the meantime laid the basis for a long-term involvement for those exiles and their descendants who remained in Babylon after the partial homecoming. The metaphor of ‘exile in Babylon’ has proved to be both powerful

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74 James C Scott makes the point about the connection of what we consider to be political activity to that which is publically declared, in which case “… we are driven to conclude that subordinate groups essentially lack a political life, or that what political life they do have is restricted to those exceptional moments of popular explosion.” James C. Scott, Domination and the Arts of Resistance: Hidden Transcripts (New Haven, Connecticut: Yale University Press, 1990), 199. This theme has been the subject of substantial discussion by Scott. See also his Weapons of the Weak: Everyday Forms of Peasant Resistance (New Haven, Connecticut: Yale University Press, 1985). On the significance of Scott’s argument for exercises in small politics see Stanley Hauerwas, “Can Democracy Be Christian? Reflections on How to (Not) Be a Political Theologian,” ABC, http://www.abc.net.au/religion/articles/2014/06/24/4032239.htm.

75 Smith-Christopher, A Biblical Theology of Exile, 197.

in its imaginative capacity to evoke fresh responses, and extensive in its reach as a starting point for religio-political critique and practice, as will be clear in the snapshots of the development of the theme in this chapter. It has demonstrated ... a *flexible capacity to float with interpretive power from one context to another* ...\(^77\) For Jeremiah; exile was the vocation of the people of God living “as not being in charge” while contributing to the flourishing of the imperial community.\(^78\) The exiles were not faced with a choice between participation and non-participation in ‘state’ structures but rather were required to make complex and contingent choices about the shape of their presence and witness within, and against, those structures. The snapshots, which follow, demonstrate continuities in the reworking of the theme. I have chosen the term ‘snapshot’ as a way of signalling that I am providing a brief account that focuses on the reworking of a common theme relevant to the conduct of the inquiry, rather than an extended and comprehensive thematic discussion of the relevant literature.

**Church, society and difference in 1 Peter**

While the New Testament offers a variety of approaches to engagement with the prevailing political order from the first century of the Christian movement,\(^79\) I will focus on *1 Peter*, because it offers a reworking of Jeremiah’s injunction in the light of Jesus’ call to discipleship, set against the political/religious background of the Roman Empire. Here the primary location of citizenship for Christians is within the church, but set in parallel with their character as strangers, or exiles, within the earthly polis.\(^80\) The duality and tension of Christian identity and engagement is reflected in *1 Peter* 1:1 and 2:11, where Christians are spoken of as “*sojourners in the Dispersion*”, as “*resident aliens and sojourners*” and in 2.9 as “…a chosen race, a royal priesthood, a holy nation, God’s own people”\(^81\)

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77 Brueggemann, *Out of Babylon*, 111.
The insider/outsider distinction used in this epistle is more complex than that of the distinction between the exiles and the imperial rulers in Babylon. Christians here are not called to be outsiders to the social world, seeking accommodation to their new home, as is often the case with second-generation migrants. Nor are they called to shape their new home in the image of the world they have left behind, as would be the case with colonisers, or even establishing a ghetto in a new world, classically the strategy of resident aliens. The form of church-society relationship that is envisaged is of Christians as insiders, whose relationship of difference to their culture is set by their status of being 'born again':

*Christian difference is therefore not an insertion of something new into the old from outside, but a bursting out of the new precisely within the proper space of the old. ... Christians ask, "Which beliefs and practices of the culture that is ours must we reject now that our self has been reconstituted by new birth? Which can we retain? What must we reshape to reflect better the values of God's new creation?"*  

On the basis of the directions in *1 Peter*, there is no basis for categorizing the community to which it was addressed as a sect, a minority aggressively seeking to impose its view on the world, or practising a self-focused withdrawal, both equally possible sectarian strategies. Its task was to live in faithfulness to God’s kingdom and to invite others to do the same. The approach here was that of patient living out by the community of an alternative way of life, transforming it in so far as it was possible to do so from within, thereby giving public witness to a new form of social life.  

According to Winter, the social positioning of Christians in this letter highlights both the complexity and the revolutionary character of Christian participation in the community as both benefactors and citizens. This epistle has both a heavenly and an earthly focus in its instructions in which, as the diaspora, the exiled people of God, they were to direct their hope towards the grace coming through the revelation of Jesus Christ, a mandate that directed them to seek the welfare of others in the public as well as the non-public dimensions of life. The community was thus to participate in public life in response to the will of God.

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83 *ibid.*, 20.
This Petrine injunction required an engagement in the social order that went beyond the accepted limits of the benefactor-client relationship that governed public engagement in the empire. In 1 Peter all in the community who could were called to participate in seeking the welfare of the broader society, not simply those who were of a particular social rank. This involved an effective, even if understated, subversion of the prevailing social structure with its status rules and distinctions. The call to seek the flourishing of the city in all its dimensions was the task of the Christian community as a whole. This Christian difference could be justified through either the negative process of rejecting the beliefs of others or positively through pointing toward a new and alternative allegiance. 1 Peter points to the positive process for establishing difference where the marker is no longer an issue of ethnicity; a difference implicit in the Jeremian injunction of a people in exile. Rather, it is based on a following of the path of discipleship by a community, which has a commitment to serving the wider society as an integral expression of its worship. There is a shift of emphasis reflecting the shift in the understanding of the Messianic community, but the connection to Jeremiah’s injunction is clear and the shift is one of development of the theme in a new context, generated by the coming of the messiah not negation.

1 Peter, according to Wannenwetsch, offers the possibility of participation in politics by presupposing that politics would be able to renounce its totalising character ... and that its conception of citizenship would move away from the claim that this status has to dominate all others. But from this perspective it becomes evident that through its very resistance Christianity contributed decisively to the demolition of any such claim ... The logic of Wannenwetsch’s argument here has connections with an approach that I will develop in detail in the account in Chapter Four of Marpeck’s political theology.


85 Winter, Seek the Welfare of the City: Christians as Benefactors and Citizens, 220.
86 Ibid., 202.
87 Wannenwetsch, Political Worship, 143.
Living ‘as in exile’: Christian identity in the Epistle to Diognetus

The next snapshot of the reworking of this exilic tradition is provided by the second century Epistle of Mathetes to Diognetus,\(^8\) which explores the dual citizenship of Christians in language in which there is both a shift in vocabulary, and a continuity of reference to that of 1 Peter.\(^9\) In the Epistle to Diognetus we have an account of the duality of Christian citizenship and the participation by Christians in everything as citizens that takes us beyond the Christian difference articulated in 1 Peter, but does so in a way that retains the fundamental tension.\(^9\)

... Christians are distinguished from other men, neither by country, nor language, nor the customs which they observe. ... But, inhabiting Greek as well as barbarian cities, ... and following the customs of the natives in respect to clothing, food, and the rest of their ordinary conduct, they display to us their wonderful and confessedly striking method of life. They dwell in their own countries, but simply as sojourners. As citizens, they share in all things with others, and yet endure all things as if foreigners. Every foreign land is to them as their native country, and every land of their birth as a land of strangers. They marry ... they beget children; but they do not destroy their offspring. They have a common table, but not a common bed. They are in the flesh, but they do not live after the flesh. They pass their days on earth, but they are citizens of heaven. They obey the prescribed laws, and at the same time surpass the laws by their lives.\(^9\)

This account retains the “as citizens” character of the Christian community while remaining with the tension of being at the same time ‘as foreigners’, ‘as in exile’. This is manifest in its grounding in the common material practices of human life, that is accompanied by the maintaining of Christian identity as a clear sociologically-observable difference in practices.\(^9\) Kreider draws attention to a range of writings by early church fathers who articulated this living of the tension between indigenising and being pilgrim, between affirmation and critique or, alternatively, as between being at

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\(^8\) The Epistle of Mathetes to Diognetus is a late second century apology addressed to a certain Diognetus who is otherwise unknown. “Epistle of Mathetes to Diognetus,” http://www.earlychristianwritings.com/text/diognetus-roberts.html. n.d.

\(^9\) Winter, Seek the Welfare of the City: Christians as Benefactors and Citizens, 12.


home and being strangers in which both dimensions of identity and sociological location were maintained.\textsuperscript{93}

In his discussion of this Diognetian account of the dual citizenship of the Christian, Wolterstorff argues that the Christian ... occupies a unique location in the space of politics and nationality: citizen of the church but also citizen of some natural nation.\textsuperscript{94} In this tension in the Diognetian account of the Christian calling to a dual citizenship, the state of which we are citizens, belongs to the structure of our common humanity. According to Wolterstorff this is opposed to the Augustinian stance on the two cities, which obscures from our view ... the paradox, namely that the Christian is a citizen of Christ's kingdom and also a citizen voluntarily and by conviction of some natural and political order ... and that the jurisdiction of the sovereigns of these two citizenries overlaps.\textsuperscript{95} Wolterstorff’s argument points to an account of Christian living that acknowledges the reality of dual citizenship and the tension between them, a tension that is maintained through articulation of the theme of living ‘as in exile’. The maintenance of the tension, between the affirmation of engagement and the antithesis of identity, is in this view healthy and requires ongoing cultivation. The tension remains whether the claims of the state and the kingdom of Christ are overlapping, as argued by Wolterstorff in his account of what he terms the ‘Diognetian’ impulse, or where as in the Augustinian account the tension is expressed in joint participation in common structures of life while pursuing differing loves.

That which was an ethnically-shaped exilic identity in Jeremiah’s account, or an active engagement by non-ethnically driven community of difference in 1 Peter, is narrated in Diognetes as a re-imagining of the character of Christian social involvement in a new social context through an identity ‘as citizens’ yet ‘as sojourners’. This snapshot has moved us a further step as a response to the changing political and social context from that of Jeremiah in which the pressure to collapse the tension posed by the effort of faithful engagement is resisted.

\textsuperscript{93} Alan Kreider, The Patient Ferment of the Early Church: The Improbable Rise of Christianity in the Roman Empire, (Grand Rapids, Michigan: Baker Academic, 2016). See particularly the discussion by Kreider in Chapter Five “Communities as Cultures of Patience”.


\textsuperscript{95} Ibid., 163-4. Wolterstorff takes up the issue of what he terms Diognetian political reflection at length in Chapter 3 of The Mighty and the Almighty: An Essay in Political Theology (Cambridge, UK: Cambridge University Press, 2012).
An Anabaptist practice of public engagement

My next snapshot account of the maintenance of the tension between the church and the political order is drawn from contemporary Anabaptist political theology. Jeremiah’s directions to the exiles is re-narrated by Yoder with reference to the theological and historical significance of the exile in Babylon. In discharging the exilic vocation in Babylon, a distinct identity was maintained accompanied by a creative engagement with the language and the culture of the imperial power.

Living with minority status as exiles, sustained by worship of God, was expressed through a number of different approaches. Joseph, Daniel, Esther and Mordechai model the kind of diaspora witness that Yoder discerns as emerging from following Jeremiah’s instructions. All display an exemplary commitment to the improvement of the imperial order while retaining their faithfulness to Jewish identity. These archetypal figures came to occupy influential positions without employing the Christendom strategy of merging the faith community with the empire in pursuit of making the world a better place. Jeremiah was involved, it transpired, in reconfiguring his people for trans-territorial existence and global mission, while finding creative ways to maintain their unique identity. Positioning the community to embody this mode of social engagement requires an approach to public engagement that rejects both separatism and an uncritical accommodation to the prevailing social order. What is required is an approach that expresses respect for local culture and makes the effort to learn the languages that will enable conversation about issues of common life and shared good. In discharging

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99 According to Yoder, seeking the peace of the city could involve "... non-sovereign participation in pagan power structures, as with Esther or Daniel... Sometimes (as with Joseph and Daniel) it will mean helping the pagan king solve one problem at a time. Sometimes (again as with Daniel and his friends) it will mean disobeying the King’s imperative of idolatry, refusing to be bamboozled by the claims made for the Emperor’s new robe or his fiery furnace. "*To Serve Our God and to Rule the World,* 8-9; ibid.


101 Kroeker, "Messianic Ethics and Diaspora Communities").
their vocation the exiles served the imperial community in Babylon over the succeeding centuries through cultural engagement as translators, scribes, sages and merchants, and displayed a social and cultural creativity that produced the rabbinate, Torah and synagogue, all of which were key elements in the maintenance of the Jewish identity over the subsequent millennia. Such a ‘diaspora’ ethic points both beyond the choice offered by Reinhold Niebuhr, between an ethic of ‘withdrawal’ and an ethic of ‘responsibility’, and H. Richard Niebuhr’s account of Anabaptist thought as being ‘against culture’ through an approach which makes discriminating judgments on issues as they emerge in diverse areas of human culture. The ethic is distinguished by transformative responses to the tension of engagement, including the creation of new forms of cultural expression.

In the history of the Christian movement, isolationist separatism has been probably less frequent than various forms of accommodation, and the degree of isolation in the separatist option has varied substantially even among those, such as the Amish, that have taken that path. Accommodation was characteristic of the established church in England for example, an accommodation frequently subject to critique by movements of church renewal that demonstrated social creativity such as Methodists and nineteenth century Evangelicals. Socially and economically creative engagement from a position of distinct identity, by contrast can be found across substantial periods in the history of the Society of Friends.

Friesen explores the tension of living as citizens in two societies, the nation-state and


106 On the history of the Amish see: Stephen M. Nolt, A History of the Amish Revised and Updated (Intercourse, PA: Good Books, 2003). The Canadian Mennonite novelist Rudy Wiebe in a variety of his novels has powerfully expressed the dysfunction, as well as the creativity of the isolationist option. See the discussion by Ervin Beck, "The Politics of Rudy Wiebe in the Blue Mountains of China," Mennonite Quarterly Review 73, no. 4 (1999). The possibilities presented by such a community are presented in an account of the community response to the massacre of Amish school children. See Donald B. Kraybill, Stephen M. Nolt, and David L. Weaver-Zercher, Amish Grace: How Forgiveness Transcended Tragedy (San Francisco, California: John Wiley & Sons., 2007).
the church, in terms not distant from Wolterstorff’s account of a Diognetian political stance. Friesen emphasizes the role of critical discernment in maintaining the tension as the church learns how to embody *an alternative cultural vision that provides the basis for its mission and involvement in the cultural setting ... as a creative pioneering community.* A minority community can bring about social change through the practice of an ethos of compassion, hospitality and non-violence, modeling possibilities for the wider community, through alternative institutional responses to social need and the provision of community service, working for new possibilities of participatory democracy and partnership, and protest and resistance against prevailing social and governmental policies. The exilic orientation in contemporary Anabaptist theology does not require a single fixed stance or a rigid pattern of response, but rather it looks to *ad hoc* initiatives in response to the diversity of social settings and power structures, without relinquishing attachment to particular territories, or rejecting concern for human security. In this it stands as a counter to nationalism and offers an alternative to forms of political liberalism that would erase, or homogenize ethnic and cultural difference.

The implications of this paradigm for the mission of the church and church-related agencies are substantial. The Jeremian approach, which identifies the scattering of the people and their exile to Babylon as ‘mission’, is understood as a prefiguring of Christ’s

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111 Bourne, Seek the Peace of the City: Christian Political Criticism as Public, Realist and Transformative, 235.


attitude to the Gentile world. The mission of the church as an exilic community witnesses to ... flaws in Babel-like unity, rooted in coercive, centralised, sacral authority, the idolatrous politics of empire that substitutes human for divine kingship and that tries to take charge of human history by imposing a univocal, totalizing regime ... In a recent ethnographic account of the appeal by contemporary socially active evangelicals to Jeremiah’s injunction points to an interesting contemporary rereading of the passage, as a mandate for social involvement. Importantly, the exilic element in the theme was usually elided in these discussions, thus avoiding the tensive relationship with the wider society that would be implied by the exilic designation.

Augustine and the Anabaptists on ‘seeking the flourishing of the city’

My final snapshot of connections between contemporary Augustinian and Anabaptist accounts of seeking the flourishing of the city provides further evidence of the recurring character and relevance of theological reflection on the Jeremianic theme. While bringing Yoder and Augustine into close connection may seem counterintuitive, both engage with Jeremiah’s epistle to the exiles ending their reflections on the stance of the church in the world with an exhortation to follow the example of Jeremiah’s exiles in Babylon. Schlabach, in drawing attention to this connection, suggests that Augustine’s last word on seeking the flourishing of the city has served Christian traditions in the West, not as a final answer, but as a definitive stating of the question as to how politics may be ordered within the passing character of societies in every age. In this perspective Yoder’s pacifist ecclesial answer should be read in his view as a late answer ...

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114 Seek the Peace of the City: Christian Political Criticism as Public, Realist and Transformative. See the discussion in Chapter 6, ‘Eschatology, Exile and Election: A Theology of Governmental Power with and beyond Yoder’, where exile is characterised as normative, continuous and a form of blessing.


question Augustine did so much to sharpen but ultimately left hanging. Just how are we to seek the peace of the city without eroding our loyalty to that better one in whose hope we live and move?119

In the course of bringing together Augustine and Yoder, Schlabach makes the case that Christians, like diaspora Jews, are called to live out their identity in a condition of what he terms as “cosmopolitan homelessness”. Yoder’s account of the Christian witness to the state, and Augustine’s attitude towards the earthly city, both centre on an eschatological frame of reference. The challenge for God’s people becomes that of living in the tension between the times that involves a spatial dimension given the intermixture of both societies, however they might be distinguished from one another according to their ends.120 Both Augustine and Yoder agree that the purpose of history and the good of the social order are never knowable on their own terms but must be read theologically. Though the capacity of the state to achieve true peace with justice may be limited, we can always call on it to do somewhat better than it currently is doing. This is an issue that will re-emerge in the theological reading of the state in Chapter Three.

Augustine, observed that:

The Heavenly City, while on its earthly pilgrimage, calls forth its citizens from every nation and every tongue. It assembles a band of pilgrims, not caring about any diversity in customs, laws and institutions whereby they severally make provision for the achievement and maintenance of earthly peace. All these provisions are intended in their various ways among the different nations, to secure the aim of earthly peace. The Heavenly City does not repeal or abolish any of them, provided that they do not impede the religion in which the one supreme, and true, God is taught to be worshipped.121

Augustine’s primary metaphor for the church’s relation to the world is not that of citizenship but of pilgrimage, an image not identical but not too distant from that of being an exile.

The City of God may cooperate with the City of Man in the pursuit of temporal

119 Schlabach, "The Christian Witness in the Earthly City: John H. Yoder as Augustinian Interlocutor," 221-2. The connections between Augustine and Yoder taking up issues raised by Schlabach are also discussed by Kroeker, "Is a Messianic Political Ethic Possible? Recent Work by and About John Howard Yoder.”
goods, but only with a distinct sense of her own identity and a certain wariness of the fragility and accidental character of such alliances. For citizens of the Heavenly City can never make their final home in earthly institutions; they are on pilgrimage in this temporal existence.\textsuperscript{122}

\textbf{The creativity of ‘not being in control’}

The accounts of the tensions of exile and diaspora, articulated in the snapshots in this chapter, offer theological resources for reimagining the tension of identity and mission for church-related agencies. There can be no withdrawal from the struggle for justice, no renunciation of responsibility for engagement with seeking the welfare of the community. Self-absorption and ‘ecclesiocentrism’ are not available options.\textsuperscript{123} Bell, commenting on Augustine’s account of the two cities, reminds us that \textit{… he defines these cities, not in terms of borders and boundaries or a monopoly on the use of force, but in terms of loves.}\textsuperscript{124} The entanglement of the heavenly and the earthly cities without fixed geographical locations transgressing boundaries is a given, not a problem:

\begin{quote}
What Augustine portrays in terms of the city of God’s pilgrimage on earth, Jeremiah heralds as Israel’s diaspora, which is no less a political vocation and even a conduit of divine grace.\textsuperscript{125}
\end{quote}

Possibilities for practicing such a boundary-transgressing approach to engagement may include inculcating a culture committed to the transforming initiatives of the Sermon on the Mount that attends to the significance of institutions beyond the control and ideological shaping of both state and market. It may involve forming and/or sustaining non-government social movements and ‘ministries’ dedicated to implementing restorative justice practices and giving priority to ‘raising up the lowly’, providing a voice for the voiceless, while looking for opportunities to contribute to the transformation of public institutions through analysis, critique, imagination, example and advocacy.\textsuperscript{126}

The developing and variously-nuanced theological accounts of the tension involved in maintaining identity while engaging in mission presented in this chapter provides my orientation to exploring the response of church-related agencies to the pressures of

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\textsuperscript{125} Ibid., 103.

\textsuperscript{126} A powerful theologically-reflective first person account of such an endeavour is provided by Sara Miles, \textit{Jesus Freak: Feeding, Healing, Raising the Dead} (San Francisco, California: Jossey-Bass, 2010).
contracting. It does not carry with it the assumption that the agencies themselves would necessarily understand, or explain, their experience of contracting within this specific theological frame. However, this theological orientation proved fruitful in interpreting the tensions that a range of agencies, shaped as they are by diverse Christian traditions and affiliations, experienced in their engagement with government. The sociological framework for exploring how this tension was experienced by agencies in organisational terms and the limits of creative responses to that tension is developed in Chapter Five.

Before proceeding to that sociological exploration, the other side of the equation needs to be addressed by way of an historical and theological reading of the powers that are in control, specifically with the nation-state, its capability and character in Chapter Three.
Chapter Three: Secular bureaucracy and/or guardian of the sacred?
Towards a theological perspective on the contemporary nation-state

Reading the contemporary nation-state, theologically and historically

Having sketched in the previous chapter, a theological orientation that maintains the tension of exilic identity while engaging in seeking the flourishing of the city, I now move to develop a historically and theologically-informed reading of the contemporary nation-state as the basis for understanding its modes of engagement with non-state institutions in sustaining social flourishing. While conflicts around what human flourishing entails will emerge implicitly in the findings of the inquiry, I will not address that issue directly. My focus will be on institutional interactions arising between the state and non-state actors.127

Relevant sources for theological reflection on the state fall within the scope of political theology. Post World War II political theology in Germany came to the attention of both the church and the academy through theologians such as Metz128 and Moltmann129 and in South America under the label of liberation theology in the work among others of Gutierrez130 and Segundo.131 In it’s more recent manifestation political theology has directed renewed attention to the character of the state, and generated a debate concerning the ultimate nature of sovereignty. This debate has been powerfully influenced by both political developments during the twentieth century, and traditions of political theory, commencing in the medieval period and working its way through Hobbes, Rousseau and Hegel. The line between political philosophy and theology in this debate becomes hard to discern, let alone draw with any clarity. Indeed, the controversial Catholic political theorist Carl Schmitt, is frequently cited to the effect that the significant concepts of the modern theory of the state are secularised theological concepts.132

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127 Institutional interventions and innovation by religious groups may bring about conflict over normative issues concerning the character of human flourishing. Such conflict may open up the space for the political by forcing genuine deliberation about the ends and character of human flourishing.


130 Gustavo Gutierrez, A Theology of Liberation (London: SCM Press, 1974)

131 Segundo, Juan Luis. The Liberation of Theology (1976), Orbis Books.


This literature offers a bewildering variety of approaches to a theological account of the nation-state.\footnote{See: Luke Bretherton, “Religion and the Salvation of Urban Politics: Beyond Cooption, Competition and Commodification,” in \textit{Exploring the Postsecular: the Religious, the Political and the Urban}, ed. Arie Molendijk, Justin Beaumont, and Christopher Jedan, (Leiden, Netherlands: Brill Academic Publishers, 2010).} My approach, that connects thematically to the previous chapter, uses two theological lenses. The first draws on a sixteenth century Anabaptist critique of the state, while the second is provided by contemporary re-readings of Augustine’s account of the ‘two cities’, both of which throw light on the complex relationship between the sacred and the secular, in its contemporary manifestation, in a context in which the church is distanced from political control.

For my purposes in developing a contextually relevant account of the state, and not as an attempt at a thorough survey of this strand of political theology, I will limit my attention to Schmitt ‘s focus on sovereignty, and some relevant responses that have engaged with this theme. Paul Kahn, a US political philosopher has turned to Schmitt’s on the theme of sovereignty in developing a critique of political liberalism, an account
that he denies has anything really to do with Christian theology. While this is a view that is not shared by the theologians who have responded to his work, his analysis raises questions about the supposed secularity of the state and is unequivocal in documenting its sacral character.

An account of sovereignty by Bretherton that traces the connection between modernity and the development of political and economic absolutism leaves the door open for the conclusions drawn by Kahn. Bretherton narrates an account of the development of the state, the nature of its sovereignty and its theoretical justification that challenges the presumption that modernity represents a revolution against top down the hierarchical forms of sovereignty that had been legitimated by Christianity in earlier periods. Against this, Bretherton suggests that the evidence of the past century is that we are faced with an apparently unstoppable centralization and expansion of political sovereignty in a powerful and centralized state. The claim to a totalitarian and indivisible sovereignty by the state that developed over this period attracted a range of counter theological claims with political significance. The Nazi state for example, generated the response by Karl Barth that the sovereignty of God as mediated through the lordship of Christ relativises all other claims to political sovereignty. The Barmen Declaration, while clearly theological can certainly be read as having profound political implications.

A sociologically informed account of the centralising processes discussed here in political terms, that highlights an increased technological capability and reach by the state and the emergence of its sacral claims, will be provided later in this chapter, and will be illustrated in the confronting narrative in Chapter Nine dealing with the Salvation Army’s contracting for the delivery of offshore humanitarian services.


141 Ibid.

In Chapter Two I noted the shift in vocabulary from 'city' in the ancient Middle East, standing symbolically for the imperial power, to 'state' for the purposes of this inquiry. The following description of the state supports this equivalence of terminology. States are ... coercion wielding organizations ... distinct from household and kinship groups and exercise clear priority in some respects over all other organizations within substantial territories.\textsuperscript{143} One further definition needs to be noted here, relating to the historical emergence of the nation-state, fairly late in the historical process, as ... a state whose people share a strong linguistic, religious and symbolic identity.\textsuperscript{144} This points to the historical development of its character and capability.\textsuperscript{145} The contemporary nation-state exercises a singularity of power and authority within its boundaries, captured in the term 'sovereignty'.\textsuperscript{146} While nation-states which take the form of a federation, such as Australia, have a degree of diffusion of power in government administration, the reach and dominance of the national government has continued to increase. This qualification does not substantially qualify my account of the character of the state.\textsuperscript{147}

The attention to sovereignty in political theology is accompanied by a tendency by theologians to overlook its historical development, and the resulting shifts in its actual capacity to enact that sovereignty. It is to questions of historical development and


\textsuperscript{145} Cavanaugh suggests that globalisation, with its penetration of the boundaries of the modern state, is better dealt with in an Augustinian frame where we are not offered a theory of the state but a diagnosis of competing desires and competing ends in diverse political structures. See the discussion in "A Politics of Multiplicity: Augustine and Radical Democracy." In \textit{Field Hospital: The Church’s Engagement with a Wounded World}, (Grand Rapids: Michigan: William B. Eerdmans, 2016): 140-1.


\textsuperscript{147} The diffusion of power within a federal system may be significant in limiting the effectiveness of its implementation of policy but does not impinge substantially its exercise of sovereignty in dealing with other states. For a classic and entertaining study on the difficulties of implementation in a federal context is Jeffrey L. Pressman and Aaron Wildavsky, \textit{Implementation: How Great Expectations in Washington Are Dashed in Oakland}, Third, Expanded ed. (Berkeley, California: University of California Press, 1984).
capacity that I now turn. The common normative assumption that the nation-state is in the ‘common good’ business requires qualification when considered on a comparative basis across nations and history.\textsuperscript{148} Empirically it may, on occasion, act with a relative degree of transparency and accountability, deliver services with varying levels of equity, efficiency, and effectiveness, and encourage the expression of some forms of civic virtue and human flourishing. Such achievements are worthwhile and, in terms of provision of services of health and education, Australia has achieved a relatively high standard of provision for many of its citizens. However the condition of the poorest and most marginal within a nation-state are frequently downplayed, if not occluded from view which, in Scriptural terms with its continued emphasis on the role of achieving justice for the most marginal, represents a continuing basis for critique of those achievements. The other qualification around the thematic of the state and the common good arises from the long-term impact on the community of the state’s role in the preparation for and conduct of war.

To move beyond an abstract, ahistorical account of the state requires attending to both its historical development, and the expansion of its technical capacity and policy reach.\textsuperscript{149} The twenty-first century nation-state in the industrialised world is qualitatively different in these respects from its sixteenth century predecessor.\textsuperscript{150} A pre-modern state whether in Europe or Asia, was ... in many crucial respects partially blind; it knew precious little about its subjects, their wealth, their landholdings and yields, their

\textsuperscript{148}In Catholic Social Teaching the state is necessary, natural, good and limited, based on the social nature of humanity. The purpose of the state is to pursue the common good. Theologians in such discussion referenced the ‘state’ as unchanging in character, assuming its natural and primordial character; Curran, Catholic Social Teaching 1891-Present: A Historical, Theological and Ethical Analysis, 244. The change in teaching following Vatican II on issues of coercion and religious liberty was certainly substantial, and there are now diverse accounts by Catholic theologians of the legitimacy and limitations of the liberal state. In my discussion I have followed the extended discussion of the salvific character of the state by Cavanaugh with its intriguing connections to the critique of the contemporary state in Anabaptist theology. 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). On the salvific character of the state see Chapter Two “The Myth of the State as Saviour” in Theopolitical Imagination: Discovering the Liturgy as a Political Act in an Age of Global Consumerism (Edinburgh, Scotland: T & T Clark, 2002).

\textsuperscript{149}The specificity of the state’s historical development can be seen in the impact of the sudden colonial imposition of the state as bureaucratic and centrally administered, infringing on local traditions of justice in Southeast Asia in the nineteenth century compared with its long slow development in Europe. James C. Scott, The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia (New Haven, Connecticut: Yale University Press, 1976), 193-240.

location, their very identity.\textsuperscript{151} Rulers in Europe during the Reformation era, for example, did not have the technical capability to reach into communities and implement policy with any degree of coherence and consistency. As well as the technological limitations on obtaining the accurate and timely information, they were constrained by multiple and overlapping sources of authority that subjects in specific locations could use to evade their reach. The ability of dissenters to evade arrest was based on this reality.\textsuperscript{152}

By contrast, the contemporary nation-state can now measure, centrally record and monitor people and their movements, along with land and economic transactions, with an enhanced capacity to match its authority to tax, conscript, and intervene to deliver public health, social welfare and conduct police surveillance.\textsuperscript{153} This increasing capability has resulted from continuing efforts empowered by technology to \textit{... make a society legible, to arrange the population in ways that simplified the classic state functions of taxation, conscription and prevention of rebellion.}\textsuperscript{154} The Australian Government's capacity to direct what people can spend their welfare payment on, or to monitor their individual telecommunications, points to a substantial reconfiguring of the character and capacity of the state over the past century. The nation-state can attempt to remake social and physical reality on a large scale, though its attempts may be ineffective, and


\textsuperscript{152} Focus on the \textquote{state\textquot; has distracted attention from the possibility of reading history from the perspective of communities trying to remove themselves from its reach and develop alternative forms of political life on the margins of empire. See the argument developed and illustrated in Scott, \textit{The Art of Not Being Governed: An Anarchist History of Upland Southeast Asia.}

\textsuperscript{153} The current situation of the First Nations peoples in Australia is a sobering reminder of the limitations of state capability when faced with the task of achieving human flourishing where there are deep-rooted and complex issues. The literature on this opens up the difficulties faced by the state in its bureaucratic mode in tackling the complex and deep-rooted impacts of two centuries of colonial dispossession. Recent discussion of the issues can be found in: M. C. Dillon and N. D. Westbury, \textit{Beyond Humbug: Transforming Government Engagement with Indigenous Australia} (West Lakes, S.A.: Seaview Press, 2007); Mark Moran, \textit{Serious Whitefella Stuff: When Solutions Became the Problem in Indigenous Affairs} (Carlton, Victoria: Melbourne University Press, 2016); Tess Lea. \textit{Bureaucrats and Bleeding Hearts: Indigenous Health in Northern Australia}, (Sydney, NSW: UNSW Press, 2008). On the cultural problems of official engagement in the local community see Yasmine Musharbash, \textquote{Only Whitefella Take That Road: Culture Seen through the Intervention at Yuedemu," in \textit{Culture Crisis: Anthropology and Politics in Aboriginal Australia}, ed. J. Altman and M. Hinkson (Sydney, NSW: University of NSW Press, 2010). The 2007 intervention by the Commonwealth Government in indigenous affairs in the Northern Territory and its use of the Army in that intervention was a striking moment in which the state as sovereign intruded into the usual bureaucratic mode in social welfare provision. For critical views on this episode see Jon Altman and Melinda Hinkson, eds., \textit{Coercive Reconciliation: Stabilise, Normalise, Exit Aboriginal Australia} (North Carlton, Victoria: Arena Publications Association, 2007). The historical record on the difficulties of state intervention in policy is also enlightening on the issue of state reach and control. See: Rosalind Kidd, \textit{The Way We Civilise} (St Lucia, Queensland: University of Queensland Press, 1997).

\textsuperscript{154} The creation of equal citizenship is associated with the undercutting of the intermediary structures between the state and the individual, and gave the state direct access to its citizens. James C. Scott, \textit{Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed} (New Haven, Connecticut: Yale University Press, 1999), Fn 61 p363.
even disastrous in their outcomes. Policy failure is likely where attempts are driven by a belief in the absolute rationality and desirability of their project, where power is unaccountable, and where non-state institutions are unable to provide resistance.\textsuperscript{155}

Resistance to intrusive exercises of state power cannot rely on markets to provide a balance of power. Market capitalism depended upon the emergence of both the state and the market, in which the freely contracting individual becomes unfettered from medieval community and custom reducing the power and significance of intermediate institutions;\textsuperscript{156}

\textit{The loosing of the individual from the claims of custom, town, church, landowner, guild, and clan coincided with the establishment of one single, unquestioned political center, the state. The main conflict of modern politics is not state versus individual, but state versus intermediate social group.}\textsuperscript{157}

Atomising of relationships has gone in parallel with the simplification of the social order through the emergence of the ‘nation-state’ as the central repository of sacred value and loyalty for citizens. Citizenship, even in ‘secular’ nations such as France, is tied to symbols and rituals that express and reinforce devotion of individuals to the nation-state in its sacral character.\textsuperscript{158} The \textit{... transfer of the sacred from Christianity to the nation-state in Western society is seen most clearly in the fact that authorized killing has passed from Christendom to the nation-state.}\textsuperscript{159}

The potential for entanglement of the secular and the sacred in the nation-state is provided by MacIntyre when he observes that, in whatever guise it presents itself \textit{... on the one hand as a bureaucratic supplier of goods and services, which is always about to, but never actually does, give its clients value for money, and on the other as a repository of}

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\textsuperscript{156} The dis-embedding of the market from society is narrated in Karl Polanyi, \textit{The Great Transformation: The Political and Economic Origins of Our Time} (Boston, Massachusetts: Beacon Press, 1957).


sacred values, which from time to time invites one to lay down one’s life on its behalf ...160. The nation-state on this account may manifest itself in both a bureaucratic form, identified as secular in classical Weberian analysis, and as sustained by the simultaneous presence of the sacred.161 National identity ... becomes one’s primary loyalty, and that which separates one’s nation from all others is highlighted. ...162 The state, in liturgies of civil religion,163 takes on a ‘sacral’ character164 in which to ensure its survival, or to assert its status and integrity, citizens may be called upon to kill, or be killed, on its behalf.165 The connection of the sacred and the state is illustrated in Australia, by the way over recent decades Anzac Day has morphed, with the assistance of government funding, into a potent and imaginatively powerful form of civil religion.166

A theological grounding for a ‘secular’ state
Having identified the simultaneous intertwined presence of the sacred and the secular in the contemporary nation-state, I turn to a theological reading of this tension. Anabaptist theology, through placing limits on the claims of Caesar,167 opens up the possibility of a theological account of a de-sacralised state which encompasses both a rejection of state coercion and of forced participation in any particular religious institution as an essential element of citizenship. The writings and practice of Pilgrim Marpeck provide an

160 Alasdair MacIntyre, “A Partial Response to my Critics” in After MacIntyre: Critical Perspectives on the Work of Alasdair MacIntyre, ed. John Horton and Susan Mendus (Notre Dame, IN: University of Notre Dame Press, 1994), 303. I acknowledge that his account of the character of the state, and its justification for engagement in war is contestable. For references on the manifestation of the sacred in liberal states see Fn. 143, and the references on sovereignty in Fn. 131. This is one of the key issues in the inquiry where I have provided some evidence in support of my stance, while conscious that I cannot engage in an extensive argument on the issues.
161 The key role played by war in the emergence of the nation-state in Europe is argued in: Tilly, "War Making and State Making as Organized Crime."
162 The Myth of Religious Violence.
163 "Killing for the Telephone Company: Why the Nation-State Is Not the Keeper of the Common Good."
167 Cavanaugh, "If You Render Unto God What Is God’s, What Is Left for Caesar?: 27
extended sixteenth century Anabaptist engagement with this issue. Marpeck did not reject the political order but undertook a critique of the specific configuration of political power and authority in Europe in the early sixteenth century. Worldly authorities should focus on the work of maintaining justice and not intervene in the church. If the church is to ... extend the justice of Christ to others in the world, it must be free. The state must be separated from the church for the sake of the church and for the sake of social justice. The independence of the church as a social organisation would enable collective action by Christians seeking the flourishing of the city outside of their formal participation in government. Withdrawal of the state from coercion of belief allows for pluralism, opening up space for organisations not under state control to seek conviction through public argument and witness. Imagining the church as a community, with an identity distinct from the state, suggests the possibility of a society that allows participation according to gift and opportunity, exercised in mutual responsibility and accountability.

In Marpeck, viewing government as secular is theologically warranted through rejecting the sacred character of the state, leaving it with only a 'penultimate' authority. This

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169 See Klaassen and Klassen, Marpeck: A Life of Dissent and Conformity; 101-8; Gerald Biesecker-Mast, Separation and the Sword in Anabaptist Persuasion: Radical Confessional Rhetoric from Schleitheim to Dordrecht (Telford, Pennsylvania: Cascadia Publishing House, 2006), 97. Marpeck refused to erect an absolute ethical or legal barrier between the church as "the perfection of Christ" and "the world" as the realm of Satan, and did not absolutely reject the participation of Christians in governing functions. See Marpeck, Later Writings by Pilgram Marpeck and His Circle. Volume 1: The Expose, a Dialogue, and Marpeck's Response to Caspar Schwenckfeld, 199.


171 ... Marpeck believed that the church must exist as a social structure in tension with the state. "The Limits of Political Authority as Seen by Pilgrimage Marpeck," 350. On the broader question of the connection between Christianity and the emergence of democracy see Graham Maddox, Religion and the Rise of Democracy (London; UK: Routledge, 1996).


stance offers the paradoxical conclusion that ... the state can only realise its highest potential when it is not allowed to absolutise itself ... It is always accountable to the people whom it serves. It serves God but it cannot itself be deified.\textsuperscript{174} Williams articulates a similar view when he argues that Christians should understand their position as citizens in secular terms. That is to say ...they keep the law and pray for good order but they do not see their obedience to the law as based on any conviction about the sacredness of the legal system or the lawgiver.\textsuperscript{175}

Marpeck affirms the validity of the role of government as the protector of the just, and punisher of the unjust,\textsuperscript{176} though only by remaining within these limits in the exercise of its power does government have divine authorisation.\textsuperscript{177} Anabaptists, on this basis, see themselves as subject to government whose ultimate validity and authority was grounded in God but with only a purely provisional and limited, that is a secular, character.\textsuperscript{178} The state can only realise its potential when it does not claim sacral authority and is therefore limited, as to the basis on which it makes claims on its citizens. Marpeck here provides an account of a social order that is not dependent for its sanction on the basis of a compulsory and enforced “religion”.\textsuperscript{179} This account, though it was not historically influential,\textsuperscript{180} can provide a basis for contemporary Christian engagement with the state that rejects the presumption that state is the privileged and central moving force in history with a sacral character. Such an orientation directs our attention to options for social change and community development outside the control, or the ambit, of the state.

\textsuperscript{174} Ibid. For an account of the complexity of the relationship between the sacredness of the human person and the secular in contemporary society with a differing theological approach see: Robert Gascoigne, “The Sacredness of the Person in Secular Societies: What is the Church’s Task?” \textit{Australian ejournal of Theology} 22, no.3 (December 2015).
\textsuperscript{178} Ibid.
\textsuperscript{180} Much of his work was only recovered and identified during the late twentieth century.
Augustine, Markus and the ‘secular’

A recent re-reading of Augustine offers another approach to a theologically grounded reading of the possibility of a secular public space. Robert Markus considers Augustine’s contrast of the earthly city, understood by Augustine as the state apparatus of the late Roman Empire, and the City of God manifested in, though not identical to, the church. He uses the term ‘the secular’ to describe the overlap between the ‘earthly city’ and the ‘city of God’. The cities overlap in both space and time; each depends on the other. For this reason they are not in practice in pure opposition.\textsuperscript{181} The literature around Markus’ reading of Augustine’s account of the \textit{saeculum} as the sphere of public interaction is substantial, and his reading of Augustine has been the subject of considerable controversy.\textsuperscript{182} Whatever Augustine may have intended, the debate generated by Markus’ reading, has opened up a perspective on the secular and the public order that can provide a theological reading of the contemporary nation-state.

Markus’ interpretation of the ‘secular’ in Augustine emerges as modern society has moved beyond the political and cultural hegemony of institutionalised Christianity but is being argued for in a post-secular mode that remains irreversibly impacted by the long half-life of ‘the Christian Revolution’.\textsuperscript{183} On Markus’ account Augustine’s purpose was to define a civil community in a way which enabled Christians to give full weight to its claims on them ... \textit{while at the same time deflating the more grandiose, quasi-divine, claims made for it, either by pagans or Christians.}\textsuperscript{184} Markus’ account suggests a

\textsuperscript{181} Robert Markus, \textit{Saeculum: History and Society in the Theology of St Augustine} (Cambridge, UK: Cambridge University Press, 1970); Markus, \textit{Christianity and the Secular}.


\textsuperscript{184} Markus, \textit{Christianity and the Secular}, 39.
relativisation of the political and social order in which these institutions can be used rightly by members of the Heavenly City, while remaining open to the usage of those whose loves are otherwise directed. Augustine’s political discourse on this interpretation is concerned with something close to what Bonhoeffer termed the ‘penultimate’.185

This reading of the ‘secular’ carries with it the possibility of justifying a pluralistic civil community. While historical trajectories of church-state engagement, tension and critique are behind the emergence of the ‘secular’ as discerned by Markus, there is no guarantee that the ‘secular’, so understood, is sustainable and the drift back to the sacral in the political order over recent decades seems persistent.186 Indeed, for some scholars of Augustine, his theological account of the earthly city as currently manifested in both the market and state points to their continuing sacral character, in which ... the notion of a modern secularized world free of the mythic and the sacred is a dangerous fiction.187

Secular, sacred, and the tension of the ‘post-secular’

Articulating a theologically-grounded secular, alongside the ambiguously sacral character of the state shifts the argument out of a binary mode of engagement versus withdrawal. Secularity in this approach, drawing on Markus’ reading of Augustine, can be appropriated as a way of keep the saeculum open and de-sacralised in service of the human community. The ‘secular’ in this understanding is not a zone of life necessarily in conflict with life lived in discipleship, but is an area of human freedom within which that discipleship can be exercised. The institutions of the contemporary nation-state can therefore be defended in terms of a Christian secularity including the separation of church and state, the rule of law, freedom of speech and the protection of civil rights ... this commitment arises out of the eschatological politics of the kingdom of Christ, and not out of a desire to contain the excesses of religion.188

186 In addition to the manifestation of the sacred in the US noted previously, this tendency is also evident in a variety of eastern European nations, including Russia, as well as however paradoxical it might seem in France.
188 Ian Barns Representing Jesus: Public Christianity in a late modern world. (Blackburn, Victoria: Evangelical Alliance, 2007).
Identifying a theologically-grounded approach to secularity is not the end of the process of tracing out a dialectical relationship between the manifestations of the secular and the sacral in contemporary society and government. The deconstruction of the assumed sacred/secular binary while not often part of popular discourse is well-documented, for example, in Hudson’s work on religion in Australian history. The term ‘post-secular’ points to the tension arising from the paradox of the coexistence of apparently contradictory social, religious and cultural trends. There are persistent objections to religion having a public role in Australian society while, on the other hand, there is the diverse re-emergence of religious actors in the public space. The post-secular then is not about the return of ‘religion’ in its institutional form, rather it is a recognition of a more complex relationship between ‘religion’ and the ‘secular’.

In crossing back and forth across the boundaries of history, sociology and theology in exploring the character of the contemporary nation-state in this chapter, I have been working towards an account of the tension within the public realm of the nation-state that manifests the recurring presence of both the sacred and the secular and their shifting locations, within the nation-state. Along with this, further complexity is created because the perceived conflict between ‘religion’ and the ‘secular’ assumed by secularisation narratives is challenged by the emergence of the concept of the ‘post-secular’, a space in which motivations grounded in a specific tradition, culture or community make a difference and can be affirmed for their contribution to public wellbeing.

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190 Wayne Hudson draws this out in his critique of the notion of Australia as being a particularly secular society. He advances the theme of ‘sacral secularity’ to capture what he considers to be a much more ambiguous reality. Wayne Hudson, *Australia’s Religious Thought* (Clayton, Victoria: Monash University Publishing, 2016).
This chapter has built on the theological positioning of the Christian movement in **Chapter Two**, living in the tension of seeking the flourishing of the city, ‘as in exile’, and developing a theological perspective on the character and capability of the contemporary nation-state with which it will be engaged in carrying on that task. The next step in setting out the context of the inquiry is to provide an historical account of the development of the pattern of that engagement in Australia since the European invasion in the late eighteenth century. This will be addressed in the next chapter.
Chapter Four: ‘Church-related’ social welfare and human services agencies, and the emergence of the Australian welfare settlement

An historical perspective
The previous chapter laid out a theological orientation to the bureaucratic and sacral character of the nation-state in its contemporary form, signalling the complex and shifting relationship between the secular and the sacred in the development of the state, and its vastly enhanced capacity to reach down into the life of both the individual and community. This chapter maps the character of the state in its involvement in Australia in the provision of social welfare through development of an institutional context in which church-related agencies came to play a substantial role in the emergence of a ‘mixed economy’ of welfare.\textsuperscript{192} The connection between this historical pattern and state engagement in the contemporary contracting relationship will be discussed in Chapter Five.\textsuperscript{193}

The contemporary religious landscape in Australia, as Oslington observes ... looks like Europe in some ways, but without the residues of Europe’s centuries of Christian history. In other ways we are like America being a new immigrant society with almost identical treatment of religion in our constitutions.\textsuperscript{194} Despite sliding church attendances and a culturally-allergic reaction to religious language in public debate, aside from manifestations of civil religion such as Anzac Day, churches and their agencies are, with only sporadic public controversy, responsible for the delivery of around fifty percent of social welfare services. Despite similarities, the Australian settlement of church-state engagement in social welfare is distinct from the US, UK and Europe\textsuperscript{195}. This chapter provides the historical background to the pattern of engagement, from European settlement, paying attention to the character of the state from the colonial era, through

\textsuperscript{192} This phrase is drawn from Murphy, "The Other Welfare State: Non-Government Agencies and the Mixed Economy of Welfare in Australia."
\textsuperscript{193} I use the terminology of ‘church and state’ as shorthand in this chapter for what is now a more complex set of institutional interactions, some of which will become apparent in Chapters Seven to Ten. Kaye highlights the institutional and governance complexity of trying to specify what is involved in referring to ‘church’ at the beginning of the twenty-first century and the accompanying complexity of the institutional expressions of the state. See Kaye, “From Anglican Gaol to Religious Pluralism: Re-Casting Anglican Views of Church and State in Australia,” 304–5. The issue of the theological and governance relationship between churches and church-related agencies, that arises from this complexity, will be discussed in some detail in Chapter Seven.
\textsuperscript{195} The distinctive shape of this settlement will emerge from the following historical account and from the discussion of constitutional issues later in this chapter.
to the commencement of the contracting era in the 1990s. The account that follows focuses attention on the emergence of the distinctive structural characteristics of welfare provision in Australia.

**Church-related agencies in social welfare in the colonial era**

The European occupation of Australia saw the development of a colony shaped by free settlers and ex-convicts, and the dispossession and marginalisation of the indigenous inhabitants. UK institutions, political, religious and social assumptions and aspirations, as well as quarrels and conflicts, were to play a decisive role. Middle class ideas of charity and voluntary association, with their roots in the Evangelical revival and the anti-slave trade movement, were accompanied by lower class traditions of mutual association and aspirations towards democracy, which developed during the course of the nineteenth century. In each of the colonies there were differences in the patterns of non-government institutions, and their involvement in social welfare.

Key ideological assumptions that were profoundly to shape the pattern of social welfare came in the form of laissez-faire economics, with its predisposition to limit the role of government, though modified by pragmatic responses to the pressures for economic development in the colonies. Local entrepreneurs wishing to develop export industries took the view that government should play a central role in encouraging business enterprise by both bringing in labour and capital, and building the required

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infrastructure. The government under this substantially modified version of laissez-faire functioned essentially as a public utility and land release agency. Nineteenth century colonial governments developed, and ran, an extensive infrastructure of railways, ports and roads.198

The compromise with laissez-faire economics by colonial governments had distinct limits when it came to the provision of social welfare and human services, manifested in a reluctance to undertake a comprehensive approach to providing social welfare.199 Behind this stance was a rejection of the English Poor Law model where social provision was funded by a tax on landholders.200 Governments, rather than making direct provision for the poor and the sick ... encouraged leading colonists and their wives to form and support nonprofit organizations to provide services. These were commonly called 'public charities'. In turn governments subsidised these organisations mainly on a dollar for dollar basis.201 This approach to welfare laid the basis for the emergence of a significant non-government sector of welfare provision throughout the nineteenth century, though its exact shape varied between colonies. The development of this sector in colonial Australia was not confined to the provision of social welfare; it included health and education as areas where the Christian churches, and the institutions that they developed, played a leading role. ...religious organisations, partly funded by colonial governments, provided welfare service and influenced social policies from the founding

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198 Maddox, in his review of the scholarship around the theme of the 'Australian settlement,' resists the proposal that one big idea or perspective on its own provides an adequate account of political and economic developments in Australia during the period of European settlement. Graham Maddox, "The Australian Settlement and Australian Political Thought," in Contesting the Australian Way: States, Markets and Civil Society, ed. Paul Smyth and Bettina Cass (Cambridge: Cambridge University Press, 1998). Maddox goes against the grain of some recent scholarship with his emphasis on home-grown collectivist impulses in the colonies, and the significance of a practice of social engagement grounded in dissenting Christianity.


period. This distinctive third sector of welfare provision between public and private developed as an attractive option for colonial government.202

The structure of social welfare that emerged in the late nineteenth century was grounded in the policy framework of a decent wage within a managed economy. The vision of a workingman’s paradise was centred on measures for fair wages, land taxation and worker cooperatives supported by a residual third sector that provided social welfare for those falling into the gaps.203 The exact balance of initiative between the community and government in shaping the important role played by third sector agencies rested strongly with the community.204 In his account of the stimulating, as opposed to the enabling, factors driving the creation of not-for-profits in the Australian colonies, Lyons draws attention to the importance of both religious belief and secular ideologies.205 Religious belief stimulated action that expressed deep-held commitments, for example to care for the poor and elderly, to establish institutions to carry on the faith into the future and to defend that faith against threats to it from other traditions. The Protestant-Catholic divide in the nineteenth century was a powerful driver of the creation of parallel institutions in welfare, health and education, a pattern that remains still legible in the not-for-profit landscape to this day. The tribalism in Protestant-Catholic relationships had a long after-burn well into the late twentieth century.

The commitment to voluntary charity enabled the prosperous to determine how much they would contribute, though the evidence of individual philanthropy indicates this did

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204 The proclivity of the colonists to set up bodies for all forms of social, religious and educational purposes, and then seek government patronage and funding, is illustrated by the public activities of the first Baptist minister in Australia, the Rev John Saunders. Ken R. Manley and Barbara J. Coe, *The Grace of Goodness*: *John Saunders Baptist Pastor and Activist, Sydney 1834-1848: A Documentary Biography* (Macquarie Park, NSW: Greenwood Press, 2014).
not mean that everyone who contributed evaded making substantial payments.\textsuperscript{206} It is important to note that the early church welfare initiatives in Victoria in the 1800s were typically run by volunteers, operating as small and specialized services focused on emergency handouts and evangelism. They \textit{were assisted by government provision of large tracts of land and financial contributions. ... Individual citizens and philanthropists \textit{provided land and buildings from their own estates.}}\textsuperscript{207} Outside Tasmania, where the high proportion of convicts and ex-convicts in the population resulted in a delay in the establishment of non-government alternatives until the 1880s, subscription models of charitable provision were widely established across the colonies by mid-century. These organisations provided both indoor and outdoor relief to the sick, the aged and the disabled, as well as to woman and children without reliable male breadwinners. Each colony established different systems of subsidy for the organisations providing welfare support. In 1861 subsidies from the NSW colonial government to The Benevolent Society, originally The NSW Society for Promoting Christian Knowledge and Benevolence, not directly linked to any of the churches, were equivalent to about 60\% of its funding of its relief activities.\textsuperscript{208}

As this model of charity provision spread, colonial governments demonstrated a pragmatic pluralism in their approach to funding that has characterised the Australian settlement of church-state engagement in welfare provision ever since, in part a response to sectarian rivalry. Colonial governments were caught between an anxiety to dampen down sectarianism and an unwillingness to take on full responsibility for welfare services. They \textit{responded by providing equivalent subsidies to parallel Catholic organisations, a practice that continued despite the abolition of state aid to religion and education in most colonies by the 1870s.}\textsuperscript{209}

Catholic initiatives in the colonies were often initially driven by the laity, but were usually taken up and continued by religious orders, rather than by diocesan authorities, in a process that was evident from the 1840s onwards. The activities of the religious

\begin{thebibliography}{9}
\bibitem{206} Cleary, \textit{Reclaiming Welfare for Mission: Choices for Churches}. Cleary discusses the Victorian pattern in Chapter Two.
\bibitem{207} Ibid. 23. See also Stephen Judd, Anne Robinson, and Felicity Errington, \textit{Driven by Purpose: Charities That Make the Difference} (Sydney, NSW: Hammond Press, 2012). Chapter Three ‘A Very Brief History of Charities in Australia’. This account draws attention to the differing ethos in Melbourne with its stronger emphasis on social reform.
\bibitem{208} Carson and Kerr, \textit{Australian Social Policy and Human Services}, 46.
\end{thebibliography}
orders in providing social welfare services left less space in the longer term for lay Catholic initiatives, though the St Vincent de Paul Society established its first permanent presence in the colonies in 1865 in Perth and, within two decades, was represented in the major cities. The charitable activities of religious orders were to have an enduring impact and became associated in the twentieth century with innovative responses to emerging social issues. The *charism* and governance of the orders, many of which had international connections were significant in shaping decisions about the form of the ministry and location of their activities. The fundamental difference between agencies sponsored by Catholic dioceses, and those sponsored by religious orders, can still be seen in their structure and operation, as will become evident in the findings of the inquiry in Chapter Seven. Late-nineteenth century Catholic social teaching provided the basis for rethinking about social policy that was to bear fruit in the Harvester Judgment in 1907 that laid the basis for the Australian wage earner’s welfare state.210

A mid-nineteenth century model of community engagement by churches in the colonies that was to have a long lasting impact was that of the city mission. This approach took hold during the 1850s drawing on slightly earlier developments in the UK. City missions were non-denominational bodies typically managed by committees of clergy, generally from evangelical, and/or non-conformist backgrounds. These agencies/churches were ecumenical to the extent that they were not affiliated with a specific Christian denomination. They employed lay ministers to bring the gospel to inner city areas, but also offered a range of other services that included attending courts, visiting hospitals and prisons and offering material relief and social contact through various clubs to people in need. Ministries addressing specific groups with identified needs not being

210 Discussion on the role of the churches and Christian social movements in the development of the unions in Australia is not within the scope of this chapter. For an account of the broader question of the characterisation of Australia as the “wage earner’s welfare state” and critique see Castles, “Historical and Comparative Perspectives on the Australian Welfare State: A Response to Rob Watts”; Rob Watts, “Ten Years On: Francis G. Castles and the Australian ‘Wage-Earners’ Welfare State’,” ibid. This discussion follows from a wider debate as to how Australia fits into patterns of welfare state development. The importance of taking account of Catholic social teaching and the influence of social Protestantism in approaching such typologies is highlighted by Manow, “The Good, the Bad and the Ugly: Esping-Andersen’s Regime Typology and the Religious Roots of the Western Welfare State.” There is prima-facie evidence for the impact of both these factors in the summary account I provide in this chapter of the role of the churches and their agencies in the provision of social welfare in Australia. On the Harvester Judgment see Paul Smyth, ”The Historical Context for Action,” in Social Policy in Australia: Understanding for Action, ed. Alison McClelland and Paul Smyth (South Melbourne, Vic.: Oxford University Press, 2010).
covered by existing social welfare agencies, such as the homeless and fallen women, were also developed in this ecclesial context.211

By the 1880s these non-denominational missions were faced by the challenge of new forms of social witness associated with the major denominations, or new ecclesial movements, particularly the Salvation Army, that had recently established itself in the colonies. These initiatives took the form of mission halls associated with specific denominations that offered a range of welfare services, with the Salvation Army also taking the initiative in partnering with government to deliver social services. The Army established 25 institutions in its first 25 years in Australia ranging from support for converts from its evangelistic work through to more typical welfare services. Other Protestant denominations followed the lead of the Salvation Army. Central city Wesleyan churches212 were re-established as Central Missions with a mix of charitable and evangelical services coordinated by an ordained clergyman linking worship and service.213 By the end of the nineteenth century these missions were major providers of services in inner-city slum areas inspired by a social Christianity that combined an evangelical focus on the vices of the poor along with campaigns for social reform.

The ‘tyranny of distance’ that shaped the urban/rural pattern of settlement, and the largely independent development of each of the colonies throughout the nineteenth century, had an influence whose impact is still legible today in the pattern and structure of church-related agencies. Colonial/state boundaries underpin the strong regional imprint evident in the structure and the size of church-related agencies an influence discussed in design of the sample of agencies in Chapter Six. Both Anglican and Catholic diocesan boundaries were drawn with reference to colonial, and later state, boundaries as these emerged from the spread of settlement and the establishment of the colonies. The impact of these boundaries continued into the twentieth century when legislation was required on a state-by-state basis to underpin the establishment of the Uniting Church arising from the merger of the Methodist Church, most of the Congregational

213 Barr, "Faith and Charity: Identity, Community and Power in a Welfare Agency ".

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churches and much of the Presbyterian Church, each with their accompanying plethora of agencies. By the time of Federation there was a complex, multi-layered economy of welfare, with diverse ideological and social underpinnings, motivations and practices of charity. Murphy provides a helpful sketch of this complexity noting its community basis:

_Subscriber-based asylums and hospitals grew out of the philanthropic efforts of middle class men, banding together to provide philanthropy and in the process to earn social prestige. A second type of welfare, visiting the poor, was based on networks of worthy citizens who took their charity into the homes of the poor ... A third form of provision, specialised church organisations were an inheritance of earlier institutions such as orphanages and refuges, now also overlaid with new agencies representing the rise of evangelical Christianity in missions to the urban poor. As much as these were organisations for producing charity, they were also associations for like-minded citizens._214

Social engagement by the churches in the colonies throughout the nineteenth century exhibited a wide variety of governance arrangements demonstrating institutional inventiveness and raising the question as to whether a clear distinction between churches and agencies can always be easily made, a question that becomes even more pressing in contemporary Australia. Inner city missions and mission halls were often centered on a congregation that met for worship and effectively owned the social welfare mission activities. The closeness of the connection between church agencies and government varied during this period, particularly with respect to the extent and form of state funding:

_Only some parts of these welfare domains had a direct relationship to the colonial state. Significant public subsidies for the asylums ... were a transaction in which the colonial state held responsibility for poverty at an arm's length; while the organisation would remain without regulation, the state would remain without responsibility. Other parts of this mixed economy such as orphans, missions, rescue homes and prison-gate visiting received little or no subsidy ... _215

The role of the state in shaping this division was at least implicitly purposive to the extent that it did not wish to take over complete responsibility for social welfare. The outcome of nineteenth century developments arose from the interaction between a settler society that rejected a systematic approach to welfare and a strong labour movement that relied on a system of state-legislated wage arbitration between labour and capital to deliver high wage outcomes as the principal means of ensuring social protection. The non-government sector was comparatively autonomous, relatively

214 Murphy, “Church and State in the History of Australian Welfare,” 274.
215 Ibid., 275.
fragmented and concerned with the distinction between the deserving and the undeserving poor.\textsuperscript{216}

\textbf{Welfare policy and church-related agencies in the twentieth century}

Much of the pattern of church engagement in social welfare in the nineteenth century was carried forward, along with its ideological underpinnings, into the twentieth century. There was, however, a marked change in the government structure following Federation and the establishment of the Commonwealth Government. This was to prove significant in the longer term in shifting the policy and governance context for welfare provision and the role of church-related agencies. The first step towards state-funded income support in Australia commenced in 1900 with the introduction of a restricted and very limited old age pension in NSW and Victoria, a step that shifted the boundary between state and church by providing a modest alternative to many who would otherwise have had to rely on charitable institutions. Though the Australian constitution had little emphasis on Commonwealth involvement in the provision of social welfare, a brief reference in s 51(xxiii) of the Australian Constitution provided the basis for Commonwealth legislation to consolidate existing state arrangements to provide for a non-contributory means tested age pension.\textsuperscript{217}

Despite these changes, the colonial pattern of residual social welfare remained as a defining template well into the twentieth century. The early years of the century saw existing mission agencies of all denominations expand institutional provisions to meet emerging needs and fill gaps in government provision. The Great Depression in the 1930s provided a substantial challenge to the scope of existing service provision by agencies. Both the Salvation Army and the central city missions became major centres for relief while denominations established unemployment relief funds to support parish churches in their assistance to church members. Religious leaders played a role in the debates about social policy during the Great Depression and in post-war reconstruction. Father Tucker, Rev Hammond, Bishop Burgmann and the Rev Walker were all significant voices from the church in a period in which it was still quasi-established.\textsuperscript{218}

\textsuperscript{216} Bruce N. Kaye, "From Anglican Gaol to Religious Pluralism: Re-Casting Anglican Views of Church and State in Australia," ibid.
\textsuperscript{218} Howe and Howe, "The Influence of Faith-Based Organisations on Australian Social Policy," 322.
The Great Depression also saw the establishment of a range of agencies by charismatic leaders. Institutions founded then have continued and grown including The Brotherhood of St Laurence in Melbourne and Hammond Homes in Sydney. Both of these agencies embodied innovative approaches to social needs, including housing. Catholic agencies during this period set the direction for their future with the introduction of professionally-trained social workers and the establishment of the Catholic Family Welfare Bureau.

While the move by the Commonwealth Government into income support and relief for unemployment came after the Great Depression had demonstrated the inadequacy of the charity model, church welfare agencies did not disappear from the sector. Agencies retained their presence in children’s institutional care and moved into involvement in care for the frail aged, an involvement that grew substantially over the second half of the twentieth century. There is evidence of deliberate government policy intent on encouraging this involvement with matching grants for capital costs of accommodation being restricted to churches, charitable or benevolent bodies and ex-service organisations. In the post-war period the Commonwealth Government also looked to religious organisations and the not-for-profit sector to participate in the provision of marriage counselling while state governments reached out to existing church-based children’s institutions to accommodate state wards.

A critical element in shaping the pattern and scope of church-related agencies’ involvement in social welfare in the twentieth, as in the nineteenth century, was the underlying government approach to social policy. Australia did not follow the UK down the path to the welfare state. In Australia the policy was shaped by its historical roots in the nineteenth century wage earner’s welfare state, through an employment and wage policy shaped by the arbitration system. Developments during the 1940s included child endowment, the widow’s pension and the wife’s allowance. These were intended as a

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219 Later renamed HammondCare.
222 Murphy, "Church and State in the History of Australian Welfare," 282-4.
supplement, not as a fundamental replacement to the existing pattern of provision. As Howe observes ... *initiatives in social welfare at the national level were piecemeal and there was no comprehensive national income programme.*

Initiatives to support this approach included the creation of the Commonwealth Employment Service (CES) and an investment-led approach to national development designed to support full employment along Keynesian lines, a commitment that was written into the charter of the Reserve Bank. Against this background, in the 1960s the Commonwealth began to engage again intentionally with voluntary organisations through the use of subsidies to deliver specific services. Shaping the policy debate during the post-war period was the assumption that Australia did not have any entrenched poverty. The churches, informed by their agencies, challenged this assumption from the 1960s onwards and were significant players in the campaign to establish a national poverty inquiry in 1972. Church-related agencies played a continuing role in research and policy innovation in response to identified needs in subsequent decades.

While the Whitlam Labor Government (1972-75) made some moves towards a more universalist welfare system, through changes to pensions means testing, the sole parent pension, abolition of university fees and a national universal health insurance scheme, it also had an impact on the non-government sector through the encouragement of community engagement in its regional development and Australian Assistance Plan initiatives. This led to the creation of a new wave of locally-based community agencies many of which became ongoing players in the welfare field. This was significant in that in most states local government has never had a substantial welfare role, in contrast to the UK where it was a key player in both the Poor Law era, and in the post-war welfare state. The limited, and late, exception to this in Australia is the Australian Capital Territory, where the Territory government has a mandate for the provision of both state and local government services. Otherwise local government has been involved in social welfare in recent years only to the extent that it has been able to attract grant, or contract funding from State and/or Commonwealth governments, though it is legally dependent upon State and the Northern Territory governments for its existence.

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225 Ibid., 324-6.
In characterising the broad pattern of social welfare policy in Australia, as it relates to the role of church-related agencies and more generally that of the not-for-profit sector, the mixed economy that emerged was not highly planned. Welfare provision remained unsystematic through the first half of the twentieth century. This model, developed in the colonial period with respect to poverty relief and children’s homes, provided the framework for later developments structured around a voluntary public society that delivered a specific social service and drew on the respectable middle classes for its membership, and some element of financial support, while usually relying on significant government subsidies to provide the balance of the running costs. This approach was accompanied during this period by a relative absence of direct government control. State involvement was at an arm’s length with autonomous NFP charities left to go their own way. The post-war development, though more structured and involving more coherent planning, still reflected the subsidising by the state of the NFP charitable agencies. It was only in the 1970s that this non-government sector began to experience greater state regulation of its activities.

A key feature of the NFP social welfare sector was its relative fragmentation, driven by patterns of development that differed by degree at least between the colonies, creating traditions of engagement between the state and community that remained largely unaffected by Federation. Contributing to the fragmentation was the establishment of parallel organisations, initiated in the nineteenth century by Catholic and Protestant churches, as well as the role of charismatic leaders in establishing agencies in response to perception of particular needs. Taken together, factors exacerbated the fragmentation of the sector. The key factors shaping the role and extent of NFP involvement in social welfare in Australia have been driven by social heterogeneity and the role of religion as

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227 Murphy, "The Other Welfare State: Non-Government Agencies and the Mixed Economy of Welfare in Australia."

228 Ibid.

229 The Industry Commission, in its 1995, inquiry noted that community sector social welfare organisations were among the oldest in the NFP sector: the average date of formation was 1919; 28 per cent were formed prior to 1900; and 64 per cent were formed prior to 1950. Ibid. As Lyons (1994) indicated: “Successful not-for-profit endeavours tend to become institutionalised. Many of the largest not-for-profit organisations in a particular industry are also the oldest; their form and orientation testifies to the major sources of community endeavour many decades before. For example, of the five largest not-for-profit welfare organisations in NSW ... four were formed in the nineteenth century.” (p. 8) ‘Australia’s Charitable Organisations’, Consultants Report for the Industry Commission’s Charitable Organisations Inquiry, mimeo, C.8. Australia. Australian Government, Industry Commission. Charitable Organisations in Australia, 1995 https://www.pc.gov.au/inquiries/completed/charity/45charit.pdf.
significant forces in the development of the society. The ecclesiology behind the church-related agencies will become evident in the process of identification of agencies included in this inquiry in Chapter Six and the analysis of their differing denominationally base governance patterns in in the summary of findings in Chapter Seven. Before moving on to address those issues, I first need to say something about the constitutional structure of the Australian state in so far as it relates to issues of government funding and relationship to religious institutions, and then explain how this has in combination with the historical and geographic factors to shape a distinctive pattern of welfare settlement in Australia.

Section 116 of the Australian Constitution: church, state and welfare

During the nineteenth century in Australia the path to the settlement of the relationship of church and state passed through the abolition of the Anglican hegemony and state aid to churches on the way to the constitutional provision agreed upon at Federation. Kaye highlights the differences between Australia and the US that are important in understanding the distinctiveness of the Australian settlement:

> Whereas the US tradition has moved to a doctrine of separation of church and state and a doctrine of non-entanglement, the Australian version has moved to a position of non-separation of church and state and a doctrine of equitable entanglement. The broader and social institutional effect of this has been to assert that religion has a recognised place in public life and in public institutions in a way that is quite different from the USA. Australia may not be a religious state but it is a state that incorporated religion in the statutory view of public life.

The institutional expressions of Christian, Jewish and, more recently, Muslim faith in Australia, have a significant, if understated, and not well understood place in public life and public policy. However the language of these traditions is not part of a commonly accepted vocabulary of public debate in the way that is true of Christian vocabulary in the US.

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230 Lyons, "Defining the Nonprofit Sector: Australia". He notes that “... it is generally people associated with organised religion or some other 'ideological' organisation who have the motivation for (or intensity of preference) and most importantly access to capital via the wealth of the religious denomination who will start non-profit organisations.” Mark Lyons, "The History of Non-Profit Organisations in Australia as a Test of Some Recent Non-Profit Theory," *Voluntas: International Journal of Voluntary and Nonprofit Organizations* 4, no. 3 (1993): 305.

Section 116 of the Australian Constitution provides that:

...The Commonwealth shall not make any law for establishing any religion, or for imposing any religious observance, or for prohibiting the free exercise of any religion, and no religious test shall be required as a qualification for any office or public trust under the Commonwealth.

Under this provision the Commonwealth Government cannot give preference to any religion, or recognise any denomination as the official religion of the Commonwealth.²³² It is prohibited from legislating any requirement that any person worship, or worship in a particular way, or that would prevent or impede citizens from exercising their religion, while it similarly prevents the placing of a religious test on any position in the Commonwealth Public Service or the Federal Parliament. This provision explicitly applies only to the Commonwealth, and does not bind State Governments.

Church-related agencies’ engagement with government in social welfare through the nineteenth century in Australia shaped a pattern of common political assumptions about their respective roles that was carried forward and provided the background to the changing circumstances of the twentieth century. The interpretation of s 116 of the Constitution, as it evolved in the twentieth century, permitted the pattern inherited from the nineteenth century to continue rather than being reshaped through constitutional interpretation. None of the cases taken to the High Court, under this section of the Constitution, has related to questions of social welfare and/or the funding by the Commonwealth Government of church-related social welfare agencies.²³³ Indeed there has been relatively little litigation in the High Court on s 116 by comparison with jurisprudence on this issue in the USA. The proposal that the Australian Constitution provided for an American-style separation of church and state was firmly rejected by a clear majority of the High Court in the Defence of Government Schools (DOGS) case of 1981.²³⁴ Thus while s 116 restricts the power of the Commonwealth, that restriction was probably implicit elsewhere in the constitution in that s 51, dealing with the range of Commonwealth law-making power, makes no provision for the Commonwealth to

legislate on matters of religion. The most recent High Court case on questions of funding of chaplains by the Commonwealth Government, the Williams case, did not in the end add substantially to the jurisprudence on s 116, as it was decided on the question of the limits to executive power relating to expenditure in s 51.

In discussing how this provision is to be read in characterising Australian society, Hogan observes that:

... to say that Australian society is not very religious is not the same as saying that it is a secular society. Nor is it, as some Liberal Party politicians would like to assert, a Christian society. Rather, Australia’s traditions are of religious pluralism, in which political and cultural institutions have tried to encourage acceptance of difference.

Arising at least partly out of a reaction to the sectarian conflicts in the nineteenth century, the pragmatic, non-dogmatic pluralism that emerged in Australia acknowledged the need for harmony amongst the diversity of religious communities and proceeded on the basis that an even-handed treatment was both sensible and politically expedient. Some recent scholarship suggests that the Australian relationship between the secular and the religious is porous rather than exclusive, and that the two are inextricably linked conceptually and historically. The Australian settlement is best described as pluralist, with state neutrality expressed in practices of equal treatment

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235 Technically any of the Australian states, with the exception of Tasmania, still have the power to establish a church or religion. The limits on this happening are political rather than constitutional. Michael Hogan, "Worrying About Religion," Australian Review of Public Affairs, no. October (2006), http://www.australianreview.net/digest/2006/10/hogan.html.


239 For an account of pluralism in the Australian context as “a crowded and argumentative public square” see Stephen Chavura and Ian Tregenza, "Introduction: Rethinking Secularism in Australia (and Beyond)," Journal of Religious History 38, no. 3 (2014). For a discussion of pluralism which links it to the debate about the ‘post-secular’ and acknowledges the need to provide space for both “religious and non-religious ethical traditions” see Gregory Melleuish, "A Secular Australia? Ideas, Politics and the Search for Moral Order in Nineteenth and Early Twentieth Century Australia," Ibid. An argument for a pluralist approach is developed by Rowan Williams, "Secularism, Faith and Freedom," in Faith in the Public Square, ed. Rowan Williams (London, Great Britain: Bloomsbury, 2012). See also accounts which bring together theological and political perspectives see Angus Ritchie, "Christianity in British Public Life: The Challenge of Pluralism and the Limits of Secularity," (2015),
in funding that dates from the principles hammered out in the course of the nineteenth century, a principle of neutrality that is not entrenched in state constitutions and only indirectly in the Australian Constitution. The neutrality and pluralism in government funding has not always been complete or totally consistent in its coverage and application and has been pragmatic in character, rather than ideologically theorized. Agencies associated with the larger Christian denominations functioned informally as part of a quasi-establishment till late in the twentieth century and have frequently done better in funding than both some of the smaller Christian groups and groups who have arrived more recently.

**Contracting with church-related agencies: the distinctiveness of the Australian settlement**

The pattern of the Australian church-state settlement and the funding of church-related agencies in the delivery of social welfare at the beginning of the twenty-first century looks very different to that of ‘faith-based’ welfare in the US and UK.\(^{240}\) The key elements of the Australian pattern at the end of the twentieth century, when the shift to contracting became a major trend, starts with the significant role of the third sector in welfare provision, and a pattern of pluralism, or state neutrality, with respect to the agencies funded. The constitutional provisions governing the ability of government to engage with church agencies in funding of welfare has permitted a particular pattern of response to develop that is consistent with the previous pattern of pragmatic pluralism in the colonial period. There were strong connections between churches and welfare agencies, through diverse patterns of governance shaped by differing denominational allegiances, with congregations playing a less significant role in engaging with government than church-related welfare agencies.

The fragmentation in the sector is along denominational and regional lines with few agencies having anything like a strong national reach. Responses by churches and emerging agencies to periods of social and economic crisis, particularly during the late 1800s and the 1930s, displayed organisational inventiveness that resulted in

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\(^{240}\) I have not included New Zealand and Canada in this comparative discussion because of the relatively limited literature on church and religious agencies involvement in welfare provision in those countries.
fragmentation in response to changing social needs. An indicative account of the significant role of church-related agencies in social welfare and human services in Australia is provided by a recent analysis of the NFP sector which identified the ten largest agencies by gross income in several areas of service provision. Church-related agencies comprised four out of the top ten agencies in aged care and eight out of the top ten agencies in social services. This is a very different picture to that in both the US and the UK.

The literature on ‘faith-based’ welfare in the US is substantial. In sketching the US pattern of church involvement in welfare, it is important to note the difference between congregations and ‘faith-based’ organisations. ‘Congregation’ refers to the fundamental unit of religious communities from across a wide variety of traditions of worship and practice, including those in ashrams, synagogues, mosques and churches. A ‘congregation’ is tax-exempt because it is a ‘religious’ organisation, a status that does not prevent it from embarking on forms of social ministry and community service in its own right. By contrast, a ‘faith-based’ organisation is required to register with the Internal Revenue Service and be formally incorporated. Much of the discussion of ‘faith-based’ agencies in the US context is actually addressing congregational engagement in welfare provision.

A significant difference between Australia and the US in the relationship between churches, religious traditions and government, with respect to the delivery of social

247 Cnaan and Curtis, "Religious Congregations as Voluntary Associations: An Overview."
welfare and its funding, has been flagged in the previous account of constitutional interpretation in Australia. In the US, congregation members who contribute to the church to support the running of the church and pastoral care activities can claim the full amount of that giving as a tax deduction. *The American tax benefit to congregations ... is also in effect state subsidization of those functions.* Contributions by church members in Australia to churches are not tax deductible, though churches, in their role as worshipping communities, receive a variety of tax deductions. Outside of congregational activity most attention in the US literature has been paid to local and citywide faith-based organisations in specific regions or cities. The combined impact of denominationally-splintered congregational context, and diversity in policy emphasis and practice between the fifty states, and the difference in spread of responsibility across local, state and federal government, creates a contest in which patterns of engagement make this sector difficult to map.

Before 2004 there had been very little academic research on the involvement of ‘faith communities’ in social action in contemporary urban Britain. The subsequent UK literature on the participation of religious groups and the role of faith in public policy points to a clear difference between the two jurisdictions. The US literature, cited previously, has a strong social science component presented in journal articles with tables and statistical analysis. The UK literature is much more discursive, engaging with social and political theory, particularly around the themes of civil society and social

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capital. Engagement by government in the UK with churches and other religious traditions has gone through a number of iterations around issues of community cohesion, community development and participative governance. The UK policy context has a policy moralisation strand which has an understated though implicitly Christian socialist emphasis, with a focus on community and communitarianism as an antidote to the social dysfunction created by economic individualism, and a focus on the urban context. The Australian pattern of engagement by church-related agencies, by contrast to both the US and the UK, has been driven substantially by a government policy interest in getting a more effective service from that provided by public agencies and is based on presumptions about innovativeness and closeness of such agencies to the community, with a structure driven by a historical pattern of engagement, sketched previously in this chapter.

Attention to the urban character of faith-based agencies’ engagement in social welfare emerges as a major theme in the European literature. Here government engagement with church-related agencies has been much less systemic and, to a certain extent, against the grain of what was perceived to be European secularisation. The European literature has two main strands, one pointing to the significance of the Christendom background through the role of majority churches in welfare provision. Europe differs from the UK, US and Australia in the historical impact of majority churches and their ongoing role in social cohesion and as welfare agents. The theological background embodied in the historical, ideological and social role of major denominations can be traced in the diverse patterns of welfare provision across Europe. The other strand is the emergence of faith-based organisations providing service in an urban context in

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ways that can be described as a post-secular insertion of religion into a secularised context. The European account offers a helpful perspective for viewing the Australian context, given the decreasing levels of attachment to the various Christian churches and the emergence of significant minorities of other religious traditions through immigration. Here, church-related organisations tackling issues of social exclusion and poverty in European cities are interpreted in this literature as a potentially progressive response to the impact of neoliberal policy and as an expression of ‘religion’ in the public square as ‘post-secular’ in character, stepping beyond historic Christendom patterns and resisting accounts of secularisation.256

The different patterns of entanglement and distinction between government and civil society have emerged across the US, UK Europe and Australia, respectively, illustrate how historical and ideological factors have shaped the negotiation of the boundaries between the state and non-state agents.257 This chapter, in tracing the historical emergence of the pattern of engagement between government and church-related welfare agencies in Australia up to the 1990s, has laid out the context against which the policy shift to contracting of social welfare services took place. The policy shift, along with the theoretical and empirical literature bearing on its impact on those agencies, will be explored in the following chapter.


Chapter Five: The impact of government contracting on ‘church-related’ agencies in Australia, 1996-2013: policy, theory, evidence and tactics of response

The policy shift to contracting of social welfare and human services in the 1990s

The pattern of engagement by church-related agencies with government in Australia, laid out in the previous chapter, sets the context in which the shift to contracting of social welfare by government took place, accompanied as it was by a widespread public expression of concerns about its likely impacts on NFPs.258 The following survey covers both the relevant international and Australian literature beginning with a discussion of the policy context that brings out both the continuity and ideological shifts in the character of the state and its approach to social welfare.

The Australian shift to contracting was linked to both public sector and welfare reform agendas,259 both contested in implementation and influenced though not determined by neoliberal ideology.260 There has been a widespread assumption that ... the spread of

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258 The reason for drawing on the broader NFP literature on engagement with government in contracting was that this literature included coverage of church-related agencies and suggested that the sociological processes at work were similar.

259 A comprehensive account of welfare and public sector reform in Australia is not necessary for the purposes of this inquiry. An introduction to welfare reform can be found in Chapter 8 'Welfare Reform' and Chapter 9 'Remapping the Contours of Welfare' in Peter Saunders, The Ends and Means of Welfare: Coping with Economic and Social Change in Australia (Cambridge, UK: Cambridge University Press, 2002).


260 Public sector reform in the 1990s in Australia went under the narrower labels of either 'managerialism' or the 'New Public Management' (NPM). For a summary of public sector reform in the APS see Saunders, The Ends and Means of Welfare: Coping with Economic and Social Change in Australia. 13-16. The relatively pragmatic character of Australian public policy may be partly a result of the plurality of traditions of governance and the nature and role of the state. What fundamentally changed during this period was the way delivery took place and the distributional impact. Keating and Weller, "Rethinking Government's Roles and Operations."

Michael Keating, "Reshaping Service Delivery," ibid.; Patrick Weller, "The Summit of Their Discontents: Crisis or Mere Transition?" ibid.; Orchard, "Public Sector Reform and the Australian Way."

neoliberal policy programs of privatisation, deregulation and marketisation is explained principally by policymakers coming under the influence of fundamentalist neoliberal ideas and the think tanks through which they were proselytised. Neoliberalism formed part of the discursive frame without being the exclusive and determinative source of policy change. Institutions, structural variables and path dependency in policy choice and implementation were all relevant mediating factors. Certainly the substantial discrepancies between the policies advocated by neoliberal think tanks and the policy of the Coalition government under Prime Minister Howard, as actually delivered, suggests the pressure of strongly constraining institutional environments and a contesting pragmatism that substantially mediated neoliberal ideas.

The shift to contracting in Australia started in the late 1980s when the Hawke Labor Government began to increase the focus on regulation and competition as part of a wider microeconomic reform agenda:

In 1995 the agenda was extended to the market provision of services and choice for citizens with the National Competition Policy, although initially the focus there was on state-based services. The preference for competitive contracting for the delivery of Commonwealth services became official policy in the first term of the Howard Government.

The Commonwealth Government policy shift was of particular significance because of its key role in funding social welfare, and delivering employment services. Prior to this policy shift, there were two dominant approaches to funding social welfare and human services. The first involved public provision, the most significant element of which was the Commonwealth Employment Services (CES), a government-owned enterprise staffed by public servants. The second was a funding regime that was procedurally

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262 Ibid. Cahill’s critique applies to the account of the influence of neoliberalism deployed by Webster, "Political Wolves in Charity Sheep’s Clothing? The Outsourcing of Welfare to the Faith-Based Sector under the Howard Government".


oriented and bureaucratic in character, driven either by submissions from NFP agencies, and/or government department planning:

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\text{In the submission approach, voluntary associations identify community needs, follow procedures set down by government, and request funds to develop programmes in response to these needs. In the planning process government officials determine in advance what is needed. Government departments will follow procedures for choosing appropriate voluntary associations to deliver services.}^{265}
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The shift to contracting of employment services, following the election of the Coalition government in 1996, went well beyond the incremental changes of the previous Labor government.\(^{266}\) For the public service, the change from the role of either public provider, or grant funder, to contract manager was just as radical as the parallel shift for NFPs. For both it involved a wrenching reorientation, with a change of required skill sets and procedures for staff, managers and boards. Issues of accountability and reporting achieved greater prominence given the separation of policy formulation and implementation.\(^{267}\)

The Productivity Commission in its 2009 report documented the scale of the shift to contracting of social welfare by government. By that date at least 50% by value of most human services were delivered by external organisations. Of those services over 75% of program value was being delivered by NFPs and for 66% of programs they were the only providers.\(^ {268}\) Debate on the shift to government contracting of social welfare and human services with the NFP sector was dominated by concern about potential negative


\(^{266}\) An account of the policy background to contracting of employment services is provided in Mark Considine, \textit{Enterprising States: The Public Management of Welfare to Work} (Melbourne, Victoria: Cambridge University Press, 2001), Chapter 6: ‘Australia: Governance as Competition’. The ALP when returned to government in 2007 made some efforts to restructure employment services contracting to reduce red tape and to make the work of frontline staff more flexible while leaving in place the overall structure of delivery by private agencies under short term contracts. Mark Considine, Siobhan O’Sullivan, and Phuc Nguyen, "New Public Management and Welfare-to-Work in Australia: Comparing the Reform Agendas of the ALP and the Coalition," \textit{Australian Journal of Political Science} 49, no. 3 (2014). Shifts in the implementation of policy for contracting of employment services from 1996 onwards will be discussed in the case study of the impact on church agencies of involvement in contracting for delivery of employment services in \textit{Chapter Nine}.


impacts on the participating agencies. Similar concerns had previously surfaced in the US and the UK. Wolch, for example, had argued that, as a result of contracting, the voluntary sector was becoming a ‘shadow state’ in which the sector plays an expanded role in undertaking activities previously the responsibility of the state, while, at the same time the state plays an increasing role in the regulation and management of the voluntary sector. Smith and Lipsky offered the following paradoxical account of the impact on NFPs of contracting in the US:

Voluntary agencies have lost some of the protection previously provided by the cloak of charity … As suppliers to government they are now criticized for any departures from cost-effectiveness. As clients of government they are vulnerable to charges of bloated administration … Their advocacy can now be portrayed as self-serving. 

These studies discussed, at least speculatively, sector level impacts of contracting, a level of analysis that subsequently received little attention. Concern in the Australian debates focused on the impact on individual agencies alongside critiques of the government’s ideological commitments based on the asymmetry of power between government and agencies. A classification of these concerns was developed by Shergold and used by the Productivity Commission in its 2009 review of the NFP sector. The impacts identified in this classification were:

- the limitation of the advocacy role of agencies, either by provisions in the contract, or internalized constraint by the agency;
- increased agency costs through complying with contractual obligations and reporting requirements, with a tendency for such requirements to accumulate over

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269 A decade later, the Centre for Independent Studies publication Supping with the Devil? Government Contracts and the Non Profit Sector captured, if a trifle provocatively, the prevailing sentiment. Peter Saunders and Martin Stewart-Weeks, eds., Supping with the the Devil?: Government Contracts and the Non-Profit Sector. CIS Policy Forum 16 (St Leonards, NSW: Centre for Independent Studies, 2009).


272 Ibid., 187.

273 I will discuss the emerging role of denominational coordinating agencies in Australia in Chapter Eight.

274 “This new relationship where private agencies are both stronger and weaker is characteristic of corporatist arrangements. Private organizations are politically organized and have influence and strength to voice their positions to government leaders. But they are linked to the decision-making structures of the state and in the case of contracting are financially dependent.” Smith and Lipsky, Nonprofits for Hire: The Welfare State in the Age of Contracting,187. 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); 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); Samuel Gregg, “Playing with Fire: Churches, Welfare Services and Government Contracts,” (Sydney: Centre for Independent Studies, 2000).
time because of the propensity of government agencies to focus on contractual rather than relational governance;

- performance management as a response to external accountability ensuring funding is retained rather than being a driver of mission. Mission drift could also occur when the goals of the organisation are gradually transformed to secure additional government funding diverting an organisation’s effort away from its original core mission; and
- the asymmetry of power between government and NFPs can make collaboration more difficult and prevent innovative approaches to service delivery. Over dependence on government funding can also place limits on innovation along with an over-prescriptive approach to outcomes.275

**Theoretical literature on the impact of contracting**

In the theoretical literature, organisational sociology, and the sociology of religion together provide the theoretical base for research into the impact of contracting in the NFP sector. Within organisational sociology, coercive, mimetic and normative isomorphism have been identified as processes that can reshape contracting organizations to conform to the structure and behavior of the government as contractor and thus become an extension of the state.276 In the sociology of religion, the process of secularisation suggests a reshaping of such agencies, through changing governance and/or ideological connections with an overlap between the impact of the processes of secularisation and mimetic and normative isomorphism.277 The literature I report on later in this chapter suggests that agencies can act to resist, at least to some degree, these outcomes278 and that sociological processes are not irresistible, with outcomes

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277 "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields."

278 Mark Chaves, "Intraorganizational Power and Internal Secularization in Protestant Denominations," *American Journal of Sociology* 99, no. 1 (1993); "Secularization as Declining Religious Authority," *Social
that agencies are ‘fated’, in some ‘Weberian’ sense, to undergo.

In ‘coercive isomorphism’, agencies adapt to state norms and procedures through responding to formal, and/or informal, pressures or expectations, leading to downgrading of distinctive elements in the practices of the organisation. This can lead in contracting with government to the adoption of bureaucratic and organisational forms or values by an agency to qualify for funding, or to meet accountability requirements, resulting in what is described as ‘mission drift’. This reflects the ‘asymmetry of power’ in the contracting relationship between government and agency. Its negative impact on agency identity, mission and independence arises through coercion in determining the terms of the contract and can result in reduced agency participation in policy advocacy and innovation. The power imbalance is reflected in the risks transferred to agencies and unfettered powers to terminate contracts assigned to government departments. There is not necessarily a conflict between proposing an impact arising from isomorphism as an expression of the drive for legitimacy, and the contrasting drive through organisational culture to maintain identity. Both drives involve borrowing from relevant organisational fields. The question is which fields are borrowed from and how consciously the choice is made.279

‘Mimetic isomorphism’ involves the adoption by an agency of technologies and organisational procedures so as to conform to the prevailing cultural norms for successful and effective organisations, which may include the funding body with its contracting requirements. The agency has the choice as to whether or not it adopts forms of organisational behavior, technologies and procedures that are not coercively mandated under the contract. Organisational change can also occur through ‘normative isomorphism’, arising through professionalisation, driven by formal education and legitimation, delivered through a cognitive base typically produced by university

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specialists. The resulting bureaucratisation and professionalisation may generate conflict within a NFP organisation where founding values of the agency come into conflict with the drive for professionalisation.\footnote{280} This process receives less attention in this inquiry in that it was operative well before and was operating independently of the shift to contracting.

Given these isomorphic processes government-funding technologies are not organisationally neutral in their impacts, as different forms of funding have specific influences on the operation of the agency. The change to contracting from funding based on submissions from agencies, or planning by government departments, shifted the focus away from an emphasis in an agency’s operation on integration, coordination and effectiveness, towards an overriding concern with achieving competitive efficiencies. Contracting it was anticipated would result in increasing administrative and 'transaction' costs for both NFPs and government funding agencies.\footnote{281} It was anticipated in the literature that the shift to contracting would result in an increasing emphasis by agencies on funder-determined priorities and a reduction of the role of NFPs in taking the initiative in identifying community need, development of service options and operational arrangements.\footnote{282} The gradual tightening of contract requirements over time would also negatively impact on community resource mobilisation, appropriateness of services and citizen participation. Attempting to position community sector agencies as part of a broader system of government welfare entails a risk to their organisational independence.\footnote{283} This process has been conceptualised as a 'hollowing out of the state’ in terms of reduced capability, or alternatively an extension of the reach of government into the community resulting in

\footnote{280}DiMaggio and Powell, “The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields.”


\footnote{282}Brian Dollery and J. Wallis, “Social Service Delivery and the Voluntary Sector in Contemporary Australia,” \textit{Australian Journal of Political Science} 36, no. 3 (2001); Rose Melville and Catherine McDonald, “Faith-Based Organisations and Contemporary Welfare,” \textit{Australian Journal of Social Issues} 41, no. 1 (2006). Both processes may in fact be occurring, but the 'hollowing-out' manifested in the reduction of state capacity in research and community connection, as discussed in \textit{Chapter Eight}, has offered possibilities for agencies to resist these processes through the activities of denominational coordinating agencies.

\footnote{283}Nowland-Foreman, “Can Voluntary Organisations Survive the Bear Hug of Government Funding under a Contracting Regime? A View from Aotearoa/New Zealand.”; ”Purchase-of-Service Contracting, Voluntary Organizations, and Civil Society: Dissecting the Goose That Lays the Golden Eggs?”
contracted agencies becoming ‘agents’ or extensions of the state.\textsuperscript{284}

A further concern about contracting was that the mediation of government services through a third party NFP ‘provider’, would displace the providers attention from those individuals and groups whom they were set up to serve. Instead the government as contractor would become the central customer of the NFP and, consequently, the agency’s focus of attention. As a sole purchaser of services, government needs would become ‘front and centre’ for agency managers and the process of management of contracts by government departments, with reporting requirements, is a continued reminder of where the power in the relationship lies, placing service innovation, diversity and agency identity under threat.\textsuperscript{285} The displacement of focus is also relevant to consideration of the pressures for the maintenance of their legitimacy by NFPs with their stakeholders, a particular concern to agencies with a strong and publicly visible value base.\textsuperscript{286}

Isomorphism can also lead to the reshaping of agencies into the organisational mould of the government as contracting agency, through the impact of reporting requirements on the administration and organisational culture, and the management of risk, with NFPs imitating patterns common in the surrounding organizational fields and the professional fields of the staff. Reductions in the quality and responsiveness of service delivery may result from contract requirements accumulating over time driven by a government focus on contractual rather than relational governance. Costs associated with contractual obligations and reporting requirements may overburden agencies’

\textsuperscript{284}This process is discussed by Wolch, \textit{The Shadow State: Government Voluntary Sector in Transition} and, Smith and Lipsky, \textit{Nonprofits for Hire: The Welfare State in the Age of Contracting}. The relationship of these developments to issues of governance are discussed in Stephen Bell and Andrew Hindmoor, \textit{Rethinking Governance: The Centrality of the State in Modern Society} (Cambridge: Cambridge University Press, 2009).


administrative capacity. Reporting measures designed to ensure accountability could undercut the motivational distinctiveness arising through mutuality and cooperation across the not-for-profit sector.

‘Secularisation’ in NFPs represents the mirror image of the isomorphic processes leading to conformity to government organisations, manifested in a reduced focus on the founding value commitments of agencies, leading to transformation into market-oriented organisations, and/or a distancing of their relationship from the churches. In exploring the impact of secularisation it is important to note the contingent ways that agencies behave and operate within shared spheres of activity and common organisational fields. ‘Internal’, or ‘institutional’ secularization, in this context, is the declining churchly/ecclesial authority’s effectiveness and scope within its organisations, as the outcome of intra-organisational conflict between ‘ecclesial’ and corporate leadership. Chaves, in an analysis of authority and organisational power within Christian denominations in the US, draws attention to the fact that denominations have both ‘religious’ 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, by contrast, 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. Though Chaves’ analysis explores the relationship between congregations and denominational structures, I am suggesting that his argument is transferrable to the relationship between churches and their

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agencies and have worked on that basis.  

Research into contracting with church-related agencies in Australia

As noted in the survey of theses relevant to this inquiry in Chapter One, the role of Australian church-related agencies in the era of contracting remains ‘under-researched.’  

The following survey of relevant publications, even when added to the research reported in those theses, represents a relatively minimal level of inquiry in this sector of public policy. The literature surveyed included not only academic literature but also substantive discussion sponsored by institutions outside of academe.

A collection of essays, sponsored by the Victorian Council of Churches in 2002, on the role of the churches and their agencies in a contracting environment explored possible outcomes of the contracting out of services from economic, theological and agency perspectives. Concerns that service innovation, diversity and agency identity were under threat in Catholic social welfare agencies were discussed by Winkworth and Camilleri in 2004, while Australian policy developments in contracting out of services against the background of ‘faith-based’ welfare reform in the United States were critiqued by Melville and McDonald. Two reports on secularisation within UnitingCare agencies have been undertaken and will be referred to later in this chapter.

The motivation of managers and volunteers working in ‘faith-based” agencies in the Hunter region of NSW was explored by Reeves in a study that highlighted the

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291 Chaves, "Intraorganizational Power and Internal Secularization in Protestant Denominations."); "Denominations as Dual Structures: An Organizational Analysis," Sociology of Religion 54, no. 2 (1993); "Secularization as Declining Religious Authority."


295 Melville and McDonald, "'Faith-Based' Organisations and Contemporary Welfare."

importance of faith as a motivating factor. Smyth has provided a case study of the 
Brotherhood of St Laurence, a church-related agency exploring the engagement between
the agency and the broader social policy context. More recently, the Australian Journal
of Social Issues devoted a thematic issue to the theme of 'Social Policy and Religion'. Of
particular relevance to my inquiry are articles by Bouma on the significance of
religious diversity for social policy, and Howe and Howe, on the influence of the
churches and their agencies on Australian social policy. This limited attention to church-
related agencies may have been because of a general acceptance in the social policy field
of a sweeping account of secularisation in which religion was fated to disappear from
the public realm and that there was nothing interesting there to build a research career
on. This assumption of secularisation points to a reading of Australian history and social
policy that occludes both the historical role and ongoing significance of Christianity's
involvement in public policy. More pragmatic realities may also have contributed to this
outcome including limitations on foundation funding for social research in Australia.
There has certainly been a lack of funding for research related to religious dimensions of
public policy through Australian Research Council funding rounds.

‘Command and control’ contracting

While the literature noted above does not constitute a significant research exploration
into the impact of contracting on church-related agencies, there has been significant
work on employment services including a significant Australian longitudinal study

297 Sandra Reeves, "Welfare Reform and FBOs: An Australian Perspective," Nebula 7, no. 4 (2010);
Australian Political Studies Association (Brisbane, Australia, 2008).
298 Paul Smyth, "The Role of the Community Sector in Australian Welfare: A Brotherhood of St Laurence
Perspective," ed. Jo Barraket, Strategic Issues for the not-for-profit Sector (Sydney, NSW: UNSW Press,
2008).
Social Issues 47, no. 3 (2012).
300 Brian Howe and Renata Howe, "The Influence of Faith-Based Organisations on Australian Social
Policy," ibid.
301 Paul Oslington, "The Place of Religion and Theology in the National Research System," unpublished
paper delivered at Australian Association for the Study of Religion (Sydney, NSW, 2012).
302 For a multi-disciplinary assessment of the first few years of the Job Network see: Paul Oslington, "The
Job Network: An Interdisciplinary Symposium," Australian Journal of Labour Economics 6, no. 2 (2003);
"Contracting out of Assistance to the Unemployed: Implications of the Australian Experiment."; Tony
(2003); Paul Oslington. "Contracting out of Assistance to the Unemployed: Implications of the Australian
Experiment." Economic Record 81, no. 252 (2005); John Nevile, W. and Ann Nevile, "Evaluating the
Structure and Performance of the Job Network," ibid.; David Abello and Helen MacDonald, "Job Network:
Changing Community Sector Values," The Drawing Board: An Australian Review of Public Affairs 3, no. 1
(2002); Oslington, "Contracting out of Assistance to the Unemployed: Implications of the Australian
Experiment."
into the impact of contracting on the delivery of employment services by NFPs, a sub-sector that includes ‘church-related’ agencies, that provides strong empirical evidence of the impact on agencies of employment services contracting. Surveys of frontline employment service staff, undertaken in 1998, 2008 and 2012 respectively, explored the connection between state as purchaser and regulator and the delivery of services by non-government agencies and the extent to which they did, or didn’t, achieve the outcome of shifting from a process-oriented approach to innovative services.\(^{303}\)

The findings of the research project, noted above, were that contracting after some initial improvement, resulted in a marked increase over time in the level of routinisation and standardisation in the way frontline staff delivered the program. The flexibility and innovation in the delivery of services, that was the goal of the reforms, was not sustained after some initial improvement. Agencies reverted to conservative practices in response to increasingly prescriptive contract and reporting requirements. The outcome has been a convergence of service-delivery strategies among different types of agencies, including higher case-loads, reduced attention to the needs of individual job-seekers and greater creaming off of the easier clients at the expense of those more disadvantaged. These findings point to the significant impact of this specific contracting regime on the character of the agencies and the way they deliver services. This outcome was the result of fifteen years of operation that worked towards the incorporation of contractors into the structure of government. Support for this finding is provided in Chapter Nine, in the account of employment services contracting by the Salvation Army Employment Plus and Catholic agencies.

Reporting measures designed to ensure accountability and prevent dysfunction in government bureaucracies, for example, can undercut the motivational distinctiveness arising from mutuality and cooperative relationships when applied across the not-for-

profit sector.\textsuperscript{304} The prescriptive nature of government contracting was also identified as a critical issue by Nevile and Lohman in their exploration of the disability employment services contract regime. Despite community consultation, this approach has not, so far, reduced red tape and the prescriptive nature of the contracts meant that the contracting department continued to regulate how service providers achieve outcomes.\textsuperscript{305}

**Accountability and organisational stress in social welfare contracting**

A major study of contracts and relationships between agencies and the Federal Government department responsible for a wide variety of family, youth and community services provided less decisive evidence on the impact of contracting than was the case with respect to employment services contracting on agencies. The survey was undertaken in 2003, for a Commonwealth Government department, by the Social Policy Research Centre (SPRC) with the analysis completed in 2004, only a few years after the move to contracting. The background to the study is that changes in the department’s scope of policy responsibility in 1998 and 2001 brought funding programs into what had been previously a policy department managing income security and service delivery agreements with Centrelink. The research was not published until 2008, following a change of government, and is the only major study of the impact of contracting on agencies in Australia outside of the employment services sector.\textsuperscript{306} The delay in publication resulted in little attention being paid to its findings, both inside and outside government. The research found that the outcomes of contracting on agencies’ relationships with the Department were not easily categorised. Only 25\% of agencies reported improved planning and targeting as a result of the contracting process, though around two-thirds of organisations responding to the survey believed they had not been diverted from their vision by contracting. Despite the relatively positive account with respect to this outcome, this finding suggests that a significant minority had been so diverted:

\begin{itemize}
  \item \textsuperscript{305} Ann Nevile and Rosemary Lohmann, "It’s Like They Just Don’t Trust Us": Balancing Trust and Control in the Provision of Disability Employment Services,” (Canberra, ACT: Social Policy Action Research Centre: Crawford School of Economics and Government, ANU, 2011), vii.
  \item \textsuperscript{306} Rawsthorne and Shaver, "Government/Non-Government Relations: The Impact of Department of Family & Community Services Contractual Reporting and Accountability Requirements".
\end{itemize}
... nearly half felt they were more accountable to the Department than to the community under the new funding arrangements. The desire to create greater clarity about the role of the parties embedded in the purchaser/provider model had not been achieved according to the vast majority of respondent organisations. There was considerable ambivalence within the respondent organisations about the likelihood of receiving funding for preventative or developmental work and about whether they were encouraged to compete rather than collaborate.307

The key negative impact identified related to what the report described as organisational stress, associated with cultural changes embedded in the contracting process, arising from the impact of changed funding arrangements on relationships with the Department. Agencies had a perception that being 'encouraged to compete rather than collaborate' contributed to greater organisational stress levels.308

Advocacy

The potential impact of contracting on agencies’ ability to act as advocates on policy issues was a major concern of critics through the early years of the shift to contracting. Maddox’s account of church agencies’ engagement in contracting placed a strong emphasis on limitations on policy advocacy.309 Concerns were also expressed about agency independence arising from the financial dependence on government contracts.310

307 Ibid. vii.
308 Ibid. viii. The research did not deal with the impact on agencies of the actual contract provisions particularly related to indexing of payments over the life of the contract, the length of contracts and processes around renewal of contracts.
A major study of peak bodies in the social welfare sector was conducted by researchers at the University of Wollongong between 2000 and 2002. Of the 142 peaks surveyed, one-third of the peaks were national organisations. The income of one hundred of the peak bodies was derived mainly from federal and/or state/territory government funding. More than half the government-funded peak bodies claimed to have received threats to funding and ten had been totally defunded. 40% of the reasons given for the threats were due to political activity and changes in government funding guidelines. Some peak bodies were convinced that the introduction of tendering was a means for reducing critical advocacy and that governments wished to choose more compliant partnering organisations.311

The evidence from the Social Policy Research Centre (SPRC) study cited previously in this chapter in the discussion of accountability and stress arising from government contracting, returned different results on this issue. The vast majority of organisations felt their ability to advocate on behalf of the disadvantaged had not been impaired by the new funding arrangements, including peak organisations.312 A possible explanation is that the SPRC study related only to a single Federal Government department and may reflect a particular culture in the agency. Certainly most of the agencies in that study were involved in service delivery and less involved in advocacy than peak bodies.313 The impact of contracting on advocacy, at a sector level is taken up in Chapter Eight.

Contracts and the asymmetry of power

The power imbalance in the relationship between government and NFPs is reflected in both the provisions of contracts and the character of contracting relationship, with the transfer of risk to agencies and the accompanying largely unfettered powers of government departments in their ability to terminate contracts. An assessment of


312 Rawsthorne and Shaver, "Government/Non-Government Relations: The Impact of Department of Family & Community Services Contractual Reporting and Accountability Requirements", vii.

313 On the differences in background between Commonwealth Government agencies dealing with social welfare and employment services, respectively, that may bear on this issues see Will Sanders, "The Emergence of the Remote Jobs and Communities Program: Beyond an Authoritative Choice Account," Unpublished paper delivered at *Australian Political Studies Association* Conference, University of Canberra, Canberra, ACT. September, 2015.
contract provisions against administrative law principles by McGregor-Lowndes and McBratney point to what they describe as the routine abuse of power by government departments.\footnote{Myles McGregor-Lowndes and Amanda McBratney, "Government Community Service Contracts: Restraining Abuse of Power," \textit{Public Law Review} 22 (2011), 133.} The imbalance of power in the contracting process is also discussed in a major report from the Public Interest Advisory Centre.\footnote{Ted Flack and Christine Ryan, "Financial Reporting by Australian Nonprofit Organisations: Dilemmas Posed by Government Funders," \textit{Australian Journal of Public Administration} 64, no. 3 (2005); Eric Sidoti and (et al), "A Question of Balance: Principles, Contracts and Government-Not-for-Profit Relationship," (University of Western Sydney, Public Interest Advocacy Centre, Whitlam Institute: Rydalmere, NSW, 2009).} A number of the terms in contracts in the employment services sector that were examined were judged to be unusually onerous, one-sided in the advantages provided to the government party, and interfered with the operation of agencies, though the report acknowledged the relatively limited room for agencies to negotiate fairer contracts.\footnote{Alford and O'Flynn, \textit{Rethinking Public Service Delivery: Managing with External Providers}, 133.} There is something of vicious circle in the contracting process as McGregor-Lowndes explains:

\begin{quote}
Audit performance reports complain that departments need to better implement command and control systems to track funds through not-for-profit organisations to their intended beneficiary or public purpose ... These criticisms have been responded to with more prescriptive command and control funding conditions and greater reporting requirements - for both accounting for funds and for performance. However these have generally neither resulted in better service delivery nor meaningful accountability.\footnote{Lynne Russell, Duncan Scott, and Paul Wilding, "The Future of the Voluntary Sector: Deepening Dependence on the State?", \textit{Crucible: Theology & Ministry} 35, no. January-March (1996); Lorraine Kerr and Harry Savelsberg, "The Community Service Sector in the Era of the Market Model: Facilitators of Social Change or Servants of the State?", \textit{Just Policy}, no. 23 (2001); Robyn Keast and Kerry Brown, "Adjusting to New Ways of Working: Experiments with Service Delivery in the Public Sector," \textit{Australian Journal of Public Administration} 65, no. 4 (2006).} \footnote{Gabrielle Meagher and Karen Healy, "Caring, Controlling, Contracting and Counting: Governments and Non-Profits in Community Services," \textit{Australian Journal of Public Administration} 62, no. 3 (2003).}
\end{quote}

The asymmetry of power in the contracting process has the potential to be self-reinforcing in situations where an increasing proportion of agency funding comes from government contracting.\footnote{Myles McGregor-Lowndes, "Is There Something Better Than Partnership?," in Strategic Issues for the Not-for-Profit Sector, ed. Jo Barraket (Sydney, NSW: UNSW Press, 2008), 49.}

One response by government to expressions of concern about the impact of contracting has been to re-clothe the contracting framework in the language of partnership.\footnote{Gabrielle Meagher and Karen Healy, "Caring, Controlling, Contracting and Counting: Governments and Non-Profits in Community Services," \textit{Australian Journal of Public Administration} 62, no. 3 (2003).} Despite this linguistic manoeuvre, governments find it difficult in practice to share power and continue to operate in a ‘command and control’ mode, while leaving rhetoric open the possibility of more innovative approaches. For agencies to share
goals and visions in a partnership through being committed to the government’s agenda, ambivalently placed between values and implementation, ends up in their inevitably being positioned by the government’s attempts to reinforce certain social norms and behaviours. It is doubtful whether any relationship structured around a contracting relationship for purchase of the delivery of services can be described in any meaningful sense as a partnership.

Community engagement

Being driven by government program specifications are thought to reduce the ability of agencies to maintain a commitment to community building with the poor and marginalised, and to undertake innovation in identifying and serving community needs. This works through an inevitable tension in the assertion of independence by NFPs against their ongoing need for state funding in areas in which the government has taken over responsibility. The consensus is that gradual tightening of contract requirements over time negatively impacts on community resource mobilisation, appropriate services and citizen participation.

The risk that NFP agencies will lose their wider role in, and connection to, the community as well as facing threats to their identity connects to broader debates as to whether contracting is best characterised as a ‘hollowing out of the state’, or as involving a more extensive reach of government into the community with agencies becoming an extension of the state, differing little from the public service bodies that they replaced. These accounts need not be in conflict. Policy history suggests that there is downgrading in policy capacity and research capability by government departments, accompanied by reaching, through contracting with agencies, deep into the community.

There is certainly a structured tension between the goals and modus operandi of the public sector and community organisations. Managerial reforms have exacerbated such tensions, highlighting the differences in priorities, mission and modes of operation.

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320 McGregor-Lowndes, "Is There Something Better Than Partnership?" MacDermott, Whatever Happened to Frank and Fearless? The Impact of New Public Management on the Australian Public Service. The discussion in Chapter 6 “To market to market: Outsourcing the Public Service” is also relevant.

321 Rawsthorne and Shaver, "Government/Non-Government Relations: The Impact of Department of Family & Community Services Contractual Reporting and Accountability Requirements”.

322 Dollery and Wallis, "Social Service Delivery and the Voluntary Sector in Contemporary Australia."
between public and not-for-profit service providers. Key indicators of the inroads of professionalism and organisational rationalisation can be found in the extent of the use by NFP agencies of strategic planning, independent financial audits, quantitative program evaluation and consultants.

Outside employment services, the Australian evidence on the impact of contracting on cross-agency collaboration is limited and ambiguous. At an early stage in the shift to contracting, Nevile concluded that competitive tendering tended to reduce collaboration by welfare agencies tendering, reduced choice for many welfare clients and access to services for some. Butcher and Freyens subsequently found, on the contrary, that the Australian Government family relationship program exhibited substantial collaborative and collegial behaviors between government and not-for-profit organizations. On the other hand, difficulty in arriving at partnership arrangements between the Australian Government and the ‘not-for-profit’ sector was identified by Van Acker in her study of the implementation and delivery of relationship support programs. A survey of government agencies’ attitudes to their relationship with the NFP sector, conducted by the Productivity Commission during its inquiry, when compared to the evidence provided by agencies led the Commission to come to the conclusion that whether the underlying relationship was that of partnership was an issue on which the two parties had very different views. There is no consistent evidence of a positive impact on cross-agency cooperation of contracting.

**Identity and mission**
The broader potential implications of the impact of contracting comes through the dynamics of ‘secularisation’ in which church-related agencies take on the norms and structure of state bureaucracies in their functioning and service delivery, mimicking

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325 Nevile, "Competing Interests: Competition in the Welfare Sector."


327 Elizabeth Van Acker, "Service Delivery of Relationship Support Programs in Australia: Implications for the "Community Sector,"" *Politics & Policy* 37, no. 6 (2009).

'secular' agencies and losing touch with their 'religious' character and roots. The exact patterns of response by 'church-related' agencies to these pressures may differ because of path-dependency, shaped by the specific discursive theological accounts of the mission of agencies.\textsuperscript{329} The porosity of the boundaries between 'religion' and the 'secular' is a relevant insight offered by both theology and organisational sociology. \textit{The 'imagined' secular world easily takes on religious trappings of its own ... the imagined religious realm is extremely porous, refusing to remain safely ensconced in the private sphere where political theorists seek to relegate it.}\textsuperscript{330} The difficulty of separating 'religion' from its embedding in historically-shaped organisational structures requires letting go of a tight binary logic. The significance of an analysis which accepts the porosity of these boundaries is suggested by a historical study of churches and secular voluntary organisations in urban areas in the United States at the turn of the nineteenth century. Churches baptised secular attitudes and attractions, at the same time as secular organisations were adopting religious forms and symbols. Groups which adopt 'secular' forms and symbols may transform them to so as to achieve sacred purposes while secular groups which employ religious symbols do not necessarily rob them of the connection to the sacred.\textsuperscript{331} 

A range of theological issues is relevant to assessing the impact on 'church-related' agencies of contracting of services by government. Issues of governance with its close connection to ecclesiology are likely to be critical to the transmission of forces driving change in agencies and significant as a sign of the character of institutional responses to contracting. The impact of agencies’ governance relationships to churches, synods and denominations over time becomes significant in assessing 'secularisation' and/or agency response to concerns about 'secularization'. In this context a study of UK agencies by Nevile\textsuperscript{332} found that in an environment of an increasing use of contracts, and emphasis on quantitative performance indicators, organisations were able to protect the values on which their normative claims of legitimacy are founded, while in an Australian...

\textsuperscript{329} John Murphy, "Suffering, Vice and Justice: Religious Imaginaries and Welfare Agencies in Post-War Melbourne," \textit{Journal of Religious History} 31, no. 3 (2007). This account of the differing trajectory of three Melbourne church-related agencies after World War 2 illustrates the significance of their respective theological commitments.

\textsuperscript{330} Zimmerman, "Beyond Secular and Sacred: An Anabaptist Model for Christian Social Ethics?": 52.


study she found a high degree of congruence between the values of agencies and the values of service users with little evidence that underlying ethical values had been compromised by agencies’ acceptance of government funding and meeting accountability requirements.\textsuperscript{333} This evidence brings into question the sociological inevitability of specific impacts from isomorphic processes.

While structural issues are important in shaping the relationship between agencies and the government, so too are the way that leaders in those organisations interpret their situation. A study of the Australian arms of two international NGOs, involved with overseas aid, throws some light on this with the ‘religious’ NGO deliberately playing-down its ‘religious’ character to succeed in the Australian environment.\textsuperscript{334} A qualitative case study of two faith-based social service organisations in the United States addressed the questions of government funding and secularisation. According to Vanderwoed, faith traditions were alive throughout these organisations. Acting against the impact of secularising processes was the fact that organisational identity was treated as given, rather than chosen, and not regarded as negotiable while the religious world view blurred religious and secular distinctions so that secular technologies and practices could be utilised without becoming necessarily a source of conflict.\textsuperscript{335} This process of taking an active and reflective approach to the theological and ecclesial identity of agencies also emerged as a critical factor in a number of agencies included in the inquiry. I will report findings, which support the significance of this stance in \textit{Chapter Eight}. I deal with tactics of response and resistance in the narratives in \textit{Chapter Ten}.

There is some evidence of the importance of leadership in a number of studies. Drawing on a series of interviews with Chief Executive Officers (CEO) of NFPs, Judd identified a crisis of identity and purpose in the Australian charitable sector that he connects to limitations on the articulation of matters of faith in public debate.\textsuperscript{336} The issue of leadership, in his view, is critical to the question of identity maintenance. One small study of church-related agencies addressing the issue of organisational secularisation in the Australian context concluded, on the basis of a study of three agencies, that ‘church-

\textsuperscript{334} Paul Adams and Nigel de Bussy, ”NGOs, Identities, and Religion: A Case of Split Personalities?,” \textit{Asia Pacific Public Relations Journal} 9 (2008).
\textsuperscript{336} Judd, Robinson, and Errington, \textit{Driven by Purpose: Charities That Make the Difference}. 

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related’ agencies were able to resist secularisation arising from increased government funding and financial accountability requirements by focusing on their core mission of meeting the needs of the poor and marginalised. By contrast, an exploration of how the culture of modernity has shaped the professional and business approach of UnitingCare CEOs of Uniting Church of Australia (UCA) agencies and the faith formation of their CEOs, suggesting processes of secularisation are at work in those agencies.

Webster approached the shift to contracting by church-related agencies from a perspective critical of the government’s neoliberal ideological framework and of the agencies’ response to the policy shaped by that ideology, though without explicit consideration of what conditions would have been required to enable the response that she suggests should have been made by the agencies.

The empirical literature on the impact of government contracting with NFPs certainly provides some support for the theoretical account of the sociological processes provided in this chapter, particularly around the impact of contracting on agencies arising from the asymmetry of power. The extent of the impact is influenced both by the nature of the contracting and by some less defined factors relating to the way that agencies have engaged with the contracting process.

Beyond sociological determinism: tactics of resistance and response

The sociological processes of organisational change of isomorphism and institutional secularisation are both real, but not inevitable, in their impact. That is I do not accept a sociological processes as deterministic in character. Neither do I operate with the presumption that there is a sharp boundary between the ‘secular’ and the ‘religious’ that offers a line along which resistance to the ‘secular’ is mounted by agencies. Rather, I

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339 Webster, “Political Wolves in Charity Sheep’s Clothing? The Outsourcing of Welfare to the Faith-Based Sector under the Howard Government,” 18. In commenting on the three agencies she studied, the Salvation Army, Mission Australia and the St Vincent de Paul Society, Webster refers to their “similarities” without further specification. These agencies are quite different in their history, governance and structure.
proceed through paying attention to the specification of particular values, forms of organisation and traditions within organisations, as the basis on which action may be taken to resist or otherwise respond to sociological processes. Agencies can take an intentional stance towards their contracting environment and the ecclesial governance and theological accounts of their mission and identity are likely to be interesting and important sites of inquiry. In such cases the role of leadership in ‘church-related’ agencies in managing the relationship with government departments through such an intentional status is critical.

In a context of analysis of international humanitarian agencies, Barnett nicely balances agency intentionality and context, with his observation that... the more they depend on states, the more likely they will conform to their wishes ... aid agencies can shape their own fate, but not under the conditions of their own choosing. ... Resistance and response always takes place within a specific context and are best considered under the heading of ‘tactics’ rather than ‘strategies’, because of institutional constraints on agencies, and the asymmetry of power between agencies and government. A tactic, according to de Certeau, is ‘the art of the weak’ which, in relative terms, is the position of agencies with respect to governments, reflecting in organisational terms a context that parallels that of the exilic stance in Chapter Two.


342 Beckert, "Institutional Isomorphism Revisited: Convergence and Divergence in Institutional Change."


344 de Certeau, The Practice of Everyday Life. 36-39. See also the discussion Scott, Domination and the Arts of Resistance: Hidden Transcripts. Scott works with the distinction between public roles and off stage performances. A similar distinction is found in an ethnographic account of relationships between NFP agencies and government in Proctor, “In Order to Work with Us They Need to Know How We Work”; The Relationships between Non-Profit Organisations and Governments in Social Policy Implementation.” See the discussion in Chapter Six “Resistance Strategies”. On the issue of ‘resistance’ see the summary in Michael Lipsky and Steven Rathgeb Smith, “Nonprofit Organizations, Government and the Welfare State,” Political Science Quarterly 106, no. 4 (1989), 644-5. I acknowledge here the assistance in making this connection provided by Proctor’s discussion in her ethnographic account of relationships between NFP agencies and government.

There are a variety of frameworks for mapping agencies’ responses that move beyond a determinist approach. Scott, for example, drawing on a typology developed by Oliver, that highlights questions of organisational agency offering a pattern of possible responses across a spectrum from acquiescence or conformity, through compromise, avoidance, concealment or buffering elements of an organisation from conforming to requirements not desired by the agency through to defiance, where organisations not only resist demands but do so in a deliberately public manner, concluding with manipulation where resistance takes the form of an attempt to co-opt, influence or control elements in the environment including the contracting agency. This spectrum of responses provides a general orientation to categories of behaviour, rather than identify specific actions of resistance and response.

The typology that I developed for the inquiry identified a range of specific institutional ‘tactics’ that may be available to church-related agencies in resisting isomorphic or secularising pressures. In conducting the inquiry the following list proved helpful in mapping agency responses to the contracting relationship with government:

- developing a diversified funding base, along with the building financial insurance through accumulating savings and reserves;
- rejecting funding that requires delivering services in ways incompatible with agency values;
- applying for funding that falls into a broad interpretation of agencies’ remit in order to cross-subsidise other services;
- diversifying services and providing related services, including fee-for-service options, particularly for training and education;
- quarantining creative and innovative sub-projects from major government-funded programs;

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347 Ibid. 171-175.
• enhancing organisational 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; 351
• adapting organisational structures and expanding staff development: through multi-skilling, team-based approaches to support flexibility, promote innovation and a more holistic approach to service delivery; and
• developing and delivering orientation programs for staff, management and board on the mission, identity and underpinning theological commitments of the agency. 352

I used this typology of tactical responses to provide a starting point for my analysis of the documentary and interview evidence. For the purposes of the inquiry, I directed particular attention to the following major themes, which paralleled those identified in a major US report on the maintenance of connections between faith communities and their non-profits, a study that also emphasised the importance of the particularity of religious traditions: 353

• Funding: the total funding handled by the agency and the proportion that comes from non-government sources. The absolute level of the funding handled by the agency is also useful as a proxy indicator of the size and capacity of the agency. 354
• Governance: the formal legal arrangements under which the board and the CEO respectively are appointed and the specific character of the linkages of the agency to the denominational ecclesial structure.

351 Judd, Robinson, and Errington, Driven by Purpose: Charities That Make the Difference.
352 On the importance of identity and core values see John Hailey, "Indicators of Identity: NGOs and the Strategic Imperative of Assessing Core Values" Development in Practice 10, no. 3/4 (2000).
354 The challenge of identifying appropriate and effective responses has received increasing attention in recent years by Catholic Church agencies in Australia. Crisp canvasses a range of the options available to agencies in their response to contracting. See Beth R. Crisp, Social Work and Faith-Based Organizations (Oxford, UK: Routledge, 2014): 70-73; Winkworth and Camilleri, "Keeping the Faith: The Impact of Human Services Restructuring on Catholic Social Welfare Services."; 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); Catholic Health Australia, "Guide for Understanding the Governance of Catholic Health and Aged Care Services," (Deakin West, ACT: Catholic Health Australia, 2012).
• Mission and identity: the issues here concern 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. To what extent is there evidence in the language used and the expression of moral commitments, of a shift towards a more generic account of those commitments influenced by drive towards professionalism and corporate business goals and a distancing from the particularity of the founding traditions?  

The theoretical and empirical literature discussed in this chapter has brought a number of questions into focus. Are ‘church-related’ agencies in their contracting relationship with the government being reshaped into becoming ‘extensions of the state’, extending the reach of government as a disciplinary force deep into community and family life? What tactics of resistance are available to sustain their founding mission, rooted as it is in diverse ways in the Christian churches and their theological traditions, in continuing to serve the community in seeking the flourishing of the city? Can agencies live in the tension of simultaneously attempting to resist the power of the state in in its project of harnessing elements of civil society as its agents, while simultaneously extending the government’s ability to govern at a distance?  

This concluding section has drawn on the theoretical and empirical literature relating to the impact of contracting on church-related agencies. In the process, I have identified the main themes that will be taken up in Chapter Six in which I set out the method and the conduct of the inquiry.


356 On the impact of contracting on civil society see Dolnicar, Irvine and Lazarevski, "Mission or Money? Competitive Challenges Facing Public Sector Nonprofit Organisations in an Institutionalised Environment."
A methodological Interlude

Chapter Six: Research methods and the conduct of the inquiry

Part One of this dissertation has laid out the theological lenses and the institutional and theoretical contexts for the inquiry. Part Two will set out the findings from the research using these theoretical and contextual elements through the narratives of the agencies that participated in the study. I will present accounts of how agencies have, and have not, resisted the pressures to become an extension of the state. Before reporting on that analysis and presentation, I will set out the research methods utilised, and explain how the inquiry was conducted.

Resource issues in shaping the inquiry

Exploring the impact of the contracting relationship on agencies of diverse size, governance relationships and denominational background for a single researcher involved a research design,\textsuperscript{357} based on elite semi-structured interviews with the CEO and/or senior manager(s) of 25-30 agencies, in which the evidence from interview(s) would be triangulated against information from publicly-available agency documentation.\textsuperscript{358} As noted in Chapter One, in making this choice of research method I was aware at an early stage of a research project on related themes by that took a differing approach by focusing in detail on a small number of church-related agencies in the employment services sector.\textsuperscript{359}

Elite ‘semi-structured’ interviews

The ‘elite semi-structured’ interview, as a research method, derives its evidential value from the combination of the use of theoretical literature to provide the framing of the questions and catalyse the responses, and from the authoritative location, knowledge and experience of the interviewee. Semi-structured interviews, undertaken ‘after the fact’ to obtain historically-informed and reflective perspectives on the impact of the shift to contracting, can be triangulated against media reports and other publicly-available

\textsuperscript{357} The resource requirement for a comprehensive approach to even a single denominational agency sector is illustrated by the study undertaken by Peter Camilleri and Gail Winkworth, ”Disparate and Diverse: Mapping Catholic Social Services in Australia,” (Canberra: Australian Catholic University, Signadou Campus, 2003). It went well beyond what would be feasible for a single researcher.


\textsuperscript{359} Wilma Gallet, ”Christian Mission or an Unholy Alliance: The Changing Role of Church-Related Organisations in Contracted Service Delivery” (University of Melbourne, 2016).
agency documentation. Such interviews are termed ‘elite’ because they treat the respondent as an expert.\textsuperscript{360} The weight that can be placed on the evidence from interviews depends upon the expertise that can be attributed to the interviewees, and the interviewer’s ability to engage them in assessment of the agency’s experience. The ‘semi-structured’ character of the interviews arises because open-ended questions are used to leave open the possibility that the answers may extend beyond issues suggested by the literature.\textsuperscript{361}

In a study of participation in welfare contracting by church-related agencies in Australia during the Howard Government era, Webster rejected the validity of interviews conducted ‘after the fact’, on the basis that the representatives of NFPs who were interviewed would be protective of their position and would be extremely unlikely to answer questions frankly about their relationship with government, as opposed to their immediate responses in contemporaneous interviews with journalists.\textsuperscript{362} In putting forward this view, Webster did not address the character of media interviews as performance, rhetorically-enacted as persuasion, in assessing their value as a source of information. Media interviews rarely allow time for extended reflection. In exploring the long-term impact of policy there is value in a reflective approach. The interviews I conducted were structured to encourage a reflective response and generated extensive and informed discussion by the interviewees.\textsuperscript{363} In addition, the number of agencies and ‘elite’ participants who agreed to be interviewed, the capacity to test their reflections

\textsuperscript{360} Burnham et al., \textit{Research Methods in Politics}, 231-2.


\textsuperscript{362} Webster, ”Political Wolves in Charity Sheep’s Clothing? The Outsourcing of Welfare to the Faith-Based Sector under the Howard Government,“ 15.

\textsuperscript{363} A range of issues in elite interviewing relating to the power relationship in the interview process discussed in the literature, did not prove to be relevant. I came to the interviews in the role of an academic researcher who had knowledge of the sector arising from previous work in a relevant policy area within the Australian Government, along with a self-identified commitment to the mission of the church. I was treated as a colleague by all interviewees. On these issues see Susan Bygnes, ”Interviewing People-Oriented Elites,” \textit{Eurosphere Online Working Paper} No.10 (2008), 1-3. http://www.eurosphere.uib.no/knowledgebase/workingpapers.htm.
and recollections against those of other similar agencies/persons mitigates against the potential limits identified by Webster. In addition, as a theological study, I benefitted from its connection with the kind of reflection on ‘what was done then and why it was done’ that was undertaken in agencies’ assessment of mission effectiveness and faithfulness.

The general literature on interviewing, despite sophistication in unpacking the phenomenology of the interview, tends to uncritically assume that the asymmetry of power lies with the interviewer. In research involving ‘elite’ interviewees, however, the asymmetry of power works differently. People were approached because of their knowledge, expertise and status within an organisation or policy sector. Agencies had a choice whether or not to participate. If they did agree they were in a position to decide who would represent the agency, place limits on the information they would provide or place restrictions on its use specifically in the context of validating the transcripts. These decisions lay with the agency management, on occasion in consultation with the Board. As the interviewer I had to establish my credentials and provide good reasons why busy executives should grant the interview.

The interviews were focused on eliciting both information about, and assessment of:

• the experience of contracting, the agency’s relationship with government and contract managers in the departments, and the perceived impact of contracting on the agency, and its ability to carry out its mission;
• governance: the legal structure, lines of reporting and accountability, particularly to the denomination, religious order or congregation;
• finance: the extent of dependence on government contracts and the extent of access to other sources of funding; and
• statements of mission, their presentation on the website and the visibility of the church connections and the explicitness of the theological commitments, including training and orientation for staff on the mission of the agency in staff recruitment and development.

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364 For example Steinar Kvale and Svend Brinkmann, Interviews: Learning the Craft of Qualitative Research Interviewing, 2nd ed. (Los Angeles, California: SAGE, 2009).
365 Interviews lasted between 45 minutes and an hour and a half. In two cases I was granted a second interview where the interviewee had extensive experience in the sector and the research agenda had not been covered in the first interview. For the list of interviewees see Appendix A.
The literature on semi-structured interviews highlights the tension between the character of the inquiry, which is necessarily open and exploratory in nature, the structure and direction given by the theoretical literature and the need for triangulation against other sources of data.\footnote{Burnham et al., \textit{Research Methods in Politics}, 232.} To interpret and weigh the evidence from the semi-structured ‘elite’ interviews, I drew on analysis of documentation from church-related agencies, including annual reports and other documentation, accounts of governance, mission statements and mission plans on the agency website and the Australian Charities and Not-for-profits Commission (ACNC) website.\footnote{Helpful documentation on agency governance is also available through the Australian Charities and Not-for-profits Commission (ACNC) website: \url{http://www.acnc.gov.au/ACNC/FindCharity/QuickSearch/ACNC/OnlineProcessors/Online_register/Search_the_Register.aspx?noleft=1}.} I was also able to draw on, in some contexts, media reports and transcripts of public statements by agency spokespersons, particularly from the ABC and major news agencies, academic research, including doctoral theses, relevant comparative research on engagement between church-related agencies and the government in other fields, such as education and health and on occasion from agency histories.

\textbf{Purposive sampling in elite interviewing}

‘Elite’ interviewing in this inquiry involved purposive rather than random sampling.\footnote{Random sampling was not an option on feasibility grounds. See the discussion on the logistics and difficulties of identifying and surveying Catholic agencies: Camilleri and Winkworth, "Disparate and Diverse: Mapping Catholic Social Services in Australia.” Any attempt to use the ACNC database faces problems of clarifying which agencies on the ACNC list would fall within the scope of this study. See Knight and Gilchrist, "Australia’s Faith-Based Charities: A Study Supplementing the Australian Charities 2013 Report.”} Church-related agencies engagement with the state in Australia, discussed in \textbf{Chapter Four}, was shaped by both colonial boundaries, and denominational diversity in driving their current organisational pattern. To achieve an appropriate purposive sample required paying attention to this historically and denominationally-shaped pattern. I also sought to engage with as many church-related peak welfare bodies as possible in as these agencies were in a position to provide a sector-wide perspective.

My initial step was to approach, Anglicare Australia, Catholic Social Services Australia (CSSA) and UnitingCare Australia, the peak welfare bodies for their respective churches, and a regional body, Catholic Social Services Victoria (CSSV), for assistance in identifying and approaching possible participants. I included, with my initial written request, information about the proposed research and the nature of the commitment that would
be required from the participants, on the assumption that an approach through such bodies would encourage serious consideration of my request. I made the case, in both the written material and phone conversations, that participation offered an opportunity for agency leadership to systematically reflect on issues of central importance for the agency as well as making a contribution to a comparative analysis that would assist the churches in their public witness in Australian society.

All the peak bodies that I approached cooperated, though the form of cooperation varied. As well as agreeing to participate themselves, both the Director of Anglicare Australia, and the CEO of UnitingCare Australia responded to my request by arranging face-to-face interviews in which each identified a list of their member agencies that they thought would be likely to be interested in participating. I approached the nominated agencies by email, with follow up phone calls where the agency expressed interest in participating. Three Anglican, and six UnitingCare agencies agreed to participate as a result of this approach. An invitation to two people who had particular expertise in the sector, who had recently retired from positions as CEOs in Anglican agencies, gave me access to background on two further Anglican agencies. Accessing peak body gatekeepers, along with spontaneous chain-referral from interviewees proved effective.\(^{369}\)

CSSA sent out details of the project to their membership by email, requesting agencies to contact me if they were interested in participating. CSSA underwent a leadership change during the research project and I was not able to arrange an interview with the departing CEO. However I did obtain an interview with a previous CEO whose tenure covered the period from 2004-11. The Director of CSSV, in the course of a phone conversation identified, member agencies that he thought would be appropriate for me to approach with his commendation. I obtained a total of five acceptances by Catholic agencies through these references. Two further interviews, with current or previous CEOs from Catholic agencies that were members of CSSA, arose out of recommendations by Tony Nicholson, CEO of the Brotherhood of St Laurence, an Anglican agency.

\(^{369}\) All the Catholic agencies that participated in interviews were members of the national peak body. Seven agencies participated out of 56 member agencies, though only three responded to the mail-out by the national body. Personal contact and reference through the regional body CSSV generated the other four responses.
Coverage of church-related agencies beyond the three major denominational groups was more difficult. I began with a list of agencies from other denominations or non-denominational agencies with a Christian background that were large enough to have participated in contracting with government. This proved effective in achieving participation by Baptists, Churches of Christ, the Salvation Army and agencies without a specific denominational background. I approached those agencies by email, followed up by phone calls. Accessing Pentecostal churches and their agencies proved more difficult. Pentecostal denominational groupings do not have a strong coordinating structure above the congregational level. Most welfare activity by churches in this denomination is closely linked to individual congregations. Networking through personal contacts within this ecclesial tradition proved time-intensive for the results obtained, an interview with a pastor from one local Pentecostal congregation on its involvement in social welfare. A by-product of this word of mouth process however brought me into contact with three non-Pentecostal congregations involved in local social welfare ministries.

I also contacted individuals, who had published on the issues under inquiry, who had been in senior and management positions in agencies during the period of the study and who had substantial expertise on the issues over the period covered by the inquiry. These contacts gave me insights into the agencies they had worked in, as well as reporting on the process and assessing the impact of the shift to contracting on agencies and across the sector more generally. In approaching agencies, I sought to gain access to existing CEOs, directors and/or board members as authoritative sources. In most cases I only interviewed one person nominated by the agency. In two cases agencies, on their own initiative, organised interviews with three relevant respondents.

A central question in developing a purposive sample is deciding how many agencies should be included. The goal is to achieve ‘saturation’, where additional observations added no further substantive weight to the analysis. I ceased interviewing at a point where I judged that I had achieved a reasonable diversity in terms of denominational and geographical coverage and agency size.\(^37^0\) The interviews were conducted between November 2013 and June 2014 and were supported by analysis of annual reports for the

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\(^37^0\) Burnham et al., *Research Methods in Politics*, 233-4. The interviews were transcribed by a professional transcription service and reviewed, corrected and cleared by the interviewees. The agreement with interviewees was that material from the transcript of interview could be publicly attributed to the interviewee, apart from those elements of the interview that the interviewee specifically identified as non-attributable.
2012-3 financial year. I also analysed information drawn from agency web sites and other relevant publically available documentation on the agency. I ended up conducting a total of 44 interviews with 42 informants, covering 46 agencies. A list of interviewees, together with their agency connection and welfare sector experience, is provided in Appendix A. The proposal was approved by the Australian Catholic University Human Research Ethics Committee, along with a pro-forma letter of invitation which stated that a transcript of the interview would be forwarded to the participant for review, to ensure accuracy and to provide an opportunity for them to identify any material that they did not wish to have publicly attributed to them.371

I undertook documentary analysis of the agencies where I had conducted interviews. I also undertook documentary analysis of a range of additional agencies to broaden the coverage, largely of agencies that had expressed some interest in participation, but where I was not able to conduct an interview for a variety of reasons offered by the agencies. The reasons for not participating by agencies that expressed some interest initially, included agency restructuring, senior staff changes and review of strategic plans. The church-related agencies involved in service provision, as opposed to peak and coordinating agencies included in this analysis are listed in Table 6.1,372 grouped under the categories of ‘Anglican’, ‘Catholic’, ‘Uniting’, and ‘Others’. The ‘Others’ category contains church-related agencies linked to churches with a congregational polity, including Baptists, Churches of Christ, and Pentecostals, the Salvation Army, along with agencies with a Christian affiliation or founding tradition, not linked to a specific denomination, or congregation.

371 ACU HREC Register No: 2013 182N. One interviewee explicitly withheld permission to publicly attribute material from his transcript. In the case of two other transcripts I did not receive a response from the interviewees to the request for clearance of the transcripts for public attribution. While the material from these interviews has informed my understanding of the issues I have not publicly attributed any material from these interviews.

372 The data in Table 6.1 is derived from 2012-13 agency annual reports, hard copy publications, information from the agency website and documentation lodged by agencies with the ACNC.
**Table 6.1: Service agencies in the purposive sample**

<table>
<thead>
<tr>
<th>ID No.</th>
<th>Agency title</th>
<th>Research</th>
<th>Income $m</th>
<th>Founded</th>
<th>Geographical coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Anglicare SA</td>
<td>Interview /Documentary</td>
<td>105.34</td>
<td>1860</td>
<td>South Australia</td>
</tr>
<tr>
<td>2</td>
<td>Anglicare Sydney</td>
<td>Interview/Documentary</td>
<td>98.22</td>
<td>1856</td>
<td>Sydney (NSW)</td>
</tr>
<tr>
<td>3</td>
<td>Anglicare Tasmania</td>
<td>Interview/Documentary</td>
<td>53.40</td>
<td>1977</td>
<td>Tasmania</td>
</tr>
<tr>
<td>4</td>
<td>Anglicare Victoria</td>
<td>Interview/Documentary</td>
<td>64.18</td>
<td>1886</td>
<td>Victoria</td>
</tr>
<tr>
<td>5</td>
<td>Anglicare West, South West, ACT</td>
<td>Documentary</td>
<td>42.31</td>
<td>1927</td>
<td>West &amp; South-West NSW and ACT</td>
</tr>
<tr>
<td>6</td>
<td>Brotherhood of St Laurence</td>
<td>Documentary</td>
<td>61.80</td>
<td>1930</td>
<td>Victoria</td>
</tr>
<tr>
<td>7</td>
<td>Samaritans</td>
<td>Documentary</td>
<td>42.60</td>
<td>1919</td>
<td>Central Coast, Newcastle, Hunter, mid-North Coast, NSW Central West</td>
</tr>
<tr>
<td>8</td>
<td>St Luke’s Anglicare</td>
<td>Documentary</td>
<td>27.21</td>
<td>1939</td>
<td>Bendigo and region (Victoria)</td>
</tr>
</tbody>
</table>

Average: 61.88
Total Income: 495.06

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373 The ID number is used in place of the agency title in categorising agencies in Tables 7.2, 7.3 and 7.4
374 The geographical coverage of each agency’s current service area highlights the regional reach of most agencies.
375 Appendix B - AnglicareSA
376 Appendix B - Anglicare Sydney
377 Appendix B - Anglicare Tasmania
378 Appendix B - Anglicare Victoria
379 Appendix B - Anglicare West, South West, ACT
380 Appendix B - Brotherhood of St Laurence
381 Appendix B - Samaritans
382 Appendix B - St Luke’s Anglicare
## CATHOLIC AGENCIES

<table>
<thead>
<tr>
<th>ID No.</th>
<th>Agency Title</th>
<th>Research</th>
<th>Income $m</th>
<th>Founded</th>
<th>Geographical coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>CatholicCare Archdiocese of Melbourne &amp; Diocese of Gippsland</td>
<td>Interview/Documentary</td>
<td>16.90</td>
<td>1935</td>
<td>Melbourne, Gippsland (Victoria)</td>
</tr>
<tr>
<td>10</td>
<td>CatholicCare Diocese of Parramatta</td>
<td>Interview/Documentary</td>
<td>6.10</td>
<td>1940s</td>
<td>Western Sydney, Blue Mountains (NSW)</td>
</tr>
<tr>
<td>11</td>
<td>Centacare Ballarat</td>
<td>Interview/Documentary</td>
<td>13.92</td>
<td>1977</td>
<td>Ballarat &amp; Western Victoria</td>
</tr>
<tr>
<td>12</td>
<td>Centacare Brisbane</td>
<td>Interview/Documentary</td>
<td>143.01</td>
<td>1950s</td>
<td>Brisbane, SE Queensland (Queensland)</td>
</tr>
<tr>
<td>13</td>
<td>Centacare CQ (Diocese of Rockhampton)</td>
<td>Interview/Documentary</td>
<td>13.10</td>
<td>1972</td>
<td>Rockhampton, Central Queensland (Queensland)</td>
</tr>
<tr>
<td>14</td>
<td>Centacare NQ (Diocese of Townsville)</td>
<td>Interview/Documentary</td>
<td>13.50</td>
<td>1979</td>
<td>Townsville, Mt Isa (Queensland)</td>
</tr>
<tr>
<td>15</td>
<td>Good Shepherd Youth &amp; Family Services</td>
<td>Interview/Documentary</td>
<td>8.18</td>
<td>1863</td>
<td>Melbourne (Victoria)</td>
</tr>
<tr>
<td>16</td>
<td>MacKillop Family Services</td>
<td>Documentary</td>
<td>57.91</td>
<td>1854</td>
<td>Victoria, NSW</td>
</tr>
<tr>
<td></td>
<td>Average</td>
<td></td>
<td>34.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Income</td>
<td></td>
<td>272.62</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

383 The ID number is used in place of the agency title in categorising agencies in Tables 7.2, 7.3 and 7.4.
384 Appendix B - CatholicCare Archdiocese of Melbourne & Diocese of Gippsland
385 Appendix B - CatholicCare Diocese of Parramatta
386 Appendix B - Centacare Ballarat
387 Appendix B - Centacare Brisbane
388 Appendix B - Centacare CQ (Diocese of Rockhampton)
389 Appendix B - Centacare NQ (Diocese of Townsville)
390 Appendix B - Good Shepherd Youth & Family Services
391 Appendix B - MacKillop Family Services
<table>
<thead>
<tr>
<th>ID No.</th>
<th>Agency title</th>
<th>Research</th>
<th>Income $M</th>
<th>Founded</th>
<th>Geographical coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>Exodus Foundation(^{393})</td>
<td>Interview/Documentary</td>
<td>4.00</td>
<td>1986</td>
<td>Ashfield (NSW)</td>
</tr>
<tr>
<td>18</td>
<td>The Wayside Chapel(^{394})</td>
<td>Interview/Documentary</td>
<td>3.10</td>
<td>1964</td>
<td>Eastern suburbs, inner city Sydney (NSW)</td>
</tr>
<tr>
<td>19</td>
<td>Uniting Communities(^{395})</td>
<td>Interview/Documentary</td>
<td>52.14</td>
<td>1901</td>
<td>Adelaide (South Australia)</td>
</tr>
<tr>
<td>20</td>
<td>UnitingCare Queensland(^{396})</td>
<td>Documentary</td>
<td>176.45</td>
<td>Late 19(^{th}) Century</td>
<td>Queensland</td>
</tr>
<tr>
<td>21</td>
<td>UnitingCare Wesley Port Adelaide(^{397})</td>
<td>Interview/Documentary</td>
<td>61.69</td>
<td>1919</td>
<td>Adelaide (South Australia)</td>
</tr>
<tr>
<td>22</td>
<td>UnitingCare West(^{398})</td>
<td>Interview/Documentary</td>
<td>24.76</td>
<td>1893</td>
<td>Perth (Western Australia)</td>
</tr>
<tr>
<td>23</td>
<td>Wesley Mission (Sydney)(^{399})</td>
<td>Interview/Documentary</td>
<td>145.06</td>
<td>1814</td>
<td>Sydney (NSW)</td>
</tr>
<tr>
<td>24</td>
<td>Wesley Mission Victoria(^{400})</td>
<td>Documentary</td>
<td>63.63</td>
<td>1893</td>
<td>Melbourne (Victoria)</td>
</tr>
<tr>
<td></td>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td>50.66</td>
</tr>
<tr>
<td></td>
<td>Total Income</td>
<td></td>
<td></td>
<td></td>
<td>530.23</td>
</tr>
</tbody>
</table>

\(^{392}\) The ID number is used in place of the agency title in categorising agencies in Tables 7.2, 7.3 and 7.4.

\(^{393}\) Appendix B - Exodus Foundation

\(^{394}\) Appendix B - The Wayside Chapel

\(^{395}\) Appendix B - Uniting Communities

\(^{396}\) Appendix B - UnitingCare Queensland

\(^{397}\) Appendix B - UnitingCare Wesley Port Adelaide

\(^{398}\) Appendix B - UnitingCare West

\(^{399}\) Appendix B - Wesley Mission (Sydney)

\(^{400}\) Appendix B - Wesley Mission Victoria
# OTHER AGENCIES

<table>
<thead>
<tr>
<th>ID No.</th>
<th>Agency title</th>
<th>Research</th>
<th>Income $M</th>
<th>Founded</th>
<th>Geographical coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>Baptcare</td>
<td>Interview/Documentary</td>
<td>129.55</td>
<td>1945</td>
<td>Victoria, Tasmania</td>
</tr>
<tr>
<td>26</td>
<td>BaptistCare</td>
<td>Documentary</td>
<td>245.00</td>
<td>1972</td>
<td>NSW, ACT</td>
</tr>
<tr>
<td>27</td>
<td>Churches of Christ Care Queensland</td>
<td>Documentary</td>
<td>192.00</td>
<td>1930</td>
<td>Queensland</td>
</tr>
<tr>
<td>28</td>
<td>HammondCare</td>
<td>Interview/Documentary</td>
<td>165.73</td>
<td>1932</td>
<td>NSW</td>
</tr>
<tr>
<td>29</td>
<td>Hillsong CityCare</td>
<td>Documentary</td>
<td>3.28</td>
<td>1989</td>
<td>Sydney ( NSW)</td>
</tr>
<tr>
<td>30</td>
<td>Lutheran Community Care</td>
<td>Documentary</td>
<td>6.52</td>
<td>1964</td>
<td>SA, NT</td>
</tr>
<tr>
<td>31</td>
<td>Melbourne City Mission</td>
<td>Interview/Documentary</td>
<td>51.53</td>
<td>1854</td>
<td>Melbourne (Victoria)</td>
</tr>
<tr>
<td>32</td>
<td>Mission Australia</td>
<td>Interview/Documentary</td>
<td>324.69</td>
<td>1862</td>
<td>National</td>
</tr>
<tr>
<td>33</td>
<td>Salvation Army</td>
<td>Documentary</td>
<td>650.00</td>
<td>1880</td>
<td>Queensland, NSW, ACT, Vic., Tas., NT, WA. National</td>
</tr>
<tr>
<td>34</td>
<td>Discovery Community Care</td>
<td>Documentary</td>
<td>0.29</td>
<td>2001</td>
<td>Mt Evelyn (Victoria)</td>
</tr>
<tr>
<td>35</td>
<td>Doveton Baptist Benevolent Society</td>
<td>Interview/Documentary</td>
<td>0.04</td>
<td>1965</td>
<td>Doveton (Victoria)</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td></td>
<td><strong>111.86</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td></td>
<td></td>
<td><strong>1,768.63</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

401 The ID number is used in place of the agency title in categorising agencies in Tables 7.2, 7.3 and 7.4.
402 Appendix B - Baptcare
403 Appendix B - BaptistCare
404 Appendix B - Churches of Christ Care Queensland
405 Appendix B - HammondCare
406 Appendix B - Hillsong CityCare
407 Appendix B - Lutheran Community Care
408 Appendix B - Melbourne City Mission
409 Appendix B - Mission Australia
410 Appendix B - Salvation Army Eastern Territory
411 Appendix B - Salvation Army Southern Territory
412 Appendix B - Discovery Community Care
413 Appendix B - Doveton Baptist Benevolent Society
The pattern, identified in Chapter Four of a sector, shaped by denominational competition, colonial, and subsequently state boundaries, along with the dominance of metropolitan areas, can be seen in the list of agencies in the purposive sample in Table 6.1, above. Mission Australia with its national reach arising from the merger of regional agencies with roots in the nineteenth century, is the only example at the date of this inquiry, of a major organisational restructure connected to the shift to contracting.\textsuperscript{414} The peak and coordinating agencies in the purposive sample are listed in Table 6.2, below.

## Table 6.2: Coordination and peak bodies in the purposive sample

<table>
<thead>
<tr>
<th>Agency</th>
<th>Reach</th>
<th>Activity</th>
<th>Research</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anglicare Australia[416]</td>
<td>National 43 agencies</td>
<td>National coordination, research and advocacy</td>
<td>Interview</td>
<td>$0.965 m Funded by member agencies</td>
</tr>
<tr>
<td></td>
<td>Total $1,150m</td>
<td></td>
<td>Documentary</td>
<td></td>
</tr>
<tr>
<td></td>
<td>23,000 staff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>15,800 volunteers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baptist Care Australia[417]</td>
<td>National 9 agencies</td>
<td>National coordination, research and advocacy</td>
<td>Documentary</td>
<td>$0.362m Funded by member agencies</td>
</tr>
<tr>
<td></td>
<td>$550m</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8,000 staff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,000 volunteers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Catholic Social Services Australia (CSSA)[418]</td>
<td>National 63 members</td>
<td>National coordination, research and advocacy</td>
<td>Interview</td>
<td>Funded by membership fees Grant from Australian Catholic Bishops conference</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Documentary</td>
<td></td>
</tr>
<tr>
<td>Catholic Social Services Victoria (CSSV)[419]</td>
<td>Victoria 55 agencies (8 agencies members of CSSA)</td>
<td>Regional coordination and support</td>
<td>Interview</td>
<td>$0.572m Funded by Archdiocese of Melbourne, regional dioceses, membership fees</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Documentary</td>
<td></td>
</tr>
<tr>
<td>CatholicCare Victoria and Tasmania[420]</td>
<td>Victoria and Tasmania 4 affiliates (Diocesan)</td>
<td>Regional contract coordination</td>
<td>Interview</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Documentary</td>
<td></td>
</tr>
<tr>
<td>CommunityCare Victoria &amp; Tasmania[421]</td>
<td>Victoria and Tasmania 92 churches 8 agencies</td>
<td>Regional coordination and support</td>
<td>Interview</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Documentary</td>
<td></td>
</tr>
<tr>
<td>St Vincent de Paul National Council[422]</td>
<td>National 20,310 members 36,673 volunteers 3,277 employees 1,146 conferences 622 shops</td>
<td>National coordination of local lay conferences</td>
<td>Documentary</td>
<td>$301.842m</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UnitingCare Australia[423]</td>
<td>250 agencies</td>
<td>National coordination, research and advocacy</td>
<td>Interview</td>
<td></td>
</tr>
<tr>
<td></td>
<td>39,000 staff</td>
<td></td>
<td>Documentary</td>
<td></td>
</tr>
<tr>
<td></td>
<td>28,500 volunteers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$2.5b total budgets</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

415 Comparable figures are not available for all categories of information.
416 Appendix B - Anglicare Australia
417 Appendix B - Baptist Care Australia
418 Appendix B - Catholic Social Services Australia
419 Appendix B - Catholic Social Services Victoria
420 Appendix B - CatholicCare Victoria & Tasmania
421 Appendix B - CommunityCare Victoria & Tasmania
422 Appendix B - St Vincent de Paul
423 Appendix B - UnitingCare Australia
There are four denominational peak welfare bodies involved in coordination, research and advocacy at a national level based in Canberra, that are discussed in Chapter Eight, along with three regional denominational agencies, covering Victoria and Tasmania, all based in Melbourne, with differing mandates. Of these regional bodies, I discuss the structure and roles of CommunityCare Victoria and Tasmania and CatholicCare Victoria and Tasmania in Chapter Seven, and Catholic Social Services Victoria (CSSV) in Chapter Eight.

The other national agency not discussed in detail, the National Council of the Society of St Vincent de Paul, is a lay Catholic foundation, a national governing forum that links local conferences of the Society, makes policy decisions, and is linked to the International Confederation from whom it receives its authority. It commissions research and undertakes advocacy on policy issues related to economic and social wellbeing at the national level. At the local level its conferences are involved in the delivery of social welfare services largely through volunteers. It also runs a major social enterprise through a large network of ‘opportunity shops’ but is not a member of CSSA.424

Table 6.3 on denominational diversity of agencies was extracted from Table 6.1 and Table 6.2.

<table>
<thead>
<tr>
<th>Denomination</th>
<th>Peak/Coordination</th>
<th>Service delivery</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catholic Church</td>
<td>4</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>Anglican Church</td>
<td>1</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Uniting Church</td>
<td>1</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Baptist</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Churches of Christ</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Salvation Army</td>
<td></td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Pentecostal</td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Lutheran</td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Independent of denominations</td>
<td></td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8</strong></td>
<td><strong>37</strong></td>
<td><strong>46</strong></td>
</tr>
</tbody>
</table>

The spread of agencies, broken down by denomination broadly reflects the historical impact and dominance of the Catholic, Anglican, and the Methodist, Presbyterian and

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424 On the advocacy role of St Vincent de Paul see Webster, "Political Wolves in Charity Sheep's Clothing? The Outsourcing of Welfare to the Faith-Based Sector under the Howard Government", 151-173.

425 Extracted from Table 6.1 and Table 6.2
Congregational churches, merged as the Uniting Church. Pentecostal churches are underrepresented. While their growth has been significant in recent decades, due to their congregational polity, their denominational structures are weak to non-existent and their involvement in social welfare takes place on a congregational level. Orthodox churches are the only significant group of Christian churches that are not represented in the inquiry. They have not become actively involved in wider social welfare delivery in any easily identifiable way.\textsuperscript{426} There was a bias in the composition of the Catholic agencies included in the inquiry towards the diocesan agencies, as opposed to those originating in religious orders.\textsuperscript{427}

The analysis in Table 6.4, below, of the geographic coverage of 38 agencies in Table 6.1 excludes peak and coordinating bodies.

**Table 6.4: Service delivery agencies: geographical reach by denomination**\textsuperscript{428}

<table>
<thead>
<tr>
<th>Denomination</th>
<th>Qld</th>
<th>NSW</th>
<th>Tas</th>
<th>Vic</th>
<th>SA</th>
<th>WA</th>
<th>ACT</th>
<th>NT</th>
<th>Multi-State &amp; national reach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catholic</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anglican</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1 (ACT and NSW)</td>
</tr>
<tr>
<td>Uniting</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1 (NSW and ACT)</td>
</tr>
<tr>
<td>Baptist</td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1 (Queensland and aged care in Victoria)</td>
</tr>
<tr>
<td>Churches of Christ</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1 (NSW, Qld, ACT)</td>
</tr>
<tr>
<td>Salvation Army</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1 (NSW, Qld, ACT)</td>
</tr>
<tr>
<td>Pentecostal Lutheran</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1 (SA and NT)</td>
</tr>
<tr>
<td>Independent of denominations</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1 (national)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5</td>
<td>8</td>
<td>1</td>
<td>11</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
<td>9</td>
</tr>
</tbody>
</table>


\textsuperscript{427} In the survey of Catholic agencies by Winkworth and Camilleri, 52% of agencies were established after 1975. 59% of agencies were auspiced by religious orders and 34% were under the auspice of the local diocese. Camilleri and Winkworth, "Disparate and Diverse: Mapping Catholic Social Services in Australia", 21-22.

\textsuperscript{428} Extracted from Table 6.1.
Table 6.4 reveals some limitations in the geographical distribution of the purposive sample. There was no stand-alone Northern Territory agency though Lutheran Community Care, a significant South Australian agency, has strong profile around Alice Springs in the Northern Territory. Only one agency based in Western Australia was included. In Queensland two of the agencies, UnitingCare Queensland and Community Care Queensland, are both relatively large agencies with state-wide mandates. The latter now also has a small footprint in Victoria with responsibility for Churches of Christ aged cared facilities in that state. The multi-diocese Anglicare agency, dealing with the ACT and much of south and west NSW, is headquartered in Canberra, and was a stand-alone agency in the ACT and the surrounding region until recently.

Table 6.5: Distribution of agencies by funding level

<table>
<thead>
<tr>
<th>Funding</th>
<th>&gt;$5m</th>
<th>&lt;$5m &gt;$10m</th>
<th>&lt;$10m &gt;$20m</th>
<th>&lt;$20m &gt;$50m</th>
<th>&lt;$50m &gt;$100m</th>
<th>&lt;$100m</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of agencies</td>
<td>6</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>9</td>
<td>10</td>
<td>36</td>
</tr>
</tbody>
</table>

The difference in the number of service delivery agencies in Table 6.3, 38, and Table 6.4, 36, arises from my treating the finances for the Salvation Army as a consolidation of the finances of the two territorial commands and Salvation Army Employment Plus, which functions on a national basis. There is a reasonable spread of agencies size-wise across the funding level continuum. The significance of the size of the agencies, as measured by annual expenditure for their relationship with the government, is discussed in Chapter Seven. In gaining some comparative perspective on the issue of agency size, the ACNC figures on the size of agencies by revenue are not helpful as agencies with $1m or more per annum are classified by the ACNC as large and all bar three of the agencies in my study fall into that category. With ten agencies having more than $100m per year expenditure, my assessment is that I have included a relatively high proportion of the large church-related agencies in

429 Getting a perspective on the relative significance of the agencies in my purposive sample compared to the NFP welfare sector in Australia as a whole is difficult. The PwC-CSI Community Index provides some indicative perspective. Fifty social service agencies responded to the survey for the 2014 index. These agencies totalled $2.0b in reported revenue, close to the total funding for agencies covered in this analysis, PriceWaterhouseCoopers & UNSW Centre for Social Impact. PwC-CSI Community Index Report 2014. http://www.csi.edu.au/media/content/download/file/PwC-CSI_Community_Index_2014_1.pdf.
Australia in the study. There was a strong element of self-selection in the sample in that participation in interviews was driven by an interest in the issues and in supporting research. The substantive coverage of the sample, however, suggests that the conclusions drawn from this research about the impact of contracting on ‘church-related’ agencies should carry substantial weight, with respect to the Australian church-related social welfare sector.

Research themes
The theoretical insights drawn on from Chapters Two, Three and Five were chosen for their relevance and appropriateness. Rejecting sociological determinism, I place church-related-agencies within a frame drawing on theological perspectives that provide the background to assessing the tension in the missional imperatives underpinning the agencies, their ongoing relationships with the churches and Christian traditions of social tradition and critique. Agencies, in asserting the possibility of an ongoing identity against the pressures to become an extension of 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 to maintain their identity to seek the flourishing of the city as discussed in Chapter Two.

In contacting agencies I sent out a briefing note, indicating the research agenda and issues specific to the agency, to interviewees at least a week ahead of the interview. The themes as related to the experience of agencies from 1996 to 2013 were:

- the exercise of power by government in the contracting process with regard to questions of timing of contracts being let and renewed, indexation and cancellation;
- the impact of contracting with government on advocacy, the independence, and innovation by the agency and on the quality and responsiveness of its service delivery;
- whether, and to what extent, engagement with government through its specification of services and reporting requirements had had an impact on the agency’s sense of identity and mission;
- the impact of changes in the balance of sources of funding on the mission and strategic priorities of the agency’s operations;
• whether there had been changes in the connections to the church and theological traditions that informed the organisation and the governance of the agency;
• areas where there had been tension between the theological commitments underpinning the agency and the demands of engagement with the government; and
• the counterfactual: how and in what ways might the agency have developed if there had not been the extensive increase in Commonwealth Government engagement with the agency?

While these themes were common to all interviews, the framing and ordering of these questions varied according to the specific extent and character of agency involvement in contracting and the role in the agency and/or the sector of the person being interviewed. The last issue listed, the counterfactual, elicited little by way of response. I recorded the interviews digitally, and downloaded them to a transcription service. The transcript was sent to the interviewee around two weeks after the interview. The interviewee returned the transcript, identifying any material that they did not wish to have publicly attributed to them. The original recordings and transcripts of interviews have been retained on hard drive. The transcripts were analysed thematically with regard to the issues identified above.

**Documentary analysis**

Difficulties in quantitatively measuring changes in the impact on the understanding, practice and/or expression of mission and identity of ‘church-related’ agencies from contracting with government over time from documentation arose from a variety of factors, including shifts in the organisational structure of agencies over the time period. Comparative analysis was also difficult because agencies were involved in delivery of differing mixtures of programs across federal and state and territory governments, with funding and contracting arrangements that shifted over time. The extent to which annual reports were accessible on the web over the period under study varied between agencies.

I used the annual report for the financial year, July 2012 to June 2013, as the reference point with consultation of that documentation in preparation of the interviews. Where there was a direct citation or reference in a footnote to material used in the documentary analysis, the item will appear in the bibliography.
Web-based documentation presents challenges for verifiable referencing in a project with a long time frame such as this. Web sites are changed frequently with regard to both presentation and content. Annual reports on an agency’s website as attachments generally remain available even where there is a change in the format of the website. Documentation from the period 1996 to 2005 was not consistently available in electronic form across all agencies. For each agency I consulted the current agency home page, web page material ‘about’ agency governance, mission, values, annual report for 2012-13 along with relevant hard copy documentation including reports, articles and monographs.

Documentary analysis was confined to a snapshot of the situation of each agency based on information in the 2012-13 annual report, or other relevant publicly available documentation at that date including strategic plans and governance documentation. I obtained, in this way, a picture of the agencies nearly two decades after the policy shift to contracting. In the analysis of the documentary evidence, I assessed each agency’s financial vulnerability, the pattern of governance, a measure of the strength of its ecclesial identity and/or connection to the Christian tradition and its active resistance of isomorphic and secularising pressures in the contracting process. The documentation consulted is listed under each agency, arranged alphabetically, in Appendix B.

Financial Dependence
The measurement of financial dependence on contracting and government program funding more generally focuses attention on the asymmetry of power and agency vulnerability. The absolute level of agency funding was included to test whether the size of an agency measured in financial terms was relevant to establishing agency vulnerability. The total income of an agency is used as a proxy for both its size and capability to engage with government. The rationale is that larger agencies are assumed to have a higher level of management capability, both internally and through external connections, and will be less vulnerable to government pressure than smaller agencies. The proportion of total agency income obtained through government funding is a proxy indicator of an agency’s dependence on, and vulnerability to, government pressure within the contracting process.

Dr Stephen Judd. Interview with Douglas Hynd (Sydney, 12 December, 2013).
relationship. The proportion of government funding for the purpose of this high-level figure includes, as well as contracts, grants, other program funding, and client payments for services, where this was determined by government policy.

**Governance**

Patterns of agency governance are driven by their respective ecclesiologies. The Catholic Church has two main patterns of governance relevant to this inquiry: diocesan agencies and agencies linked to religious orders. Anglican Church agencies are variations on a template in which both the bishop and the diocesan synod have a significant role. Matters are more complex when we come to the UCA. Some agencies derive their identity from parish missions linked to geographically-specific congregations, while others have organisational structures that relate directly to the synod and are distinct from congregations. The exact nature of the legal identity and linkage to the synod is based on the legislation in each state that provided the legal structure for the establishment of the UCA. The ‘Other’ group brings together agencies with a diversity of governance patterns, agencies from churches with a strongly congregational ecclesiology, Baptist, Churches of Christ and Pentecostal agencies with national reach and agencies not tied to a specific denomination. The account of governance for agencies draws on documentation while interpretation of its actual functioning draws on interviews.

**Ecclesial Connection Index (ECI)**

My assessment of the strength of ecclesial identity for each agency involved consideration of the public statements on the website and agency documentation, drawing on mission statements and strategic plans, theological, and/or values and/or ethics statements and the visibility of links to key stakeholders including denominational and/or congregational structures relating to theological themes and corporate vocabulary. The ECI provides a snapshot of this characteristic of the agency following nearly two decades of not-for-profit contracting by government. The theoretical underpinning for this indicator is found in the account of institutional secularisation provided in Chapter Five.\textsuperscript{431} The index is based on a limited number of assessment points within each criterion, minimising the extent of

\textsuperscript{431} Chaves, "Intraorganizational Power and Internal Secularization in Protestant Denominations."; "Denominations as Dual Structures: An Organizational Analysis."; "Secularization as Declining Religious Authority."
subjectivity in the assessment. The only other assessment tool along these lines is found in the work by Ebaugh et al.,432 whose analysis involved assessing the titles of agencies, mission statements and symbols against a binary religious/secular classification.

Table 6.6: Assessment tool for Ecclesial Identity Index (ECI)

1. Title of agency clearly expressing denominational identity, historical reference or containing references to Christian terminology: weighting 2
   - Where there has been a change in the title of the agency that has had the impact of making this identity less clear during the period of analysis or the reference is now ambiguous or its Christian connection is only implicit: score 1
   - Title while containing a reference that might be known to people within the tradition but may not carry a clear message to those with no knowledge of the tradition: score 1
   - No reference implicit or explicit to denominational or Christian terminology: score 0

2. Governance & denominational/congregational linkages: weighting 2
   - Detailed account of governance arrangements and church connections is available on the web site: score 2
   - Linkage to denominational or ecclesiastical governance on other websites: score 1
   - Brief account of denominational linkage and board structure is presented on the website: score 1
   - No account of denominational background or church linkage: score 0

3. History of the agency: weighting 2
   - Detailed history of the agency on the web or attached documentation: score 2
   - Brief reference to the history of the agency on the web: score 1
   - No reference to history of the agency: score 0

4. Use of explicit scriptural or theological language: weighting 4
   - Prominently and substantially used in statements of mission, identity, values and/or ethos: score 4
   - Included, but not prominent in statements of mission, identity, values, ethos: score 3
   - Not prominent in statements of mission, identity, values, ethos and with a high proportion of vocabulary dominated by language with humanitarian and professional reference: score 2-1
   - Theological or scriptural language absent: score 0

5. Theological statements or accounts of the mission underpinning or identity of the agency: weighting 2
   - Substantial statement on the web site or attached documentation: score 2
   - Links to denominational documentation on mission: score 1
   - Brief theological account of mission on the web site: score 1
   - No theological account: score 0

Index
- High level of identification: score 10 - 12
- Moderate level of identification: score 7 - 9
- Low level of identification: score 4-6
- Minimal identification: score 0-3

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Analysis of tactics

Possible tactics of resistance to the isomorphic pressures associated with contracting were discussed in Chapter Five. The following list of possible intentional responses by agencies derived from that literature forms the basis for an index of tactical responses for each agency involved in service delivery, drawing on both interviews and the documentation. 433

The responses are:

- Funding: developing a diversified funding base;
- Mission template: applying a values/mission template to the decision-making process;
- Research: active commitment to research accompanied by dedicated funding;
- Innovation: an innovative approach to services;
- Linkages: enhancing organisational capability 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’;
- Governance: reviewing, and where necessary, restructuring governance relationships with the relevant congregation(s) and/or denominational bodies; and/or attention to alignment between agency and the church through governance arrangements; and
- Identity: developing and delivering orientation programs for staff, management and board on the mission, identity and underpinning theological commitments of the agency.

The assessment involves assigning to each agency a ‘yes’ or ‘no’ response for each of the above categories, based on evidence of explicit intentional action by the agency in either the interview or documentation. The categorisation does not assess the extent or effectiveness of the agency’s employment of the tactic.

Identity and mission in church-related agencies

Organisations are not static in character but rather are networks and webs of relationships that come to expression in an embodied politics shaped by narratives relating to mission and identity, and structured by the institutions of governance. It is these issues of structure,

\footnote{As noted previously in developing this I drew on the work of Frumkin and Andre-Clark, "When Missions, Markets, and Politics Collide: Values and Strategy in the Nonprofit Human Services." and James R. Vanderwoerd, "How Faith-Based Social Service Organizations Manage Secular Pressures Associated with Government Funding," Nonprofit Management & Leadership 14, no. 3 (2004).}
identity and mission, and the factors driving change in them, that are the focus of analysis along with the exploration of the impact of differing forms of agency governance on that identity. Chapter Four highlighted the extensive social inventiveness of the churches in Australia in developing differing institutional expressions of the mission of the church in response to changing social circumstances.

In the Catholic Church such agencies are positioned unequivocally within a hierarchical ecclesiology, theologically explored in Pope Benedict XVI’s Encyclical Letter Deus Caritas Est: On Christian Love and the accompanying Apostolic Letter on The Service of Charity. In Australia the Catholic Healthcare Association has sponsored a number of conferences and publications that have relevance for Catholic agencies involved in social welfare in addressing issues of identity, management and decision-making, and Catholic agencies in that sector have been addressing questions of mission and identity. The legal and ecclesiological structure of the Anglican Church in Australia is relevant to understanding the fundamental character of diocesan structures when assessed against the limited role of the national church, while Wallace and Bottomley have argued for the importance of governance and mission in UnitingCare agencies.

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437 Kaye, A Church without Walls: Being Anglican in Australia; Robert Forsyth, "National and Diocesan Structures," in Bishops Imagine a Different Church, ed. Stephen Hale and Andrew Curnow (Brunswick East, Victoria: Acorn Press, 2009); Chris Jones, "A New Compassion for the Marginalised," in Facing the Future: Bishops Imagine a Different Church, ed. Stephen Hale and Andrew Curnow (Brunswick East, Vic.: Acorn Press, 2009); Keith Rayner, "The Idea of a National Church in Australian Anglicanism," in Agendas for Australian...
Reporting the research findings

Given the minimal research in Australia into church-related agencies' engagement with government in contracting, I attempted in the interviews and documentary analysis to gain a picture of agencies at a point of time, informed by sociological and theological insights, that would provide evidence on what has happened to date, laying the basis for further research and informing reflection by agencies on their relationship to both the state and the Christian movement. I sought the perceptions of participants of the institutional and policy world in which they live, and work.439 These interviews are not simply a source of 'factual' information that can be summarised without losing anything in the process. The texture of the language, and the rhetorical structure of the conversations form a crucial element in their interpretation. In addition to summarising interviewee responses on specific issues, I have included, where appropriate, quotations from interviews to ensure that the 'voice' of interviewees was clearly heard.

The interviews were framed with reference to both organisational sociology and theological themes and the discussion in the interviews reflected that dual frame of reference. The views of the informants were expressed in 'voices' that questioned the authoritative framing of contracting policy by government,440 and reflected on the power differential between agencies and government, frequently grounded in a theological frame of reference with its claim to a fundamental authority beyond that of the government. The quotations represent my acknowledgement of the authority, expertise and voice of the interviewees. My own voice can be heard in the narratives and the triangulation of information from a specific interviewee with references to the information from other interviewees and the documentary analysis.

439 Burnham et al., Research Methods in Politic, 246-7.
440 Where there are multiple references on an issue the relevant interviews are noted in the footnote.
Part Two: Exploring the Tensions

In Part One the theological, institutional and historical elements that shaped the inquiry, set the stage for the research task. Chapter Six laid out the methodology for the inquiry with its attention to both sociological processes and a political context viewed through a theological lens. Part Two reports the findings. Underpinning that reporting is the fundamental theological dimension that was given shape in the accounts of seeking the flourishing of the city from a position of exilic identity that lived out the tension of both a distancing from, and engagement with, the state.

Tension is the paradoxical dynamic at the heart of Christian theology. At the heart of the Christian tradition is the claim that God became human without losing anything of the divine yet without supplanting anything of what it means to be human. The fundamental tension in the incarnation is replicated Jesus’ teaching: the Kingdom of God, both here and now, and yet to come, requiring our constant response; the resurrected body both tangible, able to be touched, hosting a meal but, in the Ascension, promising the ongoing presence of the Spirit. Most crucially for this study, the Christian movement in its activities is both directed actively toward human flourishing here and now, manifesting the presence of the kingdom now, while remaining waiting patiently for its completion.

The tension for church-related agencies in seeking the flourishing of the city is central to this inquiry, situated as they are between governments that fund and shape the programs, and the churches that in various ways own and sponsor the agencies. The acknowledgment and exploration of this tension and the possibility of its collapse is at the heart of this inquiry into the effort by church-related agencies to seek transformation and healing in places of vulnerability and with the marginal of the world, doing so caught between the imperatives of the Christian movement that had led to their establishment and the power manifested in both the bureaucratic processes and sacral identity and claims of the state.

The conditions under which tension is maintained, or collapses, is at the heart of this inquiry. In Chapter Seven I start my report of the findings with a summary of the analysis of documentation exploring indicators of the maintenance and collapse of that tension, setting a context for the narratives that follow. Tactics of response and resistance, and their
role in maintaining tension along with the significance of the emergence of church-related peak welfare bodies, forms the contents of Chapter Eight. The identification of the characteristics of contracting, that lead to a collapse of tension with agencies functioning as an extension of the state, are at the heart of Chapter Nine while narratives of resistance to the pressures of contracting in maintaining the tension provide the contrast in Chapter Ten.
Chapter Seven: Power, funding and governance: the impact of contracting on agencies

In this chapter I report on my findings from the documentary and interview evidence on the maintenance and collapse of tension for agencies in becoming, or not, extensions of the state. I begin through a mapping of the evidence on the relationship between dependence on government funding, and the ecclesial connection of agencies (ECI). I then report on contracting provisions, the relationship with government, and the significance of denominational governance. Table 7.1 sets out the data for the analysis of financial dependence and ecclesial connection for the agencies listed in Table 6.1.
### Table 7.1: Service delivery agencies: financial dependence and ECI

#### ANGLICAN AGENCIES

<table>
<thead>
<tr>
<th>ID No.</th>
<th>Agency title</th>
<th>Income $m</th>
<th>Gov't. funding % of income</th>
<th>Ecclesial connection index 0-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Anglicare SA</td>
<td>105.34</td>
<td>98.6</td>
<td>8.0</td>
</tr>
<tr>
<td>2</td>
<td>Anglicare Sydney</td>
<td>98.22</td>
<td>87.9</td>
<td>10.0</td>
</tr>
<tr>
<td>3</td>
<td>Anglicare Tasmania</td>
<td>53.40</td>
<td>97.8</td>
<td>8.0</td>
</tr>
<tr>
<td>4</td>
<td>Anglicare Victoria</td>
<td>64.18</td>
<td>87.4</td>
<td>8.0</td>
</tr>
<tr>
<td>5</td>
<td>Anglicare West, South West, ACT</td>
<td>42.31</td>
<td>88.0</td>
<td>6.0</td>
</tr>
<tr>
<td>6</td>
<td>Brotherhood of St Laurence</td>
<td>61.80</td>
<td>62.0</td>
<td>8.0</td>
</tr>
<tr>
<td>7</td>
<td>Samaritans</td>
<td>42.60</td>
<td>92.6</td>
<td>6.0</td>
</tr>
<tr>
<td>8</td>
<td>St Luke’s Anglicare</td>
<td>27.21</td>
<td>87.7</td>
<td>6.0</td>
</tr>
<tr>
<td></td>
<td><strong>Average</strong></td>
<td><strong>61.88</strong></td>
<td><strong>87.8%</strong></td>
<td><strong>7.5</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Total Income</strong></td>
<td><strong>495.06</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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441 The ID number is used in place of the agency title in categorising agencies in **Tables 7.2, 7.3 and 7.4**.

442 The *Ecclesial Connection Index* was discussed in **Chapter Six, Table 6.6**

443 **Appendix B** - AnglicareSA

444 **Appendix B** - Anglicare Sydney

445 **Appendix B** - Anglicare Tasmania

446 **Appendix B** - Anglicare Victoria

447 **Appendix B** - Anglicare West, South West, ACT

448 **Appendix B** - Brotherhood of St Laurence

449 **Appendix B** - Samaritans

450 **Appendix B** - St Luke’s Anglicare
CATHOLIC AGENCIES

<table>
<thead>
<tr>
<th>ID No.</th>
<th>Agency title</th>
<th>Income $m</th>
<th>Gov’t funding % of income</th>
<th>Ecclesial connection index 0-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>CatholicCare Archdiocese of Melbourne and Diocese of Gippsland</td>
<td>16.90</td>
<td>67.5</td>
<td>8.0</td>
</tr>
<tr>
<td>10</td>
<td>CatholicCare Diocese of Parramatta</td>
<td>6.10</td>
<td>68.5</td>
<td>8.0</td>
</tr>
<tr>
<td>11</td>
<td>Centacare Ballarat</td>
<td>13.92</td>
<td>97.0</td>
<td>8.0</td>
</tr>
<tr>
<td>12</td>
<td>Centacare Brisbane</td>
<td>143.01</td>
<td>96.0</td>
<td>9.0</td>
</tr>
<tr>
<td>13</td>
<td>Centacare Rockhampton</td>
<td>13.10</td>
<td>86.0</td>
<td>10.0</td>
</tr>
<tr>
<td>14</td>
<td>Centacare Townsville</td>
<td>13.50</td>
<td>96.0</td>
<td>8.0</td>
</tr>
<tr>
<td>15</td>
<td>Good Shepherd Youth and Family Services</td>
<td>8.18</td>
<td>64.0</td>
<td>7.0</td>
</tr>
<tr>
<td>16</td>
<td>MacKillop Family Services</td>
<td>57.91</td>
<td>90.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td>34.8</td>
<td>83.1%</td>
<td>8.0</td>
</tr>
<tr>
<td>Total Income</td>
<td></td>
<td>272.62</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

451 The ID number is used in place of the agency title in categorising agencies in Tables 7.2, 7.3 and 7.4.
452 Appendix B - CatholicCare Archdiocese of Melbourne & Diocese of Gippsland
453 Appendix B - CatholicCare Diocese of Parramatta
454 Appendix B - Centacare Ballarat
455 Appendix B - Centacare Brisbane
456 Appendix B - Centacare CQ (Diocese of Rockhampton)
457 Appendix B - Centacare NQ (Diocese of Townsville)
458 Appendix B - Good Shepherd Youth & Family Services
459 Appendix B - MacKillop Family Services
UNITINGCARE AGENCIES

<table>
<thead>
<tr>
<th>ID No.</th>
<th>Agency title</th>
<th>Income $m</th>
<th>Gov't funding % of income</th>
<th>Ecclesial connection index 0-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>Exodus Foundation</td>
<td>4.00</td>
<td>29.2</td>
<td>5.0</td>
</tr>
<tr>
<td>18</td>
<td>The Wayside Chapel</td>
<td>3.10</td>
<td>18.0</td>
<td>8.0</td>
</tr>
<tr>
<td>19</td>
<td>Uniting Communities</td>
<td>52.14</td>
<td>80.5</td>
<td>5.0</td>
</tr>
<tr>
<td>20</td>
<td>UnitingCare Queensland</td>
<td>176.45</td>
<td>92.9</td>
<td>8.0</td>
</tr>
<tr>
<td>21</td>
<td>UnitingCare Wesley Port Adelaide</td>
<td>61.69</td>
<td>99.0</td>
<td>5.0</td>
</tr>
<tr>
<td>22</td>
<td>UnitingCare West</td>
<td>24.76</td>
<td>73.0</td>
<td>7.0</td>
</tr>
<tr>
<td>23</td>
<td>Wesley Mission (Sydney)</td>
<td>145.06</td>
<td>83.0</td>
<td>12.0</td>
</tr>
<tr>
<td>24</td>
<td>Wesley Mission Victoria</td>
<td>63.63</td>
<td>90.0</td>
<td>8.0</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td>66.28</td>
<td>73.2</td>
<td>7.25</td>
</tr>
<tr>
<td>Total Income</td>
<td></td>
<td>530.23</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

460 The ID number is used in place of the agency title in categorising agencies in Tables 7.2, 7.3 and 7.4.
461 Appendix B - Exodus Foundation
462 Appendix B - The Wayside Chapel
463 Appendix B - Uniting Communities
464 Appendix B - UnitingCare Queensland – this agency includes hospitals and health care: the revenue reported here is for UnitingCare Community operations of the total agency revenue of $1,338.33m
465 Appendix B - UnitingCare Wesley Port Adelaide
466 Appendix B - UnitingCare West
467 Appendix B - Wesley Mission (Sydney)
468 Appendix B - Wesley Mission Victoria
### OTHER AGENCIES

<table>
<thead>
<tr>
<th>ID No.</th>
<th>Agency Title</th>
<th>Income $m</th>
<th>Gov’t funding % of income</th>
<th>Ecclesial connection index 0-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>Baptcare</td>
<td>129.55</td>
<td>96.5</td>
<td>7.0</td>
</tr>
<tr>
<td>26</td>
<td>BaptistCare</td>
<td>245.00</td>
<td>86.9</td>
<td>9.0</td>
</tr>
<tr>
<td>27</td>
<td>Churches of Christ Care Queensland</td>
<td>192.00</td>
<td>96.6</td>
<td>10.0</td>
</tr>
<tr>
<td>28</td>
<td>HammondCare</td>
<td>165.73</td>
<td>85.0</td>
<td>10.0</td>
</tr>
<tr>
<td>29</td>
<td>Hillsong CityCare</td>
<td>3.28</td>
<td>49.9</td>
<td>6.0</td>
</tr>
<tr>
<td>30</td>
<td>Lutheran Community Care</td>
<td>6.52</td>
<td>89.3</td>
<td>11.0</td>
</tr>
<tr>
<td>31</td>
<td>Melbourne City Mission</td>
<td>51.53</td>
<td>83.3</td>
<td>8.0</td>
</tr>
<tr>
<td>32</td>
<td>Mission Australia</td>
<td>324.69</td>
<td>91.3</td>
<td>8.0</td>
</tr>
<tr>
<td>33</td>
<td>Salvation Army</td>
<td>650.00</td>
<td>49.0</td>
<td>9.0</td>
</tr>
<tr>
<td></td>
<td>Eastern Territory</td>
<td>478</td>
<td></td>
<td>11.0</td>
</tr>
<tr>
<td></td>
<td>Southern Territory</td>
<td>479</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>Discovery Community Care</td>
<td>0.29</td>
<td>56.4</td>
<td>4.0</td>
</tr>
<tr>
<td>35</td>
<td>Doveton Baptist Benevolent Society</td>
<td>0.04</td>
<td>84.0</td>
<td>12.0</td>
</tr>
<tr>
<td></td>
<td>Average</td>
<td>160.78</td>
<td>71.4</td>
<td>9.55</td>
</tr>
<tr>
<td></td>
<td>Total Income</td>
<td>1,768.63</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The ID number is used in place of the agency title in categorising agencies in Tables 7.2, 7.3 and 7.4.

- Appendix B - Baptcare
- Appendix B - BaptistCare
- Appendix B - Churches of Christ Care Queensland
- Appendix B - HammondCare
- Appendix B - Hillsong CityCare
- Appendix B - Lutheran Community Care
- Appendix B - Melbourne City Mission
- Appendix B - Mission Australia
- Appendix B - Salvation Army Eastern Territory
- Appendix B - Salvation Army Southern Territory
- Appendix B - Discovery Community Care
- Appendix B - Doveton Baptist Benevolent Society
Financial dependency and agency vulnerability

The literature survey in Chapter Five suggested a connection between the level of financial dependence on government and the vulnerability of agencies to reshaping by contracting, though the literature does not specify the level of funding dependence on government at which agency would become an extension of the state. Consequently, I based the categories used to map agencies’ relative dependence on government funding on the assumption that the relative vulnerability of agencies may have a non-linear relationship to their level of financial dependency, with 50% representing the base line below which an agency would have a high degree of independence. As will become clear in the analysis of the pattern of funding dependence and the interview evidence on the relationship with government, the matter is not straightforward and other factors turn out to be critical. The Salvation Army's involvement in contracting for the delivery of offshore humanitarian services for asylum seekers narrated in Chapter Nine provides a good example of this.

Table 7.2 sets out the evidence on the relationship between financial dependence and the ecclesial connection index at the denominational level, drawing on the data from Table 7.1 (above), with the denominations listed by increasing level of financial dependency.

<table>
<thead>
<tr>
<th>Denominational grouping</th>
<th>Average financial dependency</th>
<th>Average Ecclesial Connection Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Other’</td>
<td>71.4%</td>
<td>9.55</td>
</tr>
<tr>
<td>Uniting</td>
<td>73.2%</td>
<td>7.25</td>
</tr>
<tr>
<td>Catholic</td>
<td>83.1%</td>
<td>8.00</td>
</tr>
<tr>
<td>Anglican</td>
<td>87.8%</td>
<td>7.50</td>
</tr>
</tbody>
</table>

This table is based on aggregation of data from agencies within each denomination. The pattern suggests two conclusions. The first is that there is no direct and automatic relationship between the level of funding dependency and the strength of the connection between the agency and its church and/or theological tradition. A simple interpretation of the literature, suggests a decline in the level of the Ecclesial Connection Index (ECI) as the level of financial dependency increases. This is not the case here. The second
conclusion is that denominational governance relationships are a significant factor, or proxy for a combination of factors, in either modulating or amplifying the impact on agencies of the isomorphic processes associated with contracting. Both the ‘Other’ and the UnitingCare groupings have a similar level of financial dependency but very different levels of ecclesial connection. Catholic agencies have a much higher financial dependency figure but a higher ecclesial connection index than UnitingCare agencies.

By way of comparison, ACOSS surveys of funding sources for community services agencies, reported by the Productivity Commission in 2009, suggests that Catholic and Anglican agencies are above the total sector average for financial dependency of 78.1%.482

These conclusions support an approach that pays attention to differences in denominational governance as a significant element in shaping how agencies are impacted by contracting, and how intentional action by leadership may influence those factors. The analysis, which follows, is thus based on a mapping of individual agencies in relationship to agency size, financial dependence, and ecclesial connection to explore what relationships between these factors emerge.

The data on financial dependence at an individual agency level is mapped against agency size in Table 7.3. While there is a reasonable spread of size across the participating agencies, there are some patterns of denominational grouping within that broader pattern that are visible in that table. The date is extracted from Table 7.1.

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### Table 7.3: Financial dependence mapped against agency size

<table>
<thead>
<tr>
<th>Gov't funding - % of revenue</th>
<th>Total Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;$5m</td>
</tr>
<tr>
<td>&lt; 50% (Minimal)</td>
<td>17, 18, 29</td>
</tr>
<tr>
<td>Sub-total</td>
<td></td>
</tr>
<tr>
<td>50% &lt; 80% (Moderate)</td>
<td>34</td>
</tr>
<tr>
<td>Sub-total</td>
<td>1</td>
</tr>
<tr>
<td>80% &lt; 90% (High)</td>
<td>35</td>
</tr>
<tr>
<td>Sub-total</td>
<td></td>
</tr>
<tr>
<td>90% &lt; 95% (Very high)</td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td>1</td>
</tr>
<tr>
<td>95% - 100% (Absolute)</td>
<td>11, 13, 14</td>
</tr>
<tr>
<td>Sub-total</td>
<td></td>
</tr>
<tr>
<td>Total by income level</td>
<td>5</td>
</tr>
</tbody>
</table>

ID No from Table 7.1: Agency by denomination: Anglican; Catholic; Uniting; Other;

Several of the Catholic diocesan social welfare agencies that look relatively less-dependent on government funding are in receipt of diocesan funding earmarked for specific services, such as chaplaincy or other specifically church-related activities that would not be funded by government. The level of financial dependence is relatively high in absolute terms across all the agencies covered in the inquiry, with only four agencies with 50% or less of funding from government compared to thirteen agencies with 90% or more of their funding from government. This dependence may reflect, in part, the historical pattern of relationship between church-related agencies and government beginning with the colonial period, rather than being a result of the shift to contracting. Against this, the Australian Institute of Health and Welfare in 2011, concluded that 14% of funding across the community service sector was raised by NFPs. On this basis, the level of dependence by church-related agencies in Australia...

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483 For the purposes of mapping the financial dependence/agency size relationship in this table, I treated the Salvation Army as a single national entity because a major source of its non-government funding, the Red Shield appeal, is undertaken as a national activity and Salvation Army Employment Plus as discussed in Chapter Nine functions as a national body.

484 Peter Sellwood (Director, Centacare, Archdiocese of Brisbane). Interview with Douglas Hynd (Brisbane, 12 May, 2014); Otto Henfling (CEO, Catholic Social Services, Parramatta Diocese). Interview with Douglas Hynd (Parramatta, 29 January, 2014).

does not look excessively high. Some qualifications to strict comparability of the top line financial dependency figures used in this analysis need to be noted. A spread of contract funding between state and federal governments, for example, may reduce vulnerability, if not the overall level of dependence, by spreading the risk of simultaneous cancellation or non-renewal. Income from an alternative source, such as a social enterprise, does not necessarily increase the degree of freedom for an agency to the extent that the proportion of overall funding from the social enterprise might suggest. What is critical is the size of the surplus from the operation of the social enterprise.

The impact on agencies of a high level of funding dependency on government contracts is not simply a matter of vulnerability to contracting pressure, but may also result from cultural transformation driven by reporting changes that come with contracting. Reporting requirements, accountability and the shifting of risk are other drivers of cultural change in the way the mission of the agency is expressed, and consciousness about its identity. These factors may ‘colonize’ the character and behavior of an organisation, an issue that I will discuss in more detail later in this chapter.\footnote{I draw this metaphor from Martin Messner though he applied it to the behaviour of individuals. Martin Messner, “The Limits of Accountability,” \textit{Accounting, Organizations and Society} 34 (2009): 919.}

\textbf{Ecclesial connection}

The Ecclesial Connection Index (ECI) provides an assessment of agencies’ ecclesial connections and public presentation of their theological roots. In Table 7.4 the ECI is mapped against the proportion of government funding, as a measurement of agency vulnerability. In contrast to the financial dependence measure, where I treated the Salvation Army as a single national identity, I assessed the ECI for the Army’s Eastern and Southern Territories separately, because the two Territory websites differed in their presentation and messaging.

The pattern extracted from Table 7.1 and mapped in Table 7.4 is not consistent with a necessary relationship between the level of financial dependence (high) and the measure of ecclesial connection (low). It is certainly related to patterns of denominational governance.
Table 7.4: Agencies mapped by financial dependence and *ECI* \(^{487}\)

<table>
<thead>
<tr>
<th>Ecclesial connection</th>
<th>Very High 10 – 12</th>
<th>High 7-9</th>
<th>Moderate 4-6</th>
<th>Minimal 0-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gov’t funding % of revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 50% Minimal</td>
<td>33a</td>
<td>18, 33b</td>
<td>17, 29</td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>50% &lt;80% Moderate</td>
<td>6, 9, 10, 22, 15</td>
<td>34</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td>5</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>80% &lt;90% High</td>
<td>2, 23, 28, 30, 35</td>
<td>4, 12, 26, 31</td>
<td>5, 8, 19</td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>90% &lt;95% Very high</td>
<td></td>
<td>20, 24, 32</td>
<td>7, 16</td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td>3</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>95% - 100% Absolute</td>
<td>13, 27</td>
<td>1, 3, 11, 14, 25</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td>2</td>
<td>5</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>19</td>
<td>9</td>
<td></td>
</tr>
</tbody>
</table>

ID No from Table 7.1 - Agency by denomination: **Anglican; Catholic; Uniting; Other**;

Table 7.4 maps the relationship between financial dependence and ecclesial connection after nearly two decades of contracting. Identifying the extent of change in this relationship over time proved to be beyond the scope of this project as agency websites which place a good deal of information relevant to my derivation of the ECI on the public record were not in existence back in 1996. Despite this limitation, examination of Table 7.4 provides some evidence about the impact on ecclesial connection arising from the contracting relationship with government. Consider Anglican agencies, which have a common level of financial dependence on government, and a relatively similar governance structure. They have ECI scores ranging from very high to moderate, raising the possibility that decision-making by leadership about managing agency identity may make a difference in the impact of funding dependency on ecclesial connection. The evidence from the interviews reported later in this chapter points in that direction. While Catholic agencies vary substantially in financial dependency, with the exception of one agency they all fall in the high or very high category of ECI.

\(^{487}\) The ID numbers used in this table were those assigned to agencies in Table 6.1, with the exception of the Salvation Army, which in this table carries the references, **33a** for Salvation Army Southern Territory, and **33E** for Salvation Army Eastern Territory.
The similarity in ECI scores for most Catholic diocesan agencies raises the question as to whether there is a Protestant theological bias in the construction of the index. While the ECI certainly generates higher scores for agencies with evangelical connections, there is the possibility that the scores for Catholic agencies results from a governance structure driven by the key role of the Bishop in the diocese. There is indirect support for this explanation, in that the two Catholic agencies founded by religious orders in the analysis have lower scores than the diocesan agencies. The limit of the ECI is that while it captures some organisational and theological expressions of ecclesial connection by agencies, it does not directly address secularisation within agencies increasingly staffed by people with no connection to the Christian tradition.

An interesting anomaly that emerges from Table 7.4 is of two cases where a low dependence on government funding by agencies is accompanied by a low rather than a high ECI. I refer here to Hillsong CityCare and the Exodus Foundation (Ashfield Parish Mission). I suggest that mediation of the ecclesial connection takes place in these cases through charismatic leadership rather than denominational governance arrangements. Hillsong CityCare is linked to a large Pentecostal congregation with charismatic leadership and appeals strongly to that church community for funding and support.488 With charismatic leadership the ECI may be redundant in measuring the ecclesial connection. Exodus Foundation has a strong public presence through its founder the Rev Bill Crews. It is difficult to draw a line between the agency and its leader in its public profile. Its identity as a parish mission of the UCA is not highly visible and the congregation is very small. While remaining linked, though tensely, to the UCA NSW Synod, it is doubtful whether the agency and the congregation will survive the departure of its founder given that his personal ability to attract funding from the business community has enabled it to achieve relative freedom from government funding.489


Table 7.5: Agency size mapped against ECI

<table>
<thead>
<tr>
<th>Ecclesial connection</th>
<th>Very High 10 – 12</th>
<th>High 7-9</th>
<th>Moderate 4-6</th>
<th>Minimal 0-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency size (income)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;$5m</td>
<td>35</td>
<td>18</td>
<td>17, 29</td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>$5m &lt;$10m</td>
<td>30</td>
<td>10, 15</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>$10 &lt;$20m</td>
<td>13</td>
<td>9, 11, 14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td>1</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$20 &lt;$50m</td>
<td></td>
<td>22</td>
<td>5, 7, 8, 19</td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td>1</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$50m &lt;$100m</td>
<td>2</td>
<td>3, 4, 6, 24, 31</td>
<td>16, 21</td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td>1</td>
<td>5</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>$100m</td>
<td>23, 27, 28, 33a</td>
<td>1, 12, 20, 25, 26, 32, 33b</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
<td>7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ID No from Table 7.1 - Agency by denomination: Anglican; Catholic; Uniting; Other; Note: 33a: Salvation Army Southern Territory; 33b: Salvation Army Eastern Territory

The information in Table 7.5 is extracted from Table 7.1, in order to explore whether there is a relationship between agency size and the level of ecclesial connection. The theoretical basis for such a connection has not been argued in the literature, however, in testing for evidence of a link, there proves to be a group of agencies with over $100 million in annual funding that have a high, or a very high ECI. Several of these agencies do not have a formal connection with a denomination or congregation though they display a strong ecclesial connection. Here the issue may be that an increase in size, other things being equal increases agency capability.

Contract provisions and agency perspectives

The snapshot of the patterns of agency size, financial dependence and ecclesial connection in the previous tables, provides the basis for an indicative account of the impact of contracting over the past two decades.

As noted in discussion of Table 7.2 above, contracting has not been uniform in its impact on agencies. The size of the agency, leadership and denominational governance structures, either individually or in combination, may be significant in muffling its impact. Certainly, after nearly two decades of contracting, there are agencies with a relatively strong ecclesial connection with varying levels of financial dependency including a group of agencies with a very high rating on the ECI that are
also relatively heavily dependent on government funding, an outcome not suggested by isomorphic theory. Several of these agencies have engaged intentionally in tactics of resistance against the pressures of contracting. This development will receive attention in mapping of tactics of resistance in Chapter Eight and the agency narratives the use of various combinations of tactics in Chapter Ten.

I now move on to report on some of the findings about the contracting relationship that emerged from specific questions in the interview shaped by the literature on contracting. The evidence that emerged on the presence of asymmetry of power in the contracting relationship provides the background against which the narratives of resistance to the pressures of contracting that follow need to be read. The evidence from interviews on the impact on agencies of contract provisions and processes and the asymmetry of power was that there was strong support for many of the concerns and criticisms about the impact of contracting discussed in the literature in Chapter Five. In presenting this evidence I start with specific contract provisions before moving on to more general issues. The narratives in Chapter Nine and Chapter Ten illustrate the maintenance, and collapse, of tension in the contracting relationship between agencies and government.

A range of agency concerns emerged in the discussion of contracting provisions involving asymmetry of power in the contract. The indexation provisions of multi-year government contracts demonstrated the asymmetry of power in the contracting relationship. There was unanimous agreement by agencies that indexation provisions did not keep pace with increases in costs in the delivery of services over a multi-year contract period. While the gap between the annual increase in costs and the indexation of contract funding varied over time, between programs and across different levels of government, the impact on agencies’ operation was real and increased over the length of the contract, a loss of the order of 2% to 3% in real value each year.\footnote{Phil Coller (Acting Director, Community Care, Anglicare Sydney). Interview with Douglas Hynd (Parramatta, 24 February 2014); Dr Ricki Jeffery (Director, Centacare, Rockhampton). Interview with Douglas Hynd (Yepoon, 9 May, 2014); Rev. Lynn Arnold (Former CEO, AnglicareSA). Interview with Douglas Hynd (North Adelaide, 31 March 2014); Ruth Barr (Manager, Baptcare). Interview with Douglas Hynd (Camberwell, 11 June, 2014); Grant Millard (CEO, Anglicare Sydney). Interview with Douglas Hynd (Parramatta, 24 February 2014).}
State government contracts frequently set the starting level for delivery costs below the actual costs of the service on the assumption that agencies will make up the difference out of charitable support from the community.\footnote{Reporting on a discussion with a reasonably senior person at state level: \textit{... we only pay what we think is about 80\% and we don’t consider it as a payment for services, we consider it as a contribution to your costs of delivering your program ...} Henfling, interview.} Rev Ray Cleary, while CEO of the Melbourne City Mission, refused to tender for programs with inadequate funding ... \textit{because we cannot deliver the outcomes that are expected on the price they’re paying. What happened after two years? I had the department coming to me saying, “How much do you want?”}\footnote{Rev Ray Cleary (Former CEO, Anglicare Victoria). Interview with Douglas Hynd (Melbourne, 5 December, 2013).} Recent reform negotiations between the government and the NFP sector in Western Australia supports this assessment. The CEO of UnitingCare West Sue Ash, commented that before NFPs in WA went down the path of a reform agenda with the state government ... \textit{we actually had to have our service agreements funded by the State topped up to adequate levels to deal with the issues around indexation... It was equivalent to 25 per cent of the contracts and it was given on the basis of no productivity increase.}\footnote{Sue Ash (CEO UnitingCare West). Interview with Douglas Hynd (Perth, 11 April, 2014).} The State Government, at least implicitly, acknowledged that agencies were carrying a substantial cost burden arising from an inadequate level of funding under previous state government contracts.\footnote{This conclusion on the levels of funding is supported by the findings of the Productivity Commission inquiry into the NFP Sector in 2009 where the inadequacy of the level of funding was acknowledged by government departments.}  

Cost structures, based on service delivery in metropolitan areas to rural and remote areas, along with a lack of departmental flexibility in responding to requests for minor variations in contracts was a source of frustration. A proposal for a minor contract variation might take over 12 months to negotiate with a federal government department by the time it went through the department’s state office in Brisbane to the national office in Canberra and back again.\footnote{Dr Tony McMahon (Director Centacare Diocese of Townsville). Interview with Douglas Hynd (Townsville, 2 May, 2014); Jeffrey, interview.}

Rev Cleary explained the test for decision-making that he had applied as a CEO of an agency when staff came to him and said, “We should tender for this”. His question to them was:
“Tell me how this is going to change the lives of these individuals in a way which will mean that they won’t come back in 20 years’ time and say, ‘Why did Ray Cleary allow that program to happen, knowing very well that it was inadequately resourced and wasn’t actually meeting my needs?’ That’s the fundamental Christian principle and where agencies are being, I think, continually seduced and sedated ... by government policies that they think will in fact enable the organisation to continue but not necessarily meet its mission.496

Beyond criticisms of specific contract provisions, there was frustration about the lack of timeliness in the contracting process that impacted both on agencies’ program delivery and decision-making by boards. Delays by government on tendering for new programs, and/or renewal of contracts were commonplace, with flow-on impacts on the hiring or retention of staff, leasing of facilities and disruption of services to clients.497 In the course of a three-year contract, service provision for six months at each end of the contract could be disrupted by lack of timely decision-making by government.498 Reflecting on her experience in agency management Kasy Chambers, Executive Director of Anglicare Australia, commented that agencies often find out two weeks after the expiry of the contract whether the contract will be rolled over for six months or the government will call for a new tender ... you’re there trying to tell your board directors in good faith that yes, they can continue to lease this building, you’re trying to tell your staff that ... you’d really like to keep them.499 She argued that there should be a government commitment to firm deadlines for tendering and retendering. If a contract is to be retendered on 1 January, six months ahead, the service should be informed. By 31 March, they should know whether or not they are the successful tenderer because of their need to make decisions on leasing premises equipment and staff. The circumstances prevailing between November 2013 and June 2014, while I was conducting interviews, following the election of the Coalition government in August 2013 with major policy changes in the wind, but no decision had been made about the future of numerous programs, meant that this issue was very much on the mind of agency managers.500

496 Rev Ray Cleary (Former CEO, Anglicare Victoria). Interview with Douglas Hynd (Melbourne, 22 May, 2014).
497 Jeffrey, interview; McMahon, interview.
499 Chambers, interview.
500 Caddy, interview; Libby Craft (CEO, UnitingCare Wesley Port Adelaide). Interview with Douglas Hynd (Port Adelaide, April, 2014); Molyneux, interview; Coller, interview.
The asymmetry of power between agencies and government in the contracting process was demonstrated in the shifting of risk by government to agencies through provisions relating to contract cancellation. There are two separate provisions under which government can cancel a contract. The first arises because the contract is subject to the appropriation of funds each year. Alternatively the government can just say ... look we’ve changed our mind, the policy’s changed or we don’t like the way you’re doing it ... if you really sit down and worried about them, you’d be thinking would we really sign off on this? The CEO of Centacare, Ballarat, David Beaver, commented that ... It’s a wonderful contract. It says they can vary the contract whenever they like. Cancellation of contracts by government for reasons other than failure in delivery of programs had been rare within the community sector. In December 2014, after I had completed the interviews, what had been a largely theoretical risk for agencies became a political risk for boards. Negotiating contracts with government is ... a real tough gig because it’s like starting a game of poker and you know the person you’re playing has got three aces in their hand before they pick up the next two.

The responsibility for dealing with perceived problems in the delivery of programs by clients and the community is also being shifted from government to agencies. Governments funding programs are now very quick to tell the client who has a complaint to go and see the agency: “We have a contract with them. That’s their responsibility to look after you.’ So we often get calls from minister’s offices where a client’s gone and made a complaint about something and they’re very quick to point the finger back to us. Beyond these examples the asymmetry of power in contracting relationships will receive further consideration in the account of contracting in employment services in Chapter Nine.

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501 Coller, interview.
502 David Beaver (Director, Centacare Diocese of Ballarat). Interview with Douglas Hynd (Canberra, 20 March, 2014).
503 Organisations with contracts with the Australian Government through until 2016 had funding cut. For example see Samantha Donovan “Federal Government cuts Funding for Housing Programs, shocking peak bodies http://www.abc.net.au/news/2014-12-23/funding-cuts-to-housing-and-homelessness-programs/5984576.
504 Coller, interview.
505 Coller, interview; Michael Yore (Former CEO, Good Shepherd Youth and Family Services). Interview with Douglas Hynd (East Melbourne, 23 May, 2014).
Impact of contracting on agency identity and mission

The literature covered in Chapter Five suggested a variety of isomorphic processes through which NFP agencies could become extensions of the state losing connection with their founding tradition through mission drift. The Director of CatholicCare Social Services in the Diocese of Parramatta pointed to the significance of the naming of the agency following its creation from a merger of smaller local agencies. The weight in the decision process was given to the principle that the agency should be identified closely with the church:

... we are a work of the Catholic Church, let’s put that out there, let’s not hide behind a name that’s a little bit ambiguous ... if people have got issues with the Catholic Church, well and good, ... we at least can’t be accused of hiding behind a fake name ...

There was agreement that there had been mission drift among church-related agencies following the shift to contracting, manifested in loss of clarity about agency purpose. Dr. Stephen Judd, CEO of HammondCare, in interviews with agency CEOs in the NFP sector found that very few were able to answer a question about their agency’s purpose. However, rather than contracting per se being the key driver of drift, Tony Nicholson the CEO of the Brotherhood of St Laurence focused on the broader cultural issues in the management of agencies associated with contracting. These cultural changes in his view had impacted on community agencies generally, not just church-related agencies. The focus on the management and ... 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.

The Director of UnitingCare Australia put the question the other way. How could you expect to avoid mission drift in a situation characterised by a strong drive to professionalise aged care and welfare by agencies that had a history of volunteer board management at the local community level? This framing focuses attention on the process of normative isomorphism in agencies, driven by professionalisation in the services and corporate management, arising from contracting. Many people at

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506 Henfling, Interview.
507 Judd, Robinson, and Errington, Driven by Purpose: Charities That Make the Difference. Also interview: Dr Stephen Judd, 12/12/2013 Adele Horin, "Straight Shooter with a Soul," Sydney Morning Herald, 6-7 October 2012.
508 Tony Nicholson, (CED, Brotherhood of St Laurence). Interview with Douglas Hynd (Brunswick, 21 January, 2014); Sellwood, interview.
the congregational level where agencies had commenced their existence and activities ... *don't have the expertise to govern or manage small businesses ... you've got to find people who understand the mission ... you need boards who have got ... an openness to the spirit, but ... who also can manage a really complex business environment ...*509

The exact extent of mission drift, both within agencies, and across the sector, following the shift to contracting was difficult to determine. The perception of interviewees with a wide and lengthy exposure to the sector was that the impact of contracting in this respect had been variable. A consultant with extensive sector experience commented that, in approaching an interview for employment with a UnitingCare agency, she had expected to be asked what it meant for her to come and work in a faith-based agency but wasn’t: *... when I came into the agency, what I found was staff talked about this auspicing body somewhere out there, like ... we didn’t belong to it at all ...* 510. From her work with UnitingCare agencies she had formed the view that parish missions in Victoria remained *... much more missional-based. ...with the larger agencies in particular, I think they’ve been forced to professionalise. But also with subsequent leadership changes there’s not been a process for imbuing in new leadership a sense of why they’re there.*511 This assessment is supported by the study by Bottomley on mission drift arising from contracting in UnitingCare agencies in Victoria and Tasmania.512 Harriman concluded that UnitingCare Queensland:

*... seems to be stuck in the middle, between the expectations of the owner, the UCA, and the expectations of its funding bodies, the Government, and the medical insurance funds and Medicare. UCQ is in a state of identity-tension, between living up to its stated vision and mission to care, ... and the pragmatic concerns of balancing the budget and the expectations to perform and conform for Government.*513

509 Lin Hatfield-Dodds (National Director, UnitingCare Australia). Interview with Douglas Hynd (Canberra, 6 February, 2014).
510 Ronda Held (Consultant, UnitingCare Australia). Interview with Douglas Hynd (Melbourne, 11 March, 2014).
511 Held, interview.
512 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." *The report explores how the culture of modernity has shaped the professional and business acumen of UC 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 CEOs (iii); CEOs identified the biggest challenges to maintaining the faith-base of agencies in three areas - in the current political and economic environment, in the structures of the Church, and in nurturing and maintaining faithful leadership of agencies. (iv-v).*
513 Harriman, "UnitingCare Queensland: Challenges of Authenticity and Congruity," 41.
The pressures associated with contracting are at the centre of agency management attention and can be powerful drivers of change in agency culture. Grant Millard, the CEO of Anglicare Sydney observed that mission drift is ... *not just a theoretical concern about an organisation being dictated to by government policy and particular programmatic outcomes under your individual contracts* ...\(^{514}\). The requirement to meet contractual commitments becomes the focus of senior management. The demands of managing a large agency come at the expense of attention to the agency’s mission. Nicole Hornsby a senior manager in Baptcare reflecting on this pressure acknowledged that ... *more and more we have to ask ourselves the question "Well what's the mission question in this?* \(^{515}\)

The difficulties of maintaining identity and focus on mission have been the subject of ongoing reflection within Catholic welfare agencies in recent years. Denis Fitzgerald, the CEO of Catholic Social Services Victoria, reflecting that they were a Catholic organization asked ... *what does that mean for us? If most of the staff aren’t Catholic, the clients aren’t Catholic, the money’s not Catholic, what’s the Catholic dimension of the work of the organisation?* \(^{516}\) Here the fundamental theological tension framing this inquiry surfaces. As Rev Ray Cleary emphasised an agency needs ... *to have a mission of their own which is distinct from the mission of the state.* \(^{517}\)

**Questions of governance**

The term ‘governance’ is now used widely in a variety of disciplinary contexts. One usage arises in relation to the increasing complexity and visibility of the political process resulting from the role of agencies and groups outside the structures of government.\(^{518}\) Another relates to the structuring of authority and accountability with regard to and within both business and NFP organisations.\(^{519}\) In this inquiry I focus largely on this second usage, though the first issue is relevant to the discussion in Chapter Eight on the role of denominational coordinating agencies in advocacy.

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\(^{514}\) Millard, Interview.

\(^{515}\) Nicole Hornsby (Manager, Baptcare) Interview with Douglas Hynd (Camberwell, 11 June, 2014).

\(^{516}\) Denis Fitzgerald (Director, Catholic Social Services Victoria). Interview with Douglas Hynd (East Melbourne, 21 January, 2014).

\(^{517}\) Cleary, interview.


The sociology of religion has directed attention to the significance of the structures of governance of church-related agencies and the closely-related issue of the ecclesiologies of the churches to which agencies are related. The documentary analysis earlier in this chapter pointed to the likely significance of agency and church governance in amplifying, or resisting, the operation of isomorphic processes arising from the contracting relationship and these factors certainly emerged as a critical element in the course of the interviews. I therefore pay attention to denominational patterns and the accompanying ecclesiology in considering the structure of governance as a mediating element in either buffering, or amplifying, the impact of contracting on agency identity.

The complex ‘world’ of Catholic welfare

The world of Catholic welfare in Australia is ‘complex’, and governance in Catholic agencies drives that complexity. Engagement by government with Catholic agencies that fail to grasp the governance structure and its underlying ecclesiology are likely to end up in mutual frustration. Frank Quinlan, former CEO of CSSA, noted that while the Australian Catholic Bishops Conference comprises the bishops from each diocese who share information and do things together. ... a Bishop is entirely entitled in his own diocese to do whatever he likes ... The President of the Australian Catholic Bishops Conference has no authority to require particular Bishops to do particular things.

Diocesan bodies are accountable to the bishop who is accountable, ultimately, to the Pope not to any episcopal authority within Australia. In a second layer of complexity are the religious orders, often international in scope, operating at a national level and across dioceses. They ... are accountable through their own structures to their governance arrangements within their particular religion ... you have all of these

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520 Chaves, "Denominations as Dual Structures: An Organizational Analysis."; "Intraorganizational Power and Internal Secularization in Protestant Denominations."; "Secularization as Declining Religious Authority."
521 Camilleri and Winkworth, "Disparate and Diverse: Mapping Catholic Social Services in Australia."
523 On the difficulty of government engagement with church governance due to departments not understanding governance issues see: Sellwood, interview.
524 Frank Quinlan (Former Executive Director, Catholic Social Services Australia). Interview with Douglas Hynd (Canberra, 18 November, 2013).
independent organisations working quite independently...525 regulated under the Church’s Canon Law. In addition there are lay apostolic associations, each with its own specific history and charism.526 Camilleri and Winkworth, in mapping the world of Catholic welfare in Australia, concluded that in fact a discrete ‘Catholic’ sector, as such does not exist.527

While the central role of the diocesan bishop, in the governance of diocesan social welfare agencies is clear in principle,528 the governance structure of agencies in Catholic religious orders presents a different picture with changes in leadership and management being driven by a decline in the membership of religious orders, handing over their organisations and resources to lay leadership under a variety of civil and canonical frameworks. According to a former CEO of such an agency, Good Shepherd Youth and Family Services, ... a board has been entrusted with the resources, the agencies, everything, that the Good Shepherd sisters would normally have had control over.529 Such a governance arrangement is directed at resisting tendencies to mission drift. The annual general meeting between both the board and the religious order, who are still in ultimate control, is not about detailed accountability but focuses on the requirement that the mission is being adhered to:

...recruitment to membership of boards, now tends to, ... not just reflect professional expertise ... they require some kind of affiliation and sense of the mission and identity with the mission ... I think that’s something that’s important, and relatively new and refreshing in the sector.530

The impact of the retirement of a generation of leadership in Catholic agencies that had combined both theological training and experience in the welfare sector was noted as a cause for concern.531 The role of leadership in mediating the connection with the diocese and the charism of the agency is critical in the transition that is under way. Adaptation to the pressures of contracting by diocesan agencies has also occurred at the regional level, working with the ecclesial structure of the agencies,

525 Quinlan, interview.
526 In Protestant terminology, calling, vocation and mission.
527 The Diocesan, Religious and Lay foundations of Catholic organizations and their different organizational structures, governance arrangements and budgets suggest that the term ‘Catholic Social Services’ more appropriately refers to a loose network of organisations which share a common theological base ... Camilleri and Winkworth, "Disparate and Diverse: Mapping Catholic Social Services in Australia,” 4.
528 See Sellwood, interview; Jeffery, interview; McMahon, interview; Henfling, interview; Beaver, interview.
529 Yore, interview.
530 Yore, interview.
531 Yore, interview; Fitzgerald, interview; Beaver, interview.
while facilitating responsiveness to changing government approaches to the contracting process. CatholicCare Victoria and Tasmania was established in April 2011 to act as a contractor with government on behalf of the Catholic diocesan welfare agencies in Tasmania and Victoria, to submit tenders, sign contracts and subcontract the work to the individual participating agencies. Fr. Joe Caddy, a member of the Board of CatholicCare Victoria and Tasmania, explained the goal was:

... to enable service delivery across Victoria and Tasmania to probably be more appealing to some of the larger government agencies who would seemingly want fewer and larger providers, we established a company known as CatholicCare Victoria and Tasmania, that is owned by the bishops of Victoria and Tasmania, but it is a company limited by guarantee and it holds the major contracts with what is now the Department of Social Services [Federal] ... they certainly give us more access as now one of their largest providers in Victoria and Tasmania, rather than four small to medium ones.

The participating diocesan agencies are represented on the Board, along with three persons unanimously appointed by members on the basis of their skills and knowledge of welfare on recommendation of the Board. Deciding which contracts the agency will tender for is a matter of consultation between all the agencies who form the entity and the Board. In making the decision the individual agency boards would reflect on whether this was in line with their business plan and overall strategy. This represents an institutional response to the difficulties raised by a mismatch between the geographically-limited reach of dioceses, which provide the ongoing structure for their Catholic welfare agencies, and government pressures for a smaller number of larger contracts in welfare programs. The individual agencies under this arrangement have their own mandate from the diocesan bishop but are able to combine with other agencies in dealing with the government for contracting purposes.

Anglican patterns of governance: bishops and synods

The governance of Anglican welfare agencies is shaped by the Anglican ecclesiology of ‘the Bishop in Synod’. A key difference from the Catholic Church lies in the role of the diocesan synod, with its clergy and lay representation that limits the exercise of power by the bishop. A further significant difference is that the board in Anglican agencies is executive, rather than advisory in character as in Catholic diocesan

532 Summary of the details of peak and coordinating agencies are listed in Table 6.2.
533 Caddy, interview.
534 Caddy, interview.
agencies. Rev Ray Cleary highlights a key difference in the role of the diocesan bishop in the Anglican and Catholic churches:

... all our agencies are independent, incorporated bodies under acts of parliament. Anglicare was created by an act of the Victorian Parliament, which clearly separates it from the institutional church in terms of its legal obligations, ... a bishop doesn’t have the authority that the community thinks a bishop has in the Anglican Church as distinct from the Roman Church. ... the Primate of the Anglican Church, Philip Freier can jump up and down as much as he likes to the diocese and say, “Get your act in on it,” they don’t do it.535

The diocesan structure of the Anglican Church has its roots in the colonial period, with a legal foundation in colonial, and subsequently state legislation. While Anglican social welfare agencies have shown flexibility in being able to merge, or develop, partnerships with other Anglicare agencies, they have only done so within state boundaries. Anglicare Victoria, for example is the end product of a long process of merger of Anglican agencies in Victoria while Anglicare West South West ACT functions under a partnership arrangement between two Anglican dioceses in NSW and the ACT. There are common structural elements in the relationship between each Anglicare agency and its diocese along with variations in detail relating to the exact composition of the Boards of such agencies.

The relationships between Anglican dioceses and agencies have undergone change in recent years, from the side of the dioceses, according to Bishop Rt. Rev Chris Jones, Chair of the Board of Anglicare Australia and CEO of Anglicare Tasmania. Agencies in the network are finding that dioceses are now wanting to get more connected, no matter how close or distant the relationship has previously been, arising out of failures currently being explored by the Royal Commission into Institutional Responses to Child Sexual Abuse, and accompanying issues of professional standards, quality of the staff and the liabilities that flow on to the church:

Lots of dioceses are in decline, and they see that their agencies are in ascendancy, so is there a mission opportunity? ... I see very little evidence that the agencies themselves are initiating contact with their dioceses ... agencies are just getting on and doing their work and have limited contact with their dioceses.536

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535 Cleary, interview (5/12/13).
This perceived distance between agencies and dioceses is consistent with theoretical insights pointing to the secourisation of agencies.\textsuperscript{537} The evidence with regard to specific agencies suggests the need for a more qualified assessment. With respect to his own agency, Anglicare Tasmania, the Bishop observed:

\begin{quote}
We are the church doing this work. Our diocese and bishop appoint the CEO. We can’t change our rules unless our diocesan council agrees, but the majority of people who are on the board have to be on an Anglican Church electoral roll. We’re intertwined with the diocese. Bishop Henry wouldn’t have started a separate organisation if he could’ve signed contracts with government, but he couldn’t. ... he created a vehicle to be able to do it, but he never saw it as being a separate activity from the church. He saw it as the church ...\textsuperscript{538}
\end{quote}

The relationship between Anglicare Sydney and the Sydney Diocese over the past decade casts light on this issue and is discussed in \textbf{Chapter Ten}. The board structure of AnglicareSA represents an example of the complexity of representation with respect to the structure of Anglicare agency boards. One group of members is elected every three years by the Synod, another group by the Diocesan Council, effectively the executive of the Diocese, and a third group by the Archbishop. In addition there is a representative each from the Dioceses of Willochra and the Murray, while the Board has the capacity to appoint additional members.\textsuperscript{539}

While the governance of the Brotherhood of St Laurence and its significance for the maintenance of its mission and identity are discussed in \textbf{Chapter Ten}, the CEO of the Brotherhood emphasised the importance of both the connection to the Anglican Church, and the different governance structure from other Anglicare agencies:

\begin{quote}
The Brotherhood is of the church, but independent of it. As part of our constitution the Archbishop has to approve the appointment of the chair, and the executive director. On our board we have to have three Anglican clergy ... Then we have a group of 40 charter members, ... at least 8 charter members to be Anglican clergy.\textsuperscript{540} The Charter members carry the tradition of the Brotherhood and elect the members of the Board not nominated by the Synod.\textsuperscript{541}
\end{quote}

\textsuperscript{537} The work by Rev Ray Cleary on engagement by Anglicare Victoria with the Diocese of Wangaratta under the theme of Community Theology would also need to be considered as further qualifying this assessment. See Cleary, interviews 5/12/2014 & 22/5/2014.

\textsuperscript{538} Jones, interview.

\textsuperscript{539} Arnold, interview.

\textsuperscript{540} Nicholson, interview.

\textsuperscript{541} The significance of the charter members and their functioning in the governance of the Brotherhood is discussed in an analysis of the agency in \textbf{Chapter Ten}. 
Uniting Church of Australia

Uniting Church of Australia (UCA) is a non-hierarchical, non-episcopal church with a complex governance structure resulting not only from those ecclesiological characteristics, but also from its creation in 1977 from the merger of the Methodists, some Presbyterian and most Congregational churches. UnitingCare Australia as a national peak welfare body is an agency of the Assembly, the national council of the UCA, led by a president elected for a three-year term. Synods are the state councils of the UCA. Each Synod elects a Moderator and is responsible for overall support and resourcing of the church in their region, including their community services, which operate as part of the UnitingCare network. The establishment of the UCA required legislation in every state to deal with the complex property arrangements resulting from the merger of three churches along with the continuing existence of a significant minority continuing Presbyterian Church and a Congregational Fellowship. This legislation included a theological statement, *The Basis of Union*.

In a theologically-oriented analysis of the governance of community service agencies within the UCA, Harriman observes that *The Basis of Union* which provides the theological underpinning for the UCA ... only mentions “agencies” in paragraph 15 in the context of agencies being directly responsible to Synods or Assembly, and that agencies are called upon to “consider afresh” their commitment to the Church’s mission and unity. He goes on to raise theological issues about the treatment of the agencies in *The Basis of Union*, asking whether it identified a difference between the service of worship and witness and the service undertaken by church-related agencies. He asked whether ... the two forms of service were considered to be the same in spirit and as such the agencies did not need to be considered separately assuming that they shared the same mission and unity.

Rev Graham Long, CEO and Minister of The Wayside Chapel (TWC), observed that the UCA consensus model of decision-making is almost anti-leadership. This means that ...

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542 Harriman, "UnitingCare Queensland: Challenges of Authenticity and Congruity." 34.
543 Ibid., 34.
every aspect of what they're doing is under review, because everybody is scared to make a decision.\textsuperscript{544} In the UCA in Victoria and Tasmania:

\textit{... there is no central direction around how people are recruited, what kind of requirements, induction, orientation, leadership development ... So if the boards don’t have that sense of wanting to recruit somebody who's going to imbue the missional nature of the organisation and the church says, “Well, we're just leaving it to you to run and we're not going to do any kind of centrally directed orientation or formation”, then people just go their own way.}\textsuperscript{545}

UCA agencies that were parish missions had usually commenced as an expression of the ministry of a geographically-based congregation. The ecclesial and legal structure of parish missions within the UCA can be complex as the Wesley Mission in Sydney demonstrates.\textsuperscript{546} Wesley Mission is a Parish Mission of the UCA comprising a community services company and eight related congregations, collectively known as Wesley Congregational Life. While the Mission is based in Sydney it operates in a number of locations within New South Wales. The administration of Wesley Mission is subject to the provisions of the \textit{Uniting Church in Australia Act 1977}, and to the Constitution, regulations and bylaws of the UCA.

Wesley Community Services Limited, a public company limited by guarantee has responsibility for all operational assets of Wesley Mission, such as property, finances, government or corporate funding and donations and is required to hold all these financial instruments for the purposes of the Wesley Mission as defined in its Constitution. The Wesley Mission, by contrast, is not a legal entity in its own right. All its assets are held by the Uniting Church Property Trust, which was established as a legal body by \textit{The Uniting Church in Australia Act 1977}.\textsuperscript{547}

\textit{The congregations obviously are the source of who Wesley Mission is ... they've said throughout the history of Wesley Mission that they want a deed ministry to be part of the work of Wesley Mission. .... the congregations appoint the Mission Council,}

\textsuperscript{545} Held, interview.
\textsuperscript{547} Australian Charities and Not-for-profit Commission Act 2012 (Commonwealth) Sec 205-35 (5). An entity is also not a \textbf{basic religious charity} at a time if:
(a) the total of the grants (however described) (if any) it receives from Australian government agencies in a financial year exceeds $100,000;
who in turn appoints the board and the Superintendent\textsuperscript{548} ... subject to approval from the UCA.

The Board is not required to report to the Council but does so while the Council appoints the Board and several members of the Council are members of the Board. The establishment of Wesley Community Services, as a company limited by guarantee, a development subsequent to my interview, was in part a response to the ACNC legislation, which limited the ability of an agency to be a religious charity if they received more than $100,000 in government grants. As an unincorporated body under the previous arrangement handling large amounts of government funding, Wesley Mission Sydney would have fallen foul of this provision.

The UCA agencies not linked to a congregation, but with a historical link to the UCA, or its predecessor churches, remain accountable to the relevant Synod, though the exact legal character of this arrangement varies. UCA agencies in South Australia (SA), Western Australia (WA) and the eastern states respectively each have distinct governance structure. At the time of Union, agencies associated with the UCA in SA maintained separate incorporation under state incorporation legislation. The result was, as Rev Peter MacDonald, UCA Minister, Manager Advocacy and Community Relations from Uniting Communities SA, explained that the agency has its own board: \textit{... we have a legal entity and we’re not reliant on the Synod to act as the property trust. We have our own funds, we own our own buildings ... we have a separate CEO and board} \textsuperscript{549}. MacDonald described his role in the agency as maintaining \textit{... a relationship with the Synod and the Uniting Church structures} \textit{... the Uniting Church appoints its board members ... I’m responsible for ensuring our board understands what the Uniting Church in South Australia thinks or does} \textsuperscript{550}. The agency has thus two distinct lines of accountability. How well this works to maintain an effective living connection would seem to depend upon the effectiveness of the linkage between the agency and the Synod.

The legislation governing the UCA in WA, \textit{Uniting Church in Australia Act 1976 (WA) Part VI Incorporation of Church Instrumentalities} gave the UCA in WA the power to incorporate its own agencies. The UCW constitution forms part of by-laws and

\textsuperscript{548} Chris England (General Manager, Health & Community, \textit{Wesley Mission Sydney}). Interview with Douglas Hynd (Sydney, 25 November, 2013).

\textsuperscript{549} Rev Peter MacDonald (UCA Minister, Manager Advocacy & Community Relations). Interview with Douglas Hynd (Adelaide, 31 March, 2014).

\textsuperscript{550} Macdonald, interview.
regulations of that Act and makes reference to the Act.\textsuperscript{551} The CEO of UnitingCareWest (UCW), Sue Ash, was of the view that with this provision the agency had ended up with the easiest and simplest governance model in the UCA: \textit{... we've accepted that we're part of the church whereas many of the Uniting Church agencies and schools would argue that they are separate entities} \textsuperscript{552}. UCW reports to Synod, with a board that is clearly aligned with the church:

\textit{... we have to have a chairperson who's a member of the church, we have to have half of the members of the board who are members of the church, and clearly half of the members of the board that aren't, because of the nature of the inclusiveness of our community services and the alignment with the inclusiveness of the church's mission into the community.}\textsuperscript{553}

The patterns of relationship between agencies and synod arising from differing legal structures highlights an element in the UCA governance structure where isomorphic pressures may be either buffered, or amplified. Separate incorporation under state legislation in SA opens up space for conflict over the basic alignment of agencies as between the synod and community accountability whereas in WA the incorporation structure more clearly aligns the agency with the church. In the eastern states the risk arises if Synod fails to intentionally address the possibility of mission drift in their engagement with agencies around accountability and appointment of leadership.

\textbf{‘Other’ ecclesiologies and their governance}

The category of ‘other’ ecclesiologies includes churches and agencies with a diverse range of governance arrangements, including those arising out of congregational ecclesiology, the Salvation Army and agencies that have a Christian identity not linked to a specific denomination or congregation. For the purposes of this inquiry I start by drawing attention to three similar, yet subtly different patterns of congregational ecclesiology, particularly with respect to their structures beyond the level of the congregation. Among Baptists each congregation is seen as being the whole church and is self-governing.

\textit{Associations of Baptist churches have been formed on a state basis in Australia termed Baptist Unions. These have approved the establishment of welfare and social service initiatives.\textsuperscript{554} In NSW for example Baptist Care is affiliated with the}

\textsuperscript{551} Ash, interview.  
\textsuperscript{552} Ash, interview.  
\textsuperscript{553} Ash, interview.  
Individual members of Baptist congregations can also join the company. The Board of Directors is elected on an annual basis through the company membership base. The Baptist social welfare agency in Victoria and Tasmania, Baptcare, although within the same ecclesial tradition, has a somewhat different structure in that the denomination has direct control over the agency. It is a company limited by guarantee, with the directors appointed by the Baptist Union of Victoria (BUV), with the CEO recommended by the Board but appointed by the BUV. Baptcare works with the Baptist Union of Tasmania...in friendship and association ... they are not a direct stakeholder. ... we have an agreement with the Baptist Union of Tasmania and we have an agreed way of working and including them. The significance of the relationship between BUV and Baptcare will be drawn out in the narrative on Baptcare in Chapter Ten.

The Churches of Christ are noted for a fierce commitment to the independence of the local congregation, with a flat ecclesial structure, making it difficult for representative bodies to act decisively on behalf of the denomination as a whole. The Churches of Christ Community Care (Victoria and Tasmania) provides a significant insight into both the pattern of engagement in social welfare at the congregational level and regional coordination by an ecclesial body with network characteristics. As a coordinating body it is responsible for the development and conduct of caring and benevolent programs as a Partner Department of the Churches of Christ Victoria and Tasmania (CCVT) and is responsible to it for its activities. Board appointments follow from the recommendation of the Board to the CCVT. The Executive Director observed of the Churches of Christ Community Care’s relationship with the agencies linked to it that largely owned and run by congregations that... nothing is controlled by the central

557 Documentation: Appendix C – Baptcare.
560 See Table 9.2 Coordination and Peak Bodies.
561 References: Appendix B - Churches of Christ Community Care Victoria & Tasmania.
562 Paul Arnott (Director, Churches of Christ Community Care Victoria and Tasmania). Interview with Douglas Hynd (Fitzroy North, 23 May, 2014).
agency. ... we have no control, we have significant influence.563

CCVT Community Care is an NFP564 that oversees and coordinates CCVT’s response during times of community disaster and declared ‘disasters’.565 The other strand of its activity is the CareWorks program in which churches and affiliated agencies enter a formal partnering agreement, with CCVT Community Care which provides oversight to project leaders and churches, assistance with governance, management, networking, training and assists with resources where possible:

... Community Care happens in Churches of Christ, or through Churches of Christ, into the broader community in a very grass roots way ... The care is very decentralised. It happens through the churches and there are about 124 churches currently and eight mission agencies.566

CCVT Community Care also assists with, and supervises grants and funding that is applied and received by partnered projects. CareWorks Partners are CCVT churches or agencies, which enter into a partnership with Community Care. This provides affiliated churches and agencies that are CareWorks Partners with tax deductibility for donations, seed funding and assistance with grant applications.567 In July 2011 CCVT Community Care moved out of delivering aged care after running four aged care facilities within the region. The decision was made for a variety of reasons:

... compliance in aged care was increasing significantly and you just had to really be a major player to stay on top of all the requirements. ... there was a growing realisation that aged care had just taken over Community Care. Community care, community engagement, is far broader than just aged care. ... So the Board of Community Care decided to hand over three out of those four aged care facilities to Churches of Christ in Queensland ... The fourth facility was sold and has provided a corpus, a capital basis, to head in new direction.568

This decision displayed an institutional flexibility available to non-hierarchical churches. This is in contrast to the governance arrangements for hierarchical churches that are constrained by state and/or diocesan boundaries. To gain an updated understanding of the extent and character of the Churches of Christ’s community engagement and the issues facing congregations and agencies, CCVT Community Care undertook a major research project that had just been completed at the time I undertook the interview with

563 Arnott, interview.
564 References: Appendix B- Churches of Christ Community Care Victoria & Tasmania
565 References: Appendix B- Churches of Christ Community Care Victoria & Tasmania
566 Arnott, interview.
567 References: Appendix B- Churches of Christ Community Care Victoria & Tasmania
568 Arnott, interview.
its Director Paul Arnott. One hundred affiliated churches and agencies took part, 92 churches and eight agencies. They represented 75% of the 133 CCVT churches and agencies contacted. Arnott classified the commitment by churches to community engagement as shaped by differing understandings of mission. The first is a strong focus on gospel proclamation in which community engagement is a way of achieving that, bringing people into church:

... there are some churches that would see community engagement, not as an end in itself, but as responding to the needs that are there and would want to remain open to having, once again to use the term gospel, gospel conversations, kingdom conversations, as a result of that, but only when people that they are engaging with set that as the agenda. ... There would be other people who would see community engagement virtually as an end in itself, it wouldn’t have any vision for taking it past there, or setting it in, what I would call, a biblical, gospel mission context.

As a result of the survey CCVT Community Care will continue its Care Works stream of partnership with local agencies. Arnott was of the view that:

... we might get involved in a hands-on way in training people as youth mentors through the churches ... I don’t anticipate that we will begin running low-cost housing in a hands-on way, ... we’ll probably have more of a brokering role in that area to help people network and support it ...

As a coordinating agency it will roll out a process by which churches and agencies are encouraged to find out what is happening in their broader community and test it against the empirical data available through the National Church Life Survey results and census data, so that churches can draw on the resources that Community Care can make available. We can, not only provide DGR status to enable them to work with marginalised and vulnerable people, but we can also provide them with the assistance in applying for grants. We can provide them with networking and linking in.

The Pentecostal churches, which are also congregational in their ecclesiology, have an even more limited denominational structure than the Churches of Christ. Hillsong, the only Pentecostal church included in the inquiry, is a member of the largest Pentecostal grouping in Australia the Australian Christian Churches (ACC), originally the Assemblies of God in Australia. The emphasis on the ACC website is on sharing of stories of what

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570 Arnott, interview.
571 Arnott, interview.
572 Arnott, interview.
individual church congregations are doing rather than undertaking coordination. It describes itself as:

... a movement of Pentecostal Churches in voluntary cooperation. Each individual church is self-governing, but commits itself to work together with other churches in the movement for the purpose of mutual support and the spread of the gospel in Australia and the world.\textsuperscript{573}

In addition to agencies associated with denominations characterised by a congregational ecclesiology, the ‘other’ category includes the Salvation Army, which has unique characteristics as a major agency involved in the delivery of social welfare and human services, with the central spine of a religious order and functioning as local worshipping communities. The organisational structure is hierarchical in character, based on the military model. Its engagement with the community comes through the Corps, the Salvation Army community churches and the Community Service Centres.\textsuperscript{574} The significance of the fact that as a denomination the Salvation Army in Australia is organised as two separate territories, each separately accountable to headquarters in London is discussed in Chapter Nine in the account of its involvement in employment services contracting.

The remaining agencies in the ‘other’ category are those that are not linked to a denomination or a specific congregation. There is a question as to how their governance structures work to sustain their identity and mission over time. The three agencies within this study that fall into this category offer differing governance models. Melbourne CityMission, with a history going back to the nineteenth century tradition of city missions, is a company limited by guarantee with both individual and corporate members. There is no statement in its Constitution that specifies a link to a specific denomination or congregation. Rev Jim Barr who worked for the agency as a pastoral associate observed that all the members of the Board would be Christians:

... there’d also be a diversity of expressions of Christian faith in there. ...I do think they took that succession planning at a board level very seriously and realising the vulnerability of the board in that there was no other group who could hold it to account or vote it out ... the board itself had to put a lot of time into checking its

\textsuperscript{573} Australian Christian Churches. ‘About Us’, \url{http://www.acc.org.au/about-us/}.

\textsuperscript{574} For Documentation: Appendix B – Salvation Army Eastern Territory, Salvation Army Southern Territory.
own integrity, having transparency amongst itself and its processes ... 575

HammondCare is a non-profit, Christian charitable organisation independent of any denomination or congregation, a company limited by guarantee under Commonwealth legislation. The statement of its Christian character as the underlying motivation for its activities is clear. Its work is based upon the historic truths of the Christian faith and underpinned by belief in the words and deeds of Jesus Christ as the basis for its activities in caring for the vulnerable.576 There are to be 15 to 35 members who elect the Directors. Members are nominated by a member of the company to whom the person is known and must be a communicant, or full member, of a Christian church. The nominated person also agrees to reaffirm that in writing every three years. The purposes of the company refer to its charitable purposes stating that these are related to the promotion of the Christian gospel.577 Directors cease to be directors if they cease to be a communicant or full member of a Christian church. Certainly ... not everyone on HammondCare’s executive are Christians. There’s one person who is not yet but that person would be very disappointed if our character changed.578

Mission Australia is an organisation that is the result of the bringing together of a substantial number of agencies whose roots were in city mission tradition. It takes the form of a company limited by guarantee. Membership of the company is at the decision of the Board, making it a self-renewing membership. The Board has the role of providing strategic guidance and effective oversight of management and is the guardian of the founding purpose for which Mission Australia was established. It is accountable to its members for the pursuit of that purpose and performance of the agency.579 The National Chaplain of Mission Australia observed that the agency was upfront about its character as a non-denominational organisation Christian social service provider:

If you go to the website, you’ve got to go right down to the bottom to see it ... some of the messages like our founding purpose and our values have drifted and not been front and centre. ... it’s triggered a few things, which are go back to the beginning and make sure there’s a greater sense of clarity as to let every candidate know, if they’re the successful candidate, you don’t have to be a Christian to work at Mission Australia, but this is a Christian organisation and here’s our founding purpose and

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575 Rev Jim Barr (Former Pastoral Associate, Melbourne City Mission). Interview with Douglas Hynd (Melbourne, 4 December, 2013). On the historical background of the agency see Otzen, Dr John Singleton 1808-1891.

576 Documentation: Appendix B – HammondCare, particularly the Constitution and the Director’s Manual.

577 On governance: Appendix B – HammondCare, particularly the Constitution and the Director’s Manual.

578 Judd, interview.

579 Documentation: Appendix B - Mission Australia ‘About us Governance’
here are the values that we espouse and this is the way we want to interact with our clients.  

**The next step**

The evidence in this chapter suggests that while isomorphic processes are real and in varying degrees had an impact on agencies, exploring the impact required detailed attention on a case by case basis in dealing with funding dependence, governance and statements of mission and purpose. The tension between agency engagement and identity was widely acknowledged and was, to varying degrees, the subject of intentional agency response. There was clear evidence of an asymmetry of power in the contracting relationship that had both cultural and financial implications. In the next chapter I move on to explore tactics of response and resistance to that power relationship, at both an agency and a sector level.

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580 Molyneux, interview.
Chapter Eight: Tactics of resistance and emerging systemic responses

Tactics of resistance at an agency level

In analysing resistance and response to the pressures working towards collapse of the tension arising from church-related agencies contracting with government, I start by mapping the ‘tactics’, of individual agencies,\textsuperscript{581} using the categories listed in Table 8.1.\textsuperscript{582} In using the terms ‘resistance’ and ‘response’ I am signalling intentionality and effort by agencies in order to sustain the tension of difference necessary to maintain their identity and mission in the context of contracting. I have generally used these terms together to highlight the range of effort and assertion with which the tactics outlined below may be employed.

Table 8.1: Tactics of resistance

| 1. Funding: activities that contribute to achieving a diversified funding base and reducing the dependence on government funding |
| 2. Mission template: applying a values/mission template to the contract decision-making process |
| 3. Research: active commitment to research |
| 4. Innovation: innovative approach to services |
| 5. Linkages: enhancing organisational 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’. |
| 6. Governance: reviewing and, where necessary, restructuring governance relationships with the relevant congregation(s) and/or denominational bodies, and/or attention to alignment between agency and the church through governance arrangements |
| 7. Identity: developing and delivering orientation programs for staff, management and board on the mission, identity and underpinning theological commitments of the agency |

In Table 8.2 I map the use of these tactics by church-related agencies based on evidence from interviews, supplemented by documentary material on agency websites, annual reports, and other publicly available documentation. I make no assessment of the extent of investment by the agency in the tactics, or their effectiveness over time, a task beyond the scope of this inquiry. The agency narratives in Chapter Ten offer insight into the use of these tactics, and the theological commitments that underly their use.

\textsuperscript{581} On the terminology of ‘tactics’ rather than ‘strategies’ see the discussion in Chapter Five.

\textsuperscript{582} Substantially adapted to the Australian context from Frumkin and Andre-Clark, "When Missions, Markets, and Politics Collide: Values and Strategy in the Nonprofit Human Services."
Table 8.2: Tactics of resistance by service delivery agency

<table>
<thead>
<tr>
<th>Action</th>
<th>Funding</th>
<th>Mission template</th>
<th>Research</th>
<th>Innovation</th>
<th>Linkages</th>
<th>Governance</th>
<th>Identity</th>
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| Total | 15 | 14 | 6/23 | 5 | 23 | 16 | 17 |

583 Extracted from Appendix B under the title of each agency.
I did not include in this analysis two congregationally-based agencies where I had undertaken interviews as their size and close linkage to the congregation did not lend itself to a meaningful application of this classification.

In the discussion that follows I provide examples from interviews and documentation that illustrate the usage, scope and potential significance of these tactics. The difference across agencies in the number and character of the tactics employed highlights the importance of an agency-by-agency approach to the question of the impact of contracting on agencies and whether and under what circumstances they may, or, may not, become an extension of the state. Narratives of these processes in specific agencies are presented in Chapter Nine and Chapter Ten, respectively.

**Funding Diversity and dependence**

Diversification of funding was a high priority for agencies, though the difficulties of achieving this were acknowledged to be substantial. The contrast between Australian church-related welfare agencies, on the one hand, and overseas aid agencies on the other, over recent decades, was noted by Rev. Lynn Arnold who had experience in both sectors as CEO of World Vision Australia, and more recently, AnglicareSA. The shift of giving by Australian donors from domestic to overseas charities starting in the 1980s was driven by two changes in government policy. The first was the granting of tax deductibility for overseas aid donations. The second was the government move to funding domestic welfare agencies through contracting. Many ... *potential donors said to these agencies, well you’re getting government money I don’t need to worry about you, I’m paying for you through my taxes.* 584 The World Vision Australia board, when Rev. Arnold became CEO, had a requirement that the agency receive no more than 25% of its funding from either government or multilateral agencies. As CEO he was ... *to report to the Board whenever we came close to that 25% mark, how we were going to avoid crossing it, and if we did cross it how we were going to get back to under it again.* 585 Dealing with reliance on government funding as CEO of AnglicareSA he found positioning the agency to gain increased funding from non-government sources to be difficult. In his second year at AnglicareSA the organisation tried a concerted fundraising campaign ‘Hope is Here’:

*We actually put quite a lot of money into that, and I have to say it was not that successful. ... it did raise more money from smaller donors than we had ever raised*

584 Arnold, interview.
585 Arnold, interview.
before, ... the overall fundraising we did, was actually still not significantly greater because this was the time of the GFC, and our larger donors fell away dramatically.\textsuperscript{586}

The fundraising program was wound back following his departure as CEO. There was a cultural issue within the agency where the first response, after identifying a specific community need that the agency wished to respond to, was to look for government funding. He found it difficult to get staff in the agency to consider the proposition that they should look for other sources of funding.\textsuperscript{587}

The CEO of Anglicare Sydney highlighted\textsuperscript{588} the reality that the capital base for church-related agencies, where it exists, is inherited and access to such inheritance is limited to agencies in capital cities.\textsuperscript{589} However, the amount of funding required for agencies to maintain missional identity need not be large. UnitingCare West, for example, with turnover around $25m, receives $1m per annum from the UCA to maintain its mission. Its CEO Sue Ash observed that ... \textit{one million dollars is huge in terms of making the difference between us being a faith-based missional organisation that is not-for-profit and being a non-government that does government work in a not-for-profit framework.}\textsuperscript{590}

While agencies have developed significant social enterprises, committing resources for their development and management is not easy for smaller agencies with a substantial opportunity cost in both start-up capital and management effort. Dr Ricki Jeffery, Director of Rockhampton Centacare, commented:

\begin{quote}
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.\textsuperscript{591}
\end{quote}

The Brotherhood of St Laurence provides a leading example of a long-term approach to diversifying sources of funding, generating a surplus from social enterprise of around $1.5m per annum. \textit{Now in a turnover of $70 or $80 million it doesn't seem much, but it's gold to be able to have $1.5 million to spend on research and policy development.}\textsuperscript{592}

\begin{footnotes}
\item[586] Arnold, interview.
\item[587] Arnold, interview.
\item[588] Millard, interview
\item[589] McMahon, interview.
\item[590] Ash, interview.
\item[591] Jeffery, interview
\item[592] Nicolson, interview.
\end{footnotes}
Cleary was emphatic about the importance of alternative sources of funding. In his role as CEO at both Melbourne CityMission and Anglicare Victoria he reported that he had been assertive about obtaining full government funding for government contracted programs:

*I wasn’t prepared to put the $10 or $12 million we raised each year from our own fundraising to support government programs. I wanted them to be used for other forms of activity. For research purposes, for advocacy, for running the parish partnerships, developing new programs ... agencies have to have a strong private source of funds if they’re going to be able to maintain any sort of commitment to their true values and mission.*

Decision-making with a mission template

The application by an agency of a values/mission template to the contract decision-making process is a tactic to ensure that the contracts it enters into meet its mission focus. In the early years of the shift to contracting there was a general perception that there had not been careful consideration as to how well contracts fitted with the overall mission of agencies. The interviews suggested that there had subsequently been a shift to more careful consideration of contracts. The CEO of UnitingCare West described their current approach to decision-making as involving a number of factors, including missional fit. *We’re not aiming to be everywhere, ... we’re just trying to actually influence communities where people who are most in need are.*

Research

In addition to the research undertaken by church-related agencies directed at informing advocacy by national coordinating agencies, discussed later in this chapter, a number of agencies had committed themselves to research directed at program level issues as a key element in their mission. This requires access to a funding source beyond that provided by government contracts. The Brotherhood of St Laurence has, for example, leveraged relatively small amounts of research funding into quite large research activity through a partnership with the University of Melbourne. Anglicare Sydney and Anglicare Tasmania, Baptcare and HammondCare have also made defined financial commitments to policy and program research, placing themselves in a stronger position in dealing with government with regard to policy advocacy.

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593 Cleary, interview (22/5/2014).
594 Ash, interview.
596 Millard, interview.
Innovation

Research and evaluation are also linked closely to enabling innovation in program design and delivery. The Brotherhood, according to its CEO:

... has always tried to ensure that it has a business model that enables it to invest in innovation. ... if I take the home interaction program, which is commonly known by the acronym of HIPPY, it’s a major program that we took a licence over ten years ago from Israel. ... [we] invested a lot of our own money, together with other philanthropic money, to develop it up, test it, modify it for Australian conditions, and then got the backing of the Commonwealth Government ... 597

Phil Coller, a senior manager with Anglicare Sydney, pointed to the significant connection between having funds available for research, a degree of independence and the possibilities for innovation:

If it’s your own money and you see the changing need you can say “Okay, let’s reshape how we do this”. We’ve actually done that with a couple of our own services that we’ve funded. We set up to look at how do we meet people’s needs more holistically. ... if it was a purely government-funded program it would be very difficult. ... you’d be waiting two years to get an answer to change the program.598

An integrated service delivery was piloted by Anglicare Sydney in their Liverpool office, where they had several services, with differing funding sources, ranging from family support, through early intervention, emergency relief as well as a low interest loan scheme:

... we could get a client and go through all four of those services. So originally they’d fill out four different forms, have four different assessments ... what we’ve been able to do there is have one intake, fill out one form and we say if you want other services, please tick so we don’t have to go through this process again. ... It’s taken a lot of work in the back of house ... Because we still have to account for it all separately with government, but from the client perspective they’ve come in, dealt with one case manager, got the service and hopefully been supported to the best we can.599

Linkages

Enhancing organisational security involves maintaining strong external links with philanthropic bodies, businesses, local churches, collaborative relationships with other service providers and actively participating in the relevant ‘peaks’. Most of the church agencies have some intentional linkages to parishes and congregations at the local level

597 Nicolson, interview.
598 Coller, interview.
599 Coller, interview.
and devote resources to those connections.\textsuperscript{600} There was evidence of agencies paying increasing attention to building those linkages. Agencies paying particular attention to this connection included the Brotherhood, Anglicare Sydney, Anglicare Tasmania, Anglicare Victoria, Catholic Social Services Parramatta, and UnitingCare West.\textsuperscript{601} The linkages through national coordinating bodies and their role in supporting the mission and identity of agencies are discussed later in this chapter.

**Governance**

Reviewing, and where necessary, restructuring governance relationships with the relevant congregation(s) and/or denominational bodies, and/or attention to alignment between agency and the church through governance arrangements is a key tactic in maintaining the identity of church-related agencies. The governance issues for agencies arising from their specific ecclesiology have previously been discussed in Chapter Seven.

**Communicating Identity**

The tactic of developing and delivering orientation programs for staff, management and board on the mission, identity and underpinning theological commitments of the agency was addressed in an intentional way by a variety of agencies. For most this was a critical issue given that there was no guarantee that a majority of staff would be Christians or would be familiar to any degree with the Christian tradition. Induction of staff was a key intervention point and agencies reported paying specific attention to making clear the Christian identity and mission of the agency.\textsuperscript{602} The Director of Centacare Rockhampton pointed to the agency’s practice of sharing ongoing reflection connecting Catholic teaching and scripture with the day-to-day activities of staff.\textsuperscript{603} Anglicare Sydney had made a major investment in a program for management around the issue of the mission and identity of the agency.\textsuperscript{604} This tactic is also discussed later in this chapter with respect to the work of Catholic Social Services Victoria (CSSV).

Recruitment of staff was an aspect where the maintenance of Christian identity and the policy with respect to the commitment of senior management, given the pluralism and

\textsuperscript{600} Agencies that explicitly addressed this tactic were: Anglicare Sydney, Anglicare Tasmania, Anglicare Victoria, Catholic Social Services Parramatta Diocese, Baptcare and the Brotherhood of St Laurence.

\textsuperscript{601} Nicolson, interview; Cleary, interview; Millard, interview; Jones, interview; Henfling, interview; Ash, interview.

\textsuperscript{602} Judd, interview; Henfling, interview.

\textsuperscript{603} Jeffery, interview.

\textsuperscript{604} Coller, interview; Peter Kell (Former CEO, Anglicare Sydney). Interview with Douglas Hynd (Wollongong, 5 March, 2014).
increasing non-affiliation of Australians with the Christian churches, was a matter of debate. Rev Arnold identified differing approaches by comparing World Vision and AnglicareSA, both Christian agencies, one ecumenical, the other Anglican:

*Both of them operate within the same legal framework about employment opportunity, yet World Vision Australia had, by its own evidence, 70% of its staff who were practicing Christians, 30% who were not. Anglicare ... when it did do some survey work ... found that about 40-45% denominated themselves as Christian, with the majority Anglican ...*

Both organisations had quite different human resources policies operating within the same legal framework. World Vision Australia took the position that:

*... all other things being equal, if two candidates presented and on merit they were both equal, but one was a practicing Christian and one was not, they could reasonably appoint the practicing Christian. AnglicareSA never felt that degree of comfort ... and felt it wasn’t able to ask question in interviews about the faith.*

The CEO of Anglicare Sydney tackled this issue from the point of view of thinking about the identity and the mission of the agency and how the employment practices could support that:

*How do we get them to think about their faith and how that impacts their work both in terms of maybe direct service delivery but also their world view, how they value their client, how that fits into the overall work of Anglicare? So we have to be quite intentional about thinking that through.*

Articulating the Christian identity of the agency was an issue that received substantial attention by Anglicare Tasmania. The CEO Bishop the Rt. Rev. Chris Jones reported that:

*... they had big staff meetings and conversations and papers written and all that sort of stuff. In the end, what I did was I stole the Uniting Church’s Faith Foundations document, the Christian Foundations document. ... I just crossed out Uniting Church and put Anglican Church ... I went back out to our staff and said, this is what we’re about. This is who we are, and this is the basis.*

The CEO of HammondCare, Stephen Judd, explained that he approached the issue from the question of people’s alignment with the agency’s identity and mission: *... the temptation for chief executives or general managers is to hire on the basis of skills and experience and then unfortunately having to fire on the basis of attitude or non-alignment.*

605 Arnold, interview.
606 Millard, interview.
607 Jones, interview.
608 Judd, interview.
committed to the purpose of the organisation and being able to work within its Christian identity:

Our motivation statement, says why we do what we do and it says the words and deeds of Jesus is what inspires us ... and because of this we believe that all people are worthy of dignity and respect ... What I say in staff orientations is ... If you can’t say that you believe that people are worthy of dignity and respect and the compassion, even if you don’t agree with me on where it comes from, go and do something else.\(^{609}\)

A key element was the role of leadership in owning and communicating the identity and founding story of the agency. Rev. Cleary explained that as a leader:

... you have to be the narrator, you have to be the storyteller and you have to be able to speak to people where you’re at ... most of my role is actually talking with staff, meeting with staff, listening to their stories, trying to respond to their story in a way that would give them confidence that their own role was significant and important in meeting the objectives of the organisation.\(^{610}\)

Michael Yore, former CEO of Good Shepherd Youth and Family Services, emphasised the vital role of leaders in knowing and carrying the story of an agency. They have to ... have the capacity to tell the story in a way that is engaging, for young staff in particular who are totally disengaged from anything religious.\(^{611}\) There is an inherent and inescapable tension in seeking to maintain identity. It involves treading a fine line between retreating into ... some sort of Catholic ghetto, returning an organisation to a kind of defensiveness in the face of pluralism on the one hand, and the acceptance of assimilation by a secular society and the ‘dumbing down’ of organisational identity and mission ... \(^{612}\)

The CEO of UnitingCare West operated on the basis that ... we honour and connect with the faith base of the organisation that we are effectively and legally part of, and that’s the Uniting Church ... People at an exec level when they’re recruited we really put them through the paces of what does that mean.\(^{613}\) Identity is maintained through the role of the mission development leader who is on the executive of the agency and whose role is more than a chaplain. They are also part of the governance and management of the organisation. The role includes ... connecting the agency to the church; connecting the church to the agency; and ensuring that there’s a missional connection between the values

\(^{609}\) Judd, interview.
\(^{610}\) Cleary, interview, (5/12/2013).
\(^{611}\) Yore, interview.
\(^{612}\) Yore, interview.
\(^{613}\) Ash, interview.
and direction of the agency with the values and theology of the church.\textsuperscript{614} The Executive Chaplain of Mission Australia explained that his role in maintaining the identity of the agency was to ensure that:

\begin{quote}
... we continue to find the right places and the right messages to encourage our staff to have conversations of faith. ... chaplains are invited to share a reflection at most team meetings that take place and so that’s really implemented by the executive team and as they model, having a reflection and inviting a chaplain, that tends to cascade through the organisation.\textsuperscript{615}
\end{quote}

An emerging systemic response from church-related peak and coordinating bodies

The literature on the impact of contracting in Chapter Five focused largely on individual agencies. The shift to contracting by government attracted substantial criticism particularly on the grounds of its potential to restrict advocacy by agencies.\textsuperscript{616} The possibility of an impact, or response, at the systemic level received little attention. Evidence from the inquiry pointed to an emergent response at a national level within Australia through the development of church-related peak welfare bodies, a development facilitated by the specific characteristics of the Australian institutional context.\textsuperscript{617} Apart from the denial by some of the larger agencies of restrictions on their advocacy activities,\textsuperscript{618} the evidence from the interviews suggested a response at the sector level emerged through the development of the capability across church-related peak bodies leading to cooperative activity in policy advocacy, accompanied by a hollowing out of state capability. The following narrative lays out evidence of an emergent response in policy advocacy in Australia that, so far, has not been the subject of published research.


\textsuperscript{615} Molyneux, interview.

\textsuperscript{616} See the references in Chapter Five.

\textsuperscript{617} The peak and coordinating bodies covered in this purposive sample were documented in Table 6.2 in Chapter Six.

\textsuperscript{618} Judd, interview; Nicholson, interview. On the basis of interviews, it seems that agencies saw advocacy as covering a broader range of communication with government and its departments than the social critics and academic commentators who identified advocacy purely with public commentary on contested policy, whereas agencies included in advocacy giving feedback to departments on fine-tuning of policy and issues in its implementation.
Saying no to government: the case of the Financial Case Management Program

The Coalition government, in its 2006-07 Budget, introduced Welfare to Work — financial case management for income support recipients (FCMP), a program that involved the government contracting NFP agencies to carry out financial management to support income support recipients who had been excluded from social security benefits for periods of up to eight weeks, an action commonly referred to as 'breaching'. The FCM program, $17.1m in funding over five years, was designed to assist individuals to pay essential expenses. It was to be available to ... those recipients who have children or other vulnerable dependents or who are themselves considered exceptionally vulnerable. Centrelink would ... use the funding to contract non-government organisations to establish, on a week-by-week basis, the level of assistance required by individuals.619

Frank Quinlan then CEO of CSSA outlined the response to this policy by the church peak bodies that took them into uncharted waters in their relationship with government.

... Catholic Social Services quite quickly crystallised on a position that we weren't going to be participants in that sort of a contract arrangement. And in discussions with other church providers ... there was a fair sense of agreement around the idea that organisations operating from our perspective really ought not participate in a contract like that ... 620

The boycott of the program by church-related agencies was a continuing media story.621 The agencies involved in the boycott eventually included members of CSSA, member agencies of Anglicare Australia and UnitingCare Australia, the Salvation Army, Mission Australia and Hillsong. Relationships mediated through the church-related peak welfare bodies played a leading role in an informal networking decision process driven by a shared-values commitment. This unprecedented response emerged against a background of unease in Catholic agencies about participating in contracting in the employment services sector, which had become increasingly prescriptive in

character.\textsuperscript{622} The FCMP shifted the discussion from a general unease about contracting, to a specific program in which the issues at stake lent themselves to articulation in clear moral and theological terms. Quinlan's assessment was that the boycott was a result of the fact that not only was the program assessed by church agencies as being unduly harsh but that the agencies didn't want to be seen as ... 

administrators and policemen of poor government policy. These arrangements compromised our capacity to serve our clients who are some of the most vulnerable and marginalised Australians.\textsuperscript{623}

While the church agencies were of the view that becoming implicated in this measure threatened to compromise a broader moral commitment by agencies to the people they were serving, the Minister for Human Services accused them of pulling a “political stunt” and walking away from society’s most vulnerable.\textsuperscript{624} The Opposition, in turn, described the government's policy as “extreme and incompetent”.\textsuperscript{625} Only a few small agencies participated,\textsuperscript{626} and the Government had to shift the delivery of the bulk of the program to its one-stop shop payment agency, Centrelink. Boycotting the contract did not result in a loss of existing contract funding by agencies, but rather involved them passing up an opportunity to expand their operations. Public advocacy manifested through the boycott had an impact on the relationship with the Government, which was ‘quite cranky’ about the whole episode. Quinlan reflecting on the episode concluded that:

... they were caught a little unawares, ... they expected most of the organisations to be quite acquiescent, and to just take on the contracts. ... it forced a bit of a rethink of their approach ... for those of us that were engaged in that, it was something of an awakening of a sense of political power that goes with the strength of being a major provider ... it helped us to realise that that it is in fact a complex interrelationship, and just as large organisations can start to become dependent on governments, governments can start to become dependent on large organisations.\textsuperscript{627}


For further evidence see discussion of Catholic agency participation in employment services contracting in Chapter Nine.

\textsuperscript{623} Quinlan, "Soul Searching About Welfare."

\textsuperscript{624} Falzon, "John Falzon: Christian Charity Organisations and the Federal Governments New Case Management Scheme."

\textsuperscript{625} Quinlan, "Soul Searching About Welfare."

\textsuperscript{626} "Church’s Welfare-to-Work Pullout a Stunt: Hockey," ABC, 18 August 2006.

\textsuperscript{627} Quinlan, interview.
This episode deserves a more extended study than it was possible to undertake in the course of my inquiry. I was not in a position to trace out more fully the basis for the responses by individual church-related agencies that brought them almost unanimously into agreement with the response by the denominational peak bodies. The discussion of Catholic agencies’ diverse approaches to employment services contracting that I report on in Chapter Nine gives a feel for the widespread unease about both the policy itself as well as the nature of the contracting. The government have assumed that as it was an opportunity for extending their business, they would continue to be involved as cheaper, more efficient extensions of government policy, while agencies approached the issue from reflection on the consistency of their participation with their understanding of their mission.

This was the only case in the period under study of a public boycott by church-related agencies of government contract. That it happened at all had a significant impact on the attitudes and assumptions of all the players. Many agencies are now more explicitly using a ‘template’ shaped by their mission commitments, in assessing which contracts they will bid for, so it is hard to determine how many agencies have not placed bids for contracts as a result of that process.

**The Major Church Providers: network advocacy**

The experience of the boycott lead to the emergence of the Major Church Providers (MCP), a network of denominational coordinating agencies, as a vehicle to prosecute cooperation of national denominational coordinating agencies into the future. The MCP is not a legally constituted body, but rather an arrangement based on trust and common interests through which Anglicare Australia, CSSA and UnitingCare Australia, along with the Salvation Army, cooperate on a range of policy research and advocacy activities. The MCP developed through friendship and collegial connections amongst the CEOs of the church-related peak welfare bodies, accompanied in the background by regular contact amongst the chairs of those bodies. Fr. Joe Caddy reported that, while he

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629 Quinlan, interview.

630 Major Brad Halse (Government Relations, *Salvation Army Southern Territory*) Interview with Douglas Hynd (Blackburn, 20 February, 2014).

631 The absence of Mission Australia is interesting.
was Chair of the CSSA Board, he would meet with the national chairs of the other peak bodies twice a year and did so for about three or four years. The relationships and trust between the CEOs was critical in his view to MCP functioning, a view shared by the CEO of UnitingCare Australia:

> At the national level we’re all talking with each other, we meet regularly. We don’t have a formalised structure, we call ourselves Major Church Providers ... when things come up, the first thing we do is get on the phone, get together and reflect theologically ...

A range of factors beyond the experience of the boycott may have been behind this cooperative approach, including a degree of tension in the relationship between the church-related peak bodies and the Australian Council of Social Service (ACOSS). Major Brad Halse of the Salvation Army commented that ... all four of us were members of ACOSS. Now ... two have left ACOSS and perhaps that reflected the fact that the church welfare voice, which at times is a particular voice ... was not necessarily able to be heard through ACOSS. The tensions in participation in ACOSS was emphasised by the Rev. Cleary who was of the view that there were ... a number of what I would say so-called trendy lefties in the sector who actually saw the church as too powerful and setting the scene too much and wanted to do something different. ... ACOSS seemed to be becoming distant.

Policy advocacy remained the focus of MCP. The Director of Anglicare Australia, Kasy Chambers, explained that ... I was probably more strongly advocating for this than some of the others, not to formalise it, not to have terms of reference, not to have a membership and an application form ... There was never any consideration given to collaboration in a business operation or contracting, ... it really arose out of an eagerness for those organisations ... to express an identity that was unique, and that was linked to church. Professor John Warhurst, a member of the CSSA Board during this period, was of the view that:

> ... the MCP was also driven by a feeling that there were artificial barriers between the denominations, ... they had a lot to learn from one another and that they had a

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632 Caddy, interview; Peter Bicknell (Board Chair, UnitingCare Australia). Interview with Douglas Hynd (Semaphore, 1 April, 2014).
633 Lin Hatfield-Dodds (National Director, UnitingCare, Australia). Interview with Douglas Hynd (Canberra, 6 February, 2014).
634 Halse, interview.
635 Cleary, interview (5/12/2013).
636 Chambers, interview.
637 Quinlan, interview.
Informal contacts helped development of relationships between people in the peak agencies, leading to invitations to speak at each other’s conferences and finding opportunities to work cooperatively: ... if you wanted to make a submission you didn’t have the resources in your single denominational area you would task someone from one of the agencies to effectively work on behalf of all the agencies. ... Cooperation around major issues came out of regular meetings between CEOs of the three peak bodies, along with the officer in charge of government relations for the Salvation Army Southern Territory. ... Looking back Rev Ray Cleary was of the view that:

... church agencies needed to find a mechanism of meeting or talking with each other. Not to be exclusive but to actually say, well, what is going on here? Why are we being sidelined? ... many of us who were in church-based agencies began to say, look, there must be things that historically we did in common that we should be doing again. ... “We need to find a new forum to work together,” ... We started meeting up over dinner. ... we found that we had a lot in common. ...

The concern to articulate the distinctive voice of the church-related welfare agencies was also voiced by Hatfield-Dodds who identified the need for cross-program advocacy in a time when there were an increasing number of specialist peak advocacy bodies: ... in our thinking there was real value for a particular faith-based voice and it’s not a proselytising voice, but it is a very clear value driven fearless voice. Chambers also pointed to the pragmatics of the networking:

Anglicare Australia wanted to do some research last year, we actually thought that it would be cheaper if we shared it ... the research we commissioned ... changed the debate from whether Newstart allowance was enough or not, to everybody agreeing it wasn’t enough, but what could we do about it?

The issue for the peak agencies was in knowing when to bring the MCP partnership into operation. Rt Rev Chris Jones, Chair of the Board of Anglicare Australia, explained that

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638 Prof John Warhurst (former Board member, CSSA). Interview with Douglas Hynd (Canberra, 7 November, 2013).
639 Warhurst, interview
640 The Salvation Army Southern Territory representative spoke for the Salvation Army as a whole. Major Brad Halse, email message to Douglas Hynd (31 July, 2015).
642 Hatfield-Dodds, interview (6/11/2014).
643 Chambers, interview.
the MCP has an important role to play but it is not a continuing role: ... it’s something that we need to keep ticking over, and roll out when I think there’s a big issue that it’s worth us actually being able to work on together ...644

Joint advocacy is possible where there were strongly shared values. It requires sensitivity to those policy areas where there would be tensions within and between the coordinating agencies given the diversity of views of the members of each of the coordinating agencies, as well as the diversity in ecclesial and theological backgrounds. The Director of Anglicare Australia explained that sometimes there are areas where one or more of the agencies can’t make statements or, where it will be difficult for agencies in one of the networks: ... it’s quite a hammer to use and therefore, we should use it carefully ...645

Personal friendship, church connections, shared interests and common theological commitments were at the heart of the MCP and were critical to enabling the network to function with agility and effectively beyond turnover of CEOs and Board Chairs. It was felt by the participants to be important for the mainstream churches with a shared deep commitment to social justice to be able to speak together given their substantial investment in the Australian community:

... part of the effectiveness and frankly the charm for each of us I think of the Major Church Providers group, is it is informal and flexible enough to be very agile, so in the early years ... we’d meet however many times over lunch, or coffee in our offices. ... that’s been really helpful for all of us to understand not just each other’s networks, but each other’s churches, because then you know what’s possible in terms of agility and response ...646

In assessing the importance of the MCP it is worth noting that when Baptist Care Australia recently moved to take up an active presence in Canberra, its Board engaged in discussions with the participants in the MCP to explore possible participation.647

**Informing Policy: the Global Financial Crisis**

Advocacy is not always conducted in public. An example of behind the scenes advocacy was the MCP contribution to Australian Government policy making during the Global Financial Crisis.

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644 Jones, interview.
645 Chambers, interview.
646 Hatfield-Dodds, interview, (6/11/2013).
647 Hatfield-Dodds, interview (6/11/2013).
Financial Crisis (GFC). In the account that follows, I report on the role of this network in contributing to that policy process which began in November 2008 when the MCP gathered members involved in service delivery at Parliament House in Canberra to participate in a Summit on the Impact of the Global Financial Crisis (GFC) on social services. The agencies prepared a report offering a number of recommendations to government.648 Quinlan explained that MCP acted together:

... to encourage them to take specific measures around ensuring that people who were least well off, were somewhat protected ... ... it was three CEOs plus the Salvos, who were engaged in the process at the time, ... it was opportune to assert the unique identity of church providers ... it became a useful sort of political tool ... I couldn’t put my finger on the exact day that we might have called ourselves Major Church Providers in a press release ... when it happened, others started calling us the Major Church Providers too ...649

Hatfield-Dodds placed the advocacy contribution of the peak agencies to government policy making during the GFC in the context of relationships between the peak bodies. The MCP did a paper on the issues that were emerging from the GFC:

... we then had a joint Parliamentary Forum ... there were a series of Labor ministers that came, we had a senior advisor from the Prime Minister’s office ... we had in the room about 30 of our CEOs from around Australia who spoke ... we just told stories ... the GFC was biting in the communities ... we were saying “There’s a fire storm coming” so our message to government was you need to pour some more resources into these kinds of things, financial counseling, emergency relief, family crisis work, but most critically government, we need you to talk to Australia’s financial institutions. People are going to default on their mortgage payments ...650

Beyond drawing information from the agency membership networks to inform government was the MCP’s role in pushing for a package of responses. This involved arguing on the basis of both on-the-ground information and moral claims for a substantive effective response, as well as having the authority to speak on behalf of their stakeholders. According to Hatfield-Dodds:

... we got things like $50 million for financial counseling ... the government agreed to form an oversight group for the stimulus spend in that area. ... it was called the community response task force, there would have been about ... 12 or 15 of us appointed to it and we used to meet about every four or six weeks ... We’d meet with Deputy Prime Minister Gillard, Minister Macklin and Parliamentary Secretary Ursula Stevens all of us sitting here and then a bunch of deputy secretaries ... all of

649 Quinlan, interview.
650 Hatfield-Dodds, interview (6/11/2013).


us were there because we had the capability to make decisions stick in our network ... we just had to get the money out and get it where it needed to be quickly.\textsuperscript{651}

This policy advocacy worked through both bureaucratic and political channels. What the peak bodies brought to the table was information on emerging trends in areas of community vulnerability that was specific and policy relevant, accompanied by ability through member agencies to implement specific programs quickly at a grass roots level. This episode demonstrates that contracting did not prevent policy advocacy by church-related agencies and may have enhanced it in certain respects. The path to advocacy went through an evolving systemic response with multiple church-related actors in which shared theological and ecclesial commitments drove engagement with government. Contracting led church-related agencies to respond to the resources that were being shifted into the sector, by increasing agency size and capacity, and to a coordinated response to the issues arising from the pressures of contracting. Leadership in ‘church-related’ agencies chose the conditions under which agencies applied their tactics in the advocacy process. The peak agencies drew on their connection to key stakeholders in the Christian churches and on behaviours built on trust and shared theological understandings of the basis on which their partners in other agencies were acting.

The evidence of these episodes demonstrates the capacity of Church-related welfare peaks to challenge the presumption of a unified public space shaped overwhelmingly by the nation-state.\textsuperscript{652} There was at differing times conflict with, and informed conversation between, the government and the peak bodies. The peak bodies demonstrated a community engagement driven by their identity as an expression of Christian witness rather than as an extension of the state. In an era characterised by formal contracts shaped by asymmetry of power, the operation of MCP was based on trust, relationships and agreement on shared moral priorities shaped by shared Christian traditions.

**Resourcing agencies at a regional level: Catholic Social Services Victoria**

Engagement by church-related social welfare peak bodies in negotiating responses to contracting has not been limited to the national level. The shifting role of Catholic Social Services Victoria (CSSV) in regional Victoria provides a case in point. CSSV’s long-standing engagement in regional Victoria demonstrates the capacity of religion-related peak bodies to challenge the presumption of a unified public space shaped overwhelmingly by the nation-state. The evidence of these episodes demonstrates the capacity of Church-related welfare peaks to challenge the presumption of a unified public space shaped overwhelmingly by the nation-state.\textsuperscript{652}

\textsuperscript{651} Hatfield-Dodds, interview (6/11/2013).

Services Victoria (CSSV) demonstrates a response at a regional level. CSSV is auspiced by the Archbishop and Bishops of the Catholic Church and its member organisations to act as a peak body for Catholic community service in Victoria, with a mandate informed by Catholic Social Teaching, to assist the Catholic Church in Victoria to fulfil the gospel imperatives to stand with and serve the poor, disadvantaged and marginalised and to work for a just, equitable and compassionate society. Its strategic plan focuses on policy and advocacy, network development and member services and fostering a Catholic Ethos.  

CSSV ... had its genesis 30-odd years ago in Melbourne where a need was identified for Catholic organisations in welfare ... to work more closely together and to support each other in driving that part of the church’s mission. ... it morphed into a member-based Victoria-wide organisation as a peak body for what is now about 55 member organisations.  

Eight of the 55 members of CSSV are also members of the CSSA. CSSV focuses its advocacy, largely though not exclusively on Victorian issues: We also focus on building a network and a community of shared interest within Victoria. We have the face-to-face dimension that’s much harder for a Canberra-based agency. And a third area of major activity is Catholic ethos and identity. There has been a shift following CSSV’s transition to a membership-based organisation, from public policy advocacy around state issues where there has been under-investment, such as criminal justice, homelessness, drugs and mental health to an emphasis on structural and organisational issues impacting on member agencies. A generational change in the nature of leadership in Catholic agencies has also influenced the agenda of CSSV. Originally almost all the leadership of such agencies was from religious orders:

... the people who initially replaced the priests and religious tended themselves to have been ex-priests and religious. ... that is coming to an end as well. So you’ve got people coming through now who don’t have that theological background and also don’t have that church grounding ... you’ve also got a population that ... is less engaged with the church. So our organisations are employing people who are not Catholic or if they are Catholic, most probably not actively engaged with the church.  

This has driven a shift of the focus of CSSV to reflection on identity and mission, through holding conferences, conducting seminars, publishing material on issues of identity and

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653 Documentation: Appendix B – Catholic Social Services Victoria.
654 Fitzgerald, interview.
655 Fitzgerald, interview.
656 Fitzgerald, interview.
657 Fitzgerald, interview.
mission and encouraging reflection, sharing experience and resourcing Catholic agencies around these issues.658

The Council, the governing body for CSSV, advises the Episcopal Vicar and the Archbishop, Bishops and Religious Institutes on matters of social welfare. It comprises a Chairperson, elected at the Annual General Meeting by the Full Members and six members of the council elected by the Nominated Representatives of the Full Members of CSSV. In addition, the Victorian Conference of Catholic Religious Australia nominates one member, with up to two members nominated by the Episcopal Vicar for expertise and a nominee each of the provincial Bishops. The Episcopal Vicar is an ex-officio member. The significance of the relationship with the church was emphasised by the Director of CSSV, Denis Fitzgerald:

... we're here to assist and extend the work of the church in its social mission. We can only do that in harmony, certainly in cooperation and dialogue, with all relevant parts of the church, and the bishops are central to that. ... they have made a voluntary undertaking to provide us with a certain amount of funds each year ... Our member organisations also pay fees ... Sometimes we might apply for grants, not from government but from trusts ....659

CSSV runs workshops for boards and induction workshops on Catholic Social Teaching, engaging with agencies though contributing to professional development, publishes material and contributes to a wider dialogue with the church on Catholic Social Teaching. According to Fitzgerald: Formation for leaders generally is another area that is an absolute requirement. We work to cooperate with ACU in promoting their graduate certificate in leadership and Catholic culture ...660 CSSV functions at a systemic level, as an interface between the agencies and the church, attempting to buffer the impacts of contracting on agency identity and mission.

659 Fitzgerald, interview.
660 Fitzgerald, interview.
This chapter has documented patterns of tactics of response and resistance at an agency level as well as an emergent response by church-related peak and coordinating agencies at both the national and regional level. These diverse responses have been driven by a widespread concern about the impact of contracting that has shaped a substantive response shaped by commitments that maintain the tension arising from engagement with the state and its agencies. The evidence of this response has also directed attention to the necessity of looking carefully at the way the asymmetry of power actually operates when attention is shifted beyond the level of the individual agency.
Chapter Nine: ‘On becoming an “extension of the state”’

The findings in Chapter Seven, on the gap between theory and the evidence on the ground with respect to the impact of the contracting relationship, pointed to the need to look at the specific circumstances and governance arrangements at an agency level in assessing to what extent agencies became subject to mission drift and moved towards becoming an extension of the state.661 In this chapter I document how agencies can become an extension of the state through contracting in its sacral mode in the delivery of offshore humanitarian services for asylum seekers, and in its bureaucratic mode in employment services.

Employment services contracting: from ‘black box’ to ‘command and control’

The impact of the shift to contracting for employment services in Australia has been the subject of substantial research and this literature was discussed in Chapter Five. This chapter supplements the findings of that research with evidence from interviews that trace the impact of policy changes to employment services contracting at an agency level. My narrative on how these shifts in policy impacted on Salvation Army Employment Plus is followed by an account of the policy and its implementation from the perspective of Catholic welfare agencies. I conclude by triangulating these accounts against evidence from other researchers on the impact of employment services contracting on participating agencies.

The shift to contracting of employment services after the election of the Coalition Government in 1996 followed changes initiated under the Labor Government’s Working Nation program in 1994, which had undertaken a relatively incremental approach to policy change in which public sector institutions continued to play a significant role.662 The Coalition’s Reforming Employment Assistance policy represented a revolutionary shift with major institutional implications for both the public and private sector;663 replacing existing labour market programs with a fully contestable quasi-market in which NFP and for profit providers competed for contracts to deliver services to the

661 An argument on the connection between contracting and the subordination of the community sector to the state is developed by Kerr and Savelsberg, "The Community Service Sector in the Era of the Market Model: Facilitators of Social Change or Servants of the State?".
unemployed.\textsuperscript{664} The Commonwealth Employment Service (CES), a public service agency, was restructured into a government-owned corporation, Employment National, that sought to distance itself from its public service origins.\textsuperscript{665} A new agency, Centrelink, was established integrating the delivery of the complete span of Commonwealth payments, all located within the Department of Social Security (DSS) portfolio, while policy and program management of employment services was located in a separate department, the Department of Employment and Workplace Relations (DEWR).\textsuperscript{666} As a result, policy and program management for income support and the management of employment services contracting, respectively, were lodged with separate departments.\textsuperscript{667}

The policy intent was that improved performance was to be achieved through payment by results within a competitive environment. Assistance to jobseekers was to be ‘client-driven, not program-driven’ with contracted agencies having maximum flexibility in delivering that assistance.\textsuperscript{668} The Job Network, as the framework was called, was about more than improving efficiency and effectiveness through market competition. According to the Minister for Employment and Workplace Relations underlying the policy was a ... \textit{conviction that community-based agencies are better equipped than bureaucracies to deliver ‘pastoral care’, avoid treating unemployed people as faces in a queue or numbers in a file, and foster the web of personal engagements which unemployed people have often lost} ...\textsuperscript{669}

The first Request for Tender (RFT) to deliver employment services in 1997 attracted over 1000 organisations bidding for a share of the $1.7 billion contract.\textsuperscript{670} The outcome of the tender was a mix of profit, and not for profit providers, along with Employment

\textsuperscript{664} Fowkes, "Perspectives: Rethinking Australia’s Employment Services." The broader ideological background to this specific policy development was discussed in \textit{Chapter Five} with reference to the influence of neo-liberalism.


\textsuperscript{667} For a discussion on the differing character of the two policy agencies see Sanders, "The Emergence of the Remote Jobs and Communities Program: Beyond an Authoritative Choice Account."


\textsuperscript{669} Tony Abbott, ‘Against the Prodigal State’, Centre for Independent Studies, Policy (Spring 2001), 38.

National. Each subsequent round of contracting saw policy changes including adjustments to the services required, changed conditions applied to jobseekers, amendments to the fee structure and, in the outcome of the tender round, a reduction in the number of contracted organisations.

**Salvation Army Employment Plus**

The Salvation Army Employment Plus agency was set up by the Salvation Army to deal exclusively with employment services. The impact of contracting on the agency can be clearly traced, as it was the only set of programs delivered by the agency. It also provides a useful point of comparison with the Catholic agencies involved in employment services that had a more diverse set of responsibilities, a longer history and a differing governance structure. In this narrative I draw largely on an interview with Wilma Gallet, a Salvationist and former public servant, who was CEO of the agency during its establishment and early years.

In preparing for the first round of employment service contracting, the Salvation Army was uncertain as to how wide their tender should be given that their previous experience was of grants-based funding in which the Army both designed and delivered the programs. The approach to tendering was ... *if we win something we'll trial it, we'll try and be ‘salt and light’. ... do it with compassion, with justice, respect and dignity.* To its surprise the Army won everything that it tendered for, 70 sites across Australia, six percent of the total contract, despite having regarded their bid as something of an ambit claim. The time frame for implementation was very tight. On 16 January 1998 the Army was given the contract offer, to be kept in confidence until the Minister made the announcement in February.

*... all of these offices had to be open on 1 May. ... internally the Army is struggling with, will they do this or not, will we hand back the contract? ... we decided we would do it for the 18 months, which was the initial contract period.*

With two territorial commands, the Southern in Melbourne and the Eastern in Sydney, each governed by a Cabinet that included the Territorial Commander, a Chief Secretary,

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674 Gallet, interview.
three cabinet members and their partners, the Army did not have a national governance structure. Both territories report directly to the General of the Salvation Army in London. The Army therefore set up a national board to manage Employment Plus. It was chaired by the National Secretary in Canberra, whose role was to represent the Salvation Army to government, with the Business Administration Secretary and the Program Secretary from each territory, along with the CEO of Employment Plus. This separate management structure was needed not only to manage a national operation, but also to hold property related to this program separately from the rest of the Army. Importantly this resulted in Employment Plus having a separate governance arrangement from the Salvation Army’s social programs. Within each territory there are geographically-based Divisions with a Commander to whom the churches and the social programs both report. The line of accountability of Employment Plus as a national program was disconnected from the line of accountability for the Army’s local presence through its church communities and social programs.675

The Minister launched the Job Network at the Employment Plus head office, at that stage co-located with the Salvation Army Drug and Alcohol Rehab Service. Gallet explained she really wanted to have a Salvation Army feel for the launch:

_We made sure there were lots of uniforms present and I remember the Commissioner, after he did his speech, he prayed. Of course we all bowed our heads as he was praying, and all the major media were there, and they started to pack up during the prayer … I can remember a couple of staff saying, “Sshh, we’re praying.”_676

After the initial public controversy over the establishment of the Job Network, the Army received a good run in the media during the first contract. The radio interviews made Gallet feel like she was Mother Teresa:

_… they saw the Salvation Army as being different, being involved in employment services for the right reasons, to help disadvantaged unemployed people. The journalist would say things like well these private agencies, they’re only in it for profit, but not you, you’re here to help people._677

This contracting period was successful from the point of view of the Army with its relatively flexible program design. Employment Plus ended the contract period with a surplus despite exercising substantial creativity in spending to meet the goals of getting

675 Gallet, interview.
676 Gallet, interview.
677 Gallet, interview.
people into employment, hence the term ‘black box’ contracting. The Government didn’t specify what agencies spent the money on provided they got the results:

... the government was really keen to have the private sector involved, and the not-for-profit sector, and they knew they wouldn’t get them in if they were paying them the same rates that they traditionally pay the not for profit sector ...  

At the end of the first contract, Gallet as CEO suggested to the Employment Plus Board that they didn’t have to tender again, to which the Board said, “Don’t be silly Wilma”. However, the media response to the involvement of the Army, and other Christian groups, started to shift after the second tender round in 2000. Instead of providing favourable publicity, they began asking questions like ... why are these Christian groups in it? Are they here because they want to proselytise? How are Muslim job seekers going to get a fair go? Employment Plus became a much larger presence in the second round tender, with a contract worth about $150 million. There were also signs that a shift in the organisation towards a business mindset had begun:

... we moved into these really smart corporate offices, I could feel it changing ... it was becoming much more commercial, and people would talk about an industry, rather than a sector. ... I knew that public servants would try and turn us into an arm of government. So I used to make all these edicts such as the language we use, we will talk about service, we’ll never use the word business.

In delivering the first tender, the majority of the staff hired by Employment Plus came from the CES, or DSS, and there was a concern that the agency would be pulled closer to the bureaucratic process-oriented culture. In attempting to counteract this and to communicate the history and identity of the Army, the agency, Gallet remembered that:

I bought every site a copy of ‘In Darkest England and the Way Out’, because it’s a really exciting story ... the Salvation Army had film studios, they had recycling programs, they were cutting edge, and the staff used to get excited by that story.

John Cleary, an ABC presenter and a Salvationist, would come and talk about the historical heritage that had shaped the Salvation Army, and their theology of social holiness. The message the agency was attempting to convey was that:
... the only reason we’re involved in this is because unemployment has a devastating impact on the lives of individuals, their families and their communities, and because we care for vulnerable people, ... rather than being the ambulance at the bottom of the cliff, we can be the fence at the top where we can try and help them get a job so they don’t fall into abject poverty and hopelessness.683

The early financial success of Employment Plus was a source of embarrassment given that the Army was going out every year to the public on a national basis with its Red Shield Appeal seeking support for its charitable work. The surplus from employment services contracting enabled Employment Plus to create a program called Mission Partnering, which involved approaching Salvation Army churches with the message that while the job of Employment Plus is to help these people get a job they have other needs:

...they’re lonely, they’re hungry, they’re in need of other stimulation, so if you develop local projects, Employment Plus will pay you to do that. Project Partnering was set up ... to see if we could get some form of integrated activity happening.684

Post the first contract period, in 2000 while there was still flexibility in the contract provisions, Gallet felt that change was in the wind to move employment service agencies more visibly under government control and the first issue related to branding. Agencies ... started getting edicts from the Department that we had to put their brand on our buildings. Prior to that we were the Salvation Army Employment Plus, ... now we had to put Job Network signage in their building...685 The colonisation of agencies through bureaucratic processes also became manifest in the information technology (IT) area. Initially government policy was not to provide an IT software system for contractors. Given its size and financial capacity Employment Plus went ahead and developed its own IT system, an initiative that could not be matched by the smaller providers who agitated with the Department of Employment and Workplace Relations to be placed on a level playing field. Eventually the Department developed a computer system called the Employment Services Model, which now totally drives service delivery by agencies. The computer will tell you when you’ve got to see people, if somebody doesn’t turn up you put in a did not attend, that message goes to Centrelink, they lose their benefit. So the computer has become very pervasive.686

683 Gallet, interview.
684 Gallet, interview.
685 Gallet, interview.
686 Gallet, interview.
The shift towards a more controlling form of contract came in 2003 under the policy title of the Active Participation Model. Prior to this, Job Network agencies were paid a substantial up-front fee of the order of $1,200 - $1,500 when an unemployed person connected with the agency. NFP providers spent a lot of this money on activities aimed at overcoming barriers to job-readiness for the client, or paid for training courses for job seekers. Under the new policy, payments for signing people with the agency were significantly reduced and the balance was placed into what was termed a Job Seeker Account. Any funding that agencies wanted to spend on clients would come from this account. The policy intent was to ensure that agencies were spending the money to support job seekers and help them overcome barriers to getting a job. Agencies could not simply bank the surplus from the initial payment in their own accounts. If the money held by the government in a Job Seeker Account wasn’t spent by an agency it would go back into consolidated revenue. Problems arose, however, because a request by the agency to spend the money for the benefit of the job seeker had to be approved by the Department:

... with that came a whole lot of red tape around what you could buy or what you couldn’t buy ... You also started to see some corporate malpractice ... instead of spending the money directly on job seekers, what companies would do is they would say well we’re going to give them psychological services, we’re going to pay for psychologists. But instead of paying that organisation over there, $120 an hour, they would hire their own psychologists, they would charge the job seeker account $120, but of course it would only cost them $60 that, so they would pocket the $60. ... as providers started to develop workarounds to maximise their profit, the Department responded by tightening the rules.

The result was a shift by the Government towards a ‘command and control’ form of contracting. Program delivery became increasingly uniform across all forms of agencies, whether profit or NFP. Innovation, with its accompanying risk, was squeezed out by agencies responding to the requirements and incentives of the contract. At this point Gallet told the Army that the impact on those who were supposed to being served was a matter for concern and that ... “You really need to think about whether you stay in this or not ... DEWR are starting to have more control over the shape of the model. ... [with] a lot of hurdles being put in the face of unemployed people.”

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687 Gallet, interview.
688 My focus is on the nature of the contracting. More broadly on the impacts on the Salvation Army see Garland, "Work for All: The Salvation Army and the Job Network."
2003 saw yet another shift towards government control over agency activity. Previously, there was customised assistance for the long-term unemployed, people who had been unemployed for twelve months, or more, or who were deemed to be at risk or vulnerable. These people had been assessed using the Job Seeker Classification Instrument (JSCI) and their management was very individualised. Because of the way some agencies worked around the rules the flexibility and discretion was withdrawn:

From 2003 onwards, the contract stipulated you had to see them every fortnight, so you had to put all of these contacts in. ... today they have all sorts of activities, so they have compulsory activity program, they have barrier management tools, and people are saying now that about 40 percent of their time is spent on the computer.\(^6\)

The tightening of contract requirements meant increasing bureaucratic control by the department over program delivery. Every time the media discovered an apparent or possible scam, or the department identified gaming of the system by agencies, the rules were tightened.\(^6\) That, in turn, placed greater pressure on agencies to comply with the rules which took more of their time and cost them more in financial terms with the risk of inadvertent breaches of the rules or gaming by agencies to maximise funding, generating yet further controls by the Department. A study undertaken in 2011 for Jobs Australia, the peak body for the sector, estimated that there are 3,000 pages of guidelines and that employment consultants spent 50% of their time with any one job seeker in administering and complying with these requirements, with 144 outcome fee types and associated special claims.\(^6\) The introduction of private and community sector agencies driven by a market mechanism was supposed to lead to the policy nirvana of innovation and flexibility. The result has been a complex over-engineered model with every agency becoming risk averse and doing essentially the same thing, a complete contrast with: ... what started off as a black box model, we will pay you to get job placements, we don’t care how you get them but get these people a job, and we’ll pay you.\(^6\)

One dimension of complexity leading to gaming of the system in delivering the service was the Star Rating system, a complex algorithm providing a comparative rating of the

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\(^6\) Gallet, interview.

\(^6\) On the issue of overpayments to the Army see, Webster, "Political Wolves in Charity Sheep's Clothing? The Outsourcing of Welfare to the Faith-Based Sector under the Howard Government," 118. Her discussion does not address in detail the actual character of the contracting.


\(^6\) Gallet, interview.
contracted agencies, ranging from five stars at the top down to one star. It was designed to identify the best Job Network members in terms of achieving job outcomes, by enabling comparisons between organisations across regions, labour market conditions and the characteristics of the job seekers they assist. One significant factor in that assessment was the degree of disadvantage of the job seeker established through the JSCI:

... if a job seeker had multiple disadvantages, you’d get more brownie points when they got a job. ... when a provider links with that person, over time it will be revealed that they’ve got drug and alcohol issues ... So the providers were allowed to change the classification, and incidentally not only does that give you higher star ratings if the jobseeker is classified as very disadvantaged you also receive higher fee payments. ... DEEWR would in their performance monitoring just do a scan of the number of people that were being reclassified, and suddenly they saw this spike in the number of people being reclassified so when they started to dig they realised these people were being re-classified on no evidence. ...693

As noted previously, when Job Network commenced a substantial proportion of the staff in Employment Plus had had experience in the CES, many of whom proved to be interested in doing case management and working with people holistically. The next generation of staff was not experienced in working with people with complex needs including drug and alcohol, or mental health issues, and was not equipped to deal with the complexity manifested in client behaviour.

... people who are homeless, complex needs are suffering. They’re the group that the church really wants to work with, and I just don’t think this model gives them the scope to work with them. In fact if you talk to some of the social programs in the Salvation Army they will talk about how they have nothing to do with Employment Plus, because they see them as being too focused on pushing people, whereas they see themselves as being focused on building capabilities, and they take a client-centred strength based approach.694

The shift to a controlling form of contracting impacted strongly on Employment Plus to the extent that it was finding it increasingly difficult to undertake its employment services on a self-sustaining basis, particularly given an increasing presence of for-profits focused on maximising their economic performance with employable job seekers. At the time I undertook the interviews, the Army was finding it increasingly difficult to generate profits from this program to plough back into less income-generating clients. Major Brad Halse observed that the Army would not be able to

693 Gallet, interview.
694 Gallet, interview.
maintain the Employment Plus network if it had to subsidise its operation. The paradox of the evolution of contracting policy as viewed through the lens of the experience of the Salvation Army Employment Plus is that the government has ... *created bureaucracies within organisations that are far more excessive than the bureaucracy that they sought to replace.*

**Catholic agencies in employment services contracting**

The engagement of Catholic agencies in employment services contracting was mediated for a substantial period through a national governance arrangement, set up to manage the interests of smaller and regionally-based agencies, while respecting the diocesan basis of their mandate. While the outcome for these agencies of engagement in this form of contracting was not substantially different in the end from that of Employment Plus, the tensions of contracting within the agencies and the conflict with their mission, as set out in Catholic Social Teaching (CST), more clearly emerged in the agency decision processes. It is this dimension and their withdrawal, with the exception of one agency, from employment services contracting by the date this research was completed that makes for an interesting contrast with the continuing involvement of Employment Plus.

While Catholic Social Services Australia (CSSA) was established principally as a policy and advocacy body, the shift to contracting resulted in the Catholic Church establishing through CSSA, CSSA Ltd (originally Centacare Australia Limited), a company limited by guarantee as its contracting arm to manage employment service contracts with the Commonwealth Government because, as an arm of the church, CSSA did not have the legal status to enter into contracts. CSSA Ltd was involved in the first round of Job Network contracting in 1998 and won a small contract with sites scattered geographically, in WA, Tasmania and NT, and services in NSW. Initially it was a small operation, located with CSSA, a contracts officer with administrative support. It won much more business in Round Two making its national operation more viable. The roles for the agency in holding a national contract were ... *ensuring standards including standards around mission and identity, and the exchange of quality ensuring coordination across those agencies, and also offering the opportunity to expand contracts by having a*

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695 Halse, interview.
696 Gallet, interview.
697 Quinlan, interview; Phil Murray (former National Manager, CSSA), email message to Douglas Hynd, 4 December 2015.
698 Murray, email.
single point of contracting. A single agency with national reach was advantageous for both church and government. Phil Murray, National Manager for CSSA in the employment services role during this period, explained the responsibilities of the national office:

... we had to make sure that the agencies were complying with the contractual obligations. ..., [and] that they were performing at a good level. If they didn’t perform we were going to lose the contract. ... We had a provider agreement with the agencies to deliver those services. ... We also had the ongoing responsibilities for liaising with the Department to keep across things that were happening ...

CSSA Ltd was also responsible for advocacy in employment services, a brief that reached much deeper into policy and program implementation than the public lobbying with which the term is frequently associated. For Murray this was not just a matter of liaising with the Department:

It also involved trying to influence the construction of the program, so that we would interpret how the program was going in the light of Catholic Social Teaching in particular. And where we saw a conflict between what the church thought was a good thing, and what the contract was doing, we would make representations to the Government direct, and the Department as well, to try and get some changes.

Because the Catholic welfare agencies that CSSA Ltd was representing were regional and not in competition with each other, there was no question about its activity being viewed as collusive tendering. Murray highlighted that CSSA Ltd was managing two main contracts in the early rounds. The first was Job Network and its successor, Jobs Services Australia (JSA) contracts, for mainstream employment services. Only about a quarter of the agencies in the Catholic network were involved in these contracts. The Personal Support Program (PSP) was much more popular with Catholic agencies as almost every agency in the network delivered it.

The significance of the theological commitment prioritising the most marginal becomes clear in Murray’s account of the respective contracts. The contract for the Job Network involved tension between some elements of what it required compared with some Catholic agencies’ understanding of their role and mission:

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699 Quinlan, interview.
700 Phil Murray (Former National Manager, CSSA). Interview with Douglas Hynd (Canberra, 24 January, 2014).
701 Murray, interview.
702 Quinlan, interview.
703 Murray, interview.
... the Catholic welfare system ... had its beginnings in the family services area, in orphanages and the core of their services are counseling services. ... While the agencies were very comfortable working with particularly disadvantaged job seekers, because that’s their core business, they weren’t very comfortable often dealing with job-ready job seekers or those that were less disadvantaged ... They thought the most disadvantaged were their main priority. ... PSP was very popular, because it was largely about counselling most disadvantaged job seekers.\textsuperscript{704}

The Catholic identity of the agencies was articulated by Murray with specific reference to CST, as a benchmark for both program priorities and the way programs were delivered. As Quinlan observed, the cultural impact of contracting on organisational culture could be profound given that the reliance on weekly performance reporting ... \textit{had enormous potential to create a culture that lost its focus on the individual dignity of the person coming through the door} ...\textsuperscript{705}. Against the criteria of this teaching, as the employment services contracting changed and became more complex involving more compliance obligations for procedure and documentation, it reduced the ability of agencies to proceed in a way that they felt respected individual dignity in the manner required by church teaching. These developments ...\textit{narrowed the scope for the kind of counselling and helping these agencies were used to, which is more a freer kind of response to the individual ... and that was a problem within that sector I think from a cultural point of view again}. Another point of tension between agencies and government policy was the tightening of activity test arrangements for people on allowances. There was a clash between this policy and the way some agencies interpreted the teaching of the church.

... the Work for the Dole program was actually banned at one stage by what was then the Catholic Social Welfare Commission and it recommended that agencies didn’t do Work for the Dole and only one or two ever did. They loosened that up later on when some changes were made to that program, such as the introduction of training credits that made it a little more supportive of job seekers. ... the activity test was another part of that whole thing that they were never really comfortable with. They didn’t like the idea of having to report clients for breaches. They wanted to help them, not cause them some harm.\textsuperscript{706}

The agencies, on behalf of which CSSA Ltd handled the contracts, were responsible for complying with program requirements. The funding that CSSA Ltd took from the contract for national level services did not allow for tight monitoring and quality control, relying on the agencies delivering effectively and conscientiously. Government tightening of funds for the employment services program had an impact on the

\footnotesize{\textsuperscript{704} Murray, interview.}
\footnotesize{\textsuperscript{705} Quinlan, interview.}
\footnotesize{\textsuperscript{706} Murray, interview.}
workability of this arrangement. When the government contracts something out they start with a lot of money to get agencies involved in the program:

… they gradually sort out the best ones and cut the money … it became more difficult for us to take our percentage off the top to run our services and as these compliance obligations tightened, we should’ve been doing more out there, not less. And bigger agencies who were quite competent to do all that for themselves got more and more concerned about paying money to us, because they considered most of that was going to the smaller agencies because they’re the ones who needed our help.707

These financial pressures, along with increased reporting and procedural requirements, made it more difficult for the Board of CSSA Ltd to manage the risks arising from the requirement to ensure contract compliance by the diocesan agencies. This was a contributing factor to the decision to withdraw from a central contract and leave Catholic agencies to operate as individual agencies in employment services contracting.708 The contract beginning in July 2009 was the first that wasn't centrally held by CSSA Ltd on behalf of Catholic agencies. Murray advised his Board that the ... smaller ones will pull out because they can't do it on their own and then when the rest of them go to tender, they’ll lose a lot of business.709 As predicted, the change to individual contracts resulted in some agencies not tendering. Additionally, in this tender round the government rolled PSP into what had been the Job Network and this caused a number of agencies to pull out. For those agencies that did tender some of the best lost their contracts. Murray felt that ... it was partly because there was no longer a national body overseeing, supervising them, because Commonwealth Governments I think prefers national providers. 710

As with Employment Plus, the increasing controls on the program impacted on Catholic agencies. ... a bigger proportion of their time was going into policing the procedure, overseeing the procedure and making sure it was all okay and checking all sorts of things on an ongoing basis.711 When new Ministers responsible for employment services moved into the portfolio, CSSA Ltd explained the problems that were being created with 'command and control' contracting to try and get changes. While Ministers did respond

707 Murray, interview.
708 Murray, interview.
709 Murray, interview.
710 Murray, interview.
711 Murray, interview.
somehow not a lot of progress was ever made. In Murray’s view, as a former bureaucrat, the bureaucracy itself was a driving force in preventing progress:

> They’ll try to reduce some of the red tape, but within 12 months it’s gone even further than it was before. They pulled back one step and take another two steps in the other direction ... the bureaucracy is risk-averse ... they’re the key advisors to the government and they make the arguments ... There’s always evidence of abuse in these programs that can be found and they keep closing doors to try and reduce it ...  

One source of risk aversion is that government is faced with the demand for an equitable service for job seekers and allowing innovation creates the possibility that some job seekers will get better personal outcomes than others. While ... the government want to see innovation, but they don’t want to see failures. They can’t afford to see failures for the clients. Otherwise, the government looks stupid or that it’s doing lousy things with the unemployed ...  

On this account, the bureaucracy that had driven the CES into obliteration was very much alive ... and was doing the same to Job Network – constraining it with such red tape that it’ll die. ... the current industry view is that more and more the services are just becoming the same everywhere and the differences between organisations and their services are very small. It was clear that employment services contracts ... were particularly horrendous in terms of their overbearing bureaucratic and administrative nature. ... They represented probably the peak of government micromanagement and reach into the lives of organisations.  

Ballarat Centacare still had an employment services contract in early 2014 when I conducted the interview. Involvement in employment services was a mission issue for the agency:

> We’re only in it for the long-term unemployed. That’s how we got in. ... It was PSP, the old Community Support Program, we were targeting, the ones they talked about who were left on the heap. ... that was mission driven. ... we’re going to have to make a hard decision whether we want to stay in it or not ... The board has said

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712 Murray, interview.  
713 Murray, interview.  
714 Beaver, interview.  
715 Murray, interview.  
716 Beaver, interview.
employment is integral. But it has to be economic. ... The funding hasn’t increased in five years.\textsuperscript{717}

The explanation by Peter Sellwood, CEO of Brisbane Centacare, as to why his agency had initially become involved and then decided in January 2014 to withdraw from employment services, highlights the tensions between mission objectives and financial incentives. The agency was not in the first contract because management was not sure there was a role given its particular mission in the employment services space. However, because CSSA Ltd wanted to do a national contract, Centacare Brisbane participated in the second contract:

\textit{It went well and we decided it was good work. It was actually generating a surplus that we could use in other operations. ... we were happy to expand as we only had one location. In 2004 we became four sites and then again in 2007 and 2010 we grew. We finished up with about a dozen sites after the 2010 contract ...} \textsuperscript{718}

Despite this success, in Sellwood’s view, over time employment services contracting took on a character at odds with Centacare’s identity, and mission with respect to Catholic Social Teaching’s view of the individual and their place in society:

\textit{For us it was very much about the dignity and respect that comes from being part of work and therefore being part of the community. The workplace is very much a community and if you’re excluded from that then you’re excluded from a whole range of things.}\textsuperscript{719}

Sellwood draw attention to policy language in the program that was deeply at odds with his own ethical and theological commitments. The department wanted to focus on people as \textit{... just a pool of unemployed people that were an economic problem}.\textsuperscript{720} Referring to the ‘stock of unemployed’ was also offensive. Sellwood recalled that when he was unemployed, between jobs \textit{... I didn’t see myself as ‘stock’, I saw myself as someone that needed a job, who wanted a job and could offer something to an employer.}\textsuperscript{721}

Because the payment system in the contract focused on simply moving people into jobs, there was no incentive for agencies to pay attention to people with multiple issues. Against this the agency was focused on working with the individual in ways that were about more than sticking them into a job, but faced up-front costs with a low likelihood

\textsuperscript{717} Beaver, interview.
\textsuperscript{718} Sellwood, interview.
\textsuperscript{719} Sellwood, interview.
\textsuperscript{720} Sellwood, interview.
\textsuperscript{721} Sellwood, interview.
of getting a payment for successful job payment in anything but the long term. At times it became a process rather than a service for people.\textsuperscript{722} The Star ratings were an example of the axiom that what gets measured is what matters. If your Star ratings were not where you needed them to be to maintain your contract, you focused on them with the result that you could take your eye off the ball in terms of the delivery of mission.\textsuperscript{723} You would get caught up in behaviours that were not consistent with that mission because you were simply focusing on throughput. Even with respect to the PSP, a program much more closely aligned with the mission of the agency, the same process of mission distortion could be traced. It ... became very outcomes-focused again, outcomes determined by the department, not outcomes determined by us, and the clients we worked with.\textsuperscript{724}

According to Sellwood, the decision of Brisbane Centacare to move out of employment services contracting was a complex interaction between financial and mission factors. The funding model originally was generous enough to ... hide the challenges of delivering mission and being financially sustainable.\textsuperscript{725} The possibility of maintaining this balancing act was undermined over time by funding being wound back in real terms combined with the weakening of the employment market in southeast Queensland following the GFC and State Government cuts in following years. The agency was squeezed on both the volume of work and the level of payment in the contract:

\ldots the payments haven't been increased since 2009. So what you get paid for an outcome has not increased since then. Now we're five years on. You run inflation at three percent and the compounding effect of that means that in real terms your income is down around close to 20 percent. So if we were making a 15 percent margin or say a ten percent margin we're now making a ten percent loss.\textsuperscript{726}

That situation was not sustainable over the longer term and brought the conflict with mission into clear focus for the agency. In Sellwood's view if you are running at a loss on a contracted program you would have to be clear that it was at the centre of your mission and you would then find other funds to keep it going:

That wasn't the case with employment. ... we weren't living out any mission because we were just a processing arm of government .... There was no capacity for us to sit

\textsuperscript{722} Sellwood, interview.
\textsuperscript{723} Sellwood, interview.
\textsuperscript{724} Sellwood, interview.
\textsuperscript{725} Sellwood, interview.
\textsuperscript{726} Sellwood, interview.
and work with a client and try and deal with the range of issues that might be confronting them, it was just get them in a job or you won't get paid. ... we had to be real about who we are and what we wanted to do and therefore we exited.  

Once the decision to exit was made, the question was how the agency would go about managing the exit given that the next contract round was coming up in 2015. To sell up the contract ahead of the finish date would be worth something to a provider who had plans for ongoing involvement. The sooner it was sold the more it would be worth, an important consideration given the need to pay for redundancies, leases and other exit costs. The process was not easy given the preference of Centacare Brisbane to find a NFP provider. That did not prove possible:

... we ended up transferring our contracts to an American company that specialises in government work who have been in Australia for some time doing employment services. .... we had a sense that we would have lost our contracts anyway and it was better to move now when we had some control over what was going to happen rather than wait for the contracts to be taken out from under us.

The impact on agencies of employment services contracting

The general assessment of interviewees was that agencies involved in employment services had lost their capacity to express their mission through involvement in this program area is consistent with the evidence from other researchers. Fowkes concluded that the Job Network/JSA system evolved into a high volume, low margin business with immensely complex rules and a one-sided contract with government. Her detailed account of the impact of contracting supports the evidence on contracting in Chapter Eight and Chapter Nine with respect to issues of indexation, shifting of risk and a controlling approach to contracting in this policy area.

Government managing the rate of indexation in contracts to reduce funding over time, as reported across most social welfare programs in Chapter Seven, was also characteristic of employment services. Fowkes' assessment of the indexation issues was in line with agencies' account of the squeezing of expenditure on the program by the government:

... from 2003 to 2006 the CPI had risen 9%, the identified costs of delivery at 16.5%, but fees had risen only 2%. ... While fees were declining in real terms, contracts were becoming more prescriptive and providers were required to spend more time administering the increasingly intensive job seeker compliance regime ... the

727 Sellwood, interview.
728 Sellwood, interview.
uncapping of the service and bringing together of services ... increased provider risk. This was not compensated through the fee structure. Instead, financial volatility inherent in the contracts was compounded by the nature of the contracts themselves which were extremely one sided.729

Agency behavior and practices in delivering contracts converged across organisational form, eliminating diversity and innovation, as reported in the research by Considine that was discussed in Chapter Five:

Providers became more risk-averse, focusing on strategies that were proven to deliver short term results ... Providers sought larger contracts so that financial and contract risk could be spread. .... The complexity and poor financial viability of contracts meant that management skill and energy went into managing job seeker throughput and budgets, not helping solve client problems or developing long term responses.730

In a submission to a review of employment services in 2012, ACOSS noted the gap between policy intent in 1996 and what had happened in practice.731 The theory was that contracted non-government providers would be more innovative, responsive to consumers and cost effective.732 ACOSS, in their review of the literature on the outcomes of the policy, concluded that providers had been responsive to signals from the government as purchaser to achieve quick employment outcomes at low costs. Innovations and responsiveness to the unemployed ... were blunted by requirements and incentives that encouraged providers to offer a standardised sequence of services aimed at placing job seekers in the first available job at the lowest possible cost ... administrative burdens for providers were high.733

Administrative and compliance demands placed upon contractors increased

Government monitoring and this increased regulation impacted on agencies' ability to furnish the flexible and tailored support necessary to improve the employment

730 ibid. 7-8.
732 Considine, Lewis, and O’Sullivan, "Quasi-Markets and Service Delivery Flexibility Following a Decade of Employment Assistance Reform in Australia."; Considine, O’Sullivan, and Nguyen, “Mission Drift? The Third Sector and the Pressure to Be Businesslike: Evidence from Job Services Australia.” ... it was the accountability requirements governing the conduct of government business that led to people being treated as ‘as faces in a queue or numbers in a file,’ not just some perverse bureaucratic zeitgeist, MacDermott, Whatever Happened to Frank and Fearless? The Impact of New Public Management on the Australian Public Service, 112.
outcomes of long-term unemployed and difficult-to-place job seekers. While the employment services system ... is probably the most efficient in the world for getting people into work, when they don’t have serious barriers to employment ... where there are such barriers ... it performs relatively poorly, and that’s due to the nature of the contracts.

The Government’s policy intent was to enable agencies to display innovation and draw on the specific value resources arising from their ‘non-government’ and mission-shaped character. Agencies would have achieved the government’s objectives precisely by not becoming an extension of the state but ended up displaying the characteristics that the government abolished bureaucratic provision to avoid. The extent of sociologically and theologically-informed reflection by the Salvation Army, on its engagement in social welfare in Australia, has not been extensive in recent years. The study by Garland noted previously reached a similar conclusion to that suggested by Gallet’s narrative. In its delivery of employment services, the Army had become an extension of the state.

The insertion of theological commitments about the nature of humanity and social purpose, derived from CST by Catholic agencies in discussion of the tension between agencies’ mission and the policy goals and program processes of contracting, was significant in justifying moving into this program and then withdrawing.

**With the best of intentions: Salvation Army contracting for offshore humanitarian services for asylum seekers**

The Salvation Army manifests a distinct and very visible Christian identity through its uniform and hierarchical military structure, along with governance links beyond the limits of the nation-state, all combined with a largely evangelical Christian identity. That is to say that the Army, in its ecclesial form, manifests elements of exilic identity in seeking the flourishing of the city while maintaining a visible difference, the theme outlined in Chapter Two.
In late 2012 the Australian Government announced that it was letting a contract for the provision of welfare and support services for asylum seekers on Manus Island and Nauru processing centres to the Salvation Army. The contract, which arose out of the Government’s decision to shift back to offshore processing of asylum seekers, was to run from 1 February 2013 to 31 January 2014 and was valued at $74.9m.\(^{738}\) The welfare and support services that were to be supplied for asylum seekers included educational and recreational opportunities, facilitating English classes and access to gym facilities and computers and the organisation of excursions and cultural events.

The Salvation Army took the initiative in approaching the government following the announcement by the Government of its return to offshore processing of asylum seekers. The Eastern Territory office wrote to the office of the Minister for Immigration offering to provide services for asylum seekers, having been involved with community detention on the mainland, while noting that they did not support offshore processing by governments whatever their political persuasion. It was an approach in which we basically said ‘if there’s anything we can do…’. The Army was confident that it could deliver the required services:

\[\text{... the Government jumped down the phone and arranged a meeting within days to say, at that point with our Eastern Territory through Major Paul Moulds, “Okay, we are getting people on the ground very quickly, we’re sending people to Nauru. What can you do?”}\]\(^{739}\)

Major Brad Halse, Government Relations manager for the Southern Territory, insisted that while the Army didn’t agree with the Government’s asylum seeker policy it took the view that, if the government is proceeding with the policy, the relevant questions was what was the next best thing for the asylum seekers?

\[\text{... the view of the Salvation Army at that time ... was to have a group of people highly committed to maximise the very best out of a bad option for people so we felt that the church should be involved in that. ...That did bring with it constraints on not only the Salvation Army, on employees, but anybody, you know, working there,}\]


\(^{739}\) Halse, interview.
was not meant to speak either whilst they're employed or even post-employment.

The restriction on contracted employees communicating with the media that formed part of the contract was not Army policy but a government restriction: 741.

... there was a memorandum of understanding at that stage rather than a formal contract. Everything was being done on the run from the Department. ... the final shape of the contract and the restrictions in it was far less than what was originally mooted. ... there were things where we just said, "Well, we can't work on this basis". 742

The Government imperative for urgent implementation left very little time for detailed consideration by the Army of the issues involved and for any detailed implementation planning, an issue that extended across just about every aspect of the policy:

... the urgency of this thing, the speed with which it’s happened, certainly framed our executive decision making process ... We don’t really like to work like that but it was always the principle that "Well, you know, here’s a great need. There are people being sent there and nobody’s really there to be able to look after their welfare needs, basic education, support", things like that and, you know, the overriding biblical principle for us is, “Well, there’s a human need and can we meet it, do we have the resources, do we have a level of experience and expertise?” ... we were sending some pretty young adults up there who were highly motivated in terms of social justice but little, relatively speaking, life experience. 743

The justification offered for accepting the contract was that the Army would be serving those most in need. It already provided care and support without discrimination on any grounds including the circumstances in which people arrived in Australia through its local activities. The people sent to Nauru and Manus Island were often fleeing dangerous and life-threatening situations, arriving traumatised and in need of care. Therefore during their stay in overseas processing centres the ... Salvation Army was committed to providing care for these asylum seekers, regardless of politics or popularity. 744

740 Halse, interview.
741 Halse, interview.
742 Halse, interview.
743 Halse, interview.
The emphasis by the Army was on serving those in need, while affirming its continuing opposition to the policy of offshore processing of asylum seekers. Major Paul Moulds of Eastern Territory in evidence to a parliamentary committee stated:

The only reason the Salvation Army is there is because we care deeply for the plight and the situation of the asylum seekers and believe our presence can make and is making a difference. ... On 2 September this year the Salvation Army joined other Christian churches in issuing a joint statement of concern about the potential consequences of this new policy on the mental health and wellbeing of asylum seekers seeking protection from persecution. ... when considering its response to the expert panel's report, the Salvation Army made another very significant decision. We decided to write to the Minister of Immigration and Citizenship and offer to work in these centres providing welfare and humanitarian support services.745

The decision to undertake this contract can be assessed against the Salvation Army’s statement of its mission and identity and then against what actually happened on the ground. As an international movement, the Army understands itself as an evangelical part of the universal Christian Church with a mission to preach the gospel of Jesus Christ and to meet human needs in his name without discrimination. The work of the Army is thus about transforming lives, caring for people, making disciples and reforming society. Starting from the recognition that God is always at work in the world the Army values human dignity, justice, hope, compassion and community.746

This statement of mission is hard to reconcile with the reality of what serving asylum seekers actually meant based on the experience of Salvation Army workers on Nauru. Mark Isaacs, a worker in the first group sent to Nauru, highlighted the difficulties of the role as he experienced it. While they were meant to provide humanitarian support to asylum seekers the difficulty was that the detention centre, as Mark Isaacs acknowledged, was established to deter desperate people from seeking protection by subjecting them to cruel conditions:

The contradictory nature of the Salvation Army’s position meant they were damned by the Government if they assisted the asylum seekers, and damned by their staff if they didn’t. Despite this the employees of the Salvation Army, ... showed utmost care

746 Documentation: Appendix B – Salvation Army Southern Territory, Salvation Army Eastern Territory
for the asylum seekers we worked with and implemented a wide range of programs that alleviated some of the mental pressure placed upon these people. This justified the need for a humanitarian organisation to act as a service provider within detention centres.747

Major Paul Moulds, a senior staff member from the Salvation Army involved with the offshore contract, acknowledged that the combination of desperation and powerless by the detainees undercut the attempt to enhance their well-being. Isaacs supported the need for humanitarian support for asylum seekers justifying the Army’s motives for their decision to become involved. He remained convinced ... that the role of humanitarian support in these camps is essential to the asylum seekers’ welfare.748 The implementation of the Nauru contract suffered from his perspective from ... inexperience, poor preparation and the Salvation Army’s inability to defend the asylum seekers’ human rights and handle government pressure. This resulted in a far more oppressive atmosphere for inmates ...749 The expedited implementation caused substantial difficulties. Screening of workers for skills and maturity, along with appropriate briefing and preparation, was almost non-existent in the first round of placements.750 The Army was under very high pressure from the Government to get staff there regardless. Subsequent humanitarian agencies’ inability to defend in any meaningful way the human rights of detainees raises a large question mark over Isaac’s assessment of how much the Army’s failure in preparation and experience in this environment contributed to the level of oppression of the asylum seekers. Critics raised questions about the consistency between the Army’s commitments and mission and participating in a program that they were opposed to. The Army strongly defended its participation:

The Salvation Army has supported and endorsed the comments made by Amnesty International and the recent UNHRC report. We recognise conditions are harsh, and any comments that could be considered as “defending conditions” were simply truthful answers to questions regarding the adequacy of food and water. Our staff are working hard every day to give every asylum seeker access to education, vocational training, recreational and social activities that will make the time awaiting the resolution of their asylum claims more meaningful and useful.751

747 Mark Isaacs, The Undesirables: (Richmond, Vic: Hardie Grant Books, 2014), 89-90, citing an interview with Major Moulds in the Four Corners program, 29 April 2013.
748 Mark Isaacs “The Salvos on Nauru” In John Menadue - Pearls and Irritations http://johnmenadue.com/blog/?p=1791.
749 Ibid.
The incoming Coalition Government in August 2013 did not provide any reasons why the contract with the Army was awarded to another provider, when it came up for renewal, though it is difficult not to draw the conclusion that the decision was influenced by whistleblowing by staff involved in the Army about their experience in delivering the contract. Gleeson’s recent comprehensive account of the policy highlights the creation of an institutional environment in which abuse became normalised and a contract management structure in which the Australian government was able to obfuscate its level of responsibility and engagement. 752

The Army defended its ‘acceptance of the contract in terms of recognition of an electoral mandate by the government for the policy that they opposed. The approach viewed government policy making in purely bureaucratic terms when it was actually dealing with a manifestation of the state operating in a sacral mode. Crucial to understanding the process by which the Army became an extension of the state in this contract is the fundamental logic of deterrence in the offshore processing policy. People seeking refugee status are held in detention, that is, subject to coercion, not because they have done anything wrong, but to try and prevent other people from seeking asylum. The policy of deterrence requires penalising people, causing cruelty to them, ostensibly to try and save the lives of other people who will thus be deterred from a dangerous sea journey.

If the state is prepared to call for its own members to sacrifice their lives to ensure its survival, as it does, should we be surprised if it is prepared to treat inhumanely and carelessly those who are not its members, in a situation in which the perception of a threat “to national borders and sovereignty” 753 is analogous to facing a state of war? Given the creation of a perception of threat by asylum seekers to the integrity of the state, a challenge to what is most ‘sacred’; it is no surprise that the humanity of asylum seekers was effectively ignored in the way they are treated. 754 There is a wide gap between the official rhetoric of providing appropriate facilities and care for asylum seekers-20121223-2btec.html. On the criticism see Haigh, Bruce. “The Salvation Army Is a Branch of Government.” On Line Opinion: Australia’s e-journal of social and political debate, http://www.onlineopinion.com.au/view.asp?article=15013. 752 Gleeson, Offshore: Behind the Wire on Manus and Nauru, 194-197. 753 On the issue of borders, allegiances and the identity of the church see theological discussion by Michael L. Budde, The Borders of Baptism: Identities, Allegiances and the Church, Eugen, Oregon: Cascade Books, 2011). The discussion in Chapter 5 “Border Crossings: Immigration through an Ecclesiological Lens” is particularly relevant. 754 See Gleeson, Offshore: Behind the Wire on Manus and Nauru.
seekers and the reality of detention as abusive and oppressive as a defense of the sacred.\textsuperscript{755} This inevitably drives those implementing policy towards harsher treatment of those imprisoned, even when this is not specifically spelled out in the policy and the contract. The militarisation of the language and practices of the policy provide striking evidence of this process while the evidence on the public record suggests that this logic is now entrenched. The Army was caught by lack of awareness of this dimension of the policy environment into which it was stepping. It understood itself to be committed to a humanitarian role in delivering services but became squeezed between that commitment that was central to its identity and the underlying abusive policy logic of deterrence and detention. The reality on the ground was that staff had little success in asserting that humanitarian role against the logic of imprisonment and detention within the camps.

With the Australian state operating in a sacral mode, the Salvation Army was unable to assert, in anything more than a fragmentary way, a performance of its mission, a practice of compassion and humanity against the pressures of Government policy exercised through the contract in the treatment of asylum seekers sent offshore. Reports from staff employed by other contracted agencies confirm that the overall deterrent logic overpowered the sincere intention to provide an effective humanitarian presence. The Army was operating with a hastily assembled ensemble of staff with no shared common culture. There was a continuing asymmetric exercise of power by the Government in the contract which made it difficult for the Army to do anything except become an extension of the state, unable to effectively advocate on behalf of those it was trying to serve rather than performing the narrative of accompaniment, care and respect that it embarked on the contracting to provide.

The very public difficulties of the Salvation Army opened up the punitive character of that policy to public view. The staff employed ended up accompanying the refugees, in the experience of powerlessness, in feelings of frustration at their failure to make a substantive difference and by the way the logic of imprisonment bore down on them and

\textsuperscript{755} The fact that a number of the key ministers responsible for driving this policy in the Federal Government over the period under consideration and subsequently in both the ALP and Coalition were associated with active membership of the Christian churches has attracted considerable critical comment, particularly in distancing themselves from the churches and their leadership, who almost without exception, have been notoriously and actively critical of the policy. The Australian Churches Refugee Taskforce website provides a starting point for an account of their stance, http://www.acrt.com.au/.
constrained them in their relationship with the asylum seekers, along with their frustration and grief over the impact on the asylum seekers. It made the relationship between staff delivering humanitarian services for the Army and the other contracted staff enforcing the detention tense and adversarial, becoming, in a certain way, victims of the deterrence system. The overall impact was that the Army, and its successors in providing humanitarian services, became an extension of the state in being complicit in implementation of a policy of punitive detention.

The experience of the Salvation Army in contracting with the Federal Government for the delivery of offshore humanitarian services for asylum seeker was characterised by extreme tension between its mission commitments and government policy importing the conflict into the agency itself. Here becoming an extension of the state was a result not only of the power relationship in the contract but also of the character of the policy itself, driven by the exercise of sovereignty and hence the sacred character of the state.

**On becoming ‘an extension of the state’**

The narratives in this chapter enable a number of conclusions to be drawn. The policy trajectory towards ‘command and control’ contracting in employment services increasingly left contracting agencies unable to deliver the program in a way that effectively embodied their mission, resulting in their becoming an extension of the state as the bureaucratic agencies they were supposed to have replaced. In the Catholic agencies’ engagement with employment services contracting there is evidence of the referencing of Catholic Social Teaching in agency decision processes, though how much weight it was given relative to financial issues in the decision processes across a range of agencies is difficult to determine without a detailed exploration of the decision process in each agency. Certainly there was a clear preference in Catholic agencies for the PSP rather than the mainstream programs. Whether the governance and decision processes of the Salvation Army were conducive to adequate engagement with theological issues in the decision processes about contracting is a question raised by the narratives of employment services contracting and its insertion into the provision of offshore asylum seeker services. Certainly the operation of an asymmetry of power in the contracting for offshore asylum seeker services left the Salvation Army helpless to effectively express its mission commitments because of the underlying logic of the policy.
This chapter has provided an account of the circumstances under which contracting can result in agencies becoming an extension of the state. In the accounts of employment services contracting where the state was operating in its bureaucratic mode, the shift of contracting to ‘command and control’ resulted in agencies’ being able to express their theological commitments in shaping the services and in which the only tactic of response available was to withdraw from contracting. The case of offshore asylum seeker services contracting demonstrated that the operation of the state in its sacral mode could lead to the same result, but with the conflict between policy and agency commitments more tense and sharply delineated than for employment services.

The bureaucratic and sacral dimensions of the state discussed in Chapter Three, was manifest in the contracting processes that resulted in agencies becoming extensions of the state in the policy areas outlined in this chapter. In the state’s bureaucratic manifestation, the move to a ‘command and control’ mode of operation saw a shift in which the rationale of government accountability as an overriding process drove out the possibility of agencies remaining focused on the substantive achievement of human and communal flourishing. In encountering the state operating in its sacral mode, the Salvation Army failed to reflect on the possibility that its identity and mission might place it in fundamental conflict with the state in carrying out that contract. Here the theological account of exilic identity in Chapter Two would have provided a resource for reflection by the Army on the issues involved in contracting with the state in this specific context.
Chapter Ten: Narratives of (not) becoming an extension of the state

Maintaining identity, focusing on mission: narratives of response and resistance

The previous chapter provided examples of a range of policy engagement by church-related agencies with the state, in both its bureaucratic and sacral manifestations, which resulted in their manifesting conflict, to varying degrees, with their mission, as a result of specific forms of contracting and becoming extensions of the state rather than an expression of the Christian movement. Engagement with the state in seeking the flourishing of the city does not necessarily result in this outcome. In Chapter Eight I identified a range of tactics of resistance and response that had been used to varying degrees by agencies.

In this chapter, I lay out a series of narratives of agency response and resistance to becoming an extension of the state that demonstrate what their deployment looks like at an individual agency level. I use the term ‘narrative’ rather than ‘case study’ to characterise the accounts of agency responses to contracting drawn largely from ‘insiders’ to the agency. A ‘case study’ approach would have required multiple perspectives, from outside as well as inside agencies, and this was beyond the scope of my inquiry. Because the narratives in this chapter are necessarily relatively brief, reference to the sociological and theological perspectives that shaped this inquiry will be minimal and footnotes will refer back to the relevant chapters. The summary of agency tactics in Table 8.2 provided my starting point for identifying the agencies that I would include in this chapter. From the nine highest-scoring agencies in the use of tactics, I chose five whose narratives provide diverse accounts of tactics of response and resistance, and denominational governance. The agencies and the tactics by which they have sought to maintain the tension between their mission and identity while contracting with government are:

- The Wayside Chapel: independence from government funding;

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756 See the account of the inquiry and the discussion of scope and methodology in Chapter One and Chapter Six.
757 I chose two Anglican, one Catholic, one Uniting, and one Baptist agencies; two small agencies, with funding of less than $15m pa, one agency just under $70m pa and two large agencies, one close to and one above $100m pa. Of the four other high scoring agencies two were relatively small Catholic agencies, CCSS Parramatta and CatholicCare Melbourne that largely paralleled the Centacare Rockhampton narrative on governance issues. Significant governance issues related to the other two agencies, HammondCare and UnitingCare West were discussed in Chapter Seven.
• Centacare Rockhampton: ecclesial identity and staff formation;
• The Brotherhood of St Laurence: distinct governance arrangements, diverse funding sources, and engagement in research;
• Anglicare Sydney: how cultural change was implemented in response to perceived mission drift; and
• Baptcare: developing an approach to mission that permeates the agency.

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

The Wayside Chapel (TWC) is a parish mission of the Uniting Church of Australia located in the inner-eastern suburbs of Sydney, founded by the Rev. Ted Noffs in 1964. TWC became widely-known through Noffs’ controversial social and theological stances, with a legacy of public awareness that proved to be long lived. The Rev Graham Long, the current CEO and Minister, acknowledged that, despite the low ebb of TWC when he was appointed in 2004, the wide public awareness of the agency as a brand had been of great assistance in his tapping public support for the agency. The TWC was struggling for survival, with an income of less $300,000 a year, 90% of which came from government funding. A decade later only 18% of TWC income of $3.1m pa comes from government. Over that period the agency undertook an $8.5m rebuild of its facilities, from which it has emerged debt free and has increased staffing from two to around 36.

The theme of TWC is that in the triumph of love over hate there is the creation of community where there is no ‘us and them’, where the barriers of judgement are broken down and people are welcome just to ‘be’. This mission statement points to a commitment to drawing people out of isolation to receive compassion and support, whether they have been marginalised by homelessness, mental health issues or substance abuse. The emphasis is on creating community, on meeting people not working on them. Services are only provided in aid of that goal. The role of church and

758 Long, interview.
759 Long, interview.
760 Long, interview. See also Graham Long, Stories from the Wayside (St Lucia, Queensland: University of Queensland Press, 2010).
761 Long, interview.
762 Long, interview.
worship in TWC is linked in building community, in gathering as church where love is lived out in community.\textsuperscript{763}

The mission and its method of operation of TWC are closely connected to its account of its values. The goal of community is also the method of achieving its mission, working \textit{in a collaborative way to invite people out of singular, individual life into the risky and healing place of community.} \textit{... 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.}\textsuperscript{764} The language, though it is soaked with Christian reference, does not draw out these connections explicitly beyond the reference to the church as community. This distinctive vision evolved out of dialogue between Rev. Long, the CEO and Minister, and the Chairman of the Board, Ian Martin:

\begin{quote}
\textit{... we settled on to create a community with no ‘us and them’, and we identified isolation and loneliness as our enemy. ... our mission became to meet you rather than fix you. ...in a culture of a privatised self, most of what we do to fix people actually alienates them. ... you walk away with a pamphlet, or a program, or a pill, but you’re more alone than when you walked in.}\textsuperscript{765}
\end{quote}

This vision of community puts TWC into tension with, if not critique of, much of both the language and orientation of government programs, where for most ‘helping’ agents, whether government or non-government, the client is the problem and the agency with its program is there to fix them. The person in their radical shared humanity becomes lost and instrumentalised. Rev Long observed:

\begin{quote}
\textit{... even when that’s done from good heart, with good intention, there’s a push-away in it, because you will be forever the needy one, and I’ll be forever the one with the answers and the skills ... you are important to me because you are a cog in my wheel, and a statistic in my next funding application.}\textsuperscript{766}
\end{quote}

As noted in the discussion of governance in \textbf{Chapter Eight}, UCA parish missions in NSW do not have an independent legal status. While the Uniting Church Property Trust is the legal entity that holds their property and contracts, it is the Board of TWC that is the key to its governance. The effort by Rev Long, shortly after his appointment as CEO, to gain a new chair and board members with skills and access to individuals and networks in the business community was critical to the task of finding the funding to remain

\begin{flushleft}
\textsuperscript{763} Documentation: \textbf{Appendix B} – The Wayside Chapel.
\textsuperscript{764} Long, interview. For a wonderful book of photos that captures this in an aesthetic mode see Graham Long, \textit{Love over Hate: Finding Life by the Wayside} (Richmond, Victoria: Slattery Media Group, 2013).
\textsuperscript{765} Long, interview.
\textsuperscript{766} Long, interview.
\end{flushleft}
independent. With the new Chair, Long commented ... *we 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 needed.* In both the operation of the Board and the practice of the CEO there is a shared understanding of leadership. Long explained that in Board meetings the Chair has respect:

... *he’s not an equal partner, so if we get into a tight squeeze the Chair will say here’s what we’re going to do, and that’s what happens. ... Now I’ve taken that model and that works in our various teams around here as well. So our executive team meets ... they’re more skilled than me in most things, but in the end it’s my meeting, and I will canvass views ... weigh views rather than count them.*

Holding together the role of leadership of both the church and the community-building aspect of the agency is important for Long because there is a strong momentum to split those roles. Where that happens ... *you end up with a businessperson, often speaking government speak, and you end up with some fool who sings songs on Sunday. ... It’s only when you hold that together that there is a creative tension...* The role of the CEO is about leadership and upholding the vision of the organization and ... *about setting the philosophical framework in which all this stuff happens.*

The distinctive character of TWC, with 18% dependence on government funding, is highlighted when compared to an average of 70% for the UCA agencies covered in this research. In addition to building its income from private and corporate donations, totalling 61% of expenditure, TWC has as a matter of policy sought to build up an operational reserve that provides a foundation from which it can invest in its programs and services as well as underwriting operations. The Board has set a target of a reserve of one year of expenditure and is currently at 85% of that target. Independence from government means though that TWC is highly dependent on private and corporate donations. The weekly email from Rev Long, *The Inner Circle,* which goes out to 15,000 people is a key vehicle in communicating the message and character of the agency and in appealing for support and is also read out weekly on ABC Sydney Local Radio.

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767 Long, interview.
768 Long, interview.
769 Long, interview.
770 Long, interview.
771 Table 7.1.
772 Documentation: Appendix B – The Wayside Chapel.
Some church agencies, in adopting the language of government, Long argues, have become government agencies without realising. TWC currently only delivers two government-funded programs but ... the senior people who acquit those things each year, have to be a bit bilingual, that is, to speak both the language of the agency’s mission, and the language of bureaucratic accountability. This arises from the fact that the missions of TWC and the government are really quite different:

... X number of bodies, X number of showers, X number of referrals, that’s what we report, and I think the government don’t understand 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.

The current programs for which the agency is funded fit with the mission of TWC. For the agency to enter into any other contracts with government to deliver services 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.

The tactics of TWC thus revolve around maintaining clarity about its mission and identity, a diversity of funding sources enabling independence from government, a governance structure in which the Board works to support that strategy, and a leadership that holds the vision and provides guidance on how it is implemented. Behind this is refusal to operate on the assumption that the state is the first point of call in building community. TWC emphasises the importance of the practice of affirming our common humanity. It demonstrates an inclusive engagement in the lives of those on the margins while articulating a strong implicit critique of the prevailing social and economic culture.

**The Brotherhood of St Laurence: “We have Father Tucker looking over our shoulder everyday”**

The Brotherhood of St Laurence (The Brotherhood), named after St Laurence the patron saint of the poor, is a non-government, community-based organisation based in Melbourne. Founded in 1930 as a religious order of the Anglican Church, it eventually

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774 Long, interview.
775 Long, interview.
776 Long, interview.
777 Nicolson, interview.
morphed into a welfare agency connected to the Anglican Church in Melbourne.\textsuperscript{778} The Brotherhood gives priority to those areas in Victoria where it assesses that it can have the greatest impact, through a community-strengthening approach to bringing about neighborhood change. It works to establish innovative programs, which can be rolled out in areas outside of its direct involvement, working through partnerships with other organisations in their local communities. The Brotherhood seeks to be an influencing organisation engaging with key decision-makers on social and economic policy based on strong research.\textsuperscript{779}

The Brotherhood’s grounding of its chaplaincy activities in the tradition of the Anglican Church is expressed unapologetically on its website.

\begin{quote}
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 recognising and nourishing the person’s ‘inner self’ and sense of place.\textsuperscript{780}
\end{quote}

The statement of its ‘Mission, Vision and Values’ uses the language of justice, shaped by reference to professionalism with explicit reference to its Christian origins with a vision of an Australia free of poverty and a mission to ... research, develop and deliver innovative and high quality services and practices to drive change that benefits all Australians and is inspired by its Christian origins to seek ... the common good through compassion with a generosity of spirit and reliance on evidence.\textsuperscript{781}

The strong link to the Anglican Church is critical to maintaining its mission and identity. According to Tony Nicholson, 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.\textsuperscript{782} The role of the charter members is central to the maintenance of the mission and identity of the Brotherhood. They receive and adopt the reports of the Board and of the auditors, receive and adopt the annual financial

\textsuperscript{778} For a history of the agency see Holden and Trembath, Divine Discontent: The Brotherhood of St Laurence: A History. See also a discussion of the agency set against the context of contemporary policy by Smyth, "The Role of the Community Sector in Australian Welfare: A Brotherhood of St Laurence Perspective."

\textsuperscript{779} 'About the Brotherhood'. [http://www.bsl.org.au/about-the-brotherhood/].

\textsuperscript{780} 'About the Brotherhood'. [http://www.bsl.org.au/about-the-brotherhood/].

\textsuperscript{781} 'About the Brotherhood'. [http://www.bsl.org.au/about-the-brotherhood/].

\textsuperscript{782} Nicolson, interview.
statements, elect Board Directors and fix the remuneration of the auditors. They are the ‘shareholders’ ... people that have had a very significant association with the Brotherhood over a long period of time, ... they know the DNA of the Brotherhood. Their role in the agency is more than symbolic. This governance arrangement involving charter members makes the Brotherhood unique among Anglican agencies.

The Chair of the Board and the Executive Director meet with the Charter Members three to four times a year and not only report on what the agency is doing but also to canvass significant issues. As Nicholson explained:

... it’s an hour of me reporting on what’s happening, and then an hour on an issue. ... where they think you might be losing sight of something, or perhaps you’re going down the wrong track, they’re not afraid to tell you ... 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 ...

Appointment of Charter Members to replace those who have died or retired is critical, because it is with these members that the authority over the board, aside from the powers assigned to the Archbishop, effectively rests. The nominations committee puts names forward to the Board:

... they’re put to the annual general meeting ... I think it’s helped us ensure that we don’t get swept up in chasing contracts, we know what our strategy is, and then when there are opportunities to tender for contracts, we know whether that fits or not.

Maintaining agency identity in a situation where many of those employed are not connected to the Christian church comes through the retelling of the story of the Brotherhood. Nicolson talks about telling the story through the prism of its founder, Father Tucker and his inclusive approach:

He’s said to have a saying that he’ll join hands with anyone who shares our objectives ... with people of other faiths, people of no faiths. ...the story of Tucker, and the story of the Brotherhood, is something we repeat with our staff ... 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, people are very comfortable in the knowledge that we have our origins in the Christian tradition, that we have ongoing relationships with the church.
Despite the structural connection with the Anglican Church as an institution, the connection between the local Anglican parish church and the welfare work of The Brotherhood has become distant over the past decades. Nicholson acknowledged that there is a need to rethink that element of the relationship, which brings with it questions about the character of welfare services and human community. The Brotherhood was originally established with a concern to strengthen the capacity of parishes to respond to the needs of their community. It was not the intention to take that responsibility away from them. *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.*

Nicholson makes the argument that *...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.*

Such a suggested rethink will have to go beyond taking opportunities to use church premises as a basis for delivering service. It will require rather facilitating the ability of ordinary parishioner to be *...good neighbors to vulnerable people in the community. ... 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.* This critique of welfare delivery takes up some themes raised by the Long in the narrative concerning the TWC. While there has been a gain through professionalising care, Nicholson argues that much has been lost:

*...the sense of responsibility that citizens have for issues in their community, displacing it to the community welfare sector ... 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.*

The Brotherhood has a history of financial independence. In 1971 government grants comprised 3% of the Brotherhood’s income. In 1977 it reached 24.4%. As Table 10.1 makes clear, the extent of dependence on government funding has further increased over the past decade during the era of contracting. While The Brotherhood is the median

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787 Nicolson, interview.
789 Nicolson, interview.
agency size-wise of the Anglican agencies in my inquiry, it is an outlier in its relative financial independence among the Anglican agencies. Average financial dependency on government funding for the Anglican agencies covered in this research was 89%.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Income</th>
<th>Gov't. Funding</th>
<th>Fundraising and other sources</th>
<th>Social Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>$61.80m</td>
<td>62%</td>
<td>17%</td>
<td>21%</td>
</tr>
<tr>
<td>2011-12</td>
<td>$62.03m</td>
<td>66%</td>
<td>15%</td>
<td>19%</td>
</tr>
<tr>
<td>2010-11</td>
<td>$51.93m</td>
<td>57%</td>
<td>16%</td>
<td>27%</td>
</tr>
<tr>
<td>2009-10</td>
<td>$51.44m</td>
<td>54%</td>
<td>18%</td>
<td>28%</td>
</tr>
<tr>
<td>2008-09</td>
<td>$48.70m</td>
<td>48%</td>
<td>21%</td>
<td>31%</td>
</tr>
<tr>
<td>2007-08</td>
<td>$49.07m</td>
<td>46%</td>
<td>21%</td>
<td>35%</td>
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<td>2006-07</td>
<td>$50.55m</td>
<td>46%</td>
<td>21%</td>
<td>33%</td>
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<tr>
<td>2005-06</td>
<td>$43.30m</td>
<td>41%</td>
<td>29%</td>
<td>30%</td>
</tr>
<tr>
<td>2004-05</td>
<td>$41.03m</td>
<td>45%</td>
<td>25%</td>
<td>30%</td>
</tr>
</tbody>
</table>

In contributing to financial independence, The Brotherhood runs a range of 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. Though comprising 23% of total income in 2012-13, the actual surplus available from its social enterprises, given that there are substantial costs associated with running these businesses, was only $1.5m. It has benefited from a range of giving, including bequests. Tony Nicolson observed that ... *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.* The agency seeks to maintain a balance of funding sources that provides stability over time. Despite these tactics, aimed at ensuring maintenance of its mission, the impact of government contracting has been real. According to Nicholson there are some warning signs that you need to look out for:

*If you’re talking to any of your staff, and they say well we are a HACC (Home and Community Care) program, or we’re a program that is responsible to the funding

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791 Data extracted from annual reports, see Appendix B – Brotherhood of St Laurence.  
792 Nicolson, interview.
source, that’s a real indication that your people are orientated towards fulfilling this contract with government.793

While the increased professionalisation of services has by and large been a very good thing, there have been downsides including the introduction of managerial culture into church-based welfare organisations where the 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.794 This failure has occurred because agencies have not been clear in planning that clearly answers ... 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?795

Professor Paul Smyth, from a long involvement with The Brotherhood, emphasised the importance of research for the agency from its early days under Fr. Tucker who would argue 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.” ... back around World War 2 they pioneered early surveys. ... By the 1960s they started a research unit.796

The Brotherhood has developed a research capacity unique among church-related agencies that has been leveraged in recent years by a partnership with the University of Melbourne.797 There is a significant connection between The Brotherhood’s commitment to research and a business model that enables it to invest in policy innovation. ... a number of our programs are actually developed ourselves and then supported by funding bodies, they can see that it’s tested and it works and they’ll invest in it.798

The governance structure of The Brotherhood provides a continuing link with the church and community and simultaneously establishes a community of stakeholders that actively carries the vision of the agency into testing of the policy process. Leadership carries on the story of the agency, reflecting on its continuing relevance in

793 Nicolson, interview.
794 Nicolson, interview.
795 Nicolson, interview.
796 Smyth, interview.
797 Smyth, interview.
798 Nicolson, interview.
shaping the identity of the agency, framed within clarity about what the agency wanted to be rather than just chasing contracts for the money. Diversity in funding sources has enabled the agency to maintain a reasonable degree of independence from government with a commitment to fund research and innovation at the community level, as an ongoing signature element of the agency’s operation, that give it weight in dealing with the government over policy issues. It locates itself as a church-related community presence at the interface of the state, the market and the disadvantaged. The weight of its identity is based on these multiple and interacting tactics. Its visible presence in Melbourne and regional Victoria gives it a public face that is distinct from an organisational franchise present simply because it has government funding.

**Centacare Rockhampton: “We are the diaconal ministry of the Bishop in the diocese”**

Founded in 1972, Centacare Rockhampton works across Central Queensland: from Mackay in the north; to Bundaberg in the south; and west from the coast to Longreach, covering around 556,000 square kilometres with diverse demography, economic bases, and social need. The agency is involved in education, counselling and community support with a focus on encouraging and strengthening individuals, couples and families to continue to develop and grow. It operates close to 30 social service programs and employs more than 200 staff. It is the official Catholic social service agency for the Catholic Diocese of Rockhampton. Centacare is committed to serving all people without any qualification of race, class, religion, circumstance or ethnic background, to provide relief of suffering, sickness, disability, misfortune or helplessness and to provide excellence of service in the local community. This language displays a clear link to the church while referencing themes of professionalism, non-discrimination and compassion.

As a diocesan agency, the key figure in the governance arrangements is the Bishop of the Diocese. The Director of Centacare is on the Centacare Council that advises the Bishop. In her executive role in the agency, the Director reports directly to the Bishop. Dr.

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799 Jeffery, interview.
800 At the time I conducted the research the organisation was badged as Centacare Rockhampton. It is now badged as Centacare CQ (Central Queensland). I have retained the original designation.
801 Jeffery, Interview.
802 Documentation Appendix B – Centacare Rockhampton.
803 Documentation Appendix B – Centacare Rockhampton.
Jeffery, the Director of Centacare, highlighted the theological significance of this governance arrangement ... 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 ... we are the ministry of the bishop of the diocese.\(^{804}\)

While Catholic diocesan welfare agencies share a similar governance structure, based on an ecclesiology in which the role of the bishop is central, the actual operation can vary in detail between dioceses. In Rockhampton Diocese, in addition to the Centacare Council, there is a diocesan education council:

... 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.\(^{805}\)

The diocesan pastoral plan has five objectives and Centacare reports on parts of three of those objectives. So with the bishop we go through this in the plan for the pastoral space of the diocese. Where does this agency fit?\(^{806}\) Diocesan welfare agencies do not have identically-specified missions making it difficult at times for agencies from different dioceses to work jointly. The bishop in each diocese decides what he wants by way of providing support in the communities in the diocese.\(^{807}\)

Centacare Rockhampton, at 96% government funded, is substantially more dependent on government funding than other diocesan social welfare agencies in metropolitan areas. While the average level of dependence on government funding for the Catholic agencies covered in this research was 83%, this hides a significant rural/metropolitan split in the level of dependence. The four regional Catholic diocesan agencies covered in this research are all of a similar size and had similar levels of dependence on government funding: Townsville 96%, Ballarat 97% and Rockhampton 96%. In contrast the CatholicCare Social Services in Parramatta Diocese had access to diocesan funding to purchase specific services and to assist it in achieving viability. This supplementary funding provides a degree of independence not available in rural and regional areas.\(^{808}\)

\(^{804}\) Jeffery, interview.
\(^{805}\) Jeffery, interview.
\(^{806}\) Jeffery, interview.
\(^{807}\) Jeffery, interview.
\(^{808}\) McMahon, interview.
With only a small amount of non-government funding, the agency is almost absolutely dependent upon government contracting. While the agency has a social enterprise strategy to shift to being 30% non-government funded by 2020, that was proving difficult because ... *when staffing’s such an issue anyway, to begin another business to bring in dollars to support you is really hard.*\(^\text{809}\) Another alternative is to commercialise some services, but that has its own ethical and mission issues that constrain the possibilities.\(^\text{810}\)

Centacare Rockhampton strongly affirms its Christian identity in its statement of mission in being called to share in the healing ministry of Jesus by providing professional community services to enhance the well-being of individuals and families.\(^\text{811}\) Under the heading of ‘Faith’ on the website it states that, *Centacare is a ministry of the Catholic Church. Our Mission is: to share in the healing ministry of Jesus. ... Most of all Centacare offers good news to all who experience some sense of poverty in their lives because Centacare offers Hope.* \(^\text{812}\) It also has a professional as well as an ecclesial frame to its mission in that Centacare’s vision is *to be the first choice provider of professional community services in the Diocese of Rockhampton.*

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, we’re very clear with our staff that Jesus wasn’t a Catholic and we’re doing the work of Jesus ...* \(^\text{813}\)

To maintain the Catholic identity of the agency it was decided that ... *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.* \(^\text{814}\) Dr. Jeffery acknowledged the current difficulties experienced by the Catholic Church in Australia, arising from its handling of sexual abuse cases, that the Catholic identity of the agency was a difficult issue for some of the clients. People have chosen not to use Centacare for that reason. *... certainly if people have issues, that comes...*
straight to me. We don’t let staff have to deal with that. They’ve got a very clear message you need to talk to the director. Here is her mobile.\textsuperscript{815}

In communicating the Catholic identity to agency staff a number of channels are used. Once a month in reflecting with staff there is a question about how their work relates to the mission:

\begin{quote}
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. ... 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.\textsuperscript{816}
\end{quote}

Contracting issues specific to regional agencies were noted in \textbf{Chapter Eight}. Staffing issues arising from the timing of contract renewals is a particularly fraught issue. At the time of the interview there were ... $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”.\textsuperscript{817} The contracts amounted to 50% of the agency’s annual revenue.\textsuperscript{818}

Centacare Rockhampton has attempted to shift the focus of decision-making about contracts to look at the issue of the finance last, after first working through the need and the capability in the program space in which the dollars are offered. The agency would ask in looking at a new contract ...\textit{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 ...}\textsuperscript{819}. Once that threshold is crossed in the assessment process then the agency looks at ... \textit{what it would cost to deliver and we’ve got all of our unit costs ... So can you do it for anywhere near the dollars that they’re offering? Then we would actually make the decision.}\textsuperscript{820}

The tactics of response and resistance by this agency starts with a commitment to its ecclesial identity, shaped by the governance of the agency and clarity about its mission,

\textsuperscript{815} Jeffery, interview. \\
\textsuperscript{816} Jeffery, interview. \\
\textsuperscript{817} Jeffery, interview. \\
\textsuperscript{818} See also McMahon, interview. \\
\textsuperscript{819} Jeffery, interview. \\
\textsuperscript{820} Jeffery, interview.
checking that mission against contracting decisions, and communication to staff about the ecclesial identity and mission of the agency, undertaken in a highly intentional and structured way. Supporting decision-making is a sophisticated approach to identification and management of costs that informs decisions about the financial viability of contract decisions.\textsuperscript{821}

\textit{Anglicare Sydney:}\textsuperscript{822} \textit{“When new people come in you’ve actually got the leadership saying okay, we know what we’re here for”}\textsuperscript{823}

The Anglican Diocese of Sydney has a regional reach, extending beyond the Sydney metropolitan area, to include the Blue Mountains, the Southern Highlands, Wollongong and the Illawarra. As a diocesan agency Anglicare Sydney has a long history, with a variety of titles and mandates going back to 1856, beginning its current role as a diocesan welfare agency in 1933. In 1997, it took on its current title, with a mandate for diocesan engagement in urban mission and community care.\textsuperscript{824} The significant issues in its governance are the accountability of the Anglicare Council to Synod and the requirement that the CEO of the agency must affirm the Apostles’ Creed and theological commitments on issues central to contemporary evangelicals.\textsuperscript{825} The Anglicare Council is an executive body with power over property, capital and investment strategy and, in that respect, differs from the advisory role of the Board in Catholic diocesan agencies. In 2013, Anglicare Sydney had an income of $98.2 million, with 88% of funding coming from government contracts and program funding, providing a wide range of welfare services across the diocese.\textsuperscript{826}

In the early 2000s there was concern within the diocese as to where the agency was heading. When the position of CEO became vacant in 2004, the Council for the first time appointed a layperson rather than a senior clergyman, Peter Kell, an active Anglican who had built up a large legal practice in Wollongong. He thought that the Council was looking for someone who could act as a change agent with \textit{... a pretty thick skin, who was}

\textsuperscript{821} McMahon, interview, on Rockhampton Centacare’s capability in costing
\textsuperscript{822} I refer to the agency as Anglicare Sydney to distinguish it from other Anglicare agencies, even though in much of the public material it refers to itself as Anglicare without further qualification.
\textsuperscript{823} Coller, interview.
\textsuperscript{826} Documentation: \textbf{Appendix B} – Anglicare Sydney.
able to help people move from where they didn’t want to be... The difficulties faced by Anglicare Sydney resulted in part from the shift to contracting. These changes had the impact in Peter Kell’s view of moving ... large charities from being very churchy type organisations, to being corporates that just happened to be church organisations. The current CEO Grant Millard observed that there had been a view ... that Anglicare Sydney had too far followed the government contractor, government service outsourcing opportunities and it had been pursuing that at the expense of its focus on mission and particularly gospel proclamation.

Anglicare Sydney had difficulty in managing in the changed welfare environment, trading at a significant loss for some years and selling off investments to balance the books. More critically was the breakdown in its relationship with both the Diocese and parishes. The agency ... had diverged from being a close partner of the Diocese, to being a distant satellite. Management’s relationship with the Council had apparently become dysfunctional. The staff ... felt that it had lost its direction, they were not being listened to, ... The Council had lost faith with the senior management team. The senior management team thought the Council were a group of idiots ... The Diocese, for its part, had become nervous about Anglicare Sydney concerned that it was ... slipping away from the truth, they were also nervous that if they let too many of their people become involved with us, they would get far too involved in doing good works, and not involved in bible study or evangelism ... There was a perception that across the Diocese that Anglicare Sydney management had a tendency to back away from clarity about the Christian character of the agency driven in part by a fear of possible government interference. According to Grant Millard, the current CEO, Peter Kell, and the then Archbishop ... were absolutely committed to bringing Anglicare Sydney back into alignment with the Sydney Diocese and the Diocesan mission. ... they instituted a new vision and mission for the organisation. The first major step by Peter Kell as CEO was to change most of the senior management

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827 Kell, interview.
828 Kell, interview.
829 Millard, interview.
830 Kell, interview.
831 Kell, interview.
832 Kell, interview.
833 Kell, interview.
834 Millard, interview.
in an organisational restructure, reducing the number of people directly reporting to
him to four and appointing four new directors to those positions.\textsuperscript{835}

Since then, the Anglicare Council has been focused on ensuring the organisation remains
aligned with the Diocesan mission. This is not simply a matter of maintaining the
connection with the church through the Synod.\textsuperscript{836} Millard’s account of stakeholder
relationships suggests a wider and more complex reach to the issue of alignment and the
range of stakeholders:

\begin{quote}
We’re not doing the Diocesan mission, we do it in partnership with the Diocese ...
certainly we seek to work in support of the work of the Diocese but we have
different stakeholders. So Synod at one level is a major stakeholder but our clients,
the people who we serve in the community and parishes, donors and government
are all stakeholders. We have multiple stakeholders it’s not just the church.\textsuperscript{837}
\end{quote}

The change in management was only the beginning of the change process. The Council
commissioned a theological statement on its mission adopted in June 2007 as a ‘work in
progress’. The theological statement stated that the agency \textit{exists to do good works
that are a fruit of the gospel and that address profound human social, emotional and
physical needs, intentionally thereby seeking to commend the gospel of Jesus which alone
meets the fundamental spiritual need common to all people}.\textsuperscript{838} This theological statement
also speaks of resourcing local churches \textit{in their good works ministries that address
human need and to doing such specialist good works ministries beyond the resources of the
local churches, all the while prayerfully seeking opportunities to share the gospel message
of Jesus}.\textsuperscript{839}

In rebuilding connections with the stakeholders at the parish level and connecting the
justification for Anglicare Sydney with key theological tenets of the diocese, Kell noted
that having the Archbishop as the Chair of the Council had been important:

\begin{quote}
Peter Jensen was a very keen supporter, in the early and middle stages of his role as
archbishop ... So what we were trying to do is to say that bible study and
evangelism are crucial and must go on, Christ must be proclaimed. But he also told
\end{quote}

\textsuperscript{835} Kell, interview.

\textsuperscript{836} There is a difference between this account and the Catholic account of the relationship between a
diocesan welfare agency and the mission of the church. On the Catholic account ... \textit{in Deus Caritas Est, he
[Pope Benedict] said that the work of the church is three-pronged, sacramental, it’s educational and it’s
charity and without those three it’s not the Catholic Church}. Henfling, interview.

\textsuperscript{837} Grant Millard, interview: 24/2/14.


\textsuperscript{839} \textit{The Gospel and Anglicare}, 2007.
us to love people unconditionally, and in order to do that in a broken society like we have, you've got to love them holistically, not just their spiritual side but their physical side.\textsuperscript{840}

In reflecting on the process, Kell identified two initiatives in particular that were critical to the process of reorienting the agency to a confident Christian identity. The first was extensive staff participation in the drafting of the agency's strategic plan. The second was a development program for management focused on issues of identity and mission.

The development of the 2007-9 Anglicare Strategic Plan was not just a matter of achieving an outcome but of conducting a process that would re-engage the staff in the agency by making it clear that their input was valued. The entire staff was invited to be part of the strategic planning process, and many took up the invitation:

\textit{We had meetings of 300 or 400 people, who met in large rooms and did the butcher's paper thing on the wall. ... we involved staff, parish clergy, volunteers, the council of course, and the senior management team. The final document was wordcrafted by the senior management team and the Council ...}.\textsuperscript{841}

Beyond the process, the actual substance of the vision pointed to a very definite statement of Christian commitment. \textit{“Lives changing and communities growing by care through Jesus Christ.”}\textsuperscript{842} There was some concern about the unblinking clarity of that statement. When asked, what will the Government think if the agency puts that in a tender document? Peter Kell responded:

\textit{... if the Government didn’t like that, then we would suffer the consequences ... that the love that we were showing people was the love of Christ. Well the room rose and cheered and clapped, because the previous management team had been very nervous about those sorts of things, you mustn’t tell the Government that we’re in any way Christian or we might lose things.}.\textsuperscript{843}

The statement of Anglicare Sydney’s mission that was arrived at in this exercise is still current. Care, in this statement, was to be exercised through doing good works that grow communities, address emotional, social and physical needs as fruit of the gospel and to bring the gospel that alone meets spiritual needs. The agency was to undertake this work in partnership with churches where this was possible and with the wider community where this was appropriate.\textsuperscript{844} The language with which the mission of the

\textsuperscript{840} Kell, interview.
\textsuperscript{841} Kell, interview.
\textsuperscript{842} Kell, interview.
\textsuperscript{843} Kell, interview.
\textsuperscript{844} Documentation: Appendix B – Anglicare Sydney
agency is expressed strikes a similar unashamedly Christian character to the current statement on its website about the character of Christian Care. However this latter statement also strikes a strong note of compassion grounded in a Christ-centred discipleship:

*Christian care is at the heart of what we do at Anglicare. It flows from our faith in Jesus Christ, which compels us to serve others, help the vulnerable, and be a voice for the disadvantaged. We want to follow Christ’s example, reaching out to others with the same compassion he has shown us.*

Beyond achieving clarity about the agency’s understanding of its mission, Peter Kell was confident that the strategic planning process had been very successful in getting staff ownership and building trust. He recalled that:

*I’d be at a meeting and they’d challenge me about different parts of what was going on in Anglicare and how we were going to change that and how this strategic plan might impact on that … Junior members of staff were feeling quite free to carpet their CEO over various issues. It was great fun and it was a demonstration that this is a new organisation, that we have new values, that we have new people who are prepared to listen …*

Staff members were able to cite the strategic plan when seeking Kell’s approval for programs they wanted the agency to participate in. While that might have just been good politics, he saw it as also *forming the way they were actually doing their planning and their programming and the types of contracts that they were after.* The Strategic Plan dealt with the issues of the diverse composition of staff, in terms of religious practice through a policy that leadership, and other key positions, would be filled by Christians from bible-based churches, a provision which caused concern not only on the grounds of discrimination:

*… where on earth would we find these people? In other words, we might find a Christian, but they were going to be hopeless. In the end, the short list would be four or five people, all of whom were eminently qualified, greatly experienced, and active Christians, because they wanted to come to work for a Christian organisation … The culture of the organisation became much more confidently Christian in its approach and performance.*

The second major initiative towards changing the culture of the agency involved a Leadership Development Program directed at laying foundations for innovative and

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846 Kell, interview.
847 Kell, interview.
848 Kell, interview.
effective leadership practices across the organisation. The substance of this program
drew on work by the Australian Catholic University (ACU) for programs for Catholic
health and welfare agencies. Kell reported that he went down this path because he could
not get Moore College, the Anglican theological college, interested. Apart from one
member of the Moore College faculty, most of those teaching the course were from
ACU. The process as well as the substance of the course was important in achieving
change:

Senior and middle management felt that they were being involved, trusted, they
could argue particular issues, the senior management team did the course with
them, so we were sitting alongside each other learning these skills together, and I
think they found that a nice flat democratic approach to things, whereas they’d
been used to a hierarchy that the tablets were very much brought down from the
mountain and read.

This experience of building teamwork and cooperation across the agency was directed
at helping managers understand what other people in the agency were doing and the
pressures they were experiencing. A senior manager who had gone through the
program thought that it had been very successful, not only in terms of its content:

... it also got the senior group together outside of the normal meetings and
constraints of work. You actually sat down for two days a month, usually a
Friday/Saturday, for six months. ... it actually helped build a sense of purpose
around what you were doing. ... there was lots of discussion around how does the
mission influence your work and what does it mean?

The 2007-09 Strategic Plan placed substantial emphasis on building evidence and the
importance of research for policy and advocacy. When Kell arrived the Diocese was not
using the agency as a resource. That had changed by the time he left:

... our research team was the Diocesan research team ... It enabled us to put
together much more sophisticated tender documents, so fill contracts with
government, because the researchers would help us understand the background ... It
certainly helped me in my role of public advocacy, so when I appeared on television,
or did radio interviews, I was confident that what I was going to talk about was
validly compiled, and it had some significant weight behind it.

849 Kell, interview.
850 Kell, interview.
851 Kell, interview.
852 Coller, interview.
853 Kell, interview.
Millard confirmed that the agency had continued to resource advocacy and research that is ... *based on a lived experience of our clients.*\(^854\) This requires living with the tension that the funds devoted to these purposes are not going to be available to meet the very real needs of people in various programs. The decision process employed by Anglicare Sydney involves paying attention to all the dimensions of mission. For example funding from the Department of Corrective Services and State Health does not pay for the full cost of those chaplaincy services so the agency puts funds into them because of its linkage to the second point of its mission:

> ... you’re dealing with those who are in necessitous circumstances; those incarcerated are some of the most needy. And people in residential aged care obviously are some of the most frail and vulnerable in society as well. So we like to look at not just the economic rationale where capital goes but where it is best valued in terms of gospel work for the organisation.\(^855\)

The agency can become squeezed between greater reliance on government funding and diminishing returns from its own investments that reduces the capacity to fund ministry from that source. This raises the question of financial sustainability as an element in the decision process. ... *in dollar terms the split between our own funded programs and government funded has substantially put us much more dependent on government revenue as a total percentage of our revenue. And that’s not really where you want to be ...*\(^856\)

Clarity about mission, and financial sustainability need to be brought together. ... *if you want to be sustainable in terms of mission long-term, understand what your mission is, be focused on that and be ruthless in the decisions that you make in order to be true to your mission.*\(^857\) Despite the evidence of recommitment to mission within the agency driven by Peter Kell during his time as CEO, the managerialist pressures from reporting and decision-making processes have to be struggled with continually. Millard was very hard-headed about this. Surveys of agency staff reveal high scores on their alignment to the vision and mission of the agency. However he discerned a disconnect when it came to the way vision and mission impact on budget setting and operational planning:

> .... people will do their budget for their program or their division based on the operational and business needs, funding constraints. And then when it comes to reporting against the strategic plan they’ll say ‘oh right in this area I’ve achieved...

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\(^854\) Millard, interview.  
\(^855\) Millard, interview.  
\(^856\) Millard, interview.  
\(^857\) Millard, interview.
this so I guess that’s goal number four in the plan …Their operational performance, their budget and their annual plans haven’t been driven by the strategy, it’s been like a reverse engineering.858

Sustaining commitment to mission throughout the organisation needs to be supported by employment practices. Staff orientation and development require constant attention. How do we get staff … to think about their faith and how that impacts their work both in terms of maybe direct service delivery but also their world view, how they value their client, how that fits into the overall work of Anglicare?859 The leadership has a key role in communicating the mission of the agency:

... when new people come in you’ve actually got the leadership saying okay, we know what we’re here for. ... when we actually talk to new staff in particular, around saying we’re a Christian organisation and here’s what it means in terms of why we do our work, what our motivation is. We have regular devotional meetings, we have prayer times, ... It’s not just a matter of saying “Oh yeah, we believe in God but we’ll just go and do the work separate to that”.860

The implicit positioning of Anglicare Sydney with respect to government as revealed in the documents and interviews has a degree of ambivalence and expectation of tension. Perhaps reflecting a reflex shaped by a long relationship of quasi-establishment, Rev Michael Jensen described the relationship of Sydney Anglicans with government as being a happy collaboration. They have not … abandoned hope for social transformation, but they do see its best chance as arising from the preaching of the gospel and the changed hearts that result.861

Yet the evidence of this narrative of an intentional response of cultural change in the agency, in response to perceived mission drift, with the implicit rejection of secularising tendencies and resisting concern about how the government might respond to assertion of Christian identity implies a more tense relationship than Jensen’s somewhat sunny assessment might suggest. The tension surfaces in another of his reflections where he notes that, historically, Christians in Australia have been to a degree out of kilter with the prevailing culture.862 This can led to a defensiveness that he discerns as marking the Anglican Church’s stance on public issues in recent decades. Can they relate to the media

858 Millard, interview.
859 Millard, interview.
860 Coller, interview.
not as another group determined to mark out its territory and defend its right to exist but as a community genuinely committed to the public good. Jensen acknowledges that being ... a genuinely gospel-centred church engaged with the civil body politic is not as straightforward as it sounds. This rhetorical stance recognised the potential for tension between the state and this particular embodiment of the Christian movement in a movement beyond a Christendom relationship with government.

**Baptcare: “We’re going forward in a new way because society is so different”**

I conclude this chapter with a narrative of tactics being employed by Baptcare in an intentional response to a changing social and economic environment framed by its congregational polity and theology. The agency is in the process of implementing a policy that expresses an expanded horizon of mission embodying a commitment to an ecclesial identity that is not an extension of the state.

Baptcare is the community care organisation wholly owned by the Baptist Union of Victoria, providing a comprehensive range of social welfare and human services and programs across Victoria and Tasmania, including residential aged care and retirement units, home support as well as foster care, family and children’s services, disability services and health care services for the homeless. Baptcare's operating revenue for 2012-13 was $129.5m with a net surplus of $10.6m. 78% came from Commonwealth and State governments, 19% from client fees, and 3% from donations, interest on investments and other minor sources. The pattern was similar to 2011-12 with revenue of $122.5m and a surplus of almost $9m. The agency’s ability to fund new programs outside of funding from government contracts is currently dependent on its ability to manage its programs so as to generate a surplus. This financial approach differs from that of diversifying funding sources, though the result of providing a degree of funding independence for the agency aligns it with The Brotherhood of St Laurence and The Wayside Chapel. What is distinctive about Baptcare, for the purpose of this inquiry, is its approach to mission that goes beyond attempting to align contracting decisions with the

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863 “The Church and the World: The Politics of Sydney Anglicanism”.
864 Michael Jensen "Indomitable Sydney? The Challenge of Sydney Anglicanism".
865 McLean, interview.
866 A company limited by guarantee, with the directors appointed by the Baptist Union of Victoria (BUV), with the CEO recommended by the Board but appointed by the BUV. The Chief Executive is responsible for the day-to-day management of Baptcare’s activities as delegated by the Board. Documentation: Appendix B – Baptcare. See also the discussion on Baptcare governance in Chapter Seven.
867 Documentation: Appendix B – Baptcare.
868 Documentation: Appendix B – Baptcare.
agency’s mission, to reconfiguring the scope of its mission to reflect its specific faith character.

At the time of the interviews, the mission development division within the agency was only two years old and had a budget of $3m pa. As the General Manager of the Division, Rev Olivia McLean explained it had commenced with the chaplaincy service, which had about 25 chaplains and pastoral care workers currently comprising half the staff in the division. Only a small proportion of a chaplain’s time is taken up with staff; their focus is on serving clients and residents. Involvement with staff is not encouraged and ... that’s an important thing to say that how we treat our clients and how we treat our staff is not often the same and that’s an area for growth in mission focus for us.\textsuperscript{869} The growth in this area of the agency’s mission has been substantial. Six years ago there were only three or four chaplains. The agency is now committed to putting a fixed 1% of their revenue into pastoral care. At the moment we tie it to the broad revenue stream, the 1%, but where it comes from is profit that we’ve generated. So it doesn’t come from government.\textsuperscript{870}

The mission development team includes research, social policy, community engagement and environmental sustainability. Community engagement has been running for about four to five years starting with a grants program in which $200-$400,000 per annum is made available to Baptist churches for community development work outside the church:

\textit{... it might be a community garden or a playground. It might be to help them establish a meals program. We’ve helped people build kindergartens. We’ve helped people do language translation services or employment services or financial assistance services, so whatever excites that local church to meet a need in their local area.}\textsuperscript{871}

The agency’s engagement with Baptist churches on community development is shifting from simply providing grants, to working more closely with the Baptist Union of Victoria to help churches create a strategic plan:

\textit{... then we might fund a grant, then together the BUV and ourselves might put together a peer network of people doing similar things, then we review it, we offer coaching, so we’re really trying to put a whole package around it ... we really have}
to help them be successful and use the grant to get to somewhere, not to become reliant on a grant.  

There is one specific area of community engagement for which there has been planning by Baptcare but where policy shifts by government have limited implementation. This is the provision of affordable housing for that group in the community where more than 30% of their income goes on rent and they are in danger of falling into emergency accommodation if anything goes wrong. In Melbourne there are 45,000 families, or individuals, who need affordable housing, but there are only 5,000 units of housing available and there is now not one dollar for new affordable housing in the state or federal budgets. The level of need made it a priority for Baptcare.

... when we started planning this, we could find 75% of the funding would come from state or federal government and we would supply 25%, so with our $20 million, we were going to build 80 million of new affordable housing where each house was about 180,000 or less to build on land that we would provide and now we’ve got to find 100%, ... it’s gone from over 300 houses we could build to about 80 unless we can find other funding.

Because policy change has seen the effective withdrawal of government funding Baptcare is now planning on the basis of its community engagement to work with local churches who already own land or already own houses:

... eventually, if we can make it a good rental scheme that works we can start reaching the landlords in the churches ... we’ll be a rental agency on behalf of those churches, on top of that though, to make it work we need to build 50 affordable homes here, 100 there, 300 here because otherwise you can’t build them cheaply enough.

Community engagement has also led to long-term planning toward the development of community hubs by Baptist churches that would include a location for Baptcare services, a café plus facilities for a church on the site. The first one of those will be built in four to five years but the partnership and planning are now underway with BUV and the churches. The hope is that local churches ... can feel that we don’t just ask them for money for our programs, but that we’re in partnership with their local development. This strategic approach is based on the likely situation facing the churches in the next twenty years where it is possible that very few of them will be able to survive on donation by offerings alone because numbers will be smaller.

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872 McLean, interview.  
873 McLean, interview.  
874 McLean, interview.  
875 McLean, interview.
... we need to help churches do more than run church services and it may as well be social entrepreneurship but it ... builds community and makes some money ... that tells the community this is how we are and it also makes the church run.\textsuperscript{876}

Another element of mission is engagement with asylum seekers. In conjunction with Brunswick and West Preston Baptist churches, Baptcare Sanctuary, launched in 2008, provides supported transitional, free or low cost transitional accommodation for asylum seekers living lawfully in the community awaiting the outcome of their application for a Protection visa or humanitarian claim. There are two Sanctuary facilities in Melbourne that provide in addition to accommodation, a range of services including pastoral care, case management, access to support services, medical, legal, counselling etc. and the opportunity to participate in a range of social activities. This involvement provides a grounding for its advocacy activities on asylum seekers, as an expression of the mission of the agency and the life of the church grounded in a fundamental identity to exercise hospitality to the stranger in this case against the grain of government policy. Baptcare provides around $800,000 per annum out of its own funds for the program.

A signature element in Baptcare’s mission development is environmental sustainability. The first step has been to develop energy efficiency plans for all its sites:

... what we’re finding is we’re saving - we’ve done about a third of the sites and that’s generating dollar and energy savings ... we’re rolling out solar and we’re now starting to in our general procurement agreement put sustainability in there and look at our supply chain. ... as we’re building our new buildings we’re making sure there’s environmentally sustainable design principles in it. ... that’s a clear commitment for us to the future and what we’re saying about the majority of our clients who are aged care clients is, “This is for your grandkids and we know that you want to be part of that commitment.”\textsuperscript{877}

The research element in the mission development division is relatively small with one researcher for family and community services and one researcher for aged care. The target is to undertake three new pieces for research each year for each of those two divisions, on issues agreed with the operations team in those divisions. McLean acknowledged that the agency was new to the field and they were working on a cooperative basis with specialist agencies and universities:

... this was a core part of our advocacy, a core part of how we talk to our funder as the government and how we bring social change which we’re passionate about. ... what Baptcare is learning the most is how we translate that knowledge .... If it’s

\textsuperscript{876} McLean, interview.
\textsuperscript{877} McLean, interview.
program change how do we get it to the frontline staff? How do we make sure we use it in all our funding applications? How do we make sure we’re living out our policy?878

Advocacy by the agency grows out of the research and takes an interesting direction in its account of whom it is speaking for:

… our key stakeholders have a faith and part of that faith actually means that we don’t advocate for them. … we’re not there to represent our stakeholders but our stakeholders empower us to represent the voiceless. So we’re actually here for our clients and residents and people in the margins, and we can speak for Baptists but that’s not what we’re here to do, and the Baptists actually say to us, “You’re here to speak on our behalf, on behalf of the voiceless. We empower you to do that. … And then as a Baptist faith-based organisation we’re on about freedom of conscience, local community, and freedom from the state, so we can’t be seen to be an extension of the government.”879

Underpinning the mission of the agency is the agreement by the Board that the agency commits itself to being faith-centred. That doesn’t meant that everyone in the agency needs to be a Christian, but that faith issues are at the centre of what the agency does.

There is a long implementation task here in that as Mclean noted, as general manager of the division, she is specifically responsible for integration of mission throughout the agency. That … tells you straight away how the agency used to think about it. So I’m getting a new staff member half-time starting from July who’s all about mission integration and helping us become a faith-centered organisation.880

The faith commitment of the agency and the affiliation to the Baptist church probably still doesn’t mean much to people on the ground in the agency in McLean’s view. They would be aware of the chaplains and would associate that with the mission of the agency.881 Getting the issue of mission understood more broadly beyond its pastoral care activity is a matter of priority. The location of a mission integration staff worker illustrates the issues at stake. For McLean the position should be located in the Human Resource department … under organisational development, but Human Resources thinks they should sit in mission development.882 This is indicative of the journey toward everyone in the agency having a broad understanding of its mission and character so that everyone can say how they do mission

878 McLean, interview.
879 McLean, interview.
880 McLean, interview.
881 McLean, interview.
882 McLean, interview.
... here’s how working at Baptistcare makes a difference and here’s how I bring that to life. ... what we want to do is create a framework from induction through to exiting ... encourage sites to have their own DNA committees. We’ll probably call it that rather than mission committees ...”

That this can be done in a structured way is a new thought for the agency. McLean wants to systematise it through the organisation, through the identity and culture work that the Human Resources team does. Her concern is to keep the theme and the message to staff simple:

... it’s very easy for agency like this to be about justice, which can end up a bit harsh ...
... So we want to talk about grace. It’s not that justice doesn’t matter with our advocacy and social policy, we’ll be about transformation, but always coming from that place of grace. We know that one of the top three reasons for staff working at Baptistcare is its Christian origins and heritage, at least, if not its current living Christian bias. We don’t know how many people are of faith. ... So I assume all the time I’m talking to people who don’t know anything at all about Christian faith.”

Theology and Engagement

These narratives have highlighted the intentional and reflective response by agencies, their leadership and key stakeholders to maintain their identity while remaining actively engaged in seeking community flourishing. The application of tactics of response and resistance, within the specific context of each agency in these narratives, reveals the importance of an intentional reflective approach by leadership over time in carrying, interpreting and reinterpreting and communicating the founding stories and empowering commitments that drove the agency. While theological language and frameworks are present in shaping the articulation of identity and mission in these narratives, the challenge is finding ways to communicate these understandings to staff in a community that is increasingly distant from an understanding and practice of Christianity.

The theological accounts and ecclesial frameworks that underpinned the efforts by agencies in the narratives in this chapter to retain their identity and mission were diverse. Behind that diversity, what they shared was the necessity to articulate a position as an organisation that placed them in a relationship of tension with, and distance from, the contemporary nation-state. Here I refer to the structural dynamics charted in the theological orientations developed in Chapter Two where the Christian

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883 McLean, interview.
884 McLean, interview.
movement was involved in an ongoing re-articulation of an exilic identity, and in
Chapter Three with an account of the state in which its historically-developed capacity,
reach and recurring claim to a sacral basis makes the maintenance of a relationship of
tension increasingly necessary and difficult.

The narratives in Chapter Nine and Chapter Ten marked out the extremes of
conformity and resistance to contracting by government with church-related agencies
and were presented precisely for that reason. Providing further narratives of agency
response for this inquiry, while they would have provided richer detail and greater
nuance on the impact of isomorphic pressures, and the asymmetry of power in the
relationship to the state, on agencies and their tactics of response, would not have
altered the substantive findings of this inquiry. The narratives here provide both
guidance for future research, a starting point for agencies in reflecting on questions of
mission and identity, and an awareness of the importance of bringing theological
reflection on the character of the contemporary nation-state into that reflective process.
Conclusion: findings on (not) becoming an extension of the state in an era of contracting

As discussed in Chapter Four the pattern of church engagement in the delivery of social welfare in Australia that emerged from its geography, historical development and constitutional provisions is very different from that in the UK, the US and Europe, though they have points of connection with all three jurisdictions. The findings that have emerged from the inquiry, and been reported through the course of Part Two, need to be read carefully against that background. I have brought those findings together in a connected way under the following headings:

- Contracting and becoming an extension of the state.
- On not becoming an extension of the state.
- Looking forward, after glancing in the rear view mirror.

Contracting and becoming an extension of the state

In Chapter Two I provided a series of snapshots of theological accounts of the tension of seeking the flourishing of the city in an exilic context, as a resource for exploring the impact on church-related agencies of contracting with the state for the delivery of social welfare. These are set in Chapter Three against an account of the contemporary nation-state in its bureaucratic and sacral modes of operation with which agencies must engage. The inquiry was an attempt to identify qualitatively the impact of the isomorphic pressures on agencies that might drive them to becoming extensions of the state.

After nearly two decades of contracting and with relatively high levels of financial dependency on government, the evidence reported in Chapter Seven did not point to an automatic relationship between a high dependence on government funding and a lower level of ecclesial connections. The diverse pattern of responses around this relationship suggested that assessing the impact of the pressures of contracting required paying attention to the significance of denominational governance and multiple factors at an individual agency level. Despite this qualification, interviews with agency management and board members confirmed that the processes identified in the literature with respect to the impact of contracting, particularly arising from the asymmetry of power
in contract provisions and government reporting requirements presented a continuing challenge to agencies to maintain their focus on mission and identity.

The narratives of the experience of individual agencies in Chapter Nine demonstrated that contracting can have a powerful impact where the asymmetry of power resulted in agencies functioning as an extension of the state, particularly in ‘command and control’ contracting. Here the state operated in its bureaucratic mode with increasingly tight specification of outcomes, processes, reporting requirements and financial incentives to ensure rigid agency compliance. This constrained agencies in their program delivery, preventing them from embodying their mission commitments to serve the most vulnerable people and facilitating participation in the wider community.

Whether the shift towards functioning as an extension of the state through engagement in such contracting necessarily shifts the agency into that status in its other engagements with government depends upon a variety of factors, including the relative financial importance of that contract. The case of the Salvation Army, narrated in Chapter Nine, is interesting in that of the largest agencies in the inquiry, it was the least financially dependent upon government funding but found itself heavily involved in both ‘command and control’ contracting in employment services and acting for the state operating in its sacral mode in providing services for offshore asylum seekers. Contracting that drives agencies toward becoming an extension of the state can result from the state operating both in its sacral and its bureaucratic mode where most of the attention on the impact of contracting has been paid. The provision of programs related to refugees and asylum seekers, on behalf of a state asserting its sovereignty, was in fundamental conflict with the humanitarian logic of mission commitments of the Salvation Army. This involvement imported that conflict into the agency and was manifested in tension between management responsible for implementation of the contract and staff members seeking to assert the underlying commitments of the agency. Both narratives of the Salvation Army experience of contracting exemplified differing possibilities for becoming an extension of the state. The evidence suggested that the decision-making process in the Army, though informed by mission considerations, did not engage substantially with theological perspectives with respect to assessing the impact of the state on the agency.
The pressures driving mission drift and the collapse of tension between the agency and government were associated, in the view of agencies, with the importation of managerialist culture and bureaucratic processes that came with reporting and management of contractual requirements, whose demands drew management attention away from issues of agency mission and purpose, as identified in Chapter Eight and Chapter Ten. These processes were driven by both a power imbalance between agencies and government and a specification of outcomes in the contracts as silos of deliverables that were at odds with agencies’ commitment to mission in a more holistic and community-oriented frame. The power imbalance was manifested in provisions enabling the government to cancel contracts arbitrarily at short notice, delays in decision-making about contract renewal, setting payments at levels below cost of providing services, largely at the state and territory level, and indexing provisions below the increasing cost of services year on year at the Commonwealth level.

**On not becoming an extension of the state**

Differences in governance may make agencies more or less vulnerable to isomorphic processes. The effectiveness of governance arrangements in supporting agency tactics of resistance depended upon agency and stakeholder leadership and intentionality. In general, Catholic diocesan agencies had a clear theological and governance structure within which questions of mission could be, and frequently seem to have been, tested. How well this ecclesial arrangement actually worked in maintaining missional identity depended on a number of factors including the leadership of the agency CEO, the interest and support of the bishop and their relationship in sharing of vision with the staff. All these connections need to be in place to ensure effective maintenance of mission identity. In the Anglican context the governance structure of the Brotherhood, which predated the contracting era, has proved relatively effective in maintaining a reflective process around questions of mission within the agency. Among the Anglican diocesan agencies the evidence suggested that intentional action by leadership was important to maintaining or loosening that alignment.

There was indicative evidence that differences in the UCA governance structure between synods in different states may either buffer or amplify isomorphic pressures arising from contracting. The impact on patterns of relationship between agencies and synod arising from different structures in Western Australia, South Australia and the
eastern states respectively would seem to be worth further exploration than was possible in this inquiry. Beyond the major denominational families the evidence suggested that maintenance of strong ecclesial identity did not necessarily require an ongoing connection to a denomination or congregation, though it did require intentionality in the construction and implementation of governance arrangements and their implementation consistently over time to maintain the connection to the Christian movement and make it operative.

Some agencies have actively and intentionally responded to the pressures exerted by the bureaucratic character of the state manifested in its utilitarian shaping of social welfare programs. This response has been expressed in theologically-shaped commitments to an account of the person and community not encompassed in the utilitarian calculations and language of policy in government contracts. The importance of intentionality by leadership was critical in an agency resisting becoming an extension of the state and was a precondition for effective implementation of tactics of response and resistance. The narratives in *Chapter Ten* identified the range of tactical options available to agencies and the significance of implementing a range of tactics.

The decision to resist the pressures of contracting in agencies covered by the inquiry was not associated with any specific theological stance or ecclesiology though reference to theological theme, ecclesial tradition or founding narrative was usually part of the process. What was critical was a fundamental commitment by the board or leadership to an agency’s mission and identity in shaping the rationale for its ongoing existence. An agency stance involved an acknowledgment of a claim that overrode, if necessary, the state’s account of what agencies were there to do. The role of boards and leadership in owning, carrying and taking the lead in communicating and interpreting the founding story and/or charism of the agency was crucial.

A strong negative impact of contracting on freedom of agencies to undertake advocacy, suggested in much of the literature, was not supported by my findings. At the individual agency level, most of the larger church-related agencies reported that contracting had not constrained their advocacy activities. This is significant given that smaller agencies do not have much by way of resources to devote to advocacy however they are funded, and the larger agencies were more likely to have been involved in advocacy anyway.
What was more significant, though, was my finding, not anticipated in the literature, of an emergent response to the shift to contracting at a sector level as discussed in **Chapter Nine**. This was manifested in the growth and development of the denominational coordinating agencies and the emergence of a coordinated response by them undertaking policy advocacy. They were individually and collectively much less vulnerable to government payback or financial disciplining than individual agencies. The evidence is clear of a response at a regional level by coordinating agencies to issues of identity. This finding is significant because it directs attention to unanticipated consequences of the shift to contracting at a sector level.

Applying tactics that respond to the situation within the specific context of each agency was an ongoing task. Tactics that were prominent in the narratives included, taking an intentional approach to:

- reducing the level of financial dependency on government contracts;
- ensuring active ownership of the agency tradition, founding story, or charism by the leadership and board that expresses a confidence in the distinctiveness of that identity in a pluralist and post-secular context;
- maintaining clarity around governance and alignment with stakeholders in development of mission priorities and assessment of which contracts will be entered into;
- sustaining partnerships that are supportive of mission; and
- intentionality in communicating the distinctives of the mission to staff, and translating that mission to communicate it to staff who were not familiar with the Christian story and practices.

These elements imply a positioning of church-related agencies in a situation of ongoing tension in relationship to government, seeking to work cooperatively with the state, while maintaining a character and mission independent of their relationship with the state. Theological reflection was present in shaping the articulation of identity and mission in these narratives and was ideologically generative of the tension for agencies in engagement with government. All this needs to be understood against a background of statements of mission by agencies are richer than the bureaucratic language of contracting and appealed to an account of human flourishing in which human identity is not limited by and subsumed in the sacred character claimed by the state.
Themes for attention in a time of flux

Having provided above a measured summary of the findings of my research, I now move on to suggest some options for action by agencies’ to guide their response to the emerging policy environment. This commentary must by its nature be both normative and speculative in character.

The flux of public policy is such that as I was writing up the findings on the impact of contracting, a significant shift in funding technology, through the establishment of the National Disability Insurance Scheme (NDIS), was already underway. NDIS clients will now make their own choice about the provider of their package of approved services. The same change has been made in aged care provision through MyAgedCare. In addition, the Productivity Commission has been commissioned to conduct an inquiry into the possible further marketization of social and human services, and had released a discussion paper for public comment. Given these ongoing changes to the policy environment, and the turbulence about the role of ‘religion’ in a post-secular context, I thought it would be helpful to flag some themes, drawing on my findings that are likely to be relevant to church-related agencies as they chart their future. This turn from analysis to recommendations brings with it a shift of voice from the detached and academic to a normative in content and advisory in tone. I laid the basis for this move in Chapter One in my account of this research as being undertaken as an insider to the Christian movement seeking to assist church-related agencies in reflection on their mission.

The themes that should be taken up by agencies if they are to intentionally work against the pressures to become an extension of the state that I will briefly discuss here are:

- Theology matters in thinking about agency’ mission, governance, and just about everything not just issues of ‘faith’ and ‘religion’
- Bureaucratic processes can be powerful and distracting
- The sacred migrates and may surface in the behaviour of the state
- The post secular context: opportunity, challenge and disruption
- Keep your eyes on the prize and hold on – to the stories
Theology matters for thinking about agency mission, governance and just about everything not just issues of ‘faith’ and ‘religion’

Theology is an important resource for critical thinking by a church-related agency about its mission, governance and just about everything related to the way it operates, not just questions that we tend to put in those separate categories of ‘faith’ and ‘religion’. The relationship between agencies and their stakeholders, particularly churches, requires attention to governance and ecclesiology. The failure of agencies to be attentive to theological issues in their internal operations has been laid bare in the *Royal Commission into Institutional Response to Child Sexual Abuse* which has revealed among many other things how the imperative for institutional survival and self protection went unchallenged in agencies because the founding stories and accounts of mission were not attended to in the decision processes.

Attention to theological resources can help provide accounts and practices of the mission that go beyond treating people as clients and that are informed by substantive theological accounts of personhood and community. The significance of Catholic Social Teaching for example, was clearly identified in my research as an important factor in decisions about agency involvement (or not) in employment service contracting.

**Bureaucratic processes can be powerful and distracting**

The pressures of contracting with the state in its bureaucratic mode can be debilitating for the agency as an institution, for the staff and most critically for those the agency is seeking to serve. Here the processes by which the ‘deadening hand’ of bureaucratic processes can work its way through an agency have been identified in the account of employment services in *Chapter Nine*. Reporting to the contracting agency can become the focus of management’s attention distracting from carrying out the purposes which the agency was set up to serve. This accompanied by an agency developing a matching culture in which processes instead of people come to predominate.

These challenges are not likely to decrease as changes in funding technology will almost certainly bring with them further shifting of risk and accountability from government to contracting agencies, dragging management attention towards processes rather than outcomes. As was illustrated in *Chapter Nine*, dealing with the state in its bureaucratic mode is engaging with a fundamentally utilitarian calculus that remains permanently at
odds with agency commitments to human value, spiritual reality and community formation. Attending to the foundational narratives in the decisions to tender for contracts and how agencies determine to proceed with contracts is vital in maintaining institutional credibility and genuine service to the vulnerable.

The ‘sacred’ migrates and may surface in the behaviour of the state

The ‘sacred’ is a power and a force whose presence is not confined to churches and related ‘religious’ bodies but can migrate into the state and which then lays claims over individuals and institutions which have an unchallengeable, sacral, character. Church-related agencies entering into contracts with government when it is operating in a sacral mode, as it clearly did in the case of contracting for offshore services for asylum seekers, face the risk of conflict within the agency, in relationships with sponsoring bodies, the government and the public at large in navigating between the claims of the church and the state. What is at stake here is a clash between conflicting manifestations of the sacred with its claim to ultimate authority over against the claims of God. Beyond offshore processing areas of contracting this sacral dimension may emerge in contracting for defence and security services, and community engagement in de-radicalisation. The presumption drawn from a Christendom mentality that agencies can, and should, automatically rely on the state, and assume that such reliance is unproblematic needs to be discarded.

The post-secular context: opportunity, challenge and disruptions

In a post-secular context agencies have space, if they are willing to claim it, to be clear in articulating the Christian basis of their mission, though they face challenges in being creative in the language they use in communication and rigorous in ensuring that the agency is accountable and transparent about its attempts to live out that mission, particularly in the light of institutional failures particularly around care of children through the late twentieth century. Riding the disruptions of the post-secular with integrity will require a consistent commitment to a principled public pluralism for differing traditions of belief and practice.

For leaders keep your eyes on the prize and hold on to the stories

The key role for leaders is as the American folk song made popular in the civil rights struggles puts it is to "Keep your eyes on the prize, hold on’; that is to maintain a clarity
of vision and hold on to the founding, animating and guiding story of the agency, communicating it to staff and embodying it in the leadership and decision process. This is demonstrated with particular clarity in the approach of both The Wayside Chapel, and Rockhampton Centacare, in which commitment to mission is the overriding criteria for assessing whether or not to entering into government contracts.

**Ending where we began**

Consistent with the dialectic that was sketched at the beginning of the thesis, I have brought back into view here the theological perspectives that shaped the research. The theological theme of being in exile, living in tension with the state yet seeking the flourishing of the city, provided an approach which has helped me to both identify and interpret what has been at stake for church-related agencies in contracting with government. I have demonstrated that a critical approach to the state, its character and operation needs to become part of both the theological reflection, and decision-making processes of church-related agencies. It provides an interpretive perspective for agencies in the current and immediate post-secular environment, that queries both the assumptions of close linkage with the state carried over from Christendom assumptions and that of public irrelevance arising from an uncritical acceptance of a now highly contestable secularisation narrative.

I return to where I began this inquiry, with the direction by the prophet Jeremiah to those in exile, to seek the flourishing of the city in which they found themselves. This injunction in its subsequent reinterpretations, proved to be fruitful in keeping alive the tension of engagement in situations of not being in control. As this inquiry has demonstrated empirically, it offers an orientation for engagement by the Christian movement in the Australian community both in and beyond an era in which social welfare provision has been powerfully shaped by government contracting.
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APPENDICES

Appendix A: Interviewees

Appendix B: Agency documentation

Appendix C: Conference presentations and publications
## APPENDIX A: INTERVIEWEES

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<th>Interviewee</th>
<th>Position(s)</th>
<th>Organisation(s)</th>
<th>Interview Location</th>
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<tr>
<td>Rev Lynn Arnold</td>
<td>Former CEO</td>
<td>Anglicare SA World Vision Australia</td>
<td>Nth Adelaide (SA)</td>
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<td></td>
<td>Former CEO</td>
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<td>Paul Arnott</td>
<td>Director</td>
<td>Churches of Christ Community Care Victoria &amp; Tasmania</td>
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<td>Sue Ash</td>
<td>CEO</td>
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<td>Rev Jim Barr</td>
<td>Former Pastoral Associate</td>
<td>Melbourne City Mission</td>
<td>Melbourne CBD (Vic)</td>
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<td>Ruth Barr</td>
<td>Manager</td>
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<td>David Beaver</td>
<td>Director</td>
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<td>Canberra (ACT)</td>
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<td>Peter Bicknell</td>
<td>Board Chair Formerly CEO</td>
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<td>Fr. Joe Caddy</td>
<td>CEO</td>
<td>Catholic Care Archdiocese of Melbourne</td>
<td>East Melbourne (Vic)</td>
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<td>Kasy Chambers</td>
<td>Executive Director</td>
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<td>Acting Director Community Care</td>
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<td>Rev Glen Cox</td>
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<td>Libby Craft</td>
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<td>Manager of Government Relations</td>
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<td>Lin Hatfield-Dodds</td>
<td>National Director</td>
<td>UnitingCare Australia</td>
<td>Canberra (ACT)</td>
<td>6/2/2014</td>
</tr>
<tr>
<td>Rhonda Held</td>
<td>Consultant</td>
<td>UnitingCare Australia</td>
<td>Melbourne CBD (Vic)</td>
<td>11/3/2014</td>
</tr>
<tr>
<td>Otto Henfling</td>
<td>CEO</td>
<td>Catholic Social Services, Parramatta Diocese</td>
<td>Parramatta (NSW)</td>
<td>29/1/2014</td>
</tr>
<tr>
<td>Pastor Grant Hobbs</td>
<td>Senior Pastor</td>
<td>Liberty Hill Christian Church</td>
<td>Chullora (NSW)</td>
<td>25/2/2014</td>
</tr>
<tr>
<td>Nicole Hornsby</td>
<td>Manager</td>
<td>Baptistcare</td>
<td>Camberwell (Vic)</td>
<td>11/6/2014</td>
</tr>
<tr>
<td>Dr Ricki Jeffery</td>
<td>Director</td>
<td>Centacare, Diocese of Rockhampton</td>
<td>Yepoon (Qld)</td>
<td>9/5/2014</td>
</tr>
<tr>
<td>Rt Rev Chris Jones</td>
<td>Chair CEO</td>
<td>Anglicare Australia, Anglicare Tasmania</td>
<td>Canberra (ACT)</td>
<td>11/2/2014</td>
</tr>
<tr>
<td>Dr Stephen Judd</td>
<td>CEO</td>
<td>HammondCare</td>
<td>Sydney CBD (NSW)</td>
<td>12/12/2013</td>
</tr>
<tr>
<td>Peter Kell</td>
<td>Formerly CEO</td>
<td>Anglicare Sydney</td>
<td>Wollongong (NSW)</td>
<td>5/3/2014</td>
</tr>
<tr>
<td>Pastor Paul Llewellyn</td>
<td>Pastor</td>
<td>Doveton Baptist Church</td>
<td>Doveton (Vic)</td>
<td>22/1/2014</td>
</tr>
<tr>
<td>Rev Graham Long</td>
<td>CEO &amp; Minister</td>
<td>The Wayside Chapel</td>
<td>Kings Cross (NSW)</td>
<td>14/1/2014</td>
</tr>
<tr>
<td>Rev Peter McDonald</td>
<td>UCA Minister, Manager Advocacy &amp; Community Relations</td>
<td>Uniting Communities SA</td>
<td>Adelaide CBD (SA)</td>
<td>31/3/2014</td>
</tr>
<tr>
<td>Rev Olivia McLean</td>
<td>Director of Mission</td>
<td>Baptistcare</td>
<td>Camberwell (Vic)</td>
<td>11/6/2014</td>
</tr>
<tr>
<td>Dr Tony McMahon</td>
<td>Director</td>
<td>Centacare, Diocese of Townsville</td>
<td>Townsville (Qld)</td>
<td>2/5/2014</td>
</tr>
<tr>
<td>Grant Millard</td>
<td>CEO</td>
<td>Anglicare Sydney</td>
<td>Parramatta (NSW)</td>
<td>24/2/14</td>
</tr>
<tr>
<td>Phil Murray</td>
<td>Former National Manager</td>
<td>Catholic Social Services Australia</td>
<td>Canberra (ACT)</td>
<td>24/1/2014</td>
</tr>
<tr>
<td>Tony Nicolson</td>
<td>CEO</td>
<td>Brotherhood of St Laurence</td>
<td>Brunswick (Vic)</td>
<td>21/1/2014</td>
</tr>
<tr>
<td>Frank Quinlan</td>
<td>Former Executive Director</td>
<td>Catholic Social Services Australia</td>
<td>Canberra (ACT)</td>
<td>18/11/2013</td>
</tr>
<tr>
<td>Peter Sellwood</td>
<td>Director</td>
<td>Centacare, Archdiocese of Brisbane</td>
<td>Brisbane CBD (Qld)</td>
<td>12/5/2014</td>
</tr>
<tr>
<td>Prof Paul Smyth</td>
<td>Professor of Social Policy</td>
<td>University of Melbourne</td>
<td>Melbourne University (Vic)</td>
<td>12/3/2014</td>
</tr>
<tr>
<td>Steve Sutton</td>
<td>Formerly minister</td>
<td>Soulcare Newcastle</td>
<td>North Fitzroy (Vic)</td>
<td>4/12/2013</td>
</tr>
<tr>
<td>Prof John Warhurst</td>
<td>Emeritus professor</td>
<td>Australian National University</td>
<td>Canberra (ACT)</td>
<td>7/11/2013</td>
</tr>
<tr>
<td>Marilyn Webster</td>
<td>Former manager</td>
<td>Good Shepherd Youth and Family Services</td>
<td>Melbourne CBD (Vic)</td>
<td>5/12/2013</td>
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</tr>
<tr>
<td>Michael Yore</td>
<td>Former CEO</td>
<td>Good Shepherd Youth and Family Services</td>
<td>East Melbourne (Vic)</td>
<td>23/5/2014</td>
</tr>
</tbody>
</table>
APPENDIX B: AGENCY DOCUMENTATION

The documentation consulted in the course of the research, listed below, by agency, were last accessed 21 April 2016.

**A**nglicare Australia
- Website: [http://www.anglicare.asn.au](http://www.anglicare.asn.au)

**A**nglicare NSW South, NSW West, ACT

**A**nglicare SA
- Website: [https://anglicaresa.com.au/](https://anglicaresa.com.au/)

**A**nglicare Sydney
Website: [https://www.anglicare.org.au/](https://www.anglicare.org.au/)
- *The Gospel and Anglicare* – Adopted as a work in progress Anglicare Council 2007
- *Sydney Anglican Home Mission Society Ordinance 1981 as amended by the Sydney Anglican Home Mission Society Ordinance 2009*

**A**nglicare Tasmania
- Website: [https://www.anglicare-tas.org.au/](https://www.anglicare-tas.org.au/)
- About: [https://www.anglicare-tas.org.au/](https://www.anglicare-tas.org.au/)

**A**nglicare Victoria
- Website: [https://www.anglicarevic.org.au/](https://www.anglicarevic.org.au/)

**B**aptist Care Australia
- Website: [https://www.baptistcareaustralia.org.au/](https://www.baptistcareaustralia.org.au/)
Baptcare
• Website: http://www.baptcare.org.au/
• About: http://www.baptcare.org.au/why-baptcare
• Annual Reports: http://www.baptcare.org.au/why-baptcare/about/annual-reports

BaptistCare
• Website: https://baptistcare.org.au/
• About: https://baptistcare.org.au/about/
• Annual Reports: https://baptistcare.org.au/about-baptistcare/publications/

Brotherhood of St Laurence
• Website: https://www-bsl.org.au/
• About: https://www-bsl.org.au/about/
• Annual Reports: https://www-bsl.org.au/about/annual-reports/

CatholicCare Archdiocese of Melbourne and Diocese of Gippsland
• Website: http://www.ccam.org.au/
• About: http://www.ccam.org.au/AboutUs1/AboutUs.aspx
• Annual Reports: http://www.ccam.org.au/AboutUs1/MediaCentre/Publications/AnnualReports.aspx

CatholicCare Social Services, Diocese of Parramatta
• Website: http://www.ccss.org.au/
• About: http://www.ccss.org.au/#
• Annual Reports: http://www.ccss.org.au/publications---resources/annual-reports/annual-reports.aspx

CatholicCare Victoria and Tasmania
• Website: http://catholiccarevictas.org.au/

Catholic Social Services Australia
• Website: http://www.cssa.org.au/
• Annual Reports: http://www.css.org.au/Publications/Annual-Reports

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Catholic Social Services Victoria
- Website: http://www.css.org.au/About-Us/About-Us

Centacare Ballarat
- Website: http://www.centacareballarat.org.au/

Centacare Brisbane
- Website: http://centacarebrisbane.net.au/
- About: http://centacarebrisbane.net.au/about/overview/
- Annual Reports: http://centacarebrisbane.net.au/about/annual-reports/

Centacare Rockhampton
- Website: http://www.centacare.net/
- About: http://www.centacare.net/index.php/about-us

Centacare Townsville
- Website: http://www.centacarenq.org.au/
- Annual Reports: http://www.centacarenq.org.au/about/annual-reports/

Churches of Christ Care Queensland

Churches of Christ Community Care (Victoria and Tasmania)
- Website: http://www.churchesofchrist.org.au/communities

Discovery Community Care
- Discovery Community Care Inc. Special Purpose Financial Accounts for the Financial Year ended 30th June 2013
Doveton Baptist Benevolent Society
- Website: http://www.dovetonbaptist.com.au/Pages/default.aspx
- Doveton Baptist Benevolent Society Inc: Balance Sheet Previous Year Comparison as June 30, 2013

Exodus Foundation
- Website: https://www.exodusfoundation.org.au/
- About: http://www.exodusfoundation.org.au/about

Good Shepherd Youth and Family Services
- Website: http://www.goodshep.org.au/

HammondCare: An independent Christian charity
- Director’s Manual
- Constitution

Hillsong Citycare
- Website: https://hillsong.com/citycare/
- Annual Reports: https://hillsong.com/citycare/about/

Lutheran Community Services
- Website: https://www.lccare.org.au/

MacKillop Family Services
- Website: https://www.mackillop.org.au/
- Annual Reports: https://www.mackillop.org.au/annual-reports

Melbourne City Mission
- Website: https://www.melbournecitymission.org.au/
- About: https://www.melbournecitymission.org.au/about/who-we-are-what-we-do
- Annual Reports: https://www.melbournecitymission.org.au/about/reading-room/annual-reports
Mission Australia
- Website: https://www.missionaustralia.com.au/

St Lukes Bendigo
- Website: http://www.stlukes.org.au/
- Annual Reports: http://www.stlukes.org.au/Pages/About_Us/Annual_Reports.aspx

St Vincent de Paul National Council of Australia
- Website: https://www.vinnies.org.au/page/About/Our_Structure/National_Council_of_Australia/

Samaritans
- Website: http://www.samaritans.org.au/

Salvation Army Eastern Territory
- Website: https://salvos.org.au/
- Frequently asked questions: http://hms.salvos.org.au/faqs/#one

Salvation Army Employment Plus

Salvation Army Southern Territory
- Website: http://www.salvationarmy.org.au/Contact/

The Wayside Chapel
- Website: https://www.thewaysidechapel.com/
- About: https://www.thewaysidechapel.com/about-us.php
- Annual Reports: https://www.thewaysidechapel.com/annual-report.php
United Communities (SA)
• Website: http://www.unitingcommunities.org/
• About: http://www.unitingcommunities.org/about-us/mission-and-values/
• Annual Reports: http://www.unitingcommunities.org/keep-informed/publications/

UnitingCare Wesley Port Adelaide
• Website: http://www.ucwpa.org.au/
• About: http://www.ucwpa.org.au/

UnitingCare West
• Website: http://www.unitingcarewest.org.au/

UnitingCare Australia
• Website: http://www.unitingcare.org.au/

UnitingCare Queensland
• Website: http://unitingcareqld.com.au/

Wesley Mission (Sydney)
• Website: https://www.wesleymission.org.au/
• About: https://www.wesleymission.org.au/home/our-story/
• Annual Reports: https://www.wesleymission.org.au/home/our-words/annual-review/

Wesley Mission Victoria
• Website: https://wesley.org.au/
• About: https://wesley.org.au/our-organisation/
• Annual Reports: https://wesley.org.au/publications/
APPENDIX C: CONFERENCE PRESENTATIONS AND PUBLICATIONS

Conference & seminar presentations


• Douglas Hynd. 2015. “Church-related social welfare coordinating agencies in an era of government contracting: case studies in advocacy, coordination, and making public space more complex” Australian Political Studies Association Annual Conference 2015, University of Canberra, Canberra, ACT, September, 2015.


Publication