A SOCIAL POLICY RESEARCH AGENDA
TO TAKE THE TERRITORY, AND THE
NATION, INTO THE 21ST CENTURY
Establishing an Appropriate Framework

WHAT IS GOOD SOCIAL POLICY?

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A social policy research agenda to take the territory, and the nation,

North Australia Research Unit
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In 1995, the North Australia Research Unit's (NARU) position within the Research School of Pacific and Asian Studies (RSPAS) was reviewed within the Institute of Advanced Studies. Following a report by the review committee, NARU underwent strategic restructuring in terms of management. For a short period NARU was relocated to the National Centre for Development Studies but, in August 1997, the Unit reverted to its former position and is directly accountable to the Director of RSPAS, The Australian National University.

The location of the Unit in Darwin has made it something of a frontier research post for more than two decades. Opened in the early 1970s, the aggregate of scholars over the years, and even today, is a reflection of the inter-disciplinary nature of the research carried out at the Unit.

A large portion of that research has focused on the Aboriginal and Torres Strait Islander peoples of Australia and, in that context, on the social, cultural, political, economic and development issues which are part of northern Australia. The range of research projects which are underway at any particular time depend very much on the priorities of the individuals who are engaged in the actual research. Aboriginal and Torres Strait Islander issues are of continuing importance in northern Australia and, consequently, to NARU. The reasons for this would be obvious to anyone who visits northern Australia—outside of Darwin, indigenous people comprise the majority of the population in the north.

In addition to NARU's traditional research there is now a very strong focus on governance and development in northern Australia, and in regions further north, particularly east Asia. Scholarly interest in this regional relationship has been substantial, adding considerably to the depth and breadth of NARU's cross-disciplinary role with the ANU.

As an integral part of the ANU, and RSPAS, the Unit offers scholars from Australia and around the world a unique opportunity to conduct research in one of the most remote academic outposts in Australia—perhaps, the world. NARU has excellent resources and site facilities, including a social science library which boasts a comprehensive collection of material on
northern Australia and which is networked into the ANU library system in Canberra. The library and other facilities are reserved for NARU academics, visiting fellows, and students and demand is relatively high during the ‘Dry’ season. Enquiries are welcome and should be directed to either the Unit Director or the Administrator.

Guidelines for Contributors

Papers should not exceed ten thousand words. The Harvard system of referencing is recommended, and footnotes rather than endnotes are preferable. The styling method of this paper can be used as a guide. Authors are requested to send three copies of their paper and one copy on disk; please include an abstract and short profile of the author.

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Introduction

We are here today to discuss social policy research in the Northern Territory and specifically to begin thinking about how to best approach and prepare for what the 21st Century holds for us as a community. This is a very important exercise, as I believe there are a number of social trends and circumstances peculiar to the Territory that set us apart from the rest of Australia. This is before we begin to even consider the added challenges posed by the geographic isolation faced by Territory communities.

I am certainly not the first to acknowledge the challenges the Northern Territory poses. I cherish a copy of an historical document published in 1937, known as the Payne and Fletcher Report, that was written specifically to prescribe a way forward for the pioneers of the Territory. The outline of the report begins:

The Northern Territory as it exists to-day is a national problem, a national obligation, a challenge to other nations, and a detriment to ourselves.2

We have come a long way since this observation was made. Such views have long since been superseded by the Territory's strong record of success in growth and development.

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1 This is the transcript of a paper presented by Senator Tambling at the North Australia Research Unit, Darwin, on 15 July 1998.


* Senator Tambling is the Senator for the Northern Territory (Country Liberal Party) and Parliamentary Secretary to the Minister for Social Security.
Elsewhere, the report goes on to list many recommendations, suggestions and project proposals. At the same time it also often detours into unacceptable ideas on racism and other topics and occasionally has a few quips of humour, including such ‘Administrative Maxims’ for the early public service as:

Do your best to guide Head-quarters in formulating correct policies. The man on the spot should always be in a position to make clear-cut and definite recommendations for the guidance of Head-quarters. Never shirk responsibility in this regard.3

In speaking today I am wearing two hats: one as Senator for the Northern Territory and the other as the Federal Parliamentary Secretary for Social Security.

As Senator for the Northern Territory I have always taken a keen interest in the work of about 55 various Commonwealth Government departments and agencies based in the Territory and their respective contributions. And of course, being a member of the Country Liberal Party I make no apologies for influencing and overseeing many policies resulting in Northern Territory Government initiatives.

Wearing my second hat as Parliamentary Secretary I have taken a closer interest in the range of programs administered by Centrelink on behalf of the Department of Social Security. From income support for unemployed people, to pensions for the elderly and disadvantaged, and family support—such programs are crucial in underpinning the regional economies of many communities around the Territory and right across Australia.

Before discussing this theme and sharing with you my thoughts on future opportunities and challenges facing the Territory I would first like to stray from my brief slightly and discuss by way of background, social policy and protection in terms of globalisation and international trends and agendas.

Globalisation

Globalisation—or greater global competition, trade, capital mobility, communications and population movement—is sometimes seen as a threat to systems of social protection in developed countries. It has been argued that international competition creates an environment in which producers

3 ibid.
in high social protection countries will lose out to their competitors from locations with lower social standards and therefore lower costs. Producers in the high cost countries will, as a result, be forced to either reduce social protection in the current environment or relocate if they do not wish to be forced out of business. This scenario is, in fact, an exaggeration—if labour costs alone were the measure of competitiveness, Malawi would be one of the fastest growing countries in the world. Further, it can be argued that a well designed and effective social safety net actually improves competitiveness by reducing resistance to economic change.

As globalisation makes some tax bases more mobile and less easy to tax the ability of governments to finance social protection with a lower income base will become more of an issue. The burden of taxes must therefore fall more heavily on workers if globalisation erodes capital-source income.

There is no doubt that increased ‘globalisation’ will result in economies becoming more sensitive to developments in other countries. You cannot trade with someone without having your destiny linked to theirs—this is an inevitable price of the mutual enrichment that trade brings. From this arises a challenge for Australia to develop social protection that is supportive of our positioning as a highly skilled, flexible and competitive nation. Recent developments in Asia and the associated flow-on to the Australian economy bear evidence to this point. Greater global competition will result in job losses in some industries, as well as gains in others.

The recent NARU workshop on Redeveloping Good Neighbourly Relations: Profiles of the Northern Territory, South Australia and our Trading Partners in Asia, held at Parliament House on 4-5 June, 1998, highlighted our important trade relationships with our Asian neighbours. It is timely at this seminar to also place on the agenda the social priorities of Indonesia, Malaysia and Singapore and in particular the need for reciprocal government-to-government initiatives and opportunities for cooperative development.

Perhaps the most common international social issue we tend to hear or read about is the incidence of rapidly ageing populations and the resulting demands on pension and retirement income systems. International trends suggest that population ageing will peak in the 2010–2035 period with the ratio of contributors (workers) to the retired at its lowest. The World Bank’s ‘Three Pillar’ approach to retirement funding is increasingly being considered by governments as a viable model to counter this growing imbalance. This basic model consists of a contribution component, a
taxpayer funded component and a third pillar where individuals are encouraged to make private arrangements for their own well being.

The 'up side', if you like, to this range of challenges is that we are not alone. All other developed countries are in the same position and face similar social policy problems and challenges going into the new century. Governments are in active dialogue and for the most part agree on a common set of themes and direction. This is evidenced by the main conclusions of a meeting of Ministers from the 29 Organisation for Economic Cooperation and Development (OECD) member countries held last month to discuss issues raised in a paper drafted by the Japanese Government titled *The New Social Policy Agenda for a Caring World*. Ministers agreed on a list of main conclusions from the meeting, as contained in the official OECD communique:

**Main Conclusions of the OECD Ministerial Meeting, 23–24 June 1998**

Ministers agreed:

- that structural reform of social and health care systems should achieve greater equity and efficiency of social protection systems;
- to promote employment-oriented social policies to combat poverty, inequality and exclusion;
- to ensure the best possible start for children by promoting early childhood development and family friendly policies which would help families balance work and caring responsibilities, and by improving employment opportunities for those parents without work;
- to promote a healthier population by focusing on more prevention and the broader factors contributing to health improvements and by tackling persistent inequalities in health status;
- that necessary reforms of retirement pension systems should not be delayed, so that they provide adequate income support while ensuring their long term sustainability;
- to co-ordinate the roles of health and social care systems so they provide appropriate and integrated care for those with long-term needs;
- to promote an appropriate balance in rights, responsibilities and opportunities between government, at its various levels, and individuals, families, social partners and communities; and
- to support the elaboration of effective instruments for monitoring and evaluating program outcomes, and to develop internationally-comparable social indicators.
OECD member countries agree that effective social policy and health care are an integral part of economic development. In acknowledging this and looking to the future, Ministers listed the challenges facing developed countries as follows:

- high and persistent unemployment;
- the growth of social exclusion involving the persistence of extreme poverty and high income inequality;
- high rates of family break-up;
- persistent differences in health status within populations in OECD countries;
- population ageing is expected to reduce the prospective increase in overall living standards; and,
- fiscal consolidation imposing tight constraints on social expenditures which account for a large share of public spending.

Social Security Policy Issues—An Australian Perspective

It is estimated that the Australian Government’s expenditure on the social security system for 1997/98 was $42 billion, around 30 per cent of Commonwealth outlays and seven per cent of Gross Domestic Product (GDP). Social Security spending roughly doubled from three to six per cent of GDP between 1972 and 1978, and since then has generally stayed above six per cent of GDP.

There will be pressures for further increases in social security spending over the next 20 to 30 years, partly due to continued population ageing and also because of policy commitments to maintaining and improving the real level of payments. Adverse labour market trends could exacerbate these cost pressures.

One important factor has been structural change in the Australian labour market which has seen large numbers of older workers, in particular male workers, lose their employment. The Commonwealth Government intends analysing this issue in more detail to establish if it does in fact have a regional dimension.

Australia shares the concerns of other OECD countries that the future ageing of the population in combination with an apparent shrinking of the
employed workforce will place extra strains on the welfare state that will make it more difficult to sustain in the longer run. Although it is important to remember that, due to past migration, Australia is better placed in this respect than most other developed countries.

Australia has a comparatively very tightly targeted social security system, and a tax system with a nominally highly progressive structure. These design features make it difficult to cut spending further without jeopardising core objectives such as adequacy, or further exacerbating undesirable ‘poverty traps’, and are a major reason that the government is keen to foster self-provision for retirement. At the same time, the structure of the tax system requires reform.

Offsetting this, there are factors likely to assist in maintaining the sustainability of the system, including the increases in the private income of social security recipients, and in the longer run, the maturation of the mandatory superannuation system. The ‘affordability’ of the social security system, however, fundamentally hinges on trends in the labour market and community attitudes to social security spending.

Since Centrelink began formally undertaking the service delivery functions of the Department of Social Security (DSS) and some functions of the former Commonwealth Employment Service (CES), DSS has become much smaller—focussing on research and policy advice.

Several strands of DSS’s current research are aimed at assessing outcomes for customers on a regional basis. This research will build on recent academic writings that have suggested marked differences in living standards depending on which part of Australia you live in, and that differences have increased over recent years.

DSS is also undertaking a broad research agenda aimed at developing a better understanding of the spatial impact of social policies and the degree to which policy needs to respond to spatial characteristics. An important part of this is understanding the difference that living in a more or less disadvantaged area makes (with all else being equal) to an individual’s life prospects. The first phase of this project involves examining the relative contributions of DSS payments to total incomes in the regions throughout Australia. Early results from this research indicate:

- On average, 15.8 per cent of after-tax personal income in Australia was derived from transfer payments provided by DSS in 1995-96. This ratio
varied widely across areas. A quarter of all Australians lived in areas where the ratio was less than 11.6 per cent, but a quarter lived in areas where it was more than 21.1 per cent.

- The clearest pattern is that of a higher reliance upon transfer payments outside the capital cities. On average, non-capital city areas get 19.3 per cent of their disposable income from DSS, while capital city areas get 14.0 per cent.

Geographic Polarisation of Disadvantage

The Department is also building on an influential study by Bob Gregory (Australian National University) and Boyd Hunter, by updating it to the 1996 Census to see if the trend Gregory and Hunter identified towards increasing geographic polarisation of disadvantage has continued since 1991. This will not only bring this study up-to-date but by covering a longer time period it will help abstract the longer term patterns from the influence of the business cycle.

Gregory and Hunter’s methodology will also be extended to test the effects of internal migration and of commuting on locational disadvantage. This is an important extension as it will help decide whether the increasing polarisation is, broadly speaking, a consequence of widening inequality generally or is a policy concern in its own right, suggesting further examination of regionalised social policy.

Housing Research

DSS currently has underway a study comparing housing data in the 1991 and 1996 Censuses. This will give a much more detailed picture of relative movements of housing conditions in the regions of Australia than can be gained from more continuous data sources such as the Australian Bureau of Statistics (ABS) and the Real Estate Institute of Australia. While the study’s focus is specifically housing, economic variables such as employment and unemployment will be used in the analysis. There should thus be considerable spinoffs into wider regional issues. The results of this study will also in time be published.
Service Delivery to Rural and Remote Areas

An important aim of separating the policy and service delivery functions in the Social Security portfolio was to reduce inconvenience for customers who were previously required to go to a number of different offices. This is particularly important in rural areas as Department of Social Security (DSS) offices were not always located in the same towns as Commonwealth Employment Service (CES) offices.

Centrelink has a strong focus on improving the quality of service delivery and, in conjunction with DSS, the dissemination of information about services, programs, payments and allowances to customers in rural and remote areas.

Centrelink is looking at a range of options to improve services in rural and regional locations through the introduction of a national Centrelink rural servicing strategy. There has already been considerable input received from community groups, private organisations and other government agencies (particularly at the State/Territory level) examining future service delivery arrangements and Centrelink will continue to consult with customers in rural/regional areas to tailor services to meet the needs of their communities.

Currently, Centrelink delivers Social Security services through a number of mechanisms beyond its regional Customer Service Centre offices, including:

- mobile and visiting services—these operate in small and remote towns without a permanent Centrelink office, with the frequency of visits varied to suit customer requirements;
- non-government agencies that act as Agents on behalf of Centrelink in rural and remote locations to provide services and information;
- cooperative arrangements with State and Local governments for the delivery of services on Centrelink’s behalf in some regional locations. Within Northern Australia, discussions have been held with local government to identify ways in which overall service delivery can be enhanced;
- call centres allow those with access to telephone services to quickly access information on their payments from any remote locality. Centrelink operates the largest single purpose call centre network in
Australia—the operation currently consists of 23 Call Centres, of which 13 are located in Regional Australia and employs 3,000 staff nationally, of which 1,950 are employed in regional centres. Access to call centres is being improved by extending operating hours and reducing call waiting times;

• the Internet—the DSS Internet site provides information on the Department’s programs, policy and research and the Centrelink site provides basic information on the delivery of payments and services;

• the use of specialist officers, such as the Financial Information Service Officers, to form local links with community organisations; and

• the Community Agent Program (CAP), which allows indigenous community organisations to set up a small office facility and employ a Community agent on a part-time basis to assist people with Social Security matters. Of the network of 141 Community Agents, more than half of these are in Northern Australia. The delivery of services to indigenous customers through CAP needs to be seen in the context of overall indigenous customer servicing, including visiting arrangements, in some cases the outposting of staff, and the delivery of services by regional offices.

Service Delivery and Information Technology

The use of communication and technological advances to facilitate and improve the quality of delivery of Social Security services in rural areas is also a significant part of Centrelink’s focus. New technologies and telecommunications are providing opportunities to overcome distance and isolation by facilitating effective service delivery and increasing access to services.

A number of technological developments are currently planned or under way. These include:

• electronic lodgement of claims;

• the capacity to provide change of address or income details via electronic kiosk or telephone;

• providing services and concessions through the development of smart card technology;
• the provision of information on Social Security programs and services via the Internet or touch screen terminals. (Centrelink is examining opportunities for enabling access to the Internet for local people through Agents and the long term potential for interactive communications);

• facilities to accept claims for benefits over the telephone to overcome difficulties in physically accessing Centrelink offices and to avert delays with mail services;

• the use of video-conferencing facilities to provide a direct video link to Centrelink for customers; and

• setting up information booths directly connected to Centrelink's call centres.

Information technology based initiatives are particularly important to the Territory where the tyranny of distance is a basic service delivery issue to most communities.

Northern Territory

If I can now put on my 'Senator for the Northern Territory' hat and talk about some issues that are Territory specific and more parochial.

In the Northern Territory social security payments represent 11.2 per cent of net personal income. This increases to 16.2 per cent when income support payments made by the Department of Employment, Education, Training, and Youth Affairs (DEETYA), the Department of Veterans' Affairs and Community Development Employment Program (CDEP) funding through the Aboriginal and Torres Strait Islander Commission (ATSIC) are included. In terms of coverage, 22.3 per cent of the population of the Northern Territory receive some support from social security.

It is interesting to compare the Territory's rate of 22.3 per cent with that of Queensland where 32.2 per cent of the population receives support from social security and similar benefits. It is not difficult to begin drawing parallels between the incidence of relatively low income communities and the recent electoral success and political popularity of single issue and complaint based groups like Pauline Hanson's One Nation—which frankly I believe has no relevance or place in the Territory.
It has to be said that the Northern Territory is not as dependent on the government’s social safety net as other jurisdictions. We enjoy one of the highest per capita incomes and have a strong economic growth rate. We are a vibrant multicultural community that certainly does not welcome the ugly race-based divisions and problems experienced elsewhere. The Territory is geographically well placed to lead Australia’s trade push into Asia and has prospered as a result. We do, however, have our own unique social challenges and problems to address and overcome.

For the past 3 years my office has written to every Commonwealth Department and Agency in the Territory asking for information on their operations. The information requested includes; the number of employees based in the Northern Territory, salaries expenditure, administration expenditure, program expenditure and capital expenditure.

From this information a total approximate expenditure figure for each Commonwealth Agency in the Territory is calculated (I say approximate for expenditure and employee numbers because we write to the Departments requesting projected expenditure for the forthcoming financial year based on budget estimates).

This exercise has proven to be fascinating and has given me a profile of the Territory that I find very useful and quite surprising in many ways. In a social policy context I think it is important to know where the money is coming from and where it is flowing.

As you can see from the distributed spreadsheet the Commonwealth expenditure for 1997/98 was about $1.5 billion. This includes the $1.387 billion shown as total estimated expenditure and an additional $200 million from the Pine Gap Joint Defence Facility in Alice Springs and Telstra, (who for security and commercial reasons do not supply me with full details but I am aware their contribution is about $100 million each per annum). In each of the past 3 years it is a fact that this expenditure has increased by about 10 per cent per annum at a time of reduced national budgeting.

In addition to this enormous amount of Commonwealth money the Northern Territory Government received, coincidentally, $1.387 billion in General Purpose and other Commonwealth Grants.

The Northern Territory Government receives a significant proportion of their revenue in the form of Commonwealth Grants. The Federal
Government's forthcoming tax reform package and Federal/State financial relationships will be important impacting considerations.

When we add the Commonwealth departmental appropriation with the Northern Territory Government grants, a figure of almost $3 billion in total Commonwealth expenditure in the Northern Territory for 1997/98 is realised.

This is an approximate figure per capita of $15,000. This may seem an extraordinarily large sum of money for each and every Territorian in terms of Commonwealth expenditure but I can assure you that there are many other electorates where the figure may be higher.

In some other electorates unemployment is higher, or there are far greater number of aged pensioners, and in some electorates the number of people receiving various other government allowances is significantly higher than in the Territory. It is probable, however, that only the electorates of Grey (SA) and Kalgoorlie (WA) would have similar financial contributions necessary for Aboriginal communities and support programs.

If we move on to examine the 'main players on the block' in the Territory it is obvious Defence is the largest spending department, both in number of employees on the payroll and total expenditure.

Defence personnel numbers in the Territory are already high with the ongoing Army Presence in the North (APIN) project. At the end of this year and into early 1999 it is expected that 500 more Defence personnel will arrive along with about 1,200 dependants (bringing total numbers of service related Territorians to approximately 14,000 including dependants). The APIN project as a whole has had a huge impact on the Northern Territory; demographically, socially and economically.

Whilst Defence and the various levels of government have done a superb job of integrating Defence personnel into the community and ensuring that the project flows as smoothly as possible it would be interesting to see some statistical analysis on the demographic impact of Defence in the Territory.

There is also the large Defence capital works component, which has injected significant funds into the construction industry and the Northern Territory economy over several years. In 97/98 Defence capital works expenditure was (projected to be) $143 million and this financial year it is
anticipated to be $133 million, without capital expenditure by Pine Gap taken into account.

This capital expenditure (which is steadily tailing off) along with the recurrent and significant salary component of $160 million, excluding Pine Gap, must have a great impact on the labour market in the Territory.

We will also see in the future, as Defence personnel stay in the Northern Territory for longer tenures and choose to live here after leaving the services, a permanent movement from southern states to the Territory of older Australians wanting to be with their sons, daughters and grandchildren. We need to make allowances for these population demographic changes in the near future.

Whilst Defence is the biggest spending Commonwealth department in the Northern Territory DSS, ATSIC, DEETYA, and the Department of Health and Family Services (plus the Health Insurance Commission) are also major contributors to the economy.

The projected annual expenditures for 1997/98 for each of these departments was $350 million for DSS/Centrelink, $185 million for ATSIC, $140 million for DEETYA and $102 million for Health and Family Services when combined with the Health Insurance Commission. I sincerely ask,

- does this large amount of Commonwealth expenditure insulate us somewhat from any negative effects of globalisation and the impact of the Asian financial crisis or is this a false hope?

From a social priority perspective each of the departments with income support and community service bases have very significant consequences for human relationships and the underpinning of voluntary sector activity. Whilst economically the dollars are important we must not walk away from guaranteeing that decision making has a fundamental human face and responsibility.

The unique characteristics of the Northern Territory — with high Aboriginal and ethnic population components — demand constant testing of needs and equity matters. There is also great variation within the Territory on a regional basis with some areas having an abundance of natural resources or tourist attractions that aid employment and growth or provide advantages from sheer weight of numbers.

This is a point that we must bear in mind when discussing social policy in relation to the Northern Territory. There are many factors including the regional variations, transport and distances, and the cultural and population mixes that can exacerbate and complicate issues. There is no magic bullet or solution that will resolve any one particular social problem for the whole of the Territory.

In preparing for this seminar I sought a list of priority issues from each of the main social policy departments. If I can now move onto some of these issues as I interpret them and raise some ‘pet’ issues of my own, throwing some ideas into the arena for research.

Community Development Employment Program (CDEP)

I am proudly a member of a Federal Government that believes that it is business success that will create permanent prosperity and jobs. I welcomed the recent report of the Spicer Review into CDEP that recommended an increased emphasis on joint venturing between CDEP schemes and private enterprise. Aboriginal people have experienced high unemployment for too long and an unacceptable number of these are long-term unemployed. It is still a sad fact that up to 70 per cent of Aboriginal people in employment are in publicly funded positions such as CDEP schemes.

There are 53 CDEP projects in the Territory with 7,534 participants (with an annual budget exceeding $87 million in 97/98). If we could get even half of those schemes involved in joint ventures with private enterprise the changes in the Territory’s labour market would be enormous with Aboriginal people gaining new skills, opportunities and dignity that the public sector is unable to offer.

We need research to identify regions where private sector involvement in Aboriginal communities would be feasible and beneficial to the communities involved or the reasons why opportunities have been overlooked in the past.

If there are no employment prospects in a region and no prospects for industry or private enterprise then we may have to look at giving CDEP schemes and participants the freedom to tender for work in areas where it is available. (Is it feasible to have ‘mobile’ CDEP schemes moving around the Territory building roads for example?)
Health

I made reference earlier to the trend I expect to see of older Australians moving to Darwin to be near their extended families who are here for Defence reasons. This trend will obviously put pressure on our aged care services as will another trend that suggests Territorians are now choosing to retire in the Territory rather than move interstate. An accurate evidence-based project is needed to identify if this is the case and the likely future needs of this group.

Aged Territorians will generally be urban based but the needs of those in rural and remote areas should also be identified and prioritised. There is also scope for further work in the areas of disability and child care services.

In preparing this paper the provision of important health delivery services has not been comprehensively addressed. The Menzies School of Health Research is actively engaged in this task, however the interrelationships with social policy should always be acknowledged, (perhaps a further NARU/Menzies workshop in this area would be helpful).

Employment, Education and Training

In the area of education and training there are many interesting and innovative programs underway. Two of particular interest to me are the Regional Assistance Program (RAP) and the work of the Northern Territory Area Consultative Committee (ACC).

Both focus on strategies to increase employment and apprenticeship opportunities in remote and rural regions where there are additional disadvantages due to location. RAP focuses on the development of small business opportunities to improve the skills in the local workforce and develop infrastructure. Innovative examples in train are a ‘Small business incubator without walls’ concept in the Barkly region and an Arts related project in Winnellie and Palmerston.

The Area Consultative Committee is developing a strategic regional plan and employment strategy to provide direction and regional initiatives for employment, skills growth and economic development.

Whilst there are many excellent initiatives in this area it saddens me greatly to see that the retention rate for Aboriginal year 12 students in the
Northern Territory was only 8.5 per cent compared with 59 per cent for non-indigenous students in 1996.

There exists a direct link between education and youth unemployment. Put simply, young people who are educated or in the education system are much better placed to seek gainful, rewarding employment. This is a fact and education is the key to our youth unemployment problems.

The rate of Aboriginal youth unemployment is simply not acceptable and is a cause for great concern because of the long term social consequences for large numbers of Aboriginal Territorians in the future. Luckily the curriculums of Batchelor College, the Northern Territory University, Kormilda, Yirara and Saint John’s Colleges are addressing these educational challenges. It will be important to constantly measure the effectiveness and results of new educational and trade training initiatives.

Conclusion

We are in a time of rapid and global change that affects us all in many ways. Territorians and Australians are changing at a pace that was not envisaged even twenty years ago at self-government. We are opening our economy and experiencing the impact of international competition and globalisation.

We are not alone in this (frightening as it may be to some members of the community), as it is obviously a world-wide phenomenon that cannot be ignored or entered into in a half-hearted manner.

To maintain the high standards of living and the prosperity that we, as a nation enjoy, we must at the very least keep pace with this change and hopefully maintain a competitive edge. It is vital to our economic and social well being.

Whilst embracing these necessary adjustments in our economy and business world we must also ensure that they are supported by social policies which offer people a choice and promote self-reliance.

We know that one of the most fundamental requirements of a healthy economy is a good social safety net to underwrite the growth potential of economies and help facilitate economic adjustment.
A Social Policy Research Agenda to take the Territory, and the Nation, into the 21st Century—Establishing an Appropriate Framework

The disadvantaged in our society must always have the security of an efficient and effective social security system to fall back on in times of hardship.

Good social policy is predicated on well-targeted, rigorous social policy research.

It is our role as politicians, academics, policy advisers, bureaucrats and leaders to ensure that we develop social policy that is adaptable and flexible enough to meet the demands of our changing world and region. We must address the needs of all in our policies and in doing so ensure effective and efficient service delivery.

I do not take lightly my responsibility as a Federal Senator. It saddens me to see the politics of division that is being practised by the One Nation Party. Pauline Hanson and her advisers are showing a total lack of social responsibility by promoting a return to economic and social policies which would see Australia quickly attain the status of a world pariah and make the prospect of Paul Keating's banana republic look positively cheery.

Let me close with one of the more inspirational pieces of advice from the 1937 Payne and Fletcher Report:

...strive to do your official work in such a manner that Australia will be the better for your service.4

WHAT IS GOOD SOCIAL POLICY?

Cliff Walsh*

Introduction

I would not be regarded by most as a social policy specialist but I have been deeply involved with virtually all issues concerning public sector policy, and public sector budgets, for a very large number of years. When I lectured in public finance, I would say of budgets that they are, fundamentally, a statement of a government's social priorities, with important macroeconomic management considerations also associated with them, of course. It strikes me as rather interesting and challenging that, nowadays, the emphasis in presentation of budgets by governments, and their analysis by the media—whether they are Commonwealth or State or Territory budgets—is more frequently focussed on their economic implications than on what the budgets say about the social priorities of the government of the day.

This is not to say that budgets are not any longer to be seen as social priority statements. Obviously, they are. But in this time of change—when economies and governments are faced with increased pressures as a result of increasingly globalised economic competition and increasingly internationalised monitoring of nations' social and environmental policies and management—how social policy works, or should work, has to be interpreted and understood differently. But that is a message, it seems to me, that has not obviously been fully grasped by social policy analysts—let alone by governments and the media.

What I thought I might best be able to contribute to this workshop was to examine the question, 'what is good social policy?' or, more specifically, 'what is good social policy in the world, and its likely future evolution, that we now confront?'. In attempting to answer this question, I will, in effect, be putting the fundamentally important research issues that Grant Tambling’s paper raises into a broader context, and suggest that there is a 'new' framework in which we need to think about those research

* Cliff Walsh is Professor and Executive Director of the South Australian Centre for Economic Studies, Universities of Adelaide and Flinders.
tasks. In fact, one of the key research tasks is to shape or reshape the framework itself, it seems to me.

The Social Versus The Economic?

I want to make two broad points, first, about what we mean by social policy: the first is that I believe that the tendency of many to make a sharp distinction between economic and social policy is not helpful, and that it is particularly unhelpful right now.

I do not mean you cannot make a distinction between them. Clearly, what economists would claim to be at the heart of their perspective is analysing relationships that involve exchange, while what political scientists and social policy analysts are often more focussed on is understanding relationships which involve the exercise of power. Equally clearly, there's a distinction between what economies do (which is to generate income and wealth) and what societies do (which includes choosing how to distribute access to that income and wealth).

But, ultimately, what we are interested in, and what governments are (or should be) responsible for, is the quality of life of people and communities—all people, in all communities. This obviously depends fundamentally on access to incomes, and the basic means of getting access to those incomes (or at least access with dignity), for most of us, is jobs. I cannot see any sense in which you could legitimately claim 'we have got excellent social policies' if our economic policies are not creating enough jobs for all the people who want them. Income transfer mechanisms, for example, may be very well targeted, but that could be an admission of failure, rather than a mark of success, in social policy terms.

The second general point I want to make to some extent sounds like it cuts across the first. That is, there is a real risk, of overloading the term 'social policy' to a point where it actually encompasses everything and hence means nothing.

I have to concede that I do not know how to avoid that risk, because if social policy is concerned with what affects the quality of life, then it is about everything. It is about whatever impacts on peoples' access to resources; it is about the way the economy works or does not work to give people access to jobs and incomes; it is about the way that political institutions, and administrative arrangements work or do not work to give
What is Good Social Policy?

people in communities access to services and to security, and influence over what services are delivered and how they are delivered; it concerns the way non-government institutions (what nowadays tends to be called 'civil society') support (or fails to support) peoples' access to incomes and services and security and other things they want or need in life; and is about much more beside.

If all that is so, then it seems to me that three things follow:

The first is that we need much richer information about—and a much more integrated understanding and analysis of—the key factors and forces that shape, and either encourage or constrain, community development and the quality of life in different communities and regions to inform 'good social policy'. What we really need is a complete 'map' of communities and regions—identifying all of their resources and all of their infrastructure—social, political, administrative, cultural and human, as well as economic and physical resources and infrastructure. No-one, and certainly no government, integrates all these perspectives or dimensions well to my knowledge.

The second thing that follows is that good social policy is a matter of identifying the key weaknesses in the way that communities and regions 'work', and giving policy priority to tackling those weaknesses, whether they involve the economy of the community, the institutions of the community, access to political resources, (ie. political influence), the structure of social institutions, or whatever.

The third point is that, therefore, good social policy is very 'community and region specific' and it is 'time specific'. I am not saying that there are not broadly applicable global principles for deciding what is good social policy. I think we can develop appropriate frameworks/frames of reference that encompass all the relevant aspects of a community's resources and infrastructure. But we need a solid quantitative and qualitative database which identifies the key resources and the key weakness. In short, the 'global principles' are going to have to overlay a detailed understanding of the nature of the region.

Likewise, I am not saying that there are not some universal 'needs' that we know market-based economies do not adequately provide and that will, in all circumstances, need to be supported through publicly funded access—most obviously, access to income support, to health services, and to
education and training. What I am saying, however, is that the framework within which we think about these things needs to be applied to specific local and regional circumstances and it is about much more than whether people have access to incomes, services and physical infrastructure.

The need for this sort of integrated community-based social policy research agenda always has been blindingly obvious in the case of indigenous communities, but poorly pursued. I do not claim any expert knowledge of indigenous communities, or indeed any knowledge beyond what I have been told, and observed occasionally, but in them the issues involved in enhancing community development are clearly more than just economic, but they involve the economic, too; they are more than just about a lack of infrastructure, though that may be true, too. Ultimately, they are about lack of political resources, lack of administrative infrastructure, and lack of social infrastructure to help communities tap into, and build on, mainstream resources and support. Recognition of location-specific or culture-specific weaknesses in all regions, for all people, is an important part of defining what is good social policy.

Traditional Social Supports are no Longer Sustainable

What is obvious today is that there are fundamental structural changes occurring in Australia (and everywhere else) that are putting the value of many regional resources at risk, and putting regional institutions (political, administrative, non-government and so on) under stress—and not only in rural and remote Australia, although the pressures may be felt more sharply in those sub-sets of regional Australia because support systems are much less resilient, less deep, in those areas.

The key starting point here is to observe that, since at least the 1920s, the central plank of social policy—the ‘stabiliser’ in the system, if you like—for Australia until recently was, on the one hand, the system of tariffs, which were designed to encourage development of manufacturing industries as sources of jobs and incomes for a growing population, and, on the other, the system of centralised wage fixation, which attempted to ensure that everyone got a living (or basic) wage that was in some sense adequate.

Added to that, of course, was the whole ‘infrastructure’ represented by the system of pensions, categorical benefits for unemployed people and sick people and for families with children, and so on. We also built physical
What is Good Social Policy?

and social infrastructure and services, especially post World War II with the emergence of the emphasis on the welfare state (on education, health and so on).

Moreover, since the 1930s (and, in rather more ad-hoc ways, even before then) we have supported a form of ‘equity of access’ to public services by having a system of special grants payable to the less well-resourced or more ‘needy’ States, which the Commonwealth Grants Commission initiated in the 1930's, and which today are embedded in the midst of so-called relativities calculations to determine the interstate distribution of untied general revenue grants. This system is designed to try to ensure that if there are differences in access to services across States and Territories, these are the result of decisions of democratic governments about service levels and tax rates, not the result of differences in capacity to raise revenues, or differences in service delivery cost and/or needs.

Important as all that ‘supporting infrastructure’ may be, tariffs to grow jobs, and centralised wage fixation to set basic wages, were the real planks that supported everything else.

Those planks began to splinter in the 1960s, for many reasons. One that is not often noted is that the minerals export boom from Western Australia, and to an extent the Northern Territory, drove up the Australian exchange rate and made our manufacturers much less competitive. So, manufacturing employment started to diminish, and that was accelerated by the fact that Japan and other South East Asian countries were increasingly operating as much cheaper competitors in the markets that we were producing goods for. Some of the ‘splintering’, then, is the result of globalisation—not in the sense that many use that word to mean lots of financial capital charging around the world, driving exchange rates up and down and dictating policy to government, but rather simply in the sense that we are, inevitably connected with global markets.

In the face of those sort of forces, protection levels have inevitably been driven down to encourage resources to be used more productively, including by being reallocated to alternative uses where jobs can be created. We have also had to make wage-setting systems operate more flexibly to encourage increased productivity and innovation and so on.

Globalised competition implies that we have to make what we economists call the ‘fixed factors’, not cheap, but attractive—productive for what they
cost. This involves those factors which have little choice about where they are: most obviously land, also for the most part workers (especially those with limited skills), and certainly our governments as regulators, service providers and infrastructure providers. Decision makers who have got mobile capital and purchase skills which are mobile can locate their production activities virtually anywhere as production becomes more knowledge intensive and information and technology can be transferred increasingly fast and efficiently. So we are obliged to promote increased labour productivity; we have to promote the productivity of the use of taxpayers dollars, including seeking more efficient and flexible ways of achieving desired outcomes. This does not mean a ‘race to the bottom’. Quality of life and quality of services matter to the decision-makers, and to their skilled high-earning workers.

It is equally (or, even, especially) important to recognise that the pressures that have arisen from increased global competition are affecting different States, Territories, regions and communities in entirely different ways from those that they previously experienced and in ways that will continue to change over time.

The Northern Territory, for example, has grown a great deal of strength out of its mining base and at least for a time out of cattle exports and so on: but it has a very narrow base and relatively limited physical infrastructure and even, to some extent, human capital and social infrastructure. So, the advantages of being a growing area through the mining is actually putting stresses on the Northern Territory of a particular sort.

Queensland is obviously connected into mining and tourism and growing itself off that. It has greater strength than the Northern Territory, but there are pressures on infrastructure from a fast growing population and declining support for its regions.

Sydney by comparison, is connected especially into financial markets. Victoria is developing information technology, but if you go to Geelong the stresses of declining protection are obvious there, as they are, too, in South Australia with its traditional manufacturing base. There are, moreover, great differences between Adelaide and, for example, Port Augusta, the heart of the old iron triangle, which has not only a narrower economic base than Adelaide, but also much less robust social infrastructure as well.
While all this has been happening, while the old plank has basically splintered and this new world of globalised competition, reduced protection and wage flexibility has emerged as an unavoidable reality, no one, to my knowledge, has been seriously asking 'what is good social policy in that sort of world?'. I have more than half a suspicion that the reason that no-one is seriously asking that question is because on the political right, ideologically speaking, there has been approaching complete obsession with the promotion of the reforms that would enable us to be more flexible and competitive in this world, while on the left, there has been approaching complete antagonism to everything that has happened in the world economy, and to do analysis of what might constitute 'good social policy in this globalised world would be tantamount to conceding that the changes that are occurring are inevitable. Yet, it seems to me, that is precisely what we have to do: we have to seriously ask and answer the question 'what is good social policy in a globalised world, in a world of diminished public sector budgets and so on'.

In terms of my previous discussion of the planks of social policy in Australia, the question can be restated as 'what replaces the stabiliser that tariffs and centralised wage fixation previously were?'. How do we address the entirely different stresses and strengths and weaknesses that different regions now feel in ways that they did not before? How do we resolve issues that are arising essentially because people are being resistant to adjusting their expectations about what the world will be like or what governments can do to make a difference to it?

There are obviously some generational components to this—the previous expectations of state-funded pensions versus the new pressures for self-provision for retirement being a particularly good case in point. Likewise, in the case of Medicare, we have grown an attachment to this apparatus but there are serious tensions emerging, including concerning how to encourage much more self insurance in order to minimise the demand on public resources.

So, one question of significant policy relevance is how do we resolve problems that arise essentially from the failure of expectations to adjust to reality?

Another very important issue is that of how we distinguish between what are permanent structural changes going on in the economy and society,
and what are the transitional effects of those structural changes. The best example I can think of here concerns the outcomes that Bob Gregory and Boyd Hunter have identified, of apparently increasing geographical concentrations of poverty, of lack of access to work and services and so on. It seems to me to be fundamentally important to know if those changes actually are occurring, whether they are transitory or permanent changes. If they are transitory, we should deal with them in a different fashion than if we believe they reflect what life might be like in Australia permanently, given the structural changes that are arising from globalisation.

That is, because the policy responses appropriately should differ, a key issue for the research agenda is as much about figuring out what socio-economic changes are permanent, and what are transitory effects of moving to a new economic and social 'equilibrium'. This issue, in policy terms, is similar to acknowledging the policy significance of the difference between people who are in life cycle poverty and people who are in permanent poverty—people who are at a stage where, for example, they have got so many kids that they can not manage but will eventually be able to do so, and those who simply do not have the life skills to participate effectively in what we think of as normal employment.

What is Good Social Policy Today?

My own views on what are key elements of good social policy in the world as it is, and probably will be, are as yet tentative, but reasonably firmly held.

It seems to me that the new stabiliser—at least in the transition, but probably permanently, should be a shared Commonwealth/State strategy for, and commitment to, regional development. By ‘regional’ I mean whatever grouping of communities works best—it could be a single community, or collections of communities which may or may not cut across state borders, or whatever.

By a commitment to a strategy for regional development, I do not mean providing buckets of money for building physical infrastructure everywhere—although in some places there may be a need for that. Nor do I mean buckets of money to bribe industry, or economic activity more generally, to locate in disadvantaged regions—although there are some circumstances in which it seems that ‘investment attraction’ strategies are
What is Good Social Policy?

not altogether silly (doing some seeding *can* sometimes build some momentum, a critical mass, which then will ensure that industry will continue to grow without taxpayer funded subsidies).

What I do mean, rather, is an integrated approach to assisting communities to develop their own resources and their own infrastructure. By community resources, I obviously mean more than just what can be dug out of the ground, or what industries are there, or can be attracted. I mean, rather, everything about that community—its human resources, its administrative resources, its political resources and so on. Community infrastructure, likewise, would include not only the physical infrastructure represented by the roads, the schools and so on, but also the social infrastructure including the networks provided by non government organisations, the administrative and political structures within which the community operates, and so on.

In order to develop integrated regional development strategies, we need a clear set of indicators about the current state of development of the community—indicators that help identify the key strengths and the significant weaknesses in the resources and the institutions of the region. That is, we need a set of regional indicators of quality of living, quality of community or quality of community development, which have to encompass much more than the purely economic aspects but also the social, the cultural, the political and the environmental.

In terms of more specific issues relevant to this regional development perspective on social policy, it seems obvious to me that education and training is absolutely fundamental. The only way that regions (indeed, ultimately, nations) are going to be able to significantly influence their own directions in future is by having a clear picture of, and strategy for delivering, the sort of education and training that they need to ensure that they continue to develop the community’s resources and the community’s capacities—including their capacities to absorb the stresses associated with changes in the world around them.

It also seems clear to me that we need rather more thoughtfulness by governments and their agencies about how they organise, and where they locate delivery, of their own service provision. In particular, we need a much clearer focus on questions about what services ‘central government’ can actually devolve delivery of, or control over, to local governments and community organisations. What I observe going on at the moment is
primarily an opportunistic handing over of functions, because you can save a dollar here or get something that is a political pain off your plate there, rather than a strategically targeted approach based on asking how we could, differently in different places, offer local governments and communities the opportunity to identify what they could take over to help create employment in their own regions or, equally importantly, to improve the flexibility and responsiveness of service delivery to local needs and opportunities.

This is a fundamental aspect of a truly regionally-sensitive approach to economic and community development. The reality is that central governments do not have the capacity to manage, directly, approaches to policy and service delivery which adequately differentiate between the nature and the needs of different communities. Encompassing local governments and regional organisations in policy, planning and service delivery, and empowering them to act (effectively) locally is a key ingredient of good regional policy and hence good social policy.

We need also to support processes and procedures which ensure equity of access to services across regions. Here the role of Grants Commissions comes into play.

We have a system of Commonwealth grants to Local Government with at least two features which seem to me to be bizarre from an equity perspective. The first is that the pool of about $1.5 billion is divided up between the States and Territories principally on an equal per capita basis. Absolutely no weight is given in the interstate distributions to the overall differences in needs of local governments between the States. As a result, New South Wales and Victoria get more money to distribute between their local governments than you would give them if you were trying to ensure that all local governments are treated equally on a needs basis. So we are denying resources to communities in the States and Territories that need them most. Then, when the money gets to the State or Territory, Commonwealth legislation requires that at least 40 per cent has to be distributed between local authorities on an equal per capita basis. That is, rich local governments in capital cities (or elsewhere) get money which, on a needs-basis, should be going out to poor local government areas.

Clearly, fundamentally changing the practice and the principles for distributing Commonwealth grants in support of local governments would be an important requirement for assisting in equity of access to services in
What is Good Social Policy?

regions and communities. Another that has been talked about is the possibility that there be a greater regional focus in the way that the Commonwealth Grants Commission does its assessments, and in the information it provides. The possibility has even been suggested that we should establish regional structures through which some of the grants distribution to the States might occur. This is particularly an issue of concern to remote communities in general, and for indigenous communities in particular, who feel that States and Territories are 'earning' grant funding from the Commonwealth on account of the relative cost of supplying services to them, but not seeing that money actually being spent on them.

Concluding Remarks

These modest suggestions are intended only as illustrations of why I believe that good social policy today is barely distinguishable from good regional policy. Or, to put it another way, you can not expect to achieve good social policy outcomes if you do not have an integrated national strategy and policies for regional development to underpin them.

Since the Whitlam era, when the meaning and reputation of regional policy was severely damaged by the Commonwealth's use of regional approaches to attempt to undermine State authority in key policy areas, by its dubious decentralisation strategies for new growth centres, and ultimately the infamous Regional Economic Development Organisations (REDO's) scheme, the knee jerk reaction to 'regionalism' has been adverse. This was not helped by the selective, directive and largely city-based regional strategies of the Keating Government, and their (again, externally imposed) half-baked system of Regional Economic Development Organisations.

It is patently obvious today, however, (for reasons that have been clear for years but re-emphasised by part of the basis of the One Nation phenomenon) that our national development—economically, socially and culturally speaking—requires a revival of a strong focus on, and strategies and policies for community and regional development. The stresses, the capacities and the opportunities faced by different regions are increasingly more disparate, and likely to continue to be so in future. The pace of globalisation and the information revolution may wax and wane, but their impacts will persist.
What is called for then, is a new framework for the effective pursuit of regional development strategies, within which social policy—and, for that matter, economic policy, narrowly conceived—can be shaped to support the different needs of different communities. In a joint venture between the North Australia Research Unit and the South Australian Centre for Economic Studies, we have gone some way already towards establishing that framework, and we are now looking for opportunities to further develop it by applying it to regions in South Australia and the Northern Territory, and in developing regions in our neighbourhood. As we see it, we will be helping to fill important gaps—conceptually and practically—in public policy in a world that been changed, irreversibly for the most part, by strengthening global forces.
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