



Proposed National Compact with NGOs

Issue:

At the ACOSS conference in April 2008, Senator Ursula Stephens, Parliamentary Secretary for Social Inclusion and the Voluntary Sector announced the government's intention to develop a national 'compact' with the non-government sector. Preliminary consultations on the development of the Compact began in July.

Background:

A 'compact' is an agreement between government and non-government organisations that outlines how the two parties will work together. It is not a funding agreement or a legal instrument. Rather, it is designed to articulate shared values and principles and formalise roles in the relationship between government and NGOs.

'Compacts' of the kind the government is proposing have been implemented in other countries (notably the UK and New Zealand), and also in some Australian states.

In a speech at the Compact consultations in Melbourne, Senator Stephens stated that 'we want a respectful and constructive partnership' with NGOs. The Compact is seen as an expression of this partnership, but also as a vehicle for reform of the NGO sector. Senator Stephens also said that the Compact is 'an important vehicle for our Social Inclusion Agenda. The Government is also committed to strengthening the legal, regulatory and financial framework foundations of the sector. I believe the Compact can provide the bedrock on which this reform agenda will sit'.

What would a Compact look like?

The scope of the Compact - in terms of which issues and organisations will be included - is not yet clear. Preliminary consultations were very broad and it appears that the shape of the Compact has not been determined. However, it is likely to follow an existing model (such as the UK model, or the NSW 'Working Together for NSW' document).

Initial suggestions are that the Compact will include:

- A high level of statement of purpose
- A statement of agreed values to underpin the compact
- Statement of roles and responsibilities
- An evaluation framework
- Identification of industry issues
- Frameworks for dialogue and policy development
- An implementation plan covering governance, communication and dispute resolution
- Consider the contribution and needs of volunteers.

The Compact will also be linked to other relevant government reforms, including the Review of the Taxation System, the National Reform Agenda and the Senate Inquiry into Disclosure Regimes and Regulation of the non-profit sector.

Strengths and Weaknesses of a Compact

The key issues in Compacts appear to revolve around guaranteeing the independence (but also the funding) of NGOs, on the one hand, and ensuring accountability for government funds, on the other. Reconciling these demands requires striking a balance competing needs. There are also a range of practical issues that can influence the effectiveness of Compacts, such as the level of resources put into implementation and the impact of changes in personnel or governments.

International experience of Compacts appears mixed. In some countries, the implementation of Compacts has been widely supported and generated stronger relationships between government and NGOs. In others, Compacts have been criticised as purely rhetorical documents or even as instruments to increase government control over NGOs.

Future Steps:

- ACOSS has been commissioned to consult its members and other organisations. Initial consultations have already been conducted but there are likely to be several 'rounds' of consultation. FaCSHIA is the government agency leading the process.
- The government will call for submissions through its social inclusion website: www.socialinclusion.gov.au
- A draft outline of the Compact is planned for mid-2009.

Further Information:

'Working Together for NSW: An Agreement between the NSW Government and NSW Non-Government Human Services Organisations'.

<http://www.communitybuilders.nsw.gov.au/site/govinfo/150.html>

Casey, J. (2007) *'Advocacy in the age of compacts: Regulating government-community sector relations – international experiences'*

http://www.ncoss.org.au/hot/research-compacts/ARCLitReview_OverseasDecNCOSS.pdf.

Senator Ursula Stephens' *Speech*, First Consultation on a National Compact, Melbourne 22 July 2008

<http://mediacentre.dewr.gov.au/mediacentre/Stephens/Releases/FirstConsultationonaNationalCompact.htm>
