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A speech by Professor Adam Graycar, Social Welfare Research Centre, University of New South Wales:

"Social change and voluntary organisations in South Australia"

presented to the South Australian Council of Social Service (SACOSS), 27 October 1983

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SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE

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SOCIAL CHANGE AND VOLUNTARY ORGANIZATIONS

IN SOUTH AUSTRALIA

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It is always a great pleasure for me to come to Adelaide to attend meetings and hold discussions with colleagues and friends. My friends in Sydney can never understand why I enjoy Adelaide so much - they say nothing ever happens here - nothing ever changes. As you know, that is simply not true. The history of South Australia is so different to the history of the other States, the industrial structure is so different, the population structure is different, and the welfare structure is different. All are changing, and these changes make for disturbing, if interesting times. When the ancient Chinese wanted to curse an adversary they would say, "may you live in interesting times" - often there could be no greater expression of ill-will.

The spectacular industrial growth of the post-war period in South Australia has faded, and uncertain industrial futures are facing us. The social welfare structure, so long envied in the other Australian States will be hard pressed to maintain its operational levels. The population structure of South Australia is undergoing dramatic and rapid change, and this will have monumental ramifications for the way South Australians live, the levels of production, the quality and quantity of services, and the structure of society.

At present S.A. has 8.8 per cent of Australia's population. By the year 2021 it will have 6.3 per cent - more people than Tasmania, but about one million fewer than Western Australia,

which will have almost 11 per cent of the population. A slippage from 8.8 per cent to 6.3 per cent may not sound like much, but in the cut throat context of Premiers' Conferences and Commonwealth Grants to the States, moving to very very ~~small~~ State status is important, for there is little bargaining ~~power~~ in that position. At present S.A. is more heavily dependent on Commonwealth Grants than any other State except Tasmania. (Commonwealth Grants comprise 69 per cent of South Australia's total state receipts).

Over the last decade the proportion of Australian taxation revenue collected by the Commonwealth government, has risen while the proportion collected by State and local governments has fallen. In 1981/2, 81 per cent of all taxation revenue was collected by the Commonwealth government, 15.1 per cent by State governments, and 3.9 per cent by local authorities. Ten years ago the respective proportions were 78.7 per cent, 16.6 per cent, and 4.7 per cent. This shift occurred at the same time as attempts were made to devolve a wide range of service provision from the Commonwealth to State and local authorities. The percentage shifts may not seem large, but they represent billions of dollars, and the establishment of a substantial dependency pattern. It seems most likely that South Australia's financial dependency on the Commonwealth will increase over the years as its population share declines.

Something else that will increase will be the number of elderly people in S.A. Whereas at the 1981 Census 9.75 per cent of Australia's population was aged 65 or more, the proportion in S.A. was 10.5 per cent, the highest in Australia. On the Australian Bureau of Statistics Series A projections the national proportion will increase to 15.8 per cent, but South Australia will be miles ahead of the field with 20.2 per cent of the population aged 65 or more. No other State will be in this league, and the boom States, Queensland and Western Australia will have respectively 13.8 per cent and 14.4 per cent of their populations aged 65 or more. There will be major economic consequences to be faced as a result of this shift, and there will be major social issues and service delivery issues to be dealt with.

No only will the proportion of elderly people in S.A. be considerably larger than in any other State - and this will be important in getting money for services from the Commonwealth - no easy task - but the ratios of elderly people to children will alter dramatically and this will have service and funding ramifications.

This change in ratio is probably the most important change S.A. is likely to endure. In 1901 there were, in Australia, 8.7 children (aged 14 and under) for every elderly person (aged 65+). Today this has shrunk to a ratio of 2.5. In S.A. today, the ratio is even lower with 2.2 children for every elderly person. On ABS Series A projections the national ratio will shrink by the year 2021 to 1.2, but in South Australia it will

shrink to 0.79. In other words, for every 100 elderly people there will be 79 children or to put it another way, for every 100 children, there will be 126 elderly people. No other State in Australia will have more elderly people than children. This is a change of overwhelming magnitude and importance. In no society to my knowledge, has there ever been more elderly people than children. This is something we will experience for the first time, in the next century, and S.A. will experience it long before any other State, (if in fact other States will experience this at all!).

Even today there is a different sort of dependency pattern in S.A. There are considerably more people in S.A. reliant on Commonwealth pensions and benefits for their livelihood, than in any other State. On the whole, 22.9 per cent of Australia's population is dependent on pensions and benefits, and the range is from a low of 21.3 per cent in Victoria to a high of 26.1 per cent in S.A.

There are more than twice as many children as elderly people in S.A. today, and in welfare services the S.A. Government spends \$19.04 per capita (of the whole population) on childrens' services - (the highest level of any Australian State) and \$10.04 per capita on welfare services for elderly people (above the national average of \$9.22). Of the voluntary agencies in S.A. 19 per cent deal with elderly people and 25 per cent deal with children. South Australia is acknowledged as having the best childrens' services in Australia, and as the population shifts, it would be a tragedy for there to be an erosion of these hard pressed services, but there will be increasing difficulty in sustaining them. While there will be many more elderly people with all the associated health and dependency problems, it must not be forgotten that the poorest people in Australia today are children, particularly those 700,000 children whose parents are dependent, for their income on social security benefits.

There are certainly interesting times ahead, and tough planning issues to be faced - issues that can only be resolved with strong political support. Much as I would like to talk about this now, I should like to focus more on the more immediate future and the response of voluntary agencies.

Non-government welfare organizations (NGWOs), sometimes referred to as voluntary agencies, are an integral part of Australia's welfare system. Social service provision in Australia (and in all other western nations) would collapse were it not for the activities of NGWOs. From the earliest days in colonial Australia "charitable organizations" have been part of the social welfare system. Also from the earliest days these organizations have depended, in varying degrees on public funds.

While government plays a dominant role in income support and supplementation, the provision of services is something shared by government and NGWOs. The Commonwealth Government provides very few services itself, but provides hundreds of millions of dollars to NGWOs so that they might provide services. State Governments provide a wide range of services, but they too provide hundreds of millions of dollars to NGWOs. Questions then arise about the extent to which the allocation process takes place within a general societal consensus with high levels of legitimacy and acceptance of aims, objectives, policies and priorities; or whether the situation is characterized by ad hoc and expedient decision making with high susceptibility to political pressures and interest group activity.

NGWOs operate on an extremely wide front of social need, service provision, community development and social activism. The tens of thousand of NGWOs in Australia give some credence to the frequent assertion that non-government action is highly regarded, able to provide support, able to pioneer new services, and above all able to provide a degree of flexibility which is not always apparent in government. An important point to note is that NGWOs provide on the basis of need, while governments provide on the basis of right. While the assertion is frequently made that non-government welfare organizations have an important ideological and service role to play, available data and analytical literature are sparse indeed. The large, and long established agencies have had histories written about them, most notably the Australian Red Cross, the Salvation Army, the Smith Family, Legacy, The Brotherhood of St. Laurence, The St. Vincent de Paul Society, the Benevolent Society of N.S.W., but these tell us only about one part of the non-government welfare apparatus.

In addition to these well known organizations there is a wide range of smaller community and service bodies, many operating on a shoestring and having few if any paid staff, and no assets. They provide a contrast to the major institutional service providers, i.e. those NGWOs involved in residential care of elderly people, or disabled people, or children. The larger organizations have major capital assets and their running requires extensive manpower and administrative commitment. Smaller community organizations have different objectives and interact differently with their clientele and with government, and take different sorts of places in the community.

Our research study in the Social Welfare Research Centre has identified approximately 37,000 NGOs in Australia. Our study, which is the first of its kind anywhere in the world is attempting a national classification of NGOs. We have so much data it is not possible to even give a fraction of it now, so I won't try. What I have done instead is prepared a rough outline of how NGOs in S.A. compare with those in other States. There are somewhere in the order of 4400 NGOs in S.A. and the paper I have handed out (press copy enclosed) gives some general classification and comparative information.

What I want to do is point out, as we head towards the end of this century, that it is essential that there be a strong partnership between government and NGOs, otherwise the immense social changes on the horizon will lead to fragmentation, competition and atomization.

For government to play an effective social service role it must demonstrate its extractive, regulative and distributive roles. It must be able to extract the best skills from the population and extract taxation revenue. It must be able to regulate certain activities and it must be able to distribute cash, services, and life chances.

NGOs must appreciate these roles and develop in partnership with government. NGOs are not private bodies and need to tie into a close partnership. They need both to plan and provide, and keep on governments' back to harass mercilessly to make sure government performs its extractive, regulative and distributive roles.

We are in the midst of a major recession. Our economic system cannot provide a living wage to all people in our society. The structure of dependency is increasing. As a result of this economic failure it does nobody any good to turn around and blame those victims, blame those people who miss out - people who find they cannot get an income in the labour market; people whose education does not buy them a place in the job market; people whose skills have been undermined by technological change; people whose occupations have been rendered obsolete by structural adjustment; family heads who received insufficient infrastructure support to maintain their families; women whose productive value is disregarded and who are confined to a state of dependency; people who have difficulty in achieving satisfaction in housing, services, or income; and young people who believe they have no worthwhile place in a competitive industrial society. These circumstances require interventions to provide tangible resources, effective services, and close companionship.

It is the combination of these three things - tangible resources, effective services, and close companionship that our welfare futures must increasingly be geared towards. If we look at tangible resources to start with, and I don't want to spend much time on tangible resources, it is fairly obvious that the sorts of agencies that you are all working in are not in the race to provide the tangible resources so desperately required. Our income security system which will turn over around \$15.6 billion in personal benefits this year, pays out around \$43

million a day, seven days a week, every day of the year. Your organisations can't match that - none of the welfare organisations in Australia can match that. The only realistic income security payment organisation in Australia is the Commonwealth Government. Only the Commonwealth Government has the resources to meet the desperate income needs of so many Australians excluded by the market and excluded by economic and social circumstances. The second of our three requirements, effective services, can be provided by organisations such as yours. Services provided through non-government welfare organisations need to be carefully targetted, and in order to be effective, need to be adequately resourced. The third of the requirements is companionship - and this gets us into the realm of informal services, family care systems, informal supports, and all the things that come from kinship and friendship networks, and to some extent NGWOs may have a small facilitating role here.

There has been a lot of argument about NGWOs as private bodies, doing their thing as they see fit. In tough times that simply isn't on. In Australia, for example, 62 per cent of NGWOs receive funding from government, and 22 per cent are dependent on government for more than three quarters of their income. Whether you like it or not, NGWOs perform public services and although not members of the bureaucracy, staff can only be described as public servants.

This does not mean that there is no autonomy. Studies we have done in W.A. show that government is simply not in control of the money it gives to NGWOs - I suppose that's called agency autonomy! I don't know if the same pattern applies here in S.A.

What roles can NGWOs play? As an academic I go back to the literature, but perhaps you might try to see if you can identify your agencies in the following models.

First the traditional view was that NGWOs who wished, ~~could~~ play an innovative, experimental role because they have ~~the~~ flexibility in their structures and are qualified to pioneer, innovate, experiment, and develop demonstration projects which might later be picked up as models for the statutory sector. The evidence that exists is that this role is rarely played, though the rhetoric lives on. Very few services pioneered by NGWOs have become standard government operations. Instead, many services and agencies have become particularly specialized and expert in their delivery, so that it is more appropriate to call the role one of specialization than it is innovator or vanguard.

Second there was the improver role : NGWOs may serve as critic, watchdog, thorn in the side, in an attempt to bring pressure to bear on government to improve or extend services or service concepts; to some extent they may be valuable in defending government services against anti-government and anti-spending sentiments. Extending this role, it is argued that advocacy is a necessary part of the improver role. This was reflected particularly in those agencies dependent on government for funds, not being hesitant to play an advocacy role. Some agencies are heavily involved in monitoring, criticizing and prodding government and use ad hoc coalitions, citizens' committees, media outlets and a wide range of lobbying and political tactics.

Third there was the "guardian of values" role, which focused mostly on preserving voluntarism as a desirable objective. Overseas evidence has shown that voluntarism in NGWOs is confined mostly to fund raising events and public campaigns and only rarely to person-to-person service provision. Interestingly it was the largest, most bureaucratized professionalized agencies that were found to be the most extensive users of volunteers. Consumerism, rather than voluntarism, evident in self-help and mutual aid, is perhaps the most distinctive feature of modern NGWOs.

Fourth the supplementer role, whereby NGWOs fill the gaps left by the other care systems, where their activities are often crisis oriented and hopefully transitory, has given way to a service provider role, where basically NGWOs act more like agents of government. NGWOs perform on a contract or agent basis, and for a fee (from government to cover costs) carry out service functions that government may be unwilling or unable to perform. An NGWO may be used by government as a primary service provider, a preferred provider, an alternative to or a substitute for government service.

All of this raises ideological questions about the relationship between public and private provision; between private and public identification of issues and problems; between public and private contributions to the development of coherent social policy.

In the overseas literature, 4 main vulnerabilities of NGWOs have been identified - do any of these apply to organizations with which you are familiar? In summary they are:

(i) institutionalisation - a 'creeping formalisation' which often results in rigidity, inertia, insularity and resistance to change; (ii) goal deflection - in which the development of an NGWO's purpose is displaced by the pressures of organisational survival (e.g. social advocacy being eroded by the need for fund-raising and system maintenance); (iii) minority rule - in that many agencies are governed by 'a self-selected and self-perpetuating' group, unrepresentative of the organisation's workers and clients, often leading to problems of unresponsiveness, narrowness of focus, inflexibility and resistance to change; and (iv) ineffectuality - including inefficiency, insularity, low accountability, 'a casual, muddling and bumbling style of operation' and other administrative deficiencies arising from a 'charity market' context of independence and laissez-faire.

These vulnerabilities can be overcome in three ways - if NGWOs strive: (i) to become more democratic, seeking broader and more diverse constituencies, more participatory structures and processes to supply new priorities and issues, and play a more active part in the monitoring and criticism of public services; (ii) to develop greater accountability, conceiving of themselves as property of the community and introduce better procedures for public disclosure and more effective information

systems; and (iii) to develop more administrative rationality by reviewing goals, purpose and capacities and by designing their structures and functions to meet these more effectively and appropriately.

### Conclusion

With monumental changes on the horizon for S.A., our welfare futures are inextricably connected with the way in which issues of public provision are traded off and reconciled. NGOs cannot alone cope with the full range of welfare needs in society, and from past commitments and practices, government does not provide all that is needed. The situation, however, is one in which substantial public resources (mostly through capital funding) are transferred to private hands. Accountability is slight and a dependency pattern is created whereby continuing funds are needed by the agencies for survival, and government is locked into providing funds to the largest agencies. Past funding creates a situation in which public and private are intertwined and which is difficult to dislodge.

NGOs are important to government as a key vehicle for implementation of public policy; as an information network; as a means of mediation of social issues into "proper channels"; and as a cheaper and more flexible avenue than alternatives - government itself or the market. However, there are many disharmonies and inconsistencies in the relationship.

Funding by government may take place because government has a vision of society; or because government has no vision but is happy to respond to suggestions; or because government

believes services provided by NGWOs are cheaper. Funding is provided either for the support of a service or a general activity. It sometimes comes about as a method of policy and priority setting, and sometimes as a result of expediency.

NGWOs divide into those which are part of our society's dominant power structure and those which are essentially powerless. The former have been engaged in their activities for a long time and because of their socio-political position have strong expectations of continuing funding and experience few constraints. A different pattern obtains for those community oriented NGWOs, particularly those which work from an oppositional stance and concern themselves with self-help, consumerism, information and advocacy. The Australian welfare state is faced with issues, not of survival, but of alliance. Which groups will combine together to form a protective support for the vulnerable; which coalitions will strive for tax fairness and interference into market mechanisms, so that inequality is not magnified; which coalitions will fight for the maintenance and improvement of benefits to ensure that the politics of exclusion is not directed at those with the fewest political resources; which coalitions will ensure that a reasonable balance be struck and maintained between the public and public spheres of allocation? These are the political issues which will shape the future of social welfare. The organisations with which you all work have a vital role to play. Not only will you have to find the way in which tangible resources, effective services and close companionship can best

be provided to those with whom you work, but there will be both an important political and service role to play. You will require exceptional perception, astuteness, and empathy in the ability to identify problems, relate them to intervention systems, and work towards linking the appropriate balance of statutory, voluntary, and informal services. The future direction of social welfare in Australia will depend on the right mix in this delicate balance.