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Conclusion

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An appetite for change

The workshop ‘Cross-Sector Working for Complex Problems: Beyond the rhetoric’ amply demonstrated that there is an appetite for more effective collaboration and engagement across sector boundaries. Some in the audience might have gone away somewhat deflated or disappointed because they came looking for ready-made solutions to long-standing and entrenched systemic, institutional, political and cultural barriers to cross-sector working. This is not because the presenters confined themselves to the task of setting out problems; indeed, solutions to vexing problems of meeting complex needs—or, at the very least, pathways *towards* solutions—figure strongly in the chapters contained in this volume.

Rather, it is more likely because each of the contributors has also been clear that failures to implement *effective* cross-sector working are largely due to the twin effects of institutional inertia and path dependence. Each of the contributors spoke to the constraints imposed by an authorising environment that privileges process over results. A number alluded to the difficulty of driving and sustaining a change agenda in the face of political timidity, a combative political culture and a hyper-vigilant media.

This was not the first time these issues have been aired, nor will it be the last. However, a number of authors discussed examples of change too, indicating that experiments are at least being made. We should take heart in the knowledge that while progress might be slow, the conversation will continue. So, let us take this opportunity to reflect on some of the critical gaps and disconnects that make the task of working across sector boundaries so difficult.

Gaps and disconnects

The 'disconnect' between words and actions is a central concern for each of the authors contributing to this volume. Also of concern are the gaps and disconnects that frequently plague the understandings and expectations of the community, legislators, the public service, non-state policy actors and those whose lives are directly affected by public policy; the legislative and regulatory architecture within which institutions and organisations are obliged to function; the rules and values that guide the behaviour and shape the perceptions of policy actors; as well as the aims and practical consequences of policy interventions.

These gaps and disconnects have greater consequence in today's reality of institutional and cross-sectoral interdependence. In Chapter 10, Dale Tweedie, for example, considers the varieties of disconnect that can occur in relation to accountability frameworks. Tweedie observes that despite the *intentions* of not-for-profit (NFP) organisations to be accountable for service quality, accountability can be impaired by the very reporting, governance or regulatory practices designed to provide assurance. This is reinforced by David J. Gilchrist in Chapter 4, highlighting the difficulty policymakers have in meeting the demands of red tape reduction in the context of increasingly complex individualised service delivery funding arrangements.

Gaps and disconnects are not confined to the realm of praxis; they also affect our understandings of sectoral relations at the meta-institutional level. In effect, NFP researchers and policymakers are hobbled by concepts and terminology that do not adequately or accurately represent the contemporary institutional or policy landscape. Furneaux and Ryan (2014) observe, for example, that

existing conceptualisations and characterisations do not capture the complexity and variability of observed government/NFP relationships in contemporary Australia.

It is also important to recognise that policymaking in the NFP space is frequently plagued by an unhelpful tendency to conflate policies aimed at strengthening civil society (volunteering policy, social inclusion, self-reliance) with those aimed at ensuring that NFP service providers have the requisite capacity and capability to act as reliable partners to government (Dalton and Butcher 2014).

An abundance of rhetoric

Joined-up government, crosscutting solutions, networked governance, collaboration and cross-sector working—language such as this has been employed since the closing decades of the previous century to accentuate the importance of policy actors engaging across institutional, domain and sectoral boundaries to address complex policy problems. However, cross-sector working requires an appetite for risk that is often lacking in the public and NFP sectors, where conservatism, risk aversion and path dependence are well entrenched.

Peter Shergold made this point powerfully in his opening address to the workshop that provided the catalyst for this volume. Reflecting on lessons drawn from a distinguished career as a senior public servant and on his later experiences advising the WA and Victorian governments on more effective engagement across sectoral boundaries, Shergold suggested that the potential for cross-sector working had been ‘sold short’. He offered this stark observation: ‘Cross-sector working has been marked by failure—failure of implementation, but much more important, failure of imagination and failure of nerve’ (Butcher and Gilchrist 2015).

At the outset of his address, in his personal acknowledgement of country, Shergold made the following ‘confession’: ‘I, too, acknowledge that we meet on Aboriginal land. But more importantly, I acknowledge my part in helping to design and deliver programs over many years in the public service that did so little to address the gap of disadvantage that still exists.’

This was a poignant admission, and it spoke powerfully to the organising theme of the workshop: bridging the gap between policy rhetoric and policy reality.

The dynamics of dependence

It has long been recognised that NFP organisations—particularly those operating in the community social services space—are vulnerable to resource dependence on government. Fifteen years ago, Froelich (1999: 246) reflected—almost wistfully—that ‘in our casual, naive, or maybe wishful thinking’, we prefer to think of the NFP organisation ‘as traveling an unfettered path in pursuit of its goals, free of mundane concerns associated with resource acquisition’. For this reason, she suggests:

[W]e are troubled by the digressive efforts and peripheral activities associated with revenue-seeking behaviour. We worry and speculate about mission dilution and legitimacy erosion as distractions emerge from the necessary economic endeavours. Yet, these are and always have been the facts of life for a nonprofit organisation. (Froelich 1999: 246)

Few Australian non-profit scholars or policy practitioners today would disagree with Froelich’s observation that:

As nonprofits strive to reduce their vulnerability to income uncertainties and the influence of resource providers, they have moved away from concentrated dependence on a single revenue strategy. Revenue diversification brings new concerns and greater complexity. The wider variety of management tasks diverts more resources from mission-oriented efforts, and the growing number of constraints requires a delicate balance of often conflicting demands. (Froelich 1999: 263)

Froelich was, of course, writing about the experience of the NFP sector in the United States, where purchase-of-service contracting by government was already well entrenched by the late 1990s. Indeed, Jennifer Wolch, in her prescient book *The Shadow State: Government and voluntary sector in transition* (1990), warned that contracting almost inevitably lead NFP organisations to commodify their services and, as a consequence, transform their values.

Although Australian governments were somewhat slower to divest themselves of responsibility for the direct provision of community-based social services, the transition to a near total reliance on contracted service delivery in this country is almost complete. And it has to be said that the ascendancy of competitive tendering and contracting—particularly in the human services space—has had a transformative effect on the operations of many NFP organisations (Considine et al. 2014). As a result, there is in Australia today widespread concern in the NFP sector about the potential for ‘mission drift’.

For example, the Director for Strategic Engagement at UnitingCare NSW & ACT, Doug Taylor, has suggested in an online post that the mission of many NFPs has become ‘defined by the sum total of their Government contracts’, leaving ‘no place for working collaboratively with the community’ (Taylor 2015). He went on to say:

A symptom of this disease is the way in which many organisations conduct their strategic planning. I’ve been in organisations who plan on the basis of where they can get their next Government contract instead of looking at the community and discerning opportunities to meet unmet needs in line with their inherent mission and capability. (Taylor 2015)

Taylor’s views give expression to widely shared fears about a debasement of the ‘civil’ in ‘civil society’ as a consequence of a triumph of market logic over the traditional values-driven missions of NFP organisations.

Any fears about the hollowing out of NFP ‘values’, however, need to be weighed against the implications of the hollowing out of state capacity and capability. Arguments in favour of externalised service provision are usually framed in terms of highly desirable ends such as value for money to taxpayers, improved efficiency and effectiveness or more choice and ‘agency’ for service users. There are concerns, nevertheless, among policy scholars and policy practitioners about the implications of a degraded capacity within the public sector to deliver the depth of thinking necessary to steer the kind of policy development and adaptation required to meet the challenges of problem complexity.

Australian governments—in particular, state and territory governments—depend as never before on external service providers to deliver a variety of public services via structured procurement

processes (Alford and O’Flynn 2012; Davidson 2011). It is estimated that in Australia today more than \$26 billion of public services are delivered by NFP organisations each year (Knight and Gilchrist 2014). Furthermore, competitive procurement processes have largely displaced grant-based funding as the preferred form of government investment in the NFP sector. Is the function of the public sector to become merely that of a contract manager? Is this what is necessarily implied by the contemporary enthrallment with ‘commissioning’?

This does not necessarily imply—as some might fear—the inexorable transfer of responsibility for the provision of human services and/or public goods to the NFP sector. The state might be vacating the field of direct provision, but it is not relinquishing the financial or the policy reins. Salamon has observed an international trend towards the ‘nonprofitization’ of the welfare state in which governments ‘turn increasingly to nonprofit organizations to assist in carrying out publicly funded functions’ (Salamon 2015: 2154). Of this process, Salamon says:

To be sure, the state is not surrendering its role as a guarantor of public wellbeing. Nor is it totally eliminating its service delivery role. But something quite significant is still afoot, suggesting a growing realization of the limitations facing exclusive reliance on state institutions in the delivery of important human services and of the special qualities that nonprofit organizations can bring to the social welfare arena as an active collaborator of the state. (Salamon 2015: 2154)

Salamon’s observations are consistent with Bell and Hindmoor’s portrayal of ‘state-centric relational governance’ in which:

[T]he involvement of a wider range of actors in the process of governing has not been at the expense of the pivotal role played by governments. Our argument here is that even when governments have chosen to govern in alternative ways the state retains a pre-eminent position. On this basis we argue that states and governments are critical players in governance and that governance is also about state–society relationships, whatever the governance arrangements in place. (Bell and Hindmoor 2009: 153–54)

As Bell et al. (2010: 864) suggest, ‘by developing closer relations with non-state organizations governments can enhance their capacity to achieve preferred goals’. That said, we ought to be mindful of

Peter Shergold's warning in Chapter 2 that governing cross-sector relationships is too important a matter to be left entirely in the hands of governments and the public service.

In the United States, governments have, over the past 30 years, come to rely on complex arrangements of networked external providers for the implementation of public policy (Milward 2014: 71). It should not be accepted as a given that externalised service provision is a panacea for the perceived shortcomings of public sector provision. According to Milward: 'Governance of cross-sectional, multi-level networks that deliver government services is an enormous task that is often poorly specified and has the potential to shape public policy and, to some extent, the citizen's relation to the state' (Milward 2014: 71).

Milward (2014: 71) observes that examinations of privatisation schemes have tended to omit any discussion of what contracting might mean to the legitimacy of the state. In a network of third parties operated by contract, Milward argues, the state can 'go missing'. This, according to Milward (2014: 72), is the 'hollow state'. This is a world in which 'non-governmental entities essentially govern, manage and deliver services that are paid for by taxpayer's dollars'—a world that gives rise to problems of democratic accountability (Milward 2014: 78).

Networked service delivery strategies employed here in Australia are not immune to problems associated with democratic accountability. The extent to which the terms of third-party procurement arrangements enjoy the shield of commercial confidentiality has been the subject of considerable debate in Australia for some time (see Barrett 1999). In 1997, the Australasian Council of Auditors-General (ACAG) offered the following concerns: 'Recent experiences in Australia would indicate that Government agencies are tending to use the pretext of commercial confidentiality as a shield against the disclosure of information which is commercially embarrassing to the Government or which raises issues of probity' (ACAG 1997).

More recently, O'Flynn (2014) has examined the legal instruments used by the Australian Government to procure offshore detention services for asylum-seekers attempting to reach Australia by boat. She

observed that successive governments have seen fit to ‘outsource their immigration problems not only to large for-profit security companies, but to other nations’ (O’Flynn 2014). This, according to O’Flynn (2014):

[N]ot only confuses the boundaries, but makes accountability and responsibility for various parts of this operation ambiguous ...

When we combine the power of the contract with intense competition in provider markets, governments should be big winners with lower prices and higher quality. In reality, the situation is much more complicated with profound challenges in specifying services, either an unwillingness or inability of purchasers to wield a big stick, and highly contorted supplier markets in some areas.

Thus, the dynamics of dependence—of the NFP sector on income from contracts and of government on non-state providers of mandated public services—contribute directly to the emergence of gaps and disconnects: between organisational behaviour and organisational values, between organisational mission (or purpose) and organisational capacity/capability and between community expectations and operational practices.

The regulatory gap

It has long been recognised that the regulatory environment in which NFPs operate—nationally and subnationally—needs to be modernised (Lyons 2003). In Chapter 7, Krystian Seibert considers the establishment of the Australian Charities and Not-for-profits Commission (ACNC), which was a key plank in a broader reform agenda characterised by its complexity, its pace, its political context and challenges associated with a diverse charitable sector. Seibert characterises the establishment of the ACNC as the largest and most complex structural reform experienced by the NFP sector in Australia (and by charities specifically). Moreover, the government’s efforts to create a smarter regulatory framework for Australian charities occurred in response to active and prolonged advocacy by a large segment of those organisations that would be subject to regulation.

Seibert also suggests, however, that the Rudd and Gillard governments perhaps failed to fully appreciate that the NFP sector is not, as the name suggests, a single unitary sector. Rather, the NFP ‘sector’ is really a set

of diverse subsectors comprising large and small welfare organisations, universities, arts organisations, environmental organisations, large religious organisations and small community churches, charitable trusts and foundations, hospitals and aged care providers, housing cooperatives—and the list goes on. Moreover, each subsector has its own agenda, interests and institutional history. This complexity is accentuated when we consider that some charities, such as the majority of Australian universities, are also state instrumentalities.

According to Seibert, the ACNC reform process effectively required maintaining a ‘coalition’ of subsectors, which necessitated a very strong emphasis on stakeholder engagement but also an appreciation of how a common set of regulatory arrangements can have different impacts on different subsectors. Seibert suggests that if we were to turn the clock back to before the ACNC reform process began, an alternative way of addressing this challenge might have involved phasing in the ACNC regulatory framework for different parts of the NFP sector (although he concludes that, on balance, the approach adopted by the government was sufficiently flexible).

The establishment of the ACNC was, nevertheless, a policy success insofar as the regulator was able to earn the respect of large parts of the charitable sector—in no small part due to the leadership of its inaugural commissioner, Susan Pascoe. However, the election in 2013 of the Abbott Coalition Government arrested and threatened to reverse the implementation of key measures (Butcher 2015b; Murray 2014). The inability of the former Abbott Coalition Government to pass legislation abolishing the ACNC suggests that the Coalition had misread the attitude of the sector. A portfolio reshuffle in December 2014 saw then Minister for Social Services—and principal champion for the abolition of the ACNC—Kevin Andrews, replaced in the portfolio with Scott Morrison, who quickly declared that abolition of the national charities regulator was no longer a priority (Jacks 2015).

In March 2016, the Turnbull Government announced its intention to retain the ACNC (Porter and O’Dwyer 2016). Hopefully, this means that the unravelling of sensible policy reform in the NFP space has been abandoned. Even so, unless new life is breathed into NFP sector reform, government commissioners and their NFP ‘partners’ will continue to navigate a complex and sometimes dysfunctional policy

terrain. In such circumstances, the default practice of government(s) becomes, effectively, regulation by contract and regulation by administrative edict.

The relationship gap

The need for more effective policy frameworks for cross-sector engagement has occupied the attention of policymakers for some time (Saunders 2009; Shergold 2008). Furneaux and Ryan (2014) speculate about the range of factors that might lead to an improvement in government/NFP relations. While noting the 'conflicted service delivery context' and the 'estrangement' between NFPs and governments in Australia, they nevertheless conclude that it is entirely possible to achieve an alignment between the values/objectives of government and those of the NFP organisations with which they work (Furneaux and Ryan 2014: 1135). Among the range of factors that characterise successful relationships are clarity, trust, predictability, flexibility, collaborative intent and investment in capacity building (Furneaux and Ryan 2014: 1125).

In Chapter 4, David J. Gilchrist forensically examines Western Australia's Delivering Community Services in Partnership (DCSP) Policy. The DCSP Policy was hailed at the time of its commencement in 2012 as a thoroughly pragmatic approach to cross-sector relations (Butcher 2015a), but, three years on, Gilchrist finds that the sector's view of the success (or otherwise) of the policy is mixed, owing to 'frustration with inconsistent approaches being used across agencies and a perception of increased administrative burden'.

It should be noted that the DCSP Policy is only one of a number of instances in which state and territory governments have attempted to forge a new settlement with those parts of the NFP sector on which they depend. All states and territories have, for instance, flirted with the development of framework agreements or compacts with the NFP sector (Butcher 2015a). In recent times, compacts appear to have lost some of their allure, leading governments (and the sector) to focus their efforts on practical matters affecting their operations, such as streamlining tendering processes and/or reducing red tape (McGregor-Lowndes and Ryan 2009; Department of Family and Community Services 2012).

The evidentiary gap

A persistent problem in this policy space is the relative absence of a strong evidentiary base. Much peer-reviewed scholarly research is not ‘policy relevant’ and although there exists a significant ‘grey literature’ this is generally not peer reviewed and is therefore of uncertain value. Policy decisions are often based on anecdotal information and/or interpretations of data collected primarily for administrative purposes (as opposed to data collection designed to support policy deliberation), and there is relatively little in the way of benchmarking, information exchange or knowledge transfer between jurisdictions (on the part of either government or the NFP sector).

The experimentation gap

A recurring issue in any discussion of impediments to a more effective and collegial relationship between government and the NFP sector is the problem of risk-averse behaviour, especially on the part of public sector organisations. Peter Shergold calls for government to be ‘adaptive, flexible and experimental—driven by trials, subject to errors’ (Butcher and Gilchrist 2015).

Emma Tomkinson (Chapter 9) and Cassandra Wilkinson (Chapter 13) challenge policymakers and public sector managers to think differently about outcomes and the means to achieve them.

Tomkinson points out that as Australian governments have outsourced service provision to NFP organisations, they have also imposed reporting requirements to ensure that public funds are well spent. She also observes that in the past few years the perception of what it means to ‘spend money well’ has changed. According to Tomkinson, the trend has been towards maximising not just what money was spent on or how much activity occurred, but also what outcomes resulted. Her chapter examines the value of reporting for NFPs and their government funders and looks at ways in which this value can be increased. She argues that for funders to further the outcomes they pursue requires their reporting architecture to be redesigned so that it serves all stakeholders, including government funders, NFP staff and clients.

Whereas Tomkinson illustrates how the redesign of a business process might result in a more effective focus on outcomes, Cassandra Wilkinson goes further and offers a more radical proposal. Wilkinson suggests adapting the ‘alliance contracting’ model for use in the social sector. Long used in the infrastructure sector, alliance contracting is an arrangement wherein the payer and the provider work cooperatively as a single governance team, sharing both risk and reward. Alliances, says Wilkinson, are designed for situations of uncertainty. They might be well suited, she argues, for many areas of social service provision in which knowledge gaps make it difficult to write effective contracts.

The governance gap

In announcing his new ministry after his anointment as Prime Minister, Malcolm Turnbull declared that his would be a twenty-first-century government (Turnbull 2015). Turnbull spoke of the importance of ‘human capital’ and indicated that innovation would be a keystone of his government:

If we want to remain a prosperous, first world economy with a generous social welfare safety net, we must be more competitive, we must be more productive. Above all we must be more innovative. We have to work more agilely, more innovatively, we have to be more nimble in the way we seize the enormous opportunities that are presented to us. We’re not seeking to proof ourselves against the future. We are seeking to embrace it. (Turnbull 2015)

To embrace innovation implies an increased appetite for risk in policymaking; whether this is what Turnbull intended remains to be seen. Nevertheless, if we accept at face value that innovation will be encouraged and rewarded (as opposed to being thwarted and even punished by the application of prescriptive, rules-bound reporting and acquittal processes), it implies a need to renegotiate the terms of engagement between the public sector and non-state providers of publicly funded services.

Managers in the public and NFP sectors will need to adopt new forms of governance if they are to adaptively manage the transformations wrought by the implementation of game-changing reforms like the National Disability Insurance Scheme. In his opening address to the workshop, Peter Shergold predicted that in the public service of the future:

[P]ublic servants will continue to serve, faithfully, successive elected governments. They will continue to provide robust advice on the complex and wicked problems of public policy, but they will confidently eschew aspiring to have a monopoly in that regard and they will no longer depend on situational position or authority to command and control. Rather, public servants will see themselves as the facilitators of cross-sector working. Public services in this world will actively involve others in the design of policy, and in the legislative and administrative structures which give it effect. (youtube.com/watch?v=bUskU0X4_To)

As Helen Dickinson (Chapter 3) informs us, the academic literature offers ‘a compelling narrative of government and public services, suggesting that traditional hierarchical arrangements have, over time, been replaced with more effective and efficient mechanisms of governance’—a narrative she describes as ‘rather simplistic’. Instead, Dickinson finds that ‘the transition between governance arrangements is rarely as clear-cut and straightforward as the academic literature typically presents this to be’. Although she suggests that, in reality, ‘hybrid forms of governance prevail, with a complex overlay of different governance arrangements’, she also draws our attention to the lack of research in relation to the unique challenges that hybridity creates.

Peter Shergold and Paul Ronalds, meanwhile, point out that the NFP sector also needs to reflect critically on its *modus operandi*. Again, in his opening address, Peter Shergold offered the following reflection on the potential for contestability in consumer-driven care:

This could be pretty tough for not-for-profit organisations. Get over it! I don’t want to hear the benefits of block funding being argued because it’s more convenient to the not-for-profit providers. Let’s remind ourselves, what are the not-for-profits providing? They’re providing services to those in need. That’s what should determine [funding]. I envisage a day in the near future when aged people wanting home care services will not only be saying ‘I don’t want a service from provider x, I want to move to provider y.’ Or say, ‘I don’t want to get my services from this not-for-profit community provider, I prefer to go and get it in the private sector.’ That’s, in a way, the potential, I think, of consumer directed care. (youtube.com/watch?v=bUskU0X4_To)

Paul Ronalds, in his concluding address, suggested that a ‘risk-averse, compliance-focused culture’, a ‘dauntingly fragmented system’ and a lack of understanding of the decision-making processes in government and civil society combine to work against breakthroughs on complex policy problems. Ronalds said the NFP sector has helped to create the inertia that has given rise to many of the systemic and institutional deficits that are acting as a brake on progress, citing a lack of economic literacy in the sector and a system of implicit incentives that reinforce maladaptive organisational behaviours. Ronalds added, ‘we need to overcome the deep disconnect between economic and social policy in this country’, concluding that ‘we need to reform the governance of government’.

The trans-Tasman gap

In his opening address, Peter Shergold lamented that not only does New Zealand consistently ‘wallop’ Australia in rugby union, it also consistently outperforms Australia in ‘just about every test of public administration’. Shergold pointed to the ability of political leaders across the Tasman to explain bold policy to the electorate, to positively market risk-sharing with non-state partners and to lead successful policy implementation. Shergold offered a ‘genuflection’ to New Zealand policymakers like Prime Minister, John Key, and Deputy Prime Minister, Bill English, who clearly and consistently sell the message that ‘assessing risk and managing risk are precisely what is necessary to be experimental and adaptive’. This point was acknowledged by Prime Minister, Malcolm Turnbull, when he observed of the New Zealand Prime Minister: ‘You have to be able to bring people with you respecting their intelligence ... John Key has been able to achieve very significant economic reforms in New Zealand by doing just that: by explaining complex issues and then making a case for them’ (Mulgan 2015).

In Chapter 11, Rodney Scott and Ross Boyd map the process by which the New Zealand Government set bold cross-portfolio outcome targets for state sector agencies. They contend that the current focus on collaborating across portfolio boundaries to achieve specified social impacts is the latest in a series of decadal transformations, beginning with the 1980s emphasis on managing inputs, followed

by the 1990s focus on managing for outputs and, in the 2000s, by managing for outcomes. They provide a detailed account of the 10 crosscutting targets set by the New Zealand Government, which specify the 'result' to be obtained (specifying what social issue will be addressed), a 'target' (for example, specifying the degree of change) and a 'measure' (for example, specifying how progress towards the target will be calculated).

Further, they argue that the use of these social impact measures has been particularly important in generating focus, commitment, urgency and momentum. And, while they concede that their examples come from the public sector, their conclusions are likely to have relevance for collaboration involving other sectors. The authors also acknowledge important differences in the behaviour of performance-driven organisations (public sector) and mission-driven organisations (NFP sector), and point out that both are increasingly looking for evidence of impact. They also caution that public sector commissioners of public services will bring assumptions of behaviour from their own performance-driven backgrounds to any cross-sector collaborations; NFP organisations will, therefore, need to be able to navigate the same challenges of accountability and transparency as the public sector.

From 'fail-safe' commissioning to 'safe-to-fail' collaboration

Problems associated with the existence and persistence of 'gaps' and 'disconnects' are recurring themes in each of the foregoing chapters. An important 'take-home message' from the workshop and this book is that there is far too little recognition of important differences in the authorising environments in the public sector, the NFP sector and the business sector. For example, the authorising environment in the public sector is often characterised as being preoccupied with process (for understandable reasons of public accountability). The authorising environment in the NFP sector, on the other hand, is dominated by a concern for fidelity to 'mission' and values. And the authorising environment in business is dominated by the need to demonstrate a return on investment: 'if it pays, it plays.'

Contemporary governments accept their obligation to demonstrate the realisation of ‘outcomes’ and ‘impact’ as a consequence of the implementation of public policy. They also accept that a preoccupation with process can contribute to rigid and unresponsive organisational behaviour and business systems. The qualities of nimbleness, innovation and responsiveness are frequently cited as the necessary precursors for successful policy interventions—qualities commonly attributed to non-state sector actors (and routinely claimed not to exist in the state sector). Paradoxically, these very qualities can be compromised and constrained as a result of the persistence of rules-based systems for accountability and oversight in regimes for the outsourcing of public services.

Policy communities in government, academia, think tanks, the NFP sector and those parts of the business sector wishing to participate in social impact investment and/or markets for social policy implementation need to articulate an authorising framework that reconciles the need for public accountability and transparency with the need for experimentation and risk. Public sector commissioning and procurement frameworks need to transition from a fixation with fail-safe approaches to an acceptance of ‘safe-to-fail’ approaches. In a 1975 working paper investigating alternative approaches to dealing with uncertainty arising from the management of disastrous environmental events, Jones et al. contrast these two notions thusly:

Two poles on the spectrum of strategies are fail-safe and safe-fail. The goal of a fail-safe policy strives to assure that nothing will go wrong. Systems are designed to be foolproof and strong enough to withstand any eventuality. Efforts are made to radically reduce the probability of failure. Often the managers of such systems operate as if that probability were zero.

A safe-fail policy acknowledges that failure is inevitable and seeks systems that can easily survive failure when it comes. Rather than rely on reducing the occurrence of failure, this policy aims at reducing the cost of that failure. (Jones et al. 1975: 2)

Drawing on the ecological sciences, the authors hypothesise that periodic failures introduce ‘step changes, natural or cultural selection forces’ that can act to maintain flexibility and introduce resilience (Jones et al. 1975: 5). By contrast, eliminating the possibility of periodic ‘disasters’ could contribute to reduced flexibility (Jones et al. 1975).

‘The real question’, say the authors:

[I]s whether the occasional experience of those shifts is a necessary condition in order to maintain the system’s capacity to absorb the unexpected. If that is the case, then there might well be a place in environmental, institutional or societal management for disaster design—periodic ‘mini-disasters’ that prevent the evolution of inflexibility. That, combined with traditional fail-safe design for those parts that are more surely known, monitored and controlled could lead away from the hypotheticality trap to systems with rich options for experimentation, mistakes and hence learning. (Jones et al. 1975: 6)

The ‘safe-fail’ or ‘safe-to-fail’ concept has since influenced other policy domains such as urban design (see Ahern 2011). Social policy scholars and practitioners should be prepared to drop their disciplinary blinkers to consider the relevance of safe-to-fail approaches in the social policy space. This might involve what Sir Humphrey Appleby (the character so memorably played by British actor Nigel Hawthorne in the television series *Yes, Minister*) would characterise as a ‘courageous’ (that is, career-limiting) decision. But we must not consider such ‘courage’ to lie outside the realm of possibility for a minister or a public official, for to do so would be to capitulate to the perceived inevitability that our institutions, frameworks and systems for the creation of public benefit will never bridge the gap between the rhetoric and the reality.

Concluding remarks

While it remains for a considerable amount of water to pass under the bridge before categorical advancement can be discerned across the complex boundaries between the public and NFP sectors, there is at least a continuing interest and clear movement. Many of the questions raised by the contributors to this volume will, no doubt, be answered in subsequent research and subsequent practice. However, a clear message from this collection of work is that there remains a genuine drive towards improvement for better outcomes for the Australian community as a whole.

The contributions have focused on differing aspects, reported differing experience and identified differing examples of practice that can be duplicated and evaluated in different environments. Effective

community change—which is really what we are talking about—has to start somewhere and the willingness to make these contributions bodes well for the incremental improvement in our understanding and practice in future years.

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