The role of the community sector in Australian welfare

A Brotherhood of St Laurence Perspective

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This chapter offers a community sector perspective on the role of community based organizations in Australia’s welfare system. As all the chapters attest, this system is currently in a state of transition amid significant ideological contest and any perspective on the future is clearly going to be a mix of fact, wish and value judgment. The chapter is fashioned as a (not the!) Brotherhood of St Laurence perspective and proceeds by way of a reading of some of the key texts which have marked the evolution of that organisation’s distinctive approach to welfare. It is not a history of the BSL but builds on that reading to offer an optimistic if challenging assessment of the prospects for non government organizations like the BSL who are committed to the eradication of poverty in Australia.

Of course the future of the sector can be interrogated at a number of different and legitimate levels. The Stronger Community Organisations Project (2007) conducted by the Department for Victorian Communities, for example, has focused very much on organizational and governance issues such as ensuring the quality of the workforce and leadership, access to assets and infrastructure and issues of law and regulation. But of course these issues beg further questions at a time when the forms of social administration are in flux. What kind of workforce? What kind of regulation? International ‘Third Way’ observers, (for example, Newman (2004; Graefe 2006) attest that it is not at all clear as to what direction the mooted transition from hierarchical and market to network forms of governance will take in different countries (see Considine 2001). As Hess and Adams (2002) have highlighted, this shift does imply that future organizational forms should not be thought of in terms of
more of the same. Effective community engagement by governments, they point out, will require quite different cultures, skill sets, leadership styles etc to those currently in play. More broadly, still, McDonald and Marston’s (2005) work shows how the apparently day to day business of governing is shot through with what are often highly contested understandings of what are the appropriate ‘ends and means’ of welfare.

What are the ‘ends’ or goals of social policy in Australia today? Are they sufficiently agreed that we can readily define the means and move on to the tasks of governance and implementation? While commentators dispute the degree of change most would accept that we have moved on from a public policy framework characterized by a near exclusive focus on freeing the market economy to one in which the health of the market economy itself is much more readily seen as interdependent with social and environmental factors (McClelland 2005; . The goal of enhancing ‘social capital’, for example, is regularly cited as an agreed new ‘end’ of public policy and one with definite implications for the way the role of the community sector is conceived. Other quite different ideas now influence the new social agenda in Australia and with potentially more far reaching impacts on community sector practice are the redefinitions of poverty and disadvantage in terms of social exclusion and capability (Smyth 2006).

This chapter then will highlight the importance of focusing on how the ends and means of Australian social policy are currently being reconfigured as the key to anticipating the likely future role of the community sector. Inevitably, the outcome will be conditioned by what Salamon and Anheier (1998) have referred to as the ‘social origins’ of the sector or what might also be thought of as its ‘path dependency’ (Anheier 2004). Australia has had a somewhat unique social policy regime lending our third sector certain distinctive characteristics. The chapter will trace key phases in this development showing how the role of the sector altered during periods of regime change. An examination of these past conceptions in terms of what Brown et al (2000) termed the ‘charity’, ‘activist’ and ‘industry’ models prepare us for an assessment of what is novel in the current environment and likely to impact future directions.
The BSL is a medium sized welfare organization based in Melbourne. It was founded in 1930 in Newcastle by an Anglican priest, Fr Gerard Tucker and moved to the then slums of Fitzroy in 1933 where it has been based since. Its history thus spans the key phases of regime change in Australian welfare. What has made it distinctive historically and of particular value as a window through which to view change in the sector has been its combination of service delivery with nationally recognized research and policy development. In 1965, the BSL created what was the first research and policy unit in an Australian welfare agency. This combination of service, research and policy work arguably created a unique profile for the BSL which has made its ‘history … inseparable from the history of social research and service delivery in both Victoria and Australia’ (BSL 1994). The BSL’s very accessible literary archive thus opens to us an ongoing reflection about the past roles of the community sector in Australia which should be of more than intra-agency interest.

**BSL beginnings: the welfare society**

The beginnings period of the BSL spans two key phases in the history of Australia’s community sector: it looks backwards to the era of the charities and forwards to the period of the welfare state. The BSL moved to the slums of Fitzroy at the time of the Great Depression when the Federation formed social policy vision of a ‘wage earners’ welfare society’ was breaking down (Smyth 2003). In these early years of the 1930s and 40s the BSL displayed many of the strengths of the voluntary charity model but also revealed its shortcomings when dealing with a social issue of the magnitude of unemployment in those years. From a BSL perspective there came a point when the welfare society needed a welfare state.

This earlier history of the voluntary sector in Australia has been revisited recently by Murphy (2006; forthcoming) With Dickey (1987) and Mendelsohn (1979), he notes that in the first half of the twentieth century the sector was characterized by voluntary effort but often supported with significant government subsidy but light government controls. In form it was fragmented, haphazard, serendipitous and its development often the result of the passions of key leaders. For Murphy these features are explained by a certain residualism attached to the charitable sector through the logic of the wage earners’ welfare model which privileged the paid male worker through the family wage created by the Harvester judgment of 1907. In what we might call
today a ‘social investment’ policy regime the primary policy end or goal was to equip the worker to participate in the free market and so, through the regulated family wage, earn what was necessary to meet basic needs. Rewarding people through work in this way was seen as preferable to developing a state based system of support which from a variety of perspectives was seen as leading to what we might call today, welfare dependency. With the outstanding exception of publicly provided education, Australians were encouraged to provide for their own health and welfare needs either through community based cooperative and mutual societies or through purchase in the private market (Green and Cromwell 1986; Lyons 2001).

The values informing the community sector in this ‘charity’ phase have often been portrayed unidimensionally in terms of a severe, nineteenth century, individualistic, protestant ethic. In a regime designed to reward paid work, the community organisation’s role was to sort those deserving the residues of charity from those who were not. As Murphy’s (forthcoming) study of the values informing the St Vincent de Paul Society, The Wesley Central Mission and the Brotherhood of St Laurence, the reality was more diverse. Catholic social teaching on the relationship of the market, community and the state was very different to the evangelical Protestant and the strain of Anglican social thought influential on the BSL, different again (Smyth 2003). The newly formed BSL’s social vision was more akin to the twentieth century ‘new liberalism’ associated with T H Green as mediated through the Christian socialism of William Temple. In this view religion was not about rescuing individuals from an irredeemably sick society, but, as Murphy (forthcoming) explains, using the state where necessary to reorganize society in order to eliminate poverty. BSL action from the beginning was less focused on poverty as an issue of private morality and more on getting community and government action to eliminate poverty and unemployment.

The early years of the BSL reveal an organization focused on appealing to the wider community’s sense of social responsibility and to become personally engaged in doing something for their neighbors in distress. This was very much in the spirit of the welfare society model. Tucker found a scene in Fitzroy where:

We have large numbers of single and married men drawing the dole week after week, month after month, hanging around; becoming listless, idle-
minded, dole-minded. There is nothing for them to do. They gather in our hostels and we try to find occupation for them; but the environment is all wrong. small, overcrowded slum homes are not the best conditions for these people…and the cumulative effects are devastating. (quoted in Handfield 1980, p.95).

Reflecting a more general crisis of faith in the market liberalism which had underpinned the wage earner welfare society model Tucker was insistent that in general the problem was not one to explain in terms of individual choice or moral failure but in terms of the environment. Popular opinion at the time did blame unemployment on laziness, dirt and lice on maternal irresponsibility and financial poverty on reckless spending on inessentials. Tucker himself insisted on the importance of the mental, moral and psychological aspects of poverty just as much as the material. But the way to tackle the moral dimension, he thought, was to create an environment where individuals had real opportunities to escape their situation. He observed ‘three strata of unemployed men’: those who were struggling to stay afloat, those who were sinking and those who had sunk; and thought that of these the BSL could only assist the first two. The way to assist he believed was to change their environment to one which offered an alternative source of livelihood giving individuals an opportunity to get off the ‘sustenance money’ supplied by government and slowly become self supporting again. He sought to do this through the creation of the Carrum Downs settlement then on the outskirts of Melbourne where with the help of the BSL a subsistence living might be found as a half way house back to sustaining themselves through paid employment (see Handfield 1980 pp.94-104).

With solving unemployment not yet accepted as a government responsibility the BSL had to generate a constituency of community based support who would provide financial support and volunteer practical aid. Talented in this regard Tucker developed a group of ‘Friends’ of the BSL whose support he cultivated with a regular Newsletter informing of what was being done through their assistance. Over time this community mobilization was supported through use of print media and radio as well as through the production of films and lecture tours. Tucker saw these activities as more than just fund raising. Tucker looked to this engagement of the community as a personal way in which Anglicans and others could own these social issues in a
personal way and exercise their social responsibilities. He also saw them as a prelude to political change. Thus he argued that the more citizens became involved in this way then the greater the hope that taxation might be ‘reduced instead of being increased, as it must be if the present policy of allowing unemployed men to become unemployable is continued with’ (Handfield 1980, p.104)

Mendelsohn (1979) observed the way in which the Great Depression ‘overtaxed’ the voluntary system and revealed its inability to cope with unemployment on that scale. Handfield (1980) writes that by the end of the 1930s, the BSL was increasingly pressuring governments to take over tasks that the community groups could clearly not achieve alone. Tucker’s aim became to show with the help of the Friends just what could be done so that the government might also assist. He believed that the total eradication of slums had to involve government too because, as he put it, he could organize assistance only for “tens” when it was needed by “hundreds” – and the task was too big for a non-government organization (Handfield 1980, p. 102). This change of thinking about the role of community organizations reflected a wider rethinking of the ‘ends and means’ of Australian social policy. The ‘present policy of allowing unemployed men to become unemployable’ was about to be replaced by the policy of full employment. But what would be the implications for the role of the BSL and the community sector more generally?

The BSL and the welfare state
The creation of the welfare state is often ascribed to the war time government of the 1940s. In the absence of a vigorous Australian welfare historiography this is probably a result of people projecting the preoccupations of British literature on to the Australian scene. I have argued elsewhere that there was no ‘Keynes-Beveridge’ moment in Australia. Our welfare state creation was much more a two phase affair with the economic underpinning established in the 1940s and the welfare changes in the 1970s. Thus, in spite of certain expectations, the role of the community sector was not fundamentally recast in the 1940s. It would seem that Australians then preferred the traditional ‘welfare society’ model only now it could be given substance through the guarantee of paid work for all (Smyth 2006).
Government planning for postwar reconstruction was the occasion of considerable speculation on the future of Australian social policy and of the community sector in particular. The war clearly brought a change in popular opinion regarding the scope of government economic and social responsibilities. Thus in his appendix to Tucker’s brief history of the Brotherhood, Coaldrake (1943) noted how in the past the BSL had depended for its finance on giving from the community and indeed the generosity of this giving had shown how widespread was the public’s acceptance of ‘responsibility for helping those in need … the victims of our social disorders’. Now he believed that acceptance of this responsibility had become so widespread that it was a ‘majority opinion… The result promises to be State or Commonwealth Social Services on a hitherto undreamed of scale. … We are on the threshold of the “Social Security State”… in such a way that every man, woman and child will be provided with that full measure of ‘security’ which is his inalienable right.’ (quoted in Handfield 1980 pp.156-159)

Here Coaldrake relied on speculation surrounding the work of the Joint Parliamentary Committee on Social Security. Its work was soon overshadowed by the activities of the Department of Postwar Reconstruction and the focus of social reform shifted more to economic planning in order to secure full employment as the ‘royal road to social security’. Certainly there were changes to the traditional welfare ‘safety net’ but not in ways that fundamentally altered the profile of the wage earners welfare society. Echoing a favorite Tucker dictum that it was better to provide a fence at the top of the cliff than ambulances at the bottom Coaldrake foresaw a ‘scouting or reconnaissance’ role for the BSL while it tried unceasingly to bring about the day of the social security state’. When that day came, he thought the state would take over social services and the BSL would focus more on industrial and economic issues. The delayed arrival of the welfare state in Australia saw the BSL developing its role as an innovator in service delivery (for example, the Family Services project) and placing increasing emphasis on research and advocacy activities especially in relation to housing.

Geoffrey Sambell succeeded Tucker as head of the BSL and was followed in 1973-1980 by Tucker’s nephew, David Scott. Scott brought a greater emphasis on social action research and the development of comprehensive social policy recommendations to government. During this period, according to Handfield (1980
p.189), the organizations influence was extended throughout the community and it became an important adviser on social welfare policies at both state and national levels. Scott was aided in this work by a number of outstanding researchers who helped not just the BSL but the wider community sector in the task of redefining their role in the welfare state.

At the time of Scott’s appointment it was clear that the ‘ends and means’ of Australian social policy were undergoing a basic change. One of Australia’s first social policy academics, R G Brown (1973) observed the breakdown of what he called the ‘Chifley assumption’: that is, the idea that wage arbitration with a safety net of income support in a fully employed economy would obviate the need for a welfare state (see also Smyth and Wearing 2002). Internationally, social issues were being placed on a par with economic issues and just as full employment had been dealt with through a measure of state economic planning the same approach was now being applied to social problems using the resources of the newly developed social sciences such as sociology and the skills of professionally trained social workers. The goal of social policy shifted from mere ‘amelioration’ of social problems through voluntary action to the ‘development’ of the social realm through scientific planning. As the day of the welfare state finally arrived in Australia, the BSL had to revisit the Coaldrake thesis that the role of the voluntary sector would be superseded in a welfare state.

This prospect was the topic of a conference convened in 1975 by the New South Wales Council of Social Services entitled *Sink or Swim*, at which Scott presented a paper. Opening the conference, E J Pennington (1975), Secretary General of the Australian Council of Social Service observed that governments had responded to a hugely increased demand for health and welfare services by creating public institutions in areas which had traditionally been provided on a non profit basis. The general public, he thought was apathetic and indifferent to the shift and warned that Australians were in danger of losing the ‘variety’, ‘choice’, ‘animation’ and ‘freedom’ that the community sector brought into their lives. He thought:

‘we...will almost certainly be living in a society where the idea of private initiative for the common good has become little but a quaint anachronism largely associated with the mores of an earlier age’ (Pennington 1975 p.19).
This proposition was familiar to both Scott and his BSL colleague, Peter Hollingworth. Thus Hollingworth (1979) wrote of a society which had changed from being ‘capitalistic’ to one which was ‘socialized, planned (and) democratic’. Social policy was now less concerned with encouraging independence than with promoting interdependence; while the methods of welfare were now developmental and institutional rather than residual. With these changes he noted the view of the influential theologian Pannenberg, that churches consider phasing out their welfare activities and handing them over to the state. Pannenberg thought the pioneering role of churches in developing services should be seen as a ‘subsidiary and temporary’ phase and it should now hand over to the ‘political community’ as the properly responsible body. Hollingworth did not accept this logic and like Scott saw the need for a new mixed economy of welfare.

Scott (1975) also saw the shift from residual to developmental social policy as defining the new era with social joining economic issues as the object of planning with a view to equalizing opportunities. The Australian Assistance Plan and the Department of Urban and Regional Development provided the foundations for the new approach and led to the older voluntary organizations being joined by a range of new community groups distinguished as Non Government Organizations (for example, free legal aid, drug referral, recreational, half way houses, day care, urban action and self help and consumer groups). Among the groups there was uncertainty about roles in relation to governments and also political differences: traditional voluntary groups welcomed the extra government aid while socialists and radicals saw these as ‘plugging gaps and propping up a system that needed fundamental reform’.

For Scott and for Hollingworth welfare state acceptance of responsibility for social development, for national planning and for financing was critical but they did not believe that this implied all personal services were best provided by government departments and their bureaucracies. Hollingworth thought that the postwar experience of the Beveridge model showed that government services tended to be spread far and wide leaving many to fall through the cracks; while Scott believed it had created impersonal bureaucracies delivering services to passive publics. For Scott
(1975) the aim of ‘state planning should be to build up and preserve population participation in government and provision of services at all levels’. Whilst this might suggest a return to earlier values of self reliance, he thought it was not about asking individuals to look after themselves whether they had the resources or not. Rather it was about empowering people to work cooperatively and collectively to meet their own and other people’s needs’.

In a number of places both authors (Scott 1975, 1981; Hollingworth 1975, 1979) listed what they saw as the tasks of the community sector in the new welfare state regime. These included:

- Filling gaps in the government service system. Community agencies, if ‘small, sensitive and flexible enough’ could service groups whose needs were not easily met by large government departments.
- Counter balancing excessive bureaucratic centralism. Within a collaborative system there should be a creative tension between the two sectors; with government emphasizing accountability and planning and Non government partners stressing flexibility and advocating for the disadvantaged citizen.
- Performing an Ombudsman role to ensure providers had effective local knowledge and to be an independent critic of official services
- Offering self realization and fulfillment as an intermediate organization between the individual and big government and big business. As a church group the BSL offered Christians in particular a chance to exercise their social responsibilities
- Providing a choice of service in a pluralist society
- Engaging in community education to prepare way for necessary social changes
- Undertaking research and policy work to promote social development
- Encouraging service innovation
- Undertaking community development e.g. community child care

In addition to new tasks the welfare state implied what today we would call a new regime of governance based on collaboration and partnership between agencies and with the new state apparatus. In place of the sometimes sectarian competition for souls in the charity era the welfare state required cooperation and interdependence
between agencies. The development model also implied new practices of engaging services users and indeed the wider community in the practices of policy and program development. Thus services should ‘seek to remove barriers between the service giver and the service receiver’ and foster a sense of community through the localization of services thus minimizing their distance from centralised management structures. Local programs properly integrated in the life of the locality or region where they are operating would be more flexible, more responsive to local need and more participatory in their decision making (see also, Henderson 1980).

Finally to complete the new governance arrangements appropriate to a welfare state Scott called for a charter of rights to be established between governments and the non government sector; agreed forms of contract making service standards and accountability arrangements transparent; the establishment of consultancy units within the Councils of Social Service to support the sector; and staff exchanges between the sectors to encourage a mutual understanding of roles.

In the search to reassert a role for the community sector in the era of the welfare state its potential as an agent ‘building up the population participating in government’ became central for the BSL in the 1970s (Liffman 1978). Its role became very much about creating new service models which would reflect the new developmental goals of Australian social policy. In this regard the BSL’s Family Centre Project was emblematic. As Tucker had located the causes of unemployment in the ‘environment’, so the FPC attributed the lack of ‘development’ to unjust social and economic ‘structures’. It was premised on empowering people with the resources, relationships, information, and decision-making capacities needed to change their lives and in the process, the society around them. It implied, writes Benn (1993), participation strategies, self-help mechanisms and a de-professionalisation of service delivery. These principles of the ‘development’ approach required very different service practice including ‘open files and developmental plans; staff as resources rather than counselors; a guaranteed minimum income; choice and opportunities as rights for poor people; and above all a rejection of the culture of poverty idea’ (Benn 1993, p.26).
By the end of the 1970s it was clear that the arrival of the welfare state had not meant the end of the community welfare sector but rather a remaking of its role. The new developmental goals of social policy now mandated governments to address and remedy failed social systems in the same way as the Keynesian economic state had been mandated to solve market failures. In the new mixed economy of welfare the state would not abolish the community sector but work with it. The sector was considered to have a range of capacities not found in the bureaucracy especially those that enabled service users and local communities to be brought into the political processes of policy and service development; a role felicitously described by R G Brown (1980, p.14) at the time as creating ‘a constituency for the poor’.

**the decline of the welfare state and the community sector**

Australia’s belated dash to create a welfare state was overtaken by the downturn in the international economy ushering in a prolonged ‘crisis’ of the welfare state in which the new social policy package of welfare rights were increasingly portrayed as at odds with economic efficiency. For at least a decade however governments sought to manage a compromise between the welfare state model and the more market oriented economy. Indeed the community sector entered a period of stability and strong growth as governments increasingly expanded its role in service delivery (Lyons 2001). However while the institutional arrangements thus reflected the aspiration of the 1970s for a strong and continuing presence for community organizations the ‘ends’ or goals of the sector partnership were slowly rewritten. The reinstated free market principles shaping economic policy were opposed to the welfare state vision of a ‘socialized, planned and democratic’ development. Applied to the sector this meant allocating resources not through processes of agency collaboration and political participation but rather via the discipline of market and quasi market mechanisms.

In the more conservative social policy climate of the 1980s, BSL activities became less focused on the ‘environmental’ or ‘structural’ causes of poverty. Following the Henderson poverty inquiry and the work of Townsend (1979) in creating measures of ‘relative poverty’, the goals of social policy and research became more focused on the goal of poverty alleviation. The BSL developed a formidable reputation for its research and policy work aimed at improving access and equity within the welfare state system of taxes, wages and social services. In this development, the corporatist
style politics of the Labor governments increasingly involved the sector (and the BSL) in the kind of participatory policy planning envisaged in the 1970s. Nevertheless this was also a period of substantial growth in inequality as social policy initiatives were negated by the escalating deregulation and privatization of the economy. By the early 1990s, as former BSL researcher Peter Allen (1993) noted, the 1970s social goal of 'distributional justice for all' had retreated to 'conditional welfare for the few' (see also, Challen 1992; McClelland 2005; Green and McClelland, 2003).

In what Pierson (2000) called the ‘climate of austerity’, which enveloped social policy in the 1990s, the outsourcing of government services to the community sector grew. In the process, the role of the sector was recast. The ‘new managerialism’ informing the public service began to influence funding and accountability arrangements in order to extract greater efficiency from the sector. As Brown et al (2000) observe, the ‘activist’ features of community sector - oriented to building up the poor as a political constituency - were lost as sector agencies reorganized themselves along ‘industry’ lines. With National Competition Policy came the further aim of radically remaking the welfare sector using market mechanisms. Governments would continue to ‘steer’ but need not ‘row’ if service delivery goals could be specified in contracts and these put out through a process of compulsory competitive tendering. Competition was to replace collaboration among welfare providers (Considine 2001; Keenan 1996; Carney and Ramia 2002). The whole idea of the sector working cooperatively with government in policy and program development receded as peak bodies were destabilized (Melville and Perkins 2003) and government contracts appeared to undermine the sector’s ombudsman or advocacy role (Hamilton and Maddison 2007). Indeed in this period of deregulation the very notion that there could be shared social policy goals was discounted. Thus the Howard government’s review of social security was cast in the purely negative terms of ending welfare dependency (McClelland 2005; Howe B. and O’Donnell A. 2003).

In what had become a fragmented and uncertain community sector, the BSL sought new directions with the appointment of Nic Frances as Executive Director (1999-2003). While many in the community sector sought to defend what they saw as the hard fought gains of the welfare state, others were repositioning in relation to the market. The Smith Family and Mission Australia promoted partnerships with business
and sought to develop more corporate practices and become business-like themselves (Feeney 2006). Thus Patrick McClure (n.d.), then head of Mission Australia, spoke of the need for community sector agencies who wished to compete for contracted human services ‘to develop sufficient size to spread the risk, benefit from economies of scale, attract good employees, have a proven capability to deliver on contracts and manage multiple, complex projects’. They would need the capability to acquire and use large amounts of capital to compete in capital intensive markets’. Others like Peter Botsman and Mark Latham (2001) attacked the welfare state’s practices as bureaucratic and paternalistic and promoted a ‘third way’ which would thrive on private civil society initiatives and embrace business sponsorship. Frances aligned the BSL with these critiques of the welfare state model and looked to reanimating the BSL as a community based agency.

Coming from the United Kingdom and with a business background, Frances was rather indifferent to welfare politics and the kind of state focused research and policy work which had become a central feature of BSL activity. He had had a successful career in the UK as what was called a ‘social entrepreneur’, stimulating small business and micro enterprise activities among the unemployed. With the BSL he co-founded and chaired the albeit short lived Social Entrepreneurs Network which numbered Noel Pearson and Peter Botsman as members as well as involving the Smith Family and Mission Australia. However, according to Holm (2004), while Frances had a strong commitment to creating an innovative culture and an aversion to ‘hierarchical welfare’, he did not hold to any fixed ideological position (see also Frances 2002, 2003). Rather he believed social entrepreneurialism offered ‘potential for new territory. It lies between business, charity and government. From our different perspectives we describe it as “Corporate Social Responsibility”. “Triple Bottom Line Reporting”, Social and Community Enterprise” and a “Whole of Government Approach” (quoted in Holm 2004, p. 72). In practice Frances encouraged a return to a more community based approach in a way that, as Mendes (2001) observed would not have been foreign to Fr Tucker. At the same time he argued strongly for an active role for government in transferring people on benefits into government funded service positions.
The BSL and the community sector thus concluded the twentieth century amid considerable confusion about its role. The traditional understanding of the ‘ends and means’ of Australia’s social policy regime – expressed through wage based welfare and the social entitlements of citizenship – were in disarray. The New Public Management was recasting interagency relationships in terms of competition rather than collaboration; while the social policy goal had changed from ‘development’ to ‘ending welfare dependency’. Some kind of post-welfare state reanimation of the sector through its roots in the community seemed needed; one which would require a different relationship with government and also a new approach to working in partnership with the private sector. But as Frances remarked, it remained a ‘new paradigm … waiting to be conquered’ (Holm, 2004, p.72).

Towards the new paradigm
What are the ‘ends and means of welfare today? Although the exact reach of the transformation is contested most discussion assumes that the extreme neoliberal project of ‘ending welfare dependency’ and leaving everything to the market has passed. In economic policy we see a shift towards market ‘steering’ with emphases on social investment in education, research and development and with industry polices aimed at focusing markets on the kinds of innovation needed for the knowledge economy (Whyman 2005). In social policy we have witnessed the return of the ‘social’ with waves of reform designed to build social capital, promote social inclusion, and, more recently develop ‘capabilities’. Excessive inequality is recognized as bad for the economy. With governments pressed by skills shortages and an ageing society to boost participation and productivity, discarded community sector skills in engaging more disadvantaged people and places are now being seen as an economic asset rather than a mere optional social luxury. In working towards these new goals, the templates of the New Public Management are being revised in the search for more ‘strategic’ forms of network governance (Gallop 2007).

In each previous period we have observed the critical importance of the prevailing understanding of poverty for shaping both BSL strategy and the role of the community sector in general. Today the ‘Poverty Wars’ over income based poverty lines have given place to frameworks which can tell us what are the new risk profiles people face in the key transitions of life (Howe 2007). The BSL, for example, has its
Social Barometer project which operationalises Sen’s concept of capability which has also informed the work of the Melbourne Institute of Economic and Social Research and the Cape York Institute (Scutella and Smyth 2005). The BSL also has undertaken research with the Social Policy Research Centre aimed at getting measures of social exclusion for the Australian context. As Frances’s successor Tony Nicholson (2005) points out, what these new definitions and measures reveal is that whether we are looking at poverty in terms of population groups or places, significant disadvantage today is understood increasingly as a multidimensional, ‘joined up’ problem and this has major implications for the governance of welfare services.

The implications have been most apparent in the case of employment services delivered through that template of the New Public Management, the Job Network. The Job Network has been defended in terms of its achieving ‘value for money’ through the use of non government providers. However, the BSL has long argued that it is not well suited to service users with multiple disadvantage (Temby, Housakos and Ziguras 2004; Perkins 2006); who are now becoming the core clientele of these services. These criticisms reflect what has become something of a consensus in the literature regarding the competitively tendered service model. It is regarded as overly centralized and imposing excessive regulation (Geddes and Bennington 2001); and criticized for pre-empting and hindering the scope of responsive professional practice; and allowing the unique local circumstances of localities and individuals to be overlooked (Dean 2003). As Mwaiteleke (2007) writes, contracted service delivery arrangements need to be ‘more sensitive to human complexity’.

In this respect, some of the new thinking on poverty discussed above, suggests how this complexity might be conceived in relation to employment services. Sen’s approach, for example, allows us to rethink social spending as an investment in developing people’s capabilities. It implies a set of entitlements that every citizen should have if they are to be able to choose the life they value and imposes an obligation on government to ensure not just that people have the minimum entitlements and commodities but the real opportunity to convert them into valuable functionings.
In this approach, as Bonvin and Favaque (2006) point out, service users have to have an effective voice with a real freedom to negotiate their pathway into work in a fair and reasonable way. Here the idea that people should take whatever is offered fails to pass the capability test. They argue that with heterogeneous clients and diverse environments, the choice of options cannot be left to central authorities and technocratic experts; although they have their role in terms of resourcing and accountability. Nor should effective voice be considered a matter of individual self confidence. Rather effective local and reflexive regulation requires a measure of autonomy for local actors and an institutional environment which is able to listen to the individual. This concern with service effectiveness converges with the wider worry about a ‘democratic deficit’ arising from the shrinking space for the excluded to contribute to deliberations on decisions affecting their livelihood (Melo and Baiocchi 2006).

Under the tasks of devising a listening institutional environment at the local level has become a defining agenda for the BSL where, as in the 1970s, radical service innovation is a strategic agenda. This is found not only in community based employment services and enterprises but in a wide range of initiatives to involve individuals and communities as active agents in the development of services. These involve community arts, techniques of deliberative democracy such as Citizens’ Juries, integrated service hubs, the engagement of parents and communities in the support of youth in transition; and most recently involvement in the Collingwood Neighborhood Justice Centre. The collaborative project YP4 designed for homeless, young, unemployed people has been particularly important in showing how an integrated service requires more than a case management guide for clients but a reworking of community and government agencies into an ensemble able to collaborate effectively in response to local needs.

This work at the BSL is, of course not unique in the sector. There have been various critiques of the way the competitive tendering model directed agency activity away from collaboration, advocacy, lobbying and networking (Abello and McDonald 2002). Within the competitive framework of economic neoliberalism, of course, this was quite proper. However in the new social policy, delivery systems need to show how they can facilitate ‘partnerships’ in the sector as a part of a ‘joined up’
governance model responding to ‘joined up’ social problems in a networked model (Considine 2005; Reddel 2006). As Stewart-Weeks (2003) observes, this approach looks to a dispersal - rather than the current centralisation - of power throughout the network and will require different funding and accountability arrangements. It also suggests the need for specific investment so that the community sector has the capacity to exercise its role in the new configuration.

**Conclusion**

The trajectory for the community sector laid out here is meant to be contentious. Contributors to the NCOSS (2006) convened conference on ‘The New Business of Human Services’, for example foresee a future where the trend to ‘MacDonaldise’ welfare services will be further entrenched. The BSL on the other hand, while embracing more business like management practices has deliberately rejected the so called ‘industry model’ as its pathway. As Nicholson (2006) has stated, implicit in this choice is the understanding that while both the state and the private sectors have important roles to play in Australia’s welfare system the community sector should have a different role. With governments beginning to assume a more positive and strategic role with a view to social investment; and with the private sector playing an unprecedented role in terms of social responsibility, it is an opportune time for the sector to be reinventing this unique role at the interface of the state, the market and Australia’s disadvantaged.

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