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Abstract

The Australian Council of Social Service (ACOSS) has long been regarded as one of the most effective public policy lobby groups in the country, yet it has struggled to influence the Howard Government which has attempted to marginalize community welfare advocacy groups. This paper examines ACOSS' involvement in the welfare reform debate including the associated issue of welfare breaching. Attention is drawn to the strategies used by ACOSS in an attempt to reframe both the underlying philosophy and policy direction of Australian welfare reform. Some conclusions are drawn about the effectiveness of these strategies.

Introduction

This paper analyses ACOSS' involvement in the welfare reform debate including the associated issue of welfare breaching. It is argued that ACOSS attempted to redirect the Howard Government's welfare agenda away from a narrow emphasis on work incentives and labor market participation towards a broader emphasis on the adequacy of income security payments and other opportunities and supports. In addition, ACOSS argued for a modified and less punitive breaching regime. Some conclusions are drawn here about the relative success or otherwise of ACOSS' strategies.

ACOSS as an Interest Group and the Howard Government

ACOSS is the peak body of the community welfare sector. During the Hawke/Keating years from 1983 to 1996, ACOSS became one of the most important lobby groups in the country. It attained substantial access to
government including regular meetings with the Prime Minister, the Treasurer, other leading Ministers, and senior public servants. It had representation on various government forums and advisory bodies including the influential Economic Planning Advisory Council and the National Advisory Council on Social Welfare, and leading government figures regularly spoke at the ACOSS congresses.

ACOSS achieved significant successes in its lobbying on social security policy including, particularly, the 1987 Family Assistance package and increased rent assistance, and at times in other areas, such as taxation, superannuation, and labour market programs. Nevertheless, there was also at times considerable tension with the Australian Labor Party (ALP) Government which tended to be intolerant of criticism from presumed allies such as ACOSS (Mendes 2003, pp. 126-127).

Some policy models – particularly those influenced by Marxist frameworks – would argue that the state uses a range of mechanisms and processes to co-opt interest groups, and so deflect the potential revolutionary power of social movements. In short, this perspective would argue that ACOSS was co-opted into supporting the ALP government's economic rationalist agenda, and may have been more effective if it had stayed outside the government's policy frameworks and parameters. Critics of these models argue that the state is not a monolithic bloc, and that different branches of the state often adopt different approaches and ideologies in their dealings with different interest groups (Sawer & Jupp 1996; Smith 1993, pp. 1-7 & 48-75). In particular, ACOSS seems to have attained institutionalised access to some key ALP government decision-making processes and networks, and succeeded in exerting some independent influence on the policy agenda.

In contrast, ACOSS' relationship with the current Liberal-National Coalition Government has been far less harmonious. In part, this tension has reflected the deep ideological gulf between ACOSS and the Coalition. The government favours a neoliberal agenda, whereas ACOSS remains wedded to a traditional social democratic approach.

In addition, the government has, under the influence of public choice theory, actively sought at times to exclude and marginalise ACOSS. Public choice theory refers to the belief that all individuals seek to maximise their personal welfare at the public expense. The only constraint on this pursuit of self-interest is allegedly the free market. Adherents favour private rather than
public provision of goods whenever possible, and the exclusion of welfare interest groups from public policy debates (Mendes 2003, pp. 38-40).

This strategy was first reflected in the government's blackballing of ACOSS during the final stages of the GST tax debate due to ACOSS' opposition to the government's final policy proposal (Mendes 2000a, p. 116). Equally, the government has threatened on occasions to prevent funded agencies such as ACOSS from speaking out publicly against government policies. For example, on one occasion, the government requested that all funded bodies provide early warning to the Department of Family and Community Services (FACS) of any controversial issues planned for media coverage, and which might attract public comment (Mendes 2001). This request appeared designed to muzzle funded bodies by reducing them to agents of government, rather than autonomous vehicles for community participation in policy development and decision-making. Most notably, the government chose not to appoint any ACOSS representative to the Reference Group on Welfare Reform despite ACOSS' key role in the welfare policy debate (Hazlehurst 2001, p. 21), nor was ACOSS granted a representative on the Welfare Reform Consultative Forum.

More recently, the Howard Government has released a draft Charities Bill which ACOSS has criticized as containing unreasonable and unnecessary restrictions on the advocacy role of charities. The Bill is clearly influenced by public choice assumptions, and threatens to remove tax exemptions and concessions from organizations whose purpose is deemed to be 'attempting to change the law or government policy' if such action is 'more than ancillary or incidental to their core purpose'. (ACOSS 2003a). Another example of attempted marginalisation of ACOSS appears to be the government's provision of financial backing to a newly formed and arguably unrepresentative Not For Profit Council of Australia as a peak of the non-government contracted sector (McCallum 2004).

However, ACOSS still retains a significant degree of access to government. The Prime Minister John Howard retains great admiration for the major non-government charities such as Mission Australia and the Salvation Army that are represented within ACOSS, and has consistently emphasised his commitment to dialogue with ACOSS despite differences of opinion (Mendes 2000a, pp. 117-120). During 2002-2003, for example, ACOSS held formal meetings with the Prime Minister, Treasurer, and four other senior Ministers, plus numerous meetings with leading Commonwealth bureaucrats (ACOSS 2003b, p. 35).
Nevertheless, ACOSS appears to have less institutionalised opportunity compared with the past, to influence the government's policy agenda. For example, ACOSS has little influence with those broader policy groups and networks which influence the government's policy development and decision making processes (Mendes 2000a, pp. 108-110).

The political and structural factors described above suggest that ACOSS' direct influence with government via traditional 'insider' lobbying strategies (Hazlehurst 2001, p. 8) has been significantly reduced. Rather, ACOSS is obliged to turn more to 'outsider' lobbying strategies. This involves mobilising public opinion through the media, utilising the influence of its constituency, particularly the larger non-government charities, and developing new and flexible alliances. These strategies have all been used effectively during the welfare reform debate to achieve policy change outcomes, as demonstrated in the remainder of this paper. The next two sections explore the political and ideological context within which ACOSS has operated.

The Howard Government's Welfare Reform Agenda

In September 1999, the then Minister for Family and Community Services, Senator Jocelyn Newman, announced a review of the Australian welfare system based on six key principles (Newman 1999a, p. 3). These principles suggested that the government had defined the problem as the dependence of too many people on income security payments due to individual characteristics. The implied solution was to encourage as many recipients as possible to enter the workforce or to seek support from non-government sources such as families and communities.

The welfare review was to be conducted by a Reference Group on Welfare Reform consisting of representatives of business, academia, government, and the community sector headed by Mission Australia CEO, Patrick McClure. The Reference Group was asked to produce a Green Paper on welfare reform based on the broader application of the principle of mutual obligation (Newman 1999a, p. 8). In a follow-up discussion paper, Newman emphasized that the main objective of welfare reform would be 'to reduce welfare dependency among people of workforce age' (Newman 1999b, p. 3).

In March 2000, the Reference Group released an Interim Report which recommended the extension of existing mutual obligation requirements for the younger unemployed to other groups of welfare recipients such as unemployed
people aged 35-64 years, sole parents and the disabled. The Report argued that income security payments should not only provide an adequate safety net, but also maximise people's opportunities for economic and social participation (Reference Group 2000a). The Final Report, released in July 2000, expanded on the theme of economic and social participation as a means of minimising social and economic exclusion (Mendes 2000b, pp. 32-33; Reference Group 2000b).

The subsequent Australians Working Together (AWT) document released in 2001 committed the government to spending over $1.7 billion over four years to provide greater personalised support and training and employment opportunities for income support recipients (FACS 2001). The government has also introduced a new working credit scheme, and has extended mutual obligation requirements to sole parents and the older unemployed.

**The Philosophical Underpinnings of Welfare Reform**

The Liberal Party of Australia has long been committed to a substantial retrenchment of the existing welfare state. Since coming to power in 1996, the Howard Government has progressively sought to restrict access to income security payments, and to redirect responsibility for the disadvantaged from government to private individuals and families (Mendes 2003, pp. 89-97).

One of the key components of the government's neoliberal agenda is a belief in the notion of welfare dependency. According to this concept, government welfare programs encourage dependency and anti-social behaviour. Dependence on welfare is interpreted as an addiction not dissimilar to that of a helpless dependence on drugs and alcohol or gambling. This 'dependency culture' is allegedly transferred to the children of welfare recipients leading to what the government calls 'transgenerational welfare dependence' (Mendes 2000b, pp. 25-27).

Critics argue that the use of the term 'dependency' is in itself ideological and perjorative, and intended to focus attention on the individual flaws of the poor person, rather than the structural causes of their poverty (Fraser & Gordon 1994, p. 79).
Mutual Obligation

Closely associated with welfare dependency is the notion of mutual obligation. Mutual obligation reflects the influence of the 19th century distinction between the deserving poor and the undeserving poor.

The deserving poor - those who have become briefly dependent on poor relief through no fault of their own and who, with some assistance, could return to independence - are to be cared for. The undeserving poor (more recently labelled the underclass) whose poverty is the result of laziness or moral failure, are to be disciplined (Mendes 2000b, p. 26).

Neoliberals such as American political scientist Lawrence Mead argue that the permissiveness of the welfare state is the key to understanding the growth in unemployment and welfare dependency. Mead believes that the welfare state should emphasize contractual duties and obligations as well as needs and rights. The principal and mandatory obligation should be to work for welfare benefits (Mead 1997).

In Australia, this philosophy has inspired the introduction of the Work for the Dole scheme which is based on the assumption that the unemployed have an obligation to give something back to society in return for the dole. It has also been associated with a generally punitive approach to the unemployed reflected in both policy and rhetoric. Critics of mutual obligation argue that it lacks reciprocity in that there is no corresponding obligation on government to improve the employment prospects of welfare recipients. Overall, mutual obligation measures seem designed to shift responsibility for the poor from government onto the private and community sector, and so reduce public expenditure (Kinnear 2000).

ACOSS Attempts to Reframe the Welfare Reform Agenda

Throughout the welfare reform debate, ACOSS rejected the government's emphasis on behavioural/individualistic explanations of poverty, and its reliance on key neoliberal concepts such as welfare dependency and mutual obligation. Instead, ACOSS offered a structural analysis of poverty and inequality, which emphasized the important role played by income support payments in supporting those with no other sources of income, especially where this has occurred through no fault of their own.
ACOSS rejected the assumption that increased reliance on welfare reflected the 'skill deficiencies and character deficiencies or personal failures of individual income support recipients' (ACOSS 1999, p.7). Rather, ACOSS attributed the increase in welfare expenditure to the growth of poverty and inequality in the community, and the imbalance in the labour market between supply and demand given the high numbers of unemployed people relative to each job vacancy (ACOSS 1999, pp. 7-8).

ACOSS also condemned the government's lop-sided interpretation of mutual obligation, pointing out that Australian unemployment policies had long been based on the joint responsibilities of both the unemployed and government. Governments were obliged to promote full employment, and to reasonably compensate those who were still unable to secure work, whilst the unemployed were obliged to actively seek work, and to accept any reasonable job offers. In contrast, mutual obligation imposed extended obligations on unemployed people without requiring the government to reciprocate by providing access to employment and training opportunities (ACOSS 1999, pp. 10-11 & 26).

ACOSS' major concern was to emphasise the structural barriers that prevented low income people from participating more actively in the social and economic mainstream of society. This meant redirecting the debate towards alleviating poverty via addressing the inadequacy of some existing income security payments, relieving poverty traps, and facilitating greater access to employment training and child care assistance for particularly disadvantaged groups (p. 48).

ACOSS responded with a mixture of praise and caution to the two reports of the Reference Group on Welfare Reform. On the one hand, ACOSS welcomed the Group's focus on encouraging social and economic participation beyond a narrow labour market focus, rationalising the complex payment structure, and improving support services to welfare consumers. However, ACOSS emphasised that the proposals would only promote better outcomes if they reaffirmed the legislated entitlements of the income security safety net, provided for an increase in existing payments above the poverty line as part of a simplified and fairer payment system, and created new and additional resources and opportunities. ACOSS also opposed the extension of mutual obligation requirements to sole parents and the disabled unless extra resources and supports were provided, and if breaching policies were reformed (ACOSS 2000a; 2000b; 2000c; ACOSS 2001a, pp. 13-18).
ACOSS subsequently welcomed some of the measures introduced in the Australians Working Together (AWT) document including additional investments in support for people with disabilities and other special needs groups including Aborigines, increased funding for a network of personal advisers in Centrelink, and the introduction of a Working Credit scheme (reduced tax rate) for unemployed people who take up regular casual work, although this measure was deferred for 12 months. ACOSS argued that the level of funding for new supports was inadequate, and that the government had failed to increase assistance for the long-term unemployed, or to lift the payment rates of the unemployed. ACOSS also criticised the extension of mutual obligation and activity tests to sole parents with children aged 13 to 15 years (ACOSS 2001c).

**ACOSS on Social Security Breaches**

One consequence of the government's mutual obligation policies was the introduction of tougher requirements on the unemployed, including the expectation that they seek up to ten jobs each fortnight. Recipients who failed to meet these obligations were increasingly subjected to social security breaches, and associated heavy fines.

Overall, there was an increase in the number of breaches from 120,000 in 1997-98 to 386,000 in 2000-2001 – an increase of 187 percent in three years. This included a significant rise in both the percentage of unemployed allowance recipients incurring breach penalties, and the number of individuals incurring multiple breach penalties (Commonwealth Ombudsman 2002, pp. 1-2). These breaches caused increased demand from low income people for emergency relief and financial aid services, and placed considerable pressure on charities and community welfare agencies.

In conjunction with the National Welfare Rights Network (NWRN), ACOSS expressed significant concerns about breaching practices including: the increasing numbers of unemployed people being breached; the disproportionate financial penalties imposed which compared harshly to the average fines for serious criminal offences; the considerable financial hardship experienced by those breached; and the high number of particularly disadvantaged jobseekers being breached including young people, Indigenous Australians and those with social and mental health deficits including the homeless, psychiatrically ill, people with low literacy skills, and the drug and

Initially, the breaching debate was a side issue compared to the major debate around welfare reform. However, over time, the two debates became integrated with ACOSS arguing that participation requirements should not be extended to new groups of income security recipients until the existing breach regime for the unemployed had been reformed (ACOSS 2001b). In order to progress its concerns, ACOSS co-sponsored an independent review of social security breaches and penalties with a number of non-government welfare organisations. The Pearce Review, as it became known, made 36 detailed recommendations aimed at promoting a fairer and more effective system (Pearce 2002a). Many of these recommendations were subsequently endorsed by the Senate Community Affairs Committee Inquiry into the Australians Working Together Bill (SCAC 2002). Similar recommendations were also made by an associated Commonwealth Ombudsman's inquiry (Commonwealth Ombudsman 2002).

ACOSS Lobbying Strategies

ACOSS has utilised a range of traditional strategies to influence the government's welfare reform agenda including formal meetings with the Prime Minister and other leading Ministers; discussions with Opposition leaders and other federal politicians, departmental officers, and peak bodies in other sectors; formal written submissions to the government, opposition parties, public and parliamentary inquiries, government departments and statutory authorities; numerous public speeches and presentations; and the issuing of large numbers of media releases (ACOSS 2002a, pp. 4 & 31).

ACOSS' written submissions on the issue of welfare breaching have tended to be particularly persuasive. They have typically included well-researched empirical data on the extent of breaches, emphasised that breaches are incurred for often unintentional infringements of complex rules rather than for fraud, and presented detailed case studies which demonstrate the particular difficulties faced by disadvantaged groups (ACOSS & NWRN 2000b). In addition, ACOSS has sought to mobilise public opinion through the media, and to utilise the support of its constituency. For example, ACOSS responded to the establishment of the Reference Group on Welfare Reform by organising 20 community forums around the country to consult with the community welfare sector, and fuel their energy (ACOSS 2000d, pp. 4 & 13). ACOSS
also sought to form alliances with other peak bodies around specific issues of mutual concern such as child care, housing, employment services, and disability (ACOSS 2000f), and contributed to the formation of a National Coalition Against Poverty (Zirnsak 2001).

ACOSS has utilised a broad coalition of forces for its campaign on breaching policy. For example, much of ACOSS’ research and advocacy was undertaken jointly with the National Welfare Rights Network. In addition, ACOSS organized a joint statement by national peak community and consumer organizations, charities and church welfare agencies including a number of specialist agencies dealing with particularly vulnerable groups such as Aborigines, the homeless, the drug and alcohol dependent, and those with acquired brain injury. Released in December 2000, the statement called on the government to overhaul the existing system of social security penalties – both the rules and the penalties (ACOSS 2000e).

The establishment of the Pearce Review also involved a subtle alliance between ACOSS and a number of major non-government charities such as Mission Australia, the Salvation Army, and the Smith Family. Whilst these organizations are all members of ACOSS, they are also major Job Network providers, and known for their good relations with the Howard Government (Steketee 2002). Their involvement helped to deter any questions about the independence or integrity of the review process, and also served to demonstrate to the government that ACOSS could not be isolated from its diverse constituency.

Later, ACOSS formed a Breaching and Penalties Taskforce consisting of the group of non-government welfare and community organizations which had co-sponsored the Pearce Review, in order to promote support for the Pearce Review recommendations (ACOSS 2002c). ACOSS also sent out Briefing and Action notes to all their supporters in November 2002 urging member organizations and their affiliates as well as community members to support the call for reduction to the duration and rate of breach penalties through amendments to the Australians Working Together (AWT) Bill. Recipients of the notes were asked to participate in a letter writing campaign, to distribute the material to others in the community, to write to relevant Ministers and Opposition Senators, and to create news and publicity about the negative consequences of the existing breaching policy (ACOSS 2002b).
Effectiveness of ACOSS' Strategies

As noted earlier, the Howard Government has attempted to exclude ACOSS and other community advocacy groups from the social policy-making process. To be sure, the government continues to grant access to ACOSS, but direct negotiations with, and appeals to, government have had only limited impact on policy outcomes. ACOSS has had to identify new and more effective means to influence government policy.

On welfare reform, ACOSS seemed able to overcome these barriers by successfully mobilising the views and concerns of its large and varied community welfare constituency. This constituency included the large charitable organisations which the Prime Minister particularly admires, and whose views, particularly given their central place in the Job Network service delivery structure, could not be ignored. By placing these organisations at the forefront of much of their lobbying, ACOSS shrewdly obliged the government to take notice of many of their concerns.

It is always difficult to measure the actual effectiveness of lobbying activities regarding particular policy outcomes. Nevertheless, it appears that ACOSS' advocacy has played a significant role in shifting the welfare reform debate from its original punitive emphasis on addressing alleged welfare dependency to a more positive agenda of promoting greater opportunities and participation (ACOSS 2000d, p. 20; ACOSS 2001d, pp. 1-2 & 10).

In particular, ACOSS was able to point to the significant differences between the interim and final reports of the Reference Group. According to ACOSS, the final report gave far greater recognition to the role of income support in alleviating poverty, the need for a fairer and simpler payment structure, and recommended that penalties should only be used as a last resort. However, equally, ACOSS appears to have had little impact in other parts of the equation. For example, it recognized that the final Reference Group report ignored concerns about the extension of mutual obligation to sole parents, and made no recommendations about increasing the level of standard payments, or improving assistance for long-term unemployed people (ACOSS 2001d, p. 10).

ACOSS appears to have enjoyed particular success on the breaching issue. For example, many of the recommendations of the Pearce Review were specifically endorsed by the Senate Community Affairs Committee Inquiry. Consequently, they suggested that the proposed breaching and penalty
arrangements for the new groups exposed to mutual obligation requirements – those on Parenting Payment and mature-age Newstart recipients – be amended in line with the Pearce Review, especially in relation to a reduction in the rate and duration of breaches. They also proposed that the recommendations of the Pearce Review be applied in full to unemployed people already subject to breaching provisions (SCAC 2002, pp. vii-viii, 27 & 47). In addition, the Commonwealth Ombudsman's Report confirmed the findings of the earlier ACOSS reports, and the Pearce Review (Commonwealth Ombudsman 2002, pp. 5-6).

The recommendations of the Pearce Review and associated Senate and Ombudsman's inquiries have produced significant changes in government policy. For example, the Minister for Family & Community Services, Senator Amanda Vanstone, claimed that the majority of the Pearce Report's recommendations had been implemented by the government (Vanstone 2002). Independent verification of Vanstone's statement is also provided by the Pearce Review's progress report. This report identified three important and relatively positive changes to breaching policy.

There is the introduction of a new system for handling alleged administrative breaches which enables Centrelink to suspend a jobseeker's payments without imposing a breach and to restore payments if the jobseeker complies with their obligations within 13 weeks. However, there is some ongoing concern that this measure fails to adequately protect the rights of jobseekers. In addition, failures by jobseekers to attend interviews with Centrelink or Job Network providers are now being classified as administrative breaches which involve lower penalties, rather than activity breaches which involve higher penalties. Finally, there is the introduction of legislation providing a less onerous penalty regime for the new groups of recipients – older jobseekers and sole parents – covered by the AWT package (Pearce 2002b, p. 13).

There appears to have been a significant improvement in Centrelink breaching processes, and there is evidence that the total number of breaches has fallen. For example, the number of breaches in the year 2002-03 was only 130,000, less than one-third of the earlier peak figure (Mitchell 2003).

ACOSS' lobbying also appears to have been influential in the Senate debate on the AWT Bill. After the Senate blocked the initial Bill, the government subsequently agreed to the Democrat's amendments – strongly supported by ACOSS – which softened breaching penalties for one-off offences (Cherry 2003). This means that the majority of unemployed people breached for the
first time will have their breach period reduced from 26 weeks (or 13 weeks for an administrative breach) to eight weeks. The associated penalty will go down from $890 to $270. In addition, ACOSS has been allocated two representatives on the new Taskforce which has been formed to review the breaching system. Nevertheless, no changes have been made to penalties for second and third breaches (ACOSS 2003c; ACOSS 2003d).

Conclusion

This paper has examined the strategies used by ACOSS to influence social policy outcomes around the welfare reform debate. The Howard Government convened the Reference Group on Welfare Reform to justify spending cuts and shift the burden onto families and communities. In opposing this agenda, ACOSS faced considerable barriers including its limited resources, the potential for a division or split between ACOSS and some of its member organizations with a vested interest in the Job Network, and the government's determination to exclude or marginalise alternative agendas.

It is arguable that ACOSS successfully used a number of pro-active strategies including the networks of its core community welfare constituency to block some of the government's more radical objectives, and particularly to mobilise community and political concern about the deleterious effects of breaching policies. As a result, the actual number of breaches has fallen dramatically.

However, the breaching regime remains in place, and there has been no changes to penalties for second and third breaches. Although ACOSS has increasingly been relegated to an 'outsider' role by the Howard Government, it remains largely wedded to working within the system. The question remains whether an alternative strategy – involving a campaign to eliminate breaches per se – might have secured better outcomes, or at least attracted significant support from large numbers of unemployed people.

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