



The Big Government Merry-Go-Round

Publish Date:

December 2012

This article from the [December 2012 edition](#) of the [IPA Review](#) is by Executive Director of the Australian Taxpayers' Alliance, Tim Andrews.

Unintentional self-parody has long being a forte of governments around the world.

Yet a movement in recent years to create multi-layered government and quasi-governmental agencies, each existing simply to lobby each other to in turn lobby other agencies has exceeded anything Kafka could have dreamt of. We have seen the emergence of a new industry in Australia, where an entire class of government-funded 'non-government' organisations has arisen to lobby government agencies who are created for the express purpose of lobbying another government department.

No one can dispute the role of the non-government sector as vital to any flourishing democracy and Australians are rightly proud of our culture of civil society. Six and a half million Australians engage in voluntary work, and civil society is at the core of our national identity. From volunteer



rural fire-fighters and surf lifesavers to local community groups, Australians understand that there is a vital role for the community that is outside that of government.

Indeed, our non-government sector has long been held-up as an exemplar of the power of communities to achieve social transformation. Free of governmental interference, and focused on voluntary action and private donation, non-government actors are seen as having the necessary independence to pursue actions for the greater good.

But in recent decades traditional community groups and civil society have gradually become crowded out by governments. Whereas once fetes and raffles created a community in the process of fundraising, taxpayer grants now make community action unnecessary. This problem is not a new one, however, and government crowding out community has been occurring for decades.

It is the development of a self-referential political movement of pseudo-NGOs working in tandem with government lobbying agencies that has become the new—albeit perhaps inevitable—threat to civil society in Australia, and perhaps to democracy itself.

Over the past decade, numerous non-government groups have transformed themselves into professional political activist bodies. Funded by our taxes, these so-called non-government organisations are funded primarily by governments. In reality they are little more than government 'sock puppets'. As a result, every year millions of taxpayer dollars are being spent to fund political activism by special interest groups, also allowing a government to continue funding its agenda long after it has left office. Many of them seem to now exist for little purpose other than to lay the foundation for change by creating the illusion of mass-support for unpopular policy, and leveraging this to successfully change legislation.

The influx of taxpayer dollars has resulted in 'non-government' actors becoming so corrupted and intertwined with politics as to cease to be 'non-government', while retaining the benefits of non-partisanship in the public eye. The use by the executive of taxpayer dollars to alter public opinion and pressure the legislature is more than contrary to every tenet of the separation of powers and good governance, not to mention a flagrant misappropriation of public funds. Yet, with both sides of politics engaging in such practices, scarcely a word is said.

Examples of this behaviour are everywhere. While campaigns by taxpayer-funded environmental 'charities' in favour of the carbon tax are perhaps the most obvious instance, the same is seen in almost every policy area. 'Public Health' campaigns calling for Nanny State restrictions on alcohol and the implementation of plain packaging regulation (the campaign for which has now been extended to fast food), are almost exclusively conducted by groups in receipt of taxpayer funds. Likewise the welfare lobby seems to have created a self-sustaining industry based upon receiving taxpayer funds to lobby for more taxpayer funds, the political equivalent of the perpetual motion machine.

Even Australia's foreign aid budget, ostensibly to assist developing countries, has become highly politicised, with a recent investigation by the Institute of Public Affairs uncovering millions of dollars in foreign aid funding being used for domestic political activism, and lobbying for the



carbon tax by 'non-government' groups such as the Australian Conservation Foundation and the Worldwide Wildlife Fund.

What is perhaps most disturbing, however, is that rather than attempting to reign in these practices, legislation currently before the federal parliament would make this even easier. Previous federal governments sought to protect taxpayers through the insertion of contract clauses preventing the misuse of funds for activism, a practice re-introduced at the state level by the Newman government in Queensland. This practice was abandoned by the present federal government; however this new legislation would outlaw such actions by future executives. As such, even if a future government wished to protect taxpayers through contractual clauses, they would be hamstrung from doing so.

It is not only NGOs that receive taxpayer funds to promote an ideological agenda, however. The problem has become rife through academia, where academics with an unashamed political agenda consistently receive 'research grants' to support government policies. To use just two examples, Stephen Lewandowsky, whose so-called 'research' attempted to link climate sceptics to people who deny the moon landing, shared grants worth \$1.7 million. Simon Chapman, Australia's leading proponent of tobacco prohibition, has likewise received millions in taxpayer funding to agitate against personal choice.

Indeed, whole departments have been established to promote policy action: in 2009 the federal government announced \$40 million in funding for a Climate Change Centre at the University of Western Sydney. Similarly, \$7 million in tax dollars was given to the Labor-aligned Whitlam Institute, which has the express purpose to 'Commemorate the life and work of E.G. Whitlam and pursue the causes he championed'. The Brumby and Rudd governments gave \$30 million to establish the Grattan Institute, which, amongst other things, advocates for the carbon tax and more taxpayer subsidies for green energy. The list goes on. When a policy promotion organisation is fully bought and paid for by a government, is there any question as to what sort of policies they will support?

However, as bad as taxpayerfunded NGOs lobbying for policy change may be, most farcical is when statutory bodies begin to engage in activism and lobbying— quite literally the government lobbying itself!

Most vocal of these is the Australian National Preventative Health Taskforce, which receives over \$40 million in taxpayer funding a year to do lobby for further Nanny State restrictions and lifestyle taxes, and currently championing policies such as a prohibition on affordable alcohol. The situation becomes even more absurd when you realise that submissions to the taskforce urging it to take action in advocating a minimum alcohol price came primarily from other taxpayer funded organisations. Sir Humphrey could not have designed it better himself: government agencies and government-funded 'NGOs' are lobbying other government agencies to lobby other government agencies.

It should be obvious that in order to protect the independence of Australia's civil society sector, it is vital for an overall re-evaluation of the relationship between state and non-state actors, and a



ban on the use of taxpayer funds for political activism and/or lobbying.

One approach could be a recent proposal in the United Kingdom, where it was recently revealed that over 27,000 'charities' receive over three-quarters of their funds from taxpayers. A paper tackling sock-puppets by Christopher Snowden from the Institute of Economic Affairs advocated the creation of a new category of nonprofit organisation for bodies that receive substantial funds from taxpayers, thereby distinguishing genuine charities from agents of governments. At the very least, the proposed legislation prohibiting contractual bans on taxpayer funded activism must not only be opposed, a blanket ban on the use of taxpayer funds for political campaigning should be enacted as the first step in restoring independence to the sector.

Such change shall no doubt be difficult to achieve: both sides of politics benefit from funding their ideological NGO allies. However, with our budget in crisis, and a growing disenchantment with our political class, now might just be the right time to achieve change, restore the integrity of civil society, and prevent the misuse of taxpayer funds.