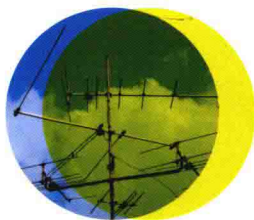




# SOCIAL POLICY IN AUSTRALIA



UNDERSTANDING  
FOR ACTION



THIRD EDITION

Edited by ALISON McCLELLAND  
AND PAUL SMYTH



OXFORD

The background of the cover features a network of thin, light-colored lines connecting various circles. Some circles are empty, while others are filled with a grey, textured pattern. The circles are arranged in a somewhat grid-like fashion, with lines crisscrossing between them.

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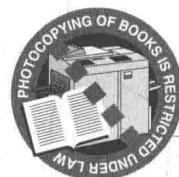
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# ABBREVIATIONS

AASW	Australian Association of Social Workers
AAT	Administrative Appeals Tribunal
ABS	Australian Bureau of Statistics
ACCI	Australian Confederation of Commerce and Industry
ACOSS	Australian Council of Social Service
ACTU	Australian Council of Trade Unions
AHURI	Australian Housing and Urban Research Institute
AIG	Australian Industries Group
AIHW	Australian Institute of Health and Welfare
ALP	Australian Labor Party
ANTS	A New Tax System
ATO	Australian Taxation Office
BCA	Business Council of Australia
BSL	Brotherhood of St Laurence
CGT	Capital Gains Tax
CIS	Centre for Independent Studies
COAG	Council of Australian Governments
CPI	Consumer Price Index
CPRS	Carbon Pollution Reduction Scheme
CSHA	Commonwealth State Housing Agreement
CWO	Community Welfare Organisation
DEST	Department of Education, Science and Training
DETA	Department of Education, Training and the Arts
DEWR	Department of Employment and Workplace Relations
DSP	Disability Support Pension
DSS	Department of Social Security
EMTR	Effective Marginal Tax Rate
EPAC	Economic Planning Advisory Council
EU	European Union
FaCS	Department of Family and Community Services
FaCSIA	Department of Families, Community Services and Indigenous Affairs
FaHCSIA	Department of Family and Housing, Community Services and Indigenous Affairs
FIS	Family Income Supplement
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product

GMI	Guaranteed Minimum Income
GST	Goods and Services Tax
HACC	Home and Community Care Program
HECS	Higher Education Contribution Scheme
HIA	Housing Industry Association
HREOC	Human Rights and Equal Opportunity Commission
ILO	International Labour Organization
IMF	International Monetary Fund
IPA	Institute of Public Affairs
IPCC	Intergovernmental Panel on Climate Change
JET	Jobs, Education and Training
MCEETYA	Ministerial Council on Education, Employment, Training and Youth Affairs
NACA	National Aged Care Alliance
NAFTA	North American Free Trade Agreement
NGO	Non-Government Organisation
NIEIR	National Institute of Economic and Industry Research
OECD	Organisation for Economic Cooperation and Development
PAYE	Pay As You Earn
PBS	Pharmaceutical Benefits Scheme
PHIAC	Private Health Insurance Administration Council
SGC	Superannuation Guarantee Charge
TAFE	Technical and Further Education
WHO	World Health Organization
WST	Wholesale Sales Tax
WTO	World Trade Organization
YA	Youth Allowance



# PREFACE

Social policy influences the lives of individual Australians and the nature of our society. It affects whether we can get a job, obtain housing and health care, pay for our everyday needs and have support when needed. It influences the extent of poverty and inequality in our society. In this third edition of our social policy book, we retain our original aim to give students, practitioners and researchers of social policy an understanding of the potential of social policy to change society and how it can operate to achieve this. The book is intended to help readers appreciate how the social policy context affects individual lives, organisations, communities and societies. It also introduces the reader to social policy as a discipline and an area of practice by presenting information and knowledge about how to analyse the impacts of social policy and how to develop and advocate for better social policy. As such, the book generally aims to provide information for understanding and action. It is intended to be helpful for people with a general interest in appreciating the social policy context of their lives and work, and for those who may be practitioners of social policy at different levels and in different ways, inside and outside of government. To assist the reader, more general and theoretical information is complemented with case studies and examples from practice, and much of this material has been updated to reflect the significant changes in Australian society since earlier editions, including the elections of the Gillard and Abbott governments and the emergence of new issues such as population growth and change, the impacts of the global financial crisis and growing concern about climate change.

Part 1 of the book, *Introduction to Social Policy*, introduces readers to the idea of social policy, its scope and terrain, how it can be analysed and influenced, and the institutional context for decisions and actions in Australia. Chapter 1 covers the importance of social policy; its contested nature, purpose and forms; and the broad scope of social policy and its relationship to other policy areas, including economic, environmental and public policy, as well as with the welfare state. Ideas and values are critical influences on policy, and Chapter 2 discusses important concepts such as need, rights, equity and efficiency, following a presentation of the different ideologies and frameworks that are influential in how these concepts are understood and utilised in policy analysis and development. A framework for understanding and action, including key stages in the policy process, is introduced in Chapter 3. Chapter 4 covers the institutional framework for decision-making, and the roles and relationships of the key players and institutions.

Part 2, *The Historical, International and Changing Context for Action*, deals with the historical development of Australia's social policy and welfare state, places Australia's social policy in a comparative context, and concludes with a chapter about its changing nature, including emerging issues and critical debates. Without understanding our history, we cannot appreciate the nature of our unique social policy arrangements, nor can we identify the choices that we are free to make. Chapter 5 therefore covers some of the critical choices and developments over Australia's early and later years, concluding that it is important to understand how, in both the early years and the period following the Second World War, social protection was combined with social investment in a way that allowed an integrated approach

to economic and social policy. Other countries have made some similar and some different choices, and Chapter 6 analyses the different understandings of the critical factors affecting these choices, the development of welfare states, and how these have been translated into different welfare 'regimes'. The chapter goes beyond the traditional focus on European welfare states and extends our gaze to the social policy arrangements that are developing in Asia, as well as challenging the distinction thus far between studies of social development and comparative social policy. Chapter 7 identifies our future choices and challenges in the context of globalisation and the emergence of concepts like the 'social investment state' and 'inclusive growth' as markers of a new post-neoliberal order in global social policy. The chapter focuses on the changing discourse around ideas such as social inclusion, risk and transitions as pointers to the construction of a new social policy regime in Australia following the demise of the wage earners' welfare state.

Part 3, Areas for Social Policy Action, contains an analysis of the key policy areas that contribute to the welfare of different groups. We cover population policy in Australia, employment and wages, income support, housing, health, education, community services, financing and taxation, and climate change. Policies in these areas are central to the level and distribution of material well-being in Australia and impact, either directly or indirectly, on people's relationships, capacity to participate and quality of life. Government action to influence the size and composition of our population in areas such as immigration and family policies affects Australia's social cohesion and economic development. Paid work is the most important source of income for most Australians and its distribution is a critical influence on inequality and poverty, and on well-being in a range of areas including health, personal relationships and housing. But for those unable to obtain sufficient well-paid work—or for whom full-time work is inappropriate due to age, disability or caring responsibilities—the payments by government through Australia's income support arrangements provide an alternative to either poverty or dependency on the goodwill and charity of others. Next to employment, the cost, quality and accessibility of housing is the most important determinant of living standards, while participation in education and the availability of health care can contribute to future living standards (through their development of human capital) and impact on current well-being (both material and quality of life). Community services can provide social support, relieve suffering and develop capacity, while policies related to financing and taxation directly affect the distribution of income. They also have an important indirect effect, as they can determine whether certain social policies are adopted. Climate change has emerged as a critical issue with important social and distributional impacts as has population growth and change. The links between these two emerging issues and social policy are now increasingly being recognised. How we plan for both will have implications for changing patterns of vulnerability into the future. This is a comprehensive book that introduces readers to the meaning of social policy and how it operates in Australia, as well as providing some guidance for social policy practice. It combines a general understanding of the meaning of social policy and the relevant Australian institutional arrangements with specific information about the particular areas relevant to social policy. It covers the past, the present, and emerging issues and debates. It places Australian social policy arrangements in an international context. This is because we understand

ourselves more fully by comparing ourselves with others and because Australian social policy is influenced by debates and events in other countries. The book also contains a framework for understanding and intervening in the policy process in Australia. While this framework provides an aid to understanding social policy as an exercise in rational analysis and understanding, it is accompanied by an understanding of social policy as politics and power.

Social policy has been neglected in recent decades in Australia and has taken second place to economic policy. Social policy needs to be given much greater prominence in decision-making about how our society operates. We hope that this book will make a contribution to the improvement of social policy in Australia by providing readers with the enthusiasm and knowledge to be competent and effective policy actors.

Alison McClelland and Paul Smyth

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