AUSTRALIA’S WELFARE SYSTEM:
A REVIEW OF REVIEWS
1941-2013

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EXECUTIVE SUMMARY

This paper is a ‘review of reviews’ undertaken into Australia’s welfare system between 1941 and 2013. It covers mainly those reviews most like ‘public inquiries’ i.e. time-limited policy reviews that typically involve external experts appointed by, but operating (to varying degrees) independently of, government. The focus is on reviews where social security or the transfer system is a primary concern, so it does not cover reviews associated with wider welfare concerns such as housing, health or education.

The reviews completed in this period were many and varied. The descriptions and analysis of the reviews are based on published material. In addition to a wide-ranging historical narrative, and to provide some depth to the analysis, the paper explores a selected number of reviews in some detail. These are:

- The Joint Parliamentary Committee on Social Security (1941-1946), chaired initially by the Hon John A Perkins MP and later by HC Barnard MP and tasked with identifying ‘ways and means of improving social and living conditions in Australia.’
- The Commission of Inquiry into Poverty (1972-1976), chaired by Professor Ronald F Henderson and commissioned to undertake a wide and far reaching inquiry into poverty.
- The Social Security Review (1986-1988), led by then Associate Professor Bettina Cass and focusing on immediate and longer-term reform of income support programs.

The reviews are considered collectively under a simple framework. This framework uses three main criteria: review characteristics (what they look like); review process and activities (what they do); and review outputs and outcomes (what they produce and achieve).

The analysis provides some insights into the use of reviews in the welfare domain:

- Broad and in-depth reviews of the transfer or social security system have been very rare. In the post-war period, there have been only two – the Henderson Poverty Inquiry (which also looked at wider aspects of welfare) and the Cass Social Security Review. Most reviews have focused on a particular aspect or parts of the social security system, or considered this in the context of a wider review (for example, a tax review or Commission of Audit).
- A great variety in organisational forms has been used – Committees of Inquiry, Reference Groups, Task Forces and Reviews Panels, but no Royal Commissions (in the post-war period). Different forms have served different functions.
- Reviews have, however, used similar methods (but with varying emphasis and effort) – undertaking research, conducting public and stakeholder consultation exercises, synthesising knowledge and building consensus. International comparisons were a common feature of the reviews.
- The impact and influence of the various reviews has been mixed. To varying degrees, all of the reviews have influenced public discourse and enhanced the evidence base. Most have contributed to changes in public policy, in the short- or long-term.
- Many common themes recur throughout the reviews, for example, the links between the social security system, employment and the labour market; the obligations of welfare
recipients (conditionality); the targeting and means-testing of payments; the adequacy of benefits and incentives/disincentives to work; and the relationship between the tax and transfer systems. These are all challenges and tensions that prevail today.

The ‘value’ of reviews stems from a range of factors:

- They are versatile and multi-functional (combining research, consultation, consensus-building and analysis in one entity and to fit the task at hand).
- They provide time and a space outside of the day-to-day demands of government (and beyond the limits of departmental or institutional boundaries) to refresh knowledge and think critically, creatively and long-term.
- They are ‘public’- involving stakeholders and the wider public, publishing terms of reference and reports and thereby engendering transparency in process and findings.
- They are usually led by, and involve, external experts, bringing expertise and knowledge to the policy process that is often not available within government.
- They are (to varying degrees) independent, operating at a distance from government and populated mainly by external members.
- But, they are also connected to government - commissioned by government, resourced by government and frequently involve public servants in their membership.

The analysis finds that there would be merit in on-going evaluation of reviews (and public inquiries in general) and of introducing a method by which knowledge (of members and administrators) can be captured and shared, for example through a Review Handbook or a mediated alumni program for ex-reviewers.
1. INTRODUCTION

Context and aims

Towards the end of 2013, the newly-formed Coalition Government commissioned a welfare review to be led by Patrick McClure. This paper provides some context for this review by examining previous welfare reviews established by Government since the 1940s.

The development of public policy is influenced by an array of factors. This paper explores one such factor – the use by government of commissioned policy reviews, often referred to in the literature as a form of ‘public inquiry’. These reviews are time-limited, typically involving experts and operating (to varying degrees) independently of government, with their terms of reference and reports being published.

This paper has two main aims:

- to provide a historical overview of Australian welfare reviews and thereby furnishing a rich context for current and future reviews
- to offer some insights into the value of external policy reviews in the welfare arena and in general.

Given these dual aims, this paper has two potential audiences – those concerned with welfare policy and those interested in the use of reviews in policymaking and public administration more generally. (The former might enjoy Section three; the latter might want to skip forward to Section four.)

Definitions, scope and limitations

The focus of this paper is ‘welfare’ reviews of which social security, the transfer system or income support is a primary concern. (It is worth noting that many of these terms are used loosely and sometimes interchangeably in the literature). Reviews which relate to welfare in its broader sense, such as those concerned mainly with education, health, housing or childcare policy, are not included.

The timeline of reviews (see page 12) does list a wider set of reviews relevant to the social policy debate at the time. This list also covers reviews where social security, or elements of it, are considered in the context of broader reviews (such as a taxation review, a Commission of Audit or a poverty inquiry). A couple of these are looked at in detail in the paper.

The term ‘review’ also requires some further definition. This paper covers reviews commissioned by government but operating largely independently of government, so those reviews most like ‘public inquiries.’ The organisational forms and nomenclature that reviews take are highly varied. Reviews referred to in this paper include taskforces, committees, reviews panels, reference groups and Royal Commissions. Scott Prasser’s research on ‘public inquiries’ (Prasser, 2006) provides a valuable resource for understanding the wide variety of government-sponsored inquires, both domestically and internationally. (See http://www.publicinquiries.com.au). The term ‘review’ rather than public inquiry is used throughout this paper as it is the most prevalent term used in the welfare literature.

This paper does, however, include reference to a number of entities or processes that are beyond this definition of a ‘welfare review.’ So, for example, the 1993 Committee of Employment Opportunities (which is neither primarily concerned with the transfer system nor much like a ‘public inquiry’) is discussed briefly in order to ‘tell the story’ of the period. Where this deviation occurs, it is noted in the text.
Section two of this paper briefly explores definitions and functions of reviews and the relationships between policy reviews and the wider policymaking, public administration and political context, to provide background for the subsequent analysis.

The main value of the paper is in drawing together, in one place, material on the many reviews relating to the transfer or social security system that have taken place since the 1940s. The descriptions and analysis are based on published material only. If the methodology had been to interview members and chairs of the various reviews, a different paper would no doubt have emerged.

Section three of the paper is a historical narrative of reviews and includes a timeline of reviews in the welfare arena. The starting point of this report is 1941 when the Joint Parliamentary Committee on Social Security was established, thereby covering relevant reviews during and after the Second World War.

The reviews are referred to throughout the paper by their formal names. The final reports of the reviews are referenced by the name of the chair as this is common practice e.g. the Henry report refers to the final report of the Australia’s Future Tax System Review.

In order to provide greater insight, a few reviews have been selected and are covered in some depth. These are:

> Joint Parliamentary Committee on Social Security (1941-1946)
> The Commission of Inquiry into Poverty (1972-1976)
> Australia’s Future Tax System Review (2008-2010)

The first three reviews (the Joint Parliamentary Committee on Social Security, the Commission of Inquiry into Poverty and the Social Security Review) were selected because they are all wide-ranging reviews covering most aspects of the social security system. It is worth noting that the Joint Parliamentary Committee is the odd one out in this collection, given it is a parliamentary committee and not an ‘expert’ review. However, experts – such as Ron Mendelsohn – did play a major part in the committee’s work and deliberations.

Australia’s Future Tax System Review, and the linked Pension Review, along with the Reference Group on Welfare Reform are included as they cover many aspects of the transfer system and are particularly relevant to current policy debates. The Ministerial Taskforce on Child Support is only one review of a number undertaken into family law and the child support system. It is highlighted both as an example of a specific organisational form (Taskforce and Reference Group) and to illustrate the role of reviews in a particularly contentious policy area. It was also significant in that almost all of its recommendations were adopted by Government.

This paper has restricted its focus to reviews. A review is only one aspect of many policymaking and advisory processes of government which, when mixed with a cocktail of economic, political and social forces, lead to policy decisions and policy outcomes. This paper is not a history of welfare or social security policy development in Australia. (For this see, for example, Kewley (1980), Herscovitch and Stanton (2008) and Whiteford, Stanton and Gray (2001)). Some context and policy developments are provided in the description of each review. This is limited and designed only to aid understanding of the review in question.
A review framework

Section four of the paper analyses the welfare reviews in this period within a simple framework. This uses three main criteria: review characteristics (what they look like); review process and activities (what they do); and review outputs and outcomes (what they produce and achieve). No attempt is made to measure this last aspect (outcomes), rather there is a discussion about what the literature can tell us about their influence on public debate, research activity and policy reform. The purpose of this analysis is not to rank the various reviews but instead it aims to tease out factors that are interesting or potentially useful for future review activity.

The conclusion of this paper sets out some final thoughts on the role of welfare reviews over this period and a few suggestions to inform their future use.

HC Coombs Policy Forum

This paper complements other discussion papers recently undertaken by the HC Coombs Policy Forum, in particular work by Harris and Jackson (2013) which explored resources and entities that support science and research for policy purposes and by Cooper (2011) which reviewed Australian government labour market policies.

The HC Coombs Policy Forum exists to build collaboration between the research community and government. It seems fitting to be studying ‘reviews’ which in themselves often bring researchers and academics closer to the heart of policymaking and which can raise awareness among public servants of the value of research and evidence to public policy formulation.

This report reflects work in progress. Comments or corrections are very welcome.
2. REVIEWS, POLICYMAKING AND PUBLIC ADMINISTRATION

Introduction

The Australian Government frequently commissions reviews (of various degrees of independence) of issues of public policy concern. The nature and organisational form of these inquiries varies greatly and includes taskforces, committees, review panels, working groups and Royal Commissions. The range of subject matter is similarly broad, covering environmental, economic, social, criminal justice and public administration matters. The purpose of a review is to investigate a set of issues and provide advice to government. They are initiated by both the Commonwealth and State Governments. Australia is not alone in using temporary advisory bodies, with many other countries deploying similar methods.

In order to understand the role welfare reviews have played, it is helpful first briefly to consider the ‘public inquiry’ literature and how reviews in general fit in the wider policymaking and public administration landscape.

The study of reviews and ‘public inquiries’ – definitions and categorisation

Whilst much has been written about the workings and influence of individual reviews, the study of reviews (or their close relation ‘public inquiries’) and their role in public administration is rare. Prasser (2006) summarises the academic literature on public inquiries alongside his extensive research collating and analysing material on the use of public inquiries. The Australian Law Reform Commission (ALRC) undertook an inquiry into Royal Commissions and official inquiries in 2009 (ALRC Report 111, 2009) which considered the operation of the Royal Commissions Act 1902 (Cth) and asked whether an alternative form of Commonwealth executive inquiry should be established by statute. The material generated during their nine month inquiry, and its wide-ranging consultation with stakeholders and the public, is also a rich source of information about public inquiries. In addition, the survey undertaken by Borchardt (1991) provides a wealth of data and insights on ‘commissions of inquiry’.

Prasser defines ‘public inquiries’ as ‘ad hoc and temporary advisory bodies appointed by executive government with the majority of their members drawn from outside of government. The issues investigated by public inquiries are formally and publicly announced. Public inquiries usually consult widely and report publicly the outcomes of their investigations.’ (Prasser, 2006, p250).

Further, he lists a number of required features of public inquiries, which include being non-permanent; being appointed at the discretion of executive government (not parliament or any other institution); being funded totally by government; having most members drawn from outside of the public service, government and parliament; being active in promoting their existence to the wider community and actively seeking community and interest group involvement; and making recommendations to executive government. (This is not a comprehensive list – see Prasser (2006, p15)).

Most of the reviews covered in this paper are consistent with Prasser’s definition, but some are not. The period of study (1941-2013) starts with consideration of the Joint Parliamentary Committee on Social Security, an entity which falls short of Prasser’s definition, because of its membership comprising parliamentarians. This paper concludes with the Australia’s Future Tax System Review
and the Pension Review, which also lie outside of this definition because of the degree of involvement of public servants. This paper uses a slightly broader and looser definition. Any ‘review’ group that is non-permanent and appointed by executive government to provide policy advice and which operates at arms-length from, and largely independently of, government has been included. ‘Independence’ is clearly not an absolute and is an issue returned to later in this paper.

In his work, Prasser (2006) revises earlier categorisations of public inquiries and classifies them by function into ‘inquisitorial’ and ‘policy advisory’. He finds this distinction most useful in understanding why different inquiries use certain processes and members. Inquisitorial inquiries (mostly Royal Commissions) include ‘all those inquiries which are investigating allegations, checking some suspected impropriety or maladministration of individuals and organisation in both government and the private sector. They may also be appointed to find the cause of a particular catastrophic event, such as an accident (for example, bushfires, bridge collapse, railway accident.)’ (Prasser, 2006 p23). By contrast, policy advisory inquiries have a different core function in aiming to provide advice to government on particular policy problems. This paper is essentially concerned with this latter type of review – policy advisory inquiries.

**Reviews and the public administration landscape**

In order to understand the role of ‘policy advisory’ inquiries, it is helpful to consider how they fit in the policymaking and public administration landscape. In the descriptions of the various welfare reviews which follow, reference is made to a number of other sources of policy scrutiny and advice. Other sources of advice and policy-relevant knowledge include: parliamentary committees and inquiries; permanent advisory bodies and commissions (such as the Productivity Commission, the Australian National Audit Office and (for a few years in the 1970s) the Social Welfare Commission); policy research institutes and think tanks; private consultancies; externally-generated reviews or independent non-government reviews (such as the Australian Council of Trade Unions (ACTU) Insecure Work Inquiry); inter-departmental committees; internal policy units, project teams or internal policy reviews; and Green papers, White papers and other consultation papers, alongside the ongoing policy development processes within the public service.

This landscape includes on-going processes and permanent advisory bodies, as well as discrete, time-limited policy reviews. There are essentially three sorts of ‘policy review’ within this landscape:

- **Internal government reviews** – undertaken within government but which may involve public consultation.
- **External government reviews** – commissioned by government but undertaken at arms-length from government. (Most of the reviews covered in this paper, and the work of the Productivity Commission.)
- **External non-government reviews** – commissioned by an external body and undertaken outside of government, but designed to influence government or public debate. (For example, the ACTU Insecure Work Inquiry.)
It is clear that different processes and entities fulfil different functions and are set up with different motivations. The choice of say an internal review followed by publication of a White Paper over the setting up of an independent public inquiry or a referral to the Productivity Commission might follow much internal deliberation or be largely a consequence of a strong Ministerial preference.

The value of external government reviews (and their close relation public inquiries) can only be fully understood in the context of Australia’s distinctive policy landscape or ‘knowledge regime’. Government’s wax and wane in their preference for external reviews or permanent advisory bodies or private consultancies or internally-generated policy advice, and tend to use a mixed bag of the different forms of policy advice.

In a previous HC Coombs Policy Forum discussion paper, Harris and Jackson (2013) map the various entities and resources that ‘support the creation and delivery of science for policy.’ The term ‘science’ is used in its broadest sense, and includes the full range of natural, physical and social sciences relevant to the work of government. This work includes mapping advisory committees, in-house and external research agencies, research contracts and consultancies, and helps demonstrate the breadth of activity that produces policy-relevant knowledge.

Prasser and Paton (1995) have also investigated the permanent advisory structures of government and how they fit with temporary public inquiries. This work looks at independent government-funded research institutes, statutory research authorities and commissions, autonomous research bureaus attached to departments and government-funded research and policy centres at tertiary institutions.
The Independent Inquiry into Insecure Work

The Independent Inquiry into Insecure Work was commissioned by the ACTU to investigate insecure work and its impact on workers, their families and the community and to provide recommendations for what might be done. The inquiry was chaired by Brian Howe. The other members of the Inquiry were Paul Munro (Deputy Chair), Jill Biddington and Sara Charlesworth. Over a six month period, the Inquiry sought and received submissions from workers, unions, researchers and community organisations and held 25 days of public hearings across the country. (Australian Council of Trade Unions, 2012)

Parliamentary Committees and Inquiries

Parliamentary committees involve Members or Senators (or both in the case of joint committees) appointed by one or both Houses of Parliament. They include Government and non-Government members and undertake a broad range of inquiries on behalf of the Parliament.

Parliamentary inquiries are not covered in this paper, but do bear some of the hallmarks of ‘public inquiries’, in particular, they conduct public hearings and tend to attract a large number of submissions. A number of parliamentary inquiries have been concerned with the social security system, for example: the Senate Inquiry into Poverty (2004); the Senate Inquiry into the cost of living pressures on older Australians (2008); and the Senate Inquiry into Adequacy (2012).

Australian National Audit Office

The role of the Australian National Audit Office (ANAO) is to provide the Parliament with ‘an independent assessment of selected areas of public administration, and assurance about public sector financial reporting, administration, and accountability. This is done by conducting performance audits, financial statement audits, and assurance reviews.’ (See http://www.anao.gov.au/About-Us )

A number of ANAO reviews have covered the delivery of social services and welfare programs.

Campbell and Pederson’s work (2014) on ‘knowledge regimes’ is interesting in this context. They define knowledge regimes as ‘the organisational and institutions machinery that generates data, research, policy recommendations and other ideas that influence public debate and policymaking’ and they show how knowledge regimes influence, and are of value to, policymaking. ‘Policymakers need the information produced by knowledge regimes insofar as the policy problems they confront often involve ambiguity and uncertainty. They need to make sense of these problems. Sense making is often a contested process involving various degrees of competition, negotiation and compromise – often involving power struggles – over the interpretation of problems and solutions for them. A knowledge regime, then, is a sense-making apparatus.’ (Campbell and Pederson, 2014, p3) Public inquiries are part of a country’s knowledge regime.

This work demonstrates how Governments do not rely exclusively on internally-generated evidence, ideas and advice but are influenced by a diverse tapestry of external sources. The United Kingdom Government has recently actively sought policy advice from outside the Civil Service through its Contestable Policy Fund. This aims to give Ministers direct access to external policy advice through a centrally managed fund. (See https://www.gov.uk/contestable-policy-fund for further information.) This UK-specific experiment perhaps demonstrates Campbell and Pederson’s overarching argument - that knowledge regimes evolve in nationally specific ways.
This paper is not a study of Australia’s knowledge regime, but it is helpful to recognise the place of public inquiries and reviews within Australia’s specific ‘organisational and institutional machinery.’ Notably, the use of public inquiries has largely been sustained in Australia (since the 1970s) whereas most other countries have witnessed a decline in use (Prasser, 2006).

Within the diversity of entities and processes that produce knowledge and policy advice, public inquiries and reviews are themselves highly diverse. There are numerous reasons for appointing reviews, multiple functions they can serve and many forms they can take. This review of welfare reviews demonstrates this point clearly.

Reviews and policymaking

Considering public inquiries in the context of models of policymaking can also be insightful. An extensive literature exists which explores different models of policymaking. Many of the models conceptualise policymaking as a process that is shaped through time and involves a number of cyclical phases – a ‘policy cycle’ model which flows from the identification of issues and objectives through policy design and implementation to evaluation and adjustment. Many other models of policy development exist. For a summary, see Daniells (2014, forthcoming).

Prasser (2006) shows how policy advisory inquiries are related to the instrumental or problem-solving model of policymaking and are set up to solve particular policy problems ‘by virtue of their independent analysis, in-depth research and implied rationality’ The reviews studied in this paper place a strong emphasis on the value of research evidence. However, it is clear that the reviews serve a number of functions. As Prasser points out, ‘others argue that policy development is less reliant on research and analysis than many appreciate and is as much about negotiating, bargaining and promoting agreement.’ (Prasser, 2006, p27).

No one specific model of policymaking is adopted in this paper. Rather, a pragmatic view is taken that a wide range of activities and processes are part of policymaking and that individual reviews can focus on one or many of these. This approach has informed the review framework used here, and is consistent with Prasser’s reflection that public inquiries are ‘versatile instruments of public policy’ (Prasser, 2006, p252).

Why do governments use reviews?

The reasons for setting up an inquiry can vary widely from a genuine desire to seek impartial advice in a contested policy area (or assisting a Government in moving towards a desired policy outcome) to ‘parking’ a politically controversial issue through an illusion of action.

The reasons for setting up a review are contingent upon what is happening elsewhere, and linked to the availability of other sources of advice in the policy landscape. Prasser (2006) makes the case that the popularity of public inquiries is an indicator of other trends in the political system, such as declining trust in political leaders, demands for greater transparency in decision-making and frustrations about the quality of policy debates. He describes public inquiries as an ‘institution of last resort’, and believes they are being appointed because they are perceived to have greater independence than other advisory bodies.

An alternative view might be that Governments are able to recognise the risks of receiving only internal advice from the bureaucracy, particularly on issues which are particularly complex and where the impact on the public might be considerable. (The UK Government’s establishment of the Contestable Policy Fund, referred to above, is an explicit acknowledgement of this risk.) Spiegel
(1973, quoted in Prasser, 2006, p64) differentiates between ‘legitimate’ and ‘illegitimate’ reasons for appointing public inquiries, with the latter essentially relating to partisan objectives or political expediency. Getting to the bottom of why a government established a particular inquiry can be fraught not least because publicly-stated and privately-held reasons can differ.

The original intentions behind the setting up a review may of course then be thwarted. Whilst there are clear political advantages to the independence of reviews, there are also risks that government does not ‘get what it wants’.

Evaluating policy advisory reviews: a review framework

Many alternative ways exist to evaluate reviews. One method would be to assess how well they have fulfilled a set of pre-defined functions, as often prescribed in the terms of reference. Another might be to focus on their impact and influence on policy, and identify which recommendations have been adopted.

A mixed approach is taken here which involves applying a simple framework to consideration of the various welfare reviews. The framework involves three broad categories: review characteristics (what they look like), review activities and process (what they do) and review outputs and outcomes (what they produce and achieve).

It has not been possible to track all the recommendations of the reviews and assess whether they have translated into policy – a mammoth task. Given the very wide range of factors that might determine the fate of individual recommendations, this approach would have limited value in any case. It has been possible, using the publicly-available literature, to get some sense of the impact of each review on research activity, public discourse and policy and to comment on the main contribution and legacy of the selected reviews. The purpose of this analysis is not to rank the various welfare reviews. Rather, its aim is to tease out challenges and lessons and to provide insights for current and future reviews.
3. AUSTRALIAN WELFARE REVIEWS (1941-2013)

Introduction

This history of welfare reviews starts in the 1940s, but it is useful to set the scene with the early development of Australia’s social security system.

At the end of the 19th century, the social security system started to evolve from its piecemeal origins in the charitable sector into a more organised form based in statute. There were many learned reviews in this early period, including those by Neild (1898) into ‘old age pensions, charitable relief and state insurance’ and by Knibbs (1910) into social insurance. Following State legislation to introduce age pensions in the very early years of the 20th century, the newly formed Commonwealth Parliament enacted legislation in June 1908 which allowed the Commonwealth to pay age pensions. Invalid pensions and maternity allowance followed shortly after. All of these payments were paid from general revenue and were not related to a person’s past earnings.

In 1923, the Commonwealth established a Royal Commission on National Insurance, which favoured a national insurance approach, but it was not until 1938 that the Commonwealth introduced legislation to implement a scheme. The legislation was passed but, in the face of domestic opposition and the threat of international war, the scheme was abandoned. The question of whether to have a social insurance-base to Australia’s transfer system (or aspects of it) is one with which later reviews grappled.

In 1929, the Commonwealth Government established a Royal Commission on Child Endowment or Family Allowances. It is notable that John Curtin (who became Prime Minister during World War II) was a member of this Royal Commission and put forward a minority report, along with the only female member of the Commission, in support of child endowment. A national system of child endowment was not introduced until 1941.

This review starts with the Joint Parliamentary Committee on Social Security established in 1941 by the Menzies Government and concludes with a reference to the current welfare review set up by the Abbott Government in late 2013.

Timeline of reviews 1941-2013

This timeline includes all welfare reviews in the period that had the transfer system (or elements of it) as a primary concern. It also includes other reviews which were relevant to the social policy debate at the time.

Reviews 1941-2013

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<th>Chair</th>
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<tr>
<td>1941 - 1946</td>
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Appointed by the Menzies Government
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<td>Committee of Inquiry into Health Insurance</td>
<td>Nimmo</td>
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<tr>
<td>October 1971 - September 1975</td>
<td>Independent Inquiry into the Repatriation System</td>
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<td>August 1972 – January 1975</td>
<td>The Taxation Review Committee</td>
<td>Asprey</td>
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<tr>
<td>August 1972 - August 1976</td>
<td>Commission of Inquiry into Poverty in Australia</td>
<td>Henderson</td>
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**Appointed by the Holt, Gorton and McMahon Coalition Governments**

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<td>February 1973 - November 1973</td>
<td>Australian Pre-Schools Committee of Enquiry into Care and Education of Young Children</td>
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<td>National Committee on Discrimination in Employment and Occupation</td>
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<td>Review Committee on Australian Legal Aid</td>
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<td>December 1973 - May 1974</td>
<td>Committee of Inquiry into Labour Market Training</td>
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<td>June 1974 - August 1976</td>
<td>Royal Commission on Australian Government Administration</td>
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<td>August 1974 - November 1977</td>
<td>Royal Commission into Human Relationships</td>
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<td>Date</td>
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<tr>
<td>October 1976 - June 1977</td>
<td>Committee of Review of the Commonwealth Employment Service</td>
<td>Norgard</td>
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<td>March 1977 - July 1977</td>
<td>Committee of Inquiry into Unemployment Benefits Policy and Administration</td>
<td>Myers</td>
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**Appointed by the Hawke-Keating Labor Governments**

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<tr>
<th>Date</th>
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<th>Chair</th>
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<tbody>
<tr>
<td>December 1983 - December 1984</td>
<td>Committee of Inquiry into Labour Market Programs</td>
<td>Kirby</td>
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<td>February 1984 - May 1984</td>
<td>Panel of Review of the Proposed Incomes and Assets Test</td>
<td>Gruen</td>
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<td>February 1984 - June 1986</td>
<td>Commission of Inquiry into the Compensation arising from the Social Security Conspiracy Prosecutions</td>
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<td>December 1985 - n/a 1988</td>
<td>Review of the Social Security System</td>
<td>Cass</td>
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<td>1989</td>
<td>Child Support Evaluation Advisory Group</td>
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<td>June 1990 – December 1992</td>
<td>National Housing Strategy</td>
<td>Edwards</td>
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<td>October 1993 - January 1995</td>
<td>Review of Employment Support for People with Disability</td>
<td>Baume</td>
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<td>1993</td>
<td>The Committee of Employment Opportunities</td>
<td>M Keating</td>
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**Appointed by the Howard Coalition Governments**

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<td>National Committee of Audit</td>
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<td>Date</td>
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<tr>
<td>September 1999 - March 2001</td>
<td>Reference Group on Welfare Reform</td>
<td>McClure</td>
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<td>September 2000 - March 2001</td>
<td>Inquiry into Definitional Issues Relating to Charitable, Religious, and Community Service Not-For-Profit Organisations</td>
<td>Sheppard</td>
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<td>September 2002 - April 2004</td>
<td>Review of Pricing Arrangements in Residential Aged Care</td>
<td>Hogan</td>
<td>19</td>
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<tr>
<td>August 2004 - June 2006</td>
<td>Ministerial Taskforce on Child Support</td>
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**Appointed by the Rudd-Gillard Labor Governments**

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<td>May 2008 – February 2009</td>
<td>Pension Review</td>
<td>Harmer</td>
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<tr>
<td>April 2010 – July 2011</td>
<td>Productivity Commission Inquiry into a National Disability Long-term Care and Support Scheme</td>
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**Appointed by the Abbott Coalition Government**

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<td>October 2013 – March 2014</td>
<td>Commission of Audit</td>
<td>Shepherd</td>
<td>5</td>
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<tr>
<td>November 2013 - current</td>
<td>Welfare Review</td>
<td>McClure</td>
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Note: In chronological order using date of establishment. Only those established by the Commonwealth Government have been included. The content is based to a large degree on Prasser (2006) but it also includes a number of reviews beyond his definition of ‘public inquiry’.

**The 1940s: the Joint Parliamentary Committee, war and welfare**

In 1941, a Joint Parliamentary Committee on Social Security was formed. This was a cross-party committee of members of both houses of Parliament and was one of five joint parliamentary committees set up at this time. The others focused on War Profits, War Expenditure, Broadcasting and Rural Industries. The aim of the committees being to foster a shared responsibility and united attack on Australia’s problems during a time of war (Shaver, 1987).
The context of any review activity or policy development is all important. The 1940s was a time of war and of major social and economic upheaval, and government action. As Roe (1976, pp217 & 222) describes, '….the years 1939-49 have almost unanimously been regarded by historians as being one of the most decisive decades in Australian experience: the years of successful resistance to the greatest external threat in Australian history and of unprecedented state experiment and intervention. Armed with its defence powers, the Commonwealth sought to win the war, and this time also the peace.' De Maria (1989, p166) connects this context with the work of the Joint Parliamentary Committee, 'From all significant points of view – the political, military, social and economic – this period was one of substantive change. The Joint Committee has to be set against this transforming context.'

The Committee, and other bodies such as the Department for Post-War Reconstruction, could be viewed as a political commitment (both to the troops who were still fighting and to the population at home making a range of concessions) to ensuring that there would be a post-war Australia worth fighting for.

There was an appetite for change and for government to step up and address the legacy of poverty and disadvantage of previous decades. Child poverty, homelessness, high levels of Aboriginal morbidity and mortality were all social problems that ‘constituted the hidden face of a society readying itself for war’ (De Maria, 1989, p165). As Yeend (2000, e-brief) points out, ‘In the 1940s, there was a broad, nationally expressed desire for “social security”: a “new order” to address the concerns arising from the lack of proper provision for those adversely affected by the mass unemployment of the 1920s/30s. The establishment of the Joint Parliamentary Committee on Social Security in 1941, which remained in existence until the end of the seventeenth Parliament in 1946, reflected this concern.’

The Committee was set up by the Menzies government and chaired initially by the Hon. JA Perkins from the United Australia Party. The remit of the committee was ‘to enquire into and, from time to time, report upon ways and means of improving social and living conditions in Australia and of rectifying anomalies in existing legislation’ (First Interim Report, 1941). At the first meeting of the Committee, the then Minister for Social Services, Sir Frederick Stewart, added to the terms of reference with a number of specific tasks including consideration of widows’ and orphans’ contributory pensions; unemployment insurance; contributory invalid and old-age pensions; a national housing scheme; and comprehensive health insurance (Kewley, 1973).

The members were generally senior parliamentarians but were not experts in social security. The three Government members were farmers. On the Labor side, two had railway experience and union backgrounds and the third was a lawyer. Three of the six members were from Victoria, the remaining three from Queensland, New South Wales and Tasmania. In its early days, the Committee embarked on a national tour, visiting four capital cities and hearing expert witnesses on all the major subjects of their inquiry (Shaver, 1987). The Committee was supported by a small staff team. Ron Mendelsohn was Research Officer to the Committee and prepared much of the material in the Committee’s reports (see Mendelsohn, 1979).

Labor inherited the Committee when they took power in October 1941, shortly after the Committee published its First Interim Report. The Committee continued under the Curtin and Chifley Labor Governments (as did the other cross-party committees) with only minor changes to its membership, for the next five years. As De Maria (1989, p164) states, ‘The Curtin Government was not only anxious to win the war but also to embark on long-promised social reconstruction. This was a double agenda of daunting complexity, in which the government had the particularly difficult job or walking a tightrope between its warfare and welfare aims.’ The Joint Committee helped the Government to reconcile these objectives.
The Joint Parliamentary Committee on Social Security: Summary

Dates: 1941 – 1946

Chair: Hon. JA Perkins (United Australia Party) replaced by HC Barnard MP (Labor Party) on 12 November 1941.

Membership

The Committee had six members from both houses of the Commonwealth Parliament:

Hon. JA Perkins (United Australia Party, and founding Chair of the Committee)
Colonel Rupert Ryan (United Australia Party)
Senator Walter Cooper (Country Party)
Richard Keane (Labor Party, and Deputy Chair of the Committee)
Maurice Blackburn (Labor Party)
HC (Claude) Barnard (Labor Party)

Minor changes to the composition of the Committee were made following the installation of the Curtin Labor Government. Keane was replaced by Senator James Arnold from New South Wales.

The Committee ran for the next five years and published nine reports (see box). Overall, they heard evidence from over 400 witnesses and held 177 hearings. The Committee undertook their work very much in the public domain, exciting media interest and generating public debate.

The Committee wrestled with a wide range of issues. The first report was published two years after Australia joined the war and was largely concerned with suggested amendments to the Invalid and Old Age Pensions Act. As De Maria (1989, p166) suggests, ‘It seems the committee’s mixture of concern about poverty and unwillingness to strike at its structural sources mimicked a paradox in the wider social context which endorsed a mixture of anxiety and aloofness to the war.’ This changed as the war progressed, particularly after Pearl Harbour and the first attack on Darwin, and was reflected in the work of the Committee.

In its fifth report, the Committee discussed social security in a wide perspective and, as Kewley (1980) describes, they ‘attempted, in effect, to promote action to deal with the five ‘giant evils’ to which Sir William (later Lord Beveridge referred (para 456) in his report on Social Insurance and the Allied Services which was presented the following month’. The main theme of this fifth report was that post-war reconstruction should not be delayed and should form an essential part of wartime activities. Welfare reform continued throughout the war period in Australia, unlike other countries where it was largely suspended until the war ended. As Kewley (1969, p3) notes ‘Before hostilities in World War 2 had ceased, the Commonwealth Government, partly under the influence of the worldwide clamour for social security that developed during the war, had come to assume responsibility for a wide range of social benefits.’

The financing of social security was a highly contentious issue for the Committee. The political parties were publicly committed to different approaches (with Labor opposing the contributory principle, and the non-Labor parties broadly in support), making a ‘joint-party’ position inherently problematic. Ultimately, the Committee did not support moving to an insurance-based system and the Commonwealth Government concurred with this.

By the time of the final and ninth report (1946), the war had ended and the energy for social reform has dissipated somewhat. The topic of the ninth report was ‘national fitness’ and, as De Maria (1989) has commented, the subject matter itself perhaps reflects that the Committee felt it had dealt previously with all the major structural social security issues, and was reaching the conclusion of its work.
Views on the influence of the Committee on Government policy vary. A number of parliamentary statements supported the work of the Committee, but it is difficult to isolate its role from other activity and influences. One of the earliest recommendations of the Committee was that all Commonwealth social security measures be codified into a single Act. This occurred but not until 1947 under the Chifley Government, and it is difficult to prove that this was a consequence of the Committee’s work. De Maria (1989, p167) reckons on the basis of available evidence that ‘the committee had a facilitative rather than a causative role in wartime social policy: many of its recommendations would in any case have been realised in law sooner or later.’

A number of welfare histories have summarised the Committee’s work and Shaver (1987, p411) sets out a broad range of views regarding its influence, including her own. ‘Mendelsohn described it as ‘one of the most important committees ever to function in the Australian Parliament’, while Cairns credited it with having written the ‘Australian Beveridge Report’. Kewley has been more cautious, seeing it as one among many sources of the developments in the 1940s. In this Kewley is surely right, for the period saw far-reaching change in the forms and functions of the Australian state. There are many contenders for influence in overlapping political and bureaucratic arenas.’

Nevertheless, as Yeend (2000, e-brief) concludes, ‘While not all of the new national social security programs of this period had their origins in the Committee, it provided a focus and forum for the expression of concerns, views, new ideas and also an impetus for new initiatives.’ On many issues, Government policy echoed the Committee’s recommendations, ‘although they did not follow them to the letter’ (Herscovitch and Stanton, 2008, p54). Perhaps Ron Mendelsohn, who undertook extensive research and analysis for the Committee, should be allowed the last word, ‘Without doubt the Social Security Committee’s first report and many that followed it over several years became the foundation for the Australian system of social security’ (Mendelsohn 1996, p211).

The 1940s was a period of extensive policy innovation in the welfare arena, both during and after the Second World War, including the introduction of child endowment, widows’ pensions, allowances for the wives and children of pensioners, and unemployment and sickness benefits. The Commonwealth took sole responsibility for income tax in 1942 as a temporary wartime measure, but the States were never to regain their income tax powers (despite an attempt by the Fraser government in the late 1970s to entice the States back into the field).

By the end of the decade, Australia had a comprehensive social security system which has remained the bedrock of future policy reform and review activity. As Shaver (1987, p411) shows, ‘Australia
entered World War II with only fragmentary welfare provision: by the end of the war it had constructed a ‘welfare state’.

This period also saw the administration of social security change hands and the emergence of a co-ordinating Department of Social Services. Between 1908 and 1941, benefits had been administered by the Commonwealth Treasury. A separate Department of Social Services had been established in 1939 (to operate the doomed national insurance scheme) but did not operate as a separate entity until 1941. By 1947, the Department of Social Services had consolidated its remit with the bringing together of all social security functions into the single Social Services Act (Mendelsohn, 1979).

The 1950s and 1960s: incremental reform and an absence of reviews

The following two decades were a marked contrast to the 1940s. Policy changes were ‘incremental rather than fundamental’ (Herscovitch and Stanton, 2008, p55) and there are no recorded reviews or public inquiries of direct relevance. This lack of reviews was consistent with the general trend in reviews. Prasser’s (2006) analysis shows how reviews and ‘public inquiries’ declined during the three decades after the Second World War, but then increased dramatically from the mid-1970s.

The 1950s and 1960s were essentially a period of full employment and this probably explains much of the stability of welfare policy during this period. Shortly after Gorton became Prime Minister in March 1968, the Government committed to a review of social welfare. A Standing Cabinet Committee was established (including the Ministers of Health, Social Services, Repatriation and Housing) and was tasked with co-ordinating policy across the various departments. The Committee was not reformed after the 1969 election and Kewley (1980) suggests that, if it had, it would have completed a comprehensive review not seen since the Joint Parliamentary Committee in the 1940s, and indeed would have been more influential given it was made up of Ministers not backbenchers.

The 1970s: the Henderson Poverty Inquiry and much activity

A proliferation of reviews

The 1970s witnessed a rapid growth in use of public inquires and external reviews. This occurred across the board of public policy as the Government turned to the public inquiry mechanism for advice, and was particularly the case in the welfare arena.

By the start of the decade, there was increasing concern that the social security system was not dealing adequately with poverty and a questioning of its impact on work and savings incentives. There was also greater awareness that some groups were particularly at risk of being excluded. In the early 1970s, Australia was also in good economic health and this meant ‘a general air of optimism prevailed about the scope for innovation and improvement’ (Herscovitch and Stanton, 2008, p55). A raft of policy reforms to the social security system was initiated and a series of policy inquiries established.

The most renowned welfare review of the 1970s was the Commission of Inquiry into Poverty in Australia. A number of other reviews occurred at the same time and are relevant. Some, like the Poverty Inquiry, were concerned with the ‘fundamentals’ of the transfer system. These included:
Committee of Inquiry into a National Rehabilitation and Compensation Scheme in Australia, chaired by Mr Justice Woodhouse.

Committee of Inquiry into National Superannuation, chaired by Professor KJ Hancock (This superseded a committee appointed by the McMahon Government to enquire into superannuation, chaired by Sir Leslie Melville, which was not continued by the Whitlam Government.)

Independent Enquiry into the Repatriation System, chaired by Mr Justice Toose.

The Taxation Review Committee, chaired by Mr Justice KW Asprey.

The 1970s was interesting not only for the proliferation of reviews and developments in welfare policy, but also for illuminating the public administration challenges of a complex, cross-government and multi-sectoral public policy issue. In response to this latter concern, the Royal Commission on Australian Government Administration, chaired by HC Coombs, entered the welfare foray with its Task Force on Health and Welfare Administration. Later in the decade, the Fraser Government also appointed a Task Force on Co-ordination in Welfare and Health, under the chairmanship of PH Bailey. Both of these are referred to below.

Commission of Inquiry into Poverty in Australia

This review looks first at the Poverty Inquiry. The Commission of Inquiry into Poverty followed public concern over the levels of poverty in Australia. Professors Henderson and Downing at the Institute of Applied Economic and Social Research at the University of Melbourne had undertaken a survey of poverty in Melbourne in 1966. This survey was published in 1970 (Henderson, Harcourt and Harper, 1970) and helped raise awareness of the existence of poverty and contributed to public demand for an inquiry. In 1972, the then Prime Minister, McMahon, announced a nation-wide inquiry would be held with Professor Henderson as chair (Kewley, 1980).

Following the election of the Whitlam Government in December 1972, Professor Henderson continued as chair of the Inquiry and four additional members were appointed. Each Commissioner looked at a particular subject. The topics included the economic aspects of poverty, law and education in relation to poverty and the socio-medical aspects of poverty. (See below and Appendix A in First Main Report, 1975.)

### Commission of Inquiry into Poverty in Australia: Summary

**Dates:** August 1972-August 1976

**Chair:** Professor RF Henderson, Director of the Institute of Applied Economic and Social Research at the University of Melbourne

**Composition:** Five members, with following areas of concern:

- Professor R Sackville – Professor of Law at the University of New South Wales – Law and poverty
- Professor RC Gates – Professor of Economics at the University of Queensland – Selected economic issues
- Rev. GS Martin – Superintendent of the Port Adelaide Central Methodist Mission – Medical/sociological aspects of poverty
- Mr RT Fitzgerald – Chief Research Officer of the Australian Council for Educational Research – Education and poverty

(From Stanton, 1973)
The expansion of the Inquiry was in response to the incoming Government’s aspiration for the Inquiry to be broad and wide-ranging, reflecting their ongoing concerns that the Inquiry previously had risked a too narrow definition of poverty. At the time, Hayden, the Minister for Social Security, noted that the expansion of the Inquiry would provide ‘...great scope for a comprehensive, far reaching, and timely report into poverty in Australia’ (see Stanton, 1973, p32).

It was now clear that the Inquiry would have a broad interpretation of poverty, and that the study would consider both individual and community perspectives. ‘The Commission of Inquiry into Poverty is giving emphasis to identifying the needs of the poor – whether they be economic, cultural, educational, legal or related to such problems as health and housing – and to the practical measures which can be taken to alleviate poverty. As well as looking at the needs of individuals, the needs of communities are also being examined - in-depth community studies are being conducted in several States’ (Stanton, 1973).

The Inquiry undertook extensive research and consultation activities. An analysis of existing domestic and international research was undertaken, which identified the need for further study. Two national surveys were commissioned by the Bureau of Census and Statistics – a ‘National Survey of Households’ and a ‘Survey of Families Receiving Government Assistance’. In addition, 34 research studies were undertaken, ‘necessary because of the appalling dearth of research and statistical material in the social field in this country’ at that time (Henderson, 1975, page x, Preface). The topics for research were wide-ranging and included a focus on different disadvantaged groups (such as fatherless families, homeless men, migrants and Aborigines), the relationships between education, the law, health and poverty, as well as the delivery of welfare services (Stanton, 1973).

The Inquiry also conducted a nation-wide consultation exercise. A call for submissions was advertised in the Australian press, including in migrant language newspapers. Aware of the difficulties some groups might experience in trying to get their views heard, the Inquiry funded the Australian Council of Social Service to support the contribution of groups requiring assistance. The Inquiry reached out to, and encouraged the participation of, people living in poverty in order to obtain the views of those people who might be affected by any outcomes of the Inquiry. The Inquiry received 420 submissions.

Representatives of the Inquiry also travelled across the country holding a range of public and private hearings, visits and discussions with government officials, academics and welfare organisations. The Inquiry also sought to encourage informed debate and awareness by the community by inviting the public and the media to hearings, publishing reports on research studies, preparing an Interim
Report (March 1974), holding press conferences and issuing progress reports’ (Henderson, 1975). Throughout the Inquiry, there was ‘close liaison’ between the Chair and the Government (Stanton, 1973).

The Inquiry published an Interim Report in March 1974. The Interim Report was only 24 pages long and focused on areas for urgent action, in the context of the existing social security system, and sought to influence the 1974-75 Budget. This was followed by four further Main Reports. Overall, the Inquiry produced a raft of recommendations that related to income security, housing (supply and affordability), urban policy, employment services, welfare services, and which related to different groups of people - aged, families, juveniles, Aboriginals, migrants, the sick and people with disability. However, the Inquiry is probably most remembered for the recommendations contained in its First Main Report and measures to improve income poverty.

The focus on income poverty was justified on both practicality and significance, being easier to quantify than other dimensions of poverty and being central to a person’s security, well-being and independence. The Poverty Inquiry adopted the same poverty standard as the previous Melbourne Poverty Survey. (For debate about the Henderson Poverty Line, see for example Stanton (1980) and Saunders (1980.).)

**Commission of Inquiry into Poverty in Australia: Main reports**

| Commission of Inquiry into Poverty, *Law and Poverty in Australia, Second Main Report* (Sackville), 1975 |
| Commission of Inquiry into Poverty, *Social/Medical Aspects of Poverty in Australia, Third Main Report* (Martin), 1975 |
| The Fourth Main Report by Professor RC Gates was never published. |
| Commission of Inquiry into Poverty, *Poverty and Education in Australia, Fifth Main Report* (Fitzgerald), 1976 |

In the First Main Report published on 18 September 1975, a dual strategy was proposed to raise people’s incomes - increased access to employment and higher social security payments. Proposals centred on a guaranteed minimum income to be introduced as quickly as possible and funded from part of the additional resources generated by economic growth (Henderson, 1975).

The proposal for a guaranteed minimum income was made in the context of other proposals that supported work, including encouraging greater part-time work and targeting training assistance to the long-term unemployed. Henderson made two overarching recommendations – that additional national resources generated each year by economic growth should be devoted to improving the circumstances of the poor and that inflation needed to be reduced to below 10 per cent a year, given the devastating impact inflation can have on people in poverty.

The Inquiry posed three questions which they considered to be of paramount importance in the determination of social policy:

- Shall we make a conscious effort to give help first to the poorest and most deprived?
- Shall the main thrust of policy be to provide goods and services for poor people or to provide income for them?
Shall reform of the community and welfare services be in the direction of a single centralised Australia-wide structure?

Their responses to the questions were that the poorest should receive priority, that the main emphasis should be on providing them with income, and that services should be decentralised as far as possible.

As already discussed, the main proposal to maintain adequate incomes was the Minimum Income Guarantee. However, the Inquiry was also very concerned with the provision of services. A critical finding of Henderson’s analysis was the extent to which services did not go to those most in need. This was particularly the case of public housing assistance, where the Inquiry was able to show that the majority of public tenants were not below the poverty line and only a small proportion of those in poverty lived in public housing. The Inquiry recommended that services should go to those in greatest need, that they must be reformed to meet the needs of those who use them and that the best way to achieve this was to devolve administration to the local level.

The Inquiry also recommended a new national social research institute and a powerful committee structure within Government to support integration of social policies. Furthermore, the Committee was concerned with keeping the issues of poverty in the public mind suggesting using films and television, education in schools and tertiary colleges and through providing opportunities for young people to learn about poverty and social welfare in programs of action research during vacations.

Henderson and poverty

‘The elimination of poverty should be a vital national goal. For this goal to be realised, social change and the allocation of substantial sums from growth in the national income to a comprehensive welfare program over the next decade will be essential. Redistribution of income and services should also be accompanied by other measures to increase the capacity of poor people to exercise power, thus enabling them to take an effective part in decision-making processes along with other sections of the community. Socio-economic status, power and social norms are so closely interrelated that significant change in one area must be accompanied by changes in the others.’

First Main Report, 1975

Woodhouse, Hancock and the Income Security Review

Around the same time that the Poverty Inquiry was reporting, a number of the other inquiries were also reaching their conclusions. The two most relevant here are the review of rehabilitation and compensation policy chaired by Mr Justice Woodhouse and the superannuation inquiry chaired by Professor Keith Hancock.

The Committee of Inquiry into a National Rehabilitation and Compensation Scheme in Australia was established in 1973 and chaired by Mr Justice Owen Woodhouse. The other members were Mr Justice Meares and Professor PS Atiyah (who returned to the UK with his family early in the Committee’s deliberations and resigned his appointment).

The Government had already made an in principle commitment to a comprehensive scheme; the Committee’s task was to report on the ‘desirable scope and form of a nationwide system of rehabilitation and compensation for all injured persons’. In January 1974, the terms of reference were extended to include ‘persons incapacitated by reason of sickness or some congenital effect.’

The Committee’s report was in three volumes. The first volume set out a detailed proposal for a national compensation scheme. The second covered rehabilitation and safety. The third, described as a compendium, included all the statistical research and costs of the proposed compensation
scheme. (Woodhouse, 1974) The central recommendation was a universal social insurance scheme based on the following principles:

- Community responsibility – ‘rights universally enjoyed must be accompanied by obligations universally accepted.’
- Comprehensive entitlement – ‘all should be eligible to share in a scheme supported by funds that all have contributed. It rightly calls for equal treatment for equal claims.’
- Complete rehabilitation – it must ‘encourage every incapacitated person to recover the maximum degree of bodily health and vocational utility and social well-being at the earliest possible time.’
- Real compensation – this ‘demands the provision of income-related benefits for lost income throughout the whole period of incapacity and the opportunity for every incapacitated person to maintain the living standards he or she had earlier achieved by energy and hard work.’
- Administrative efficiency – requiring that ‘the collection of funds and their distribution as benefits be organized promptly, consistently, economically and without contention.’

The first volume was accompanied by a Draft Bill designed to explain some of the detail of the recommendations and to use as the basis for legislation should the Government decide to progress the recommendations.

The National Superannuation Committee of Inquiry chaired by Keith Hancock was also established by the Whitlam Government in 1973. The Committee presented a unanimous Interim Report in June 1974 and a Final Report in April 1976 following the election of the Fraser Government earlier that year. The Final Report contained a majority recommendation supported by Hancock and Richard McCrossin and a minority position supported by Kenneth Hedley. The majority scheme was a partially contributory, universal pension system with an earnings-related supplement. The minority scheme was a widening of existing arrangements and included a flat rate universal pension, a means-tested supplement and an expansion of occupational superannuation (Treasury, 2001).

The Government of the day now found itself presented with a range of competing recommendations from these and other inquiries such as the Independent Enquiry into the Repatriation System chaired by Mr Justice PB Toose.

In addition to the range of short-term inquiries, there were also a number of statutory bodies which advised the government such as the Social Welfare Commission and the Priorities Review Staff.

**Social Welfare Commission**

The Social Welfare Commission (SWC) began as an interim committee in April 1973 and was later established as a statutory body by the Social Welfare Commission Act in November 1973. Marie Coleman was chair of the Commission. The SWC had an independent review function as well as a policy analysis and priority-setting remit across government. It was tasked with defining long-term objectives for social welfare and was also able to set up its own independent inquiries, for example, the Committee of Enquiry into Aged Persons’ Housing.

For a variety of reasons (Kewley, 1980), the SWC found it impossible to carry out, and reconcile, the different functions. In June 1975, Whitlam announced that it would be abolished and its work would be carried out primarily by a unit within the Department of Social Security. Legislation to repeal the Social Welfare Commission Act (and thereby abolish the Commission) was introduced in the Autumn of 1976.

The Priorities Review Staff

The Priorities Review Staff (PRS) was a unit established by the Whitlam Government to provide advice on the relative priorities, and the economic feasibility, of various Ministerial proposals and published detailed reports on pre-schools, housing and social welfare among other topics. Whitlam (1985) refers to the Priorities Review Staff as the ‘think-tank in his department’.

The PRS put forward an alternative scheme to the National Compensation proposals recommended by Woodhouse and showed how a Minimum Income Guarantee was one of many options to improve the welfare system. (Priorities Review Staff, 1976)

Coleman (1976, p16), at the time Chair of the Social Welfare Commission, points out that because the various inquiries had not been ‘given any indications of Government philosophy on such issues as general revenue funding or a contributory basis, or whether the aim was to be maintenance of relativity to previous income level, or alleviation of poverty among the poorest, it meant that they did not complement each other’. She also describes how ‘Each Enquiry jealously guarded its independence from the statutory bodies with priority setting and co-ordination responsibilities’ and points out that at this time ‘the Canberra milieu teemed with competing ‘advisers’. There were new types of ministerial staff members and new and increasingly powerful lobby groups’ (Coleman, 1976, p17).

Partly in response to the multitude of advice, in 1975, Whitlam set up the Income Security Review (ISR) and appointed Ian Castles as chair. The Fraser Government continued this review with Michael Keating and Col McAlister as deputy chairs in 1976 and 1977 respectively. The ISR was hosted in the Department of the Prime Minister and Cabinet (PM&C) and drew staff from PM&C, Treasury, Social Security and elsewhere. It was established ‘in part to help sort out the contrasting approaches recommended in these reports, the emphasis on insurance and income maintenance by Hancock and Woodhouse and the emphasis on poverty and guaranteed minimum income by Henderson and, to a degree, also by Asprey’ (Podger, 2012, p1).

It is worth noting the work of the Income Security Review here, although it bears few of the hallmarks of a ‘public inquiry’ method of review. As Podger (2012, p2) has noted, ‘the ISR was a fundamental review though it was conducted wholly within government and its reports and papers kept confidential’. During its lifetime, the ISR looked at all income security programs, alongside the role of the minimum wage and labour market programs, and paid particular attention to the interaction between the tax and transfer systems. It drew on the work of the previous major inquiries. The ISR is probably best remembered for its advice on family allowance reform, but it was also influential in the establishment of the sole parents’ pension, indexation reforms and a simpler social security income test (Podger, 2012).

Ultimately none of the main recommendations of the various reviews was adopted by government. The Woodhouse proposal for a national scheme of insurance against injury, accident and disease was rejected. As Herscovitch and Stanton (2008, p56) remark, ‘the new scheme would have been a major departure from the Australian model of social security, and would have superseded the state and territory schemes of workers’ compensation and third-party road accident insurance’. The Hancock proposals for national superannuation (1976) were also side-lined. This was followed in subsequent decades by the adoption of private superannuation to secure retirement incomes – developments more in line with the minority report.

Further consideration needs to be given to the political and economic context in assessing the influence of the Poverty Inquiry and the other welfare reviews of this period. Whitlam lost office not long after the Poverty Inquiry submitted its First Main Report. The new Fraser Government had a different set of priorities. Following the 1973 oil crisis, the world economy was in strife with
unemployment and inflation rising. This ultimately led to the emergence of monetarism, supply-side economics, a desire for smaller government and little appetite for costly social programs such as the Minimum Income Guarantee advocated in the Henderson Report.

However, as Kewley (1980) records, there are a number of examples of recommendations having been influential, such as the recommendation to abolition tax deductions for children in favour of increased direct payments to mothers, which became policy incrementally between 1974 and 1976. Herscovitch and Stanton (2008, p56) also point out that although the findings of the Inquiry were not formally adopted, ‘they influenced policy decisions in the years that followed’.

Saunders (1980) reflects that ‘there can be little doubt that the overall impact of the Henderson Report has been considerable.’ It showed the extent of poverty and that something needed to be done, but he felt that ‘focusing on the detailed operation of income support and related policies, some of the broader questions surrounding the causes of poverty may have been forgotten.’

On taking office, the Fraser Government reviewed the large number of bodies that had been conducting inquiries for the Commonwealth Government, terminating some immediately and giving others specific dates by which they were to report (Kewley, 1980). A number of further reviews were, however, initiated by the Fraser Government; some of these related to welfare policy. These committees of inquiry tended to be comprised of, and chaired by, public servants (Kewley, 1980), such as the Committee on the Care of the Aged and Infirm, established in June 1976 and chaired by Austin Holmes from the Department of the Prime Minister and Cabinet (Holmes, 1977). Two later inquiries in the welfare domain were, however, chaired by external experts - the Committee of Review of the Commonwealth Employment Service, chaired by John Norgard, and the Committee of Inquiry into Unemployment Benefits Policy and Administration, chaired by David Myers. The report of the Myers inquiry (Myers, 1977) was dismissed on the day its recommendations were made, essentially on grounds of cost.

Administrative reform

During the 1970s, there were two inquiries into the administration of health and welfare. Several departments were involved in social welfare payments and they, together with the various entities such as the Priorities Review Staff and the Social Welfare Commission, were involved in policy development. This led to the Royal Commission on Government Administration establishing a Health and Welfare Task Force, chaired by Professor Enid Campbell. In July 1976, the Fraser Government appointed a Task Force on Co-ordination in Welfare and Health, under the chairmanship of PH Bailey, which made further recommendations.

The report of the Royal Commission’s Health and Welfare Task Force included a number of recommendations which subsequently informed the reorganisation of social welfare administration. Proposals included rationalising the main Statutory Authorities concerned with health and welfare policy, restructuring government departments and the setting up of a Public Policy Research Unit, to focus on human services (Royal Commission on Government Administration Health and Welfare Task Force, 1975).

One of the consequences of these reviews was the setting up of the Social Welfare Policy Secretariat (SWPS) attached to the Department of Social Security which operated between 1978 and 1986. Headed by Sidney Sax and Daryl Dixon, the SWPS tackled many contentious subjects and sought to provide a whole of government social welfare perspective. They published a number of reports, including on poverty measurement, expenditure growth, demography, superannuation, and labour market programs. (See SWPS, 1982 and subsequent annual reports)

Before turning to the 1980s, some of the major policy changes to the transfer system that took place in the 1970s need to be highlighted. These included the integration of child tax rebates and child
endowments into a single system of Family Allowances in 1976, the introduction of automatic increases in pensions and most other benefits in 1977 to compensate for price rises (subsequently suspended at times), the abolition of maternity allowance in 1978 and the introduction of pension-type payments for lone parents not receiving a widow’s pension (for lone mothers in 1973 and for lone fathers in 1977).

The 1980s: rolling policy reform and the Cass Social Security Review

The first half of the 1980s witnessed a number of social security reforms, such as the introduction of a mobility allowance (to help with the costs faced by people with disabilities accessing work and training) and a new income supplement for low-income working families with children (Herscovitch & Stanton, 2008), but no major reviews of policy. This changed in the second half of the 1980s with the Cass Social Security Review.

The Social Security Review was established by the then Minister for Social Security, Brian Howe, in February 1986. Associate Professor Bettina Cass of the University of Sydney was appointed Consultant Director of the Review. The Review focused on three major aspects of social security policy:

> income support for families with children
> social security and workforce issues
> income support for the aged.

The aims of the Review were ‘to examine the current situations of unemployed and jobless people and to propose directions for long-term reform of income support programs and to identify more immediate priorities’ (Cass, 1986).

<table>
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<th>The Social Security Review: Summary</th>
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<tr>
<td><strong>Dates:</strong> February 1986 – n/a 1988</td>
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<tr>
<td><strong>Chair:</strong> Associate Professor Bettina Cass of the University of Sydney was appointed Consultant Director of the Review.</td>
</tr>
<tr>
<td><strong>Composition:</strong> Cass was Consultant Director of the Review, working with officials in the Department of Social Security. A Social Security Review Advisory Committee was established to advise the Review.</td>
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The Review had a strong focus on research evidence and on public consultation. Six major Issues Papers were published, each with the aim of promoting debate and consultation. An additional 31 Research and Discussion papers were produced. The Issues Papers covered the main concerns of the Review: income support for unemployed people, families with children, older people, sole parents and people with disability, with the final report on retirement incomes policy.

As the aims of the Review set out, policies were to be identified which addressed immediate concerns as well as setting the direction for long-term reform. For example, the Overview of Issues Paper No. 6 (Foster, 1988, p2) illustrates this dual approach. ‘It should be emphasized that the Issues Paper is concerned with the need for changes over the next decade; changes which it is believed are necessary to provide a sound basis for meeting the needs of an ageing population in the first quarter of the next century. The directions canvassed, therefore, are those requiring long lead times and phased approaches in order to give people sufficient time to plan properly for retirement. Nevertheless, it is recognized that there are other immediate policy issues which are of
considerable concern. Foremost among these are the adequacy of the pension and the structure of the income test.’

The Social Security Review was well-aligned with government policy development, with Cass working closely with officials in the Department of Social Security. There was no final report of the Review with a consolidated list of recommendations, as with many other reviews. Instead each Issues Paper put forward proposals for policy reform which, following consultation, were then taken forward within Government and influenced (to varying degrees) future policy development. Yeend (2000, e-brief) has set out this ‘integrated’ approach:

‘The Review processes broadly followed the following steps:

- Examination of the features and elements of current programs and outcomes
- Publication of discussion papers
- Community consultations
- Formulation of new policies, goals and programs
- Development of change proposals to and approval by government
- Where required, approval of any necessary legislation and/or regulation by the Parliament
- Development and introduction of new or revised programs.’

At this time, income support and labour market programs were increasingly being recognised as partners in alleviating poverty. The Social Security Review made a raft of recommendations in relation to improving the adequacy of social security payments and in supporting the introduction of new active labour market policies to help particular groups into employment, education or training (Cass (1988), Cass, Gibson and Tito (1988)). The Review also shed light on the changing role of women and recommended that the social security system should treat people more as individuals.

Issues Paper No 4 (Cass, 1988) probably best describes the central tenets of the reforms Cass was advocating. This paper proposes five main principles on which reform of the system should be based:

> continuation of a universal, publicly-funded, means-tested system
> protection against poverty (i.e. adequacy)
> equity of treatment for disadvantaged groups
> an active structure of incentives and assistance for the unemployed to find employment and/or improving their job prospects
> closer integration of the income support system with labour market programs and services at key stages of unemployment.

Cass describes how stage of working life and duration of unemployment should be the two key labour market features that define the structure of income support.

A clear link can be traced between the Social Security Review and policy change. As Herscovitch and Stanton (2008) note, the Jobs Education and Training (JET) Scheme for lone parents was introduced in the 1988-89 Budget following a recommendation by the Review. A number of other reforms ‘can claim to have their origins wholly or partially’ in the Social Security Review (Yeend, 2000, e-brief). This includes the introduction of Newstart Allowance (also introduced in the 1988-89 Budget) and the Disability Support Pension introduced in 1991.

It is worth noting that both of these payments were not wholly new and had similarities to their predecessors – Unemployment Benefit and Invalid Pension. The original Newstart Allowance was also very different to the Newstart Allowance we have today. This demonstrates that benefits tend to evolve in both policy design and terminology, sometimes concurrently, sometimes not.
In one government publication (Howe, 1989), the Minister reports back on the public submissions generated by the Social Security Review and lists recent policy initiatives. It was clear from consultation responses that there was much support for the proposals in Issues Paper No 4, particularly for moving to a more active system of support with stronger links between income support and labour market programs, and in improving the adequacy of benefits for single people and young people living away from home. There were two main areas of controversy concerning proposals to segment the unemployment benefit system into four separate programs (and the complexity and potential for inequities this might create) and in the possible extension of a compulsory activity test and requiring participation in training or labour market programs.

Howe (1989) sets out a wide range of new policy initiatives (including Newstart, the Job Search Allowance arrangements, the Jobs, Education and Training Program for sole parents and the Action for Women strategy) and gives credit to both the public consultation and the Review.

Whilst never being able to isolate the influence of other factors and processes, the overall impact of the Social Security Review seems to have been significant and long-term. Yeend (2000, e-brief) points to some ‘broader and long-term direct and indirect impacts on social security and welfare delivery’ such as the enhanced emphasis on ‘active’ welfare and the need for guaranteed indexation of payments to reflect cost of living increases, as well as a focus on monitoring and evaluation of policies and programs. Herscovitch and Stanton (2008, p57) summarise the Review’s main influence as having ‘refocused attention on the need to encourage and facilitate economic and social participation among people who were receiving social security payments, particularly people with disabilities, lone parents and the unemployed.’ Yeend (2000, e-brief) comments further that the Review ‘established a culture of and an acceptance of change’ and cites how the period following the Review was one of significant policy reform and that this ‘was a significant shift from the preceding years, when most of the main income support programs were not reviewed and remained unchanged’.

The Social Security Review: Main publications

| Issues Paper No. 1, Cass B (1986), Income Support for Families with Children |
| Issues Paper No. 2, Crompton C (1986), Too Old for A Job, Too Young for a Pension? Income Support for Older People Out of Work |
| Issues Paper No. 4, Cass B (1988), Income Support for the Unemployed in Australia: Towards a More Active System |
| Issues Paper No. 6, Foster C (1988), Towards a National Retirement Incomes Policy |

Many of these reports were authored by public servants, e.g. Foster, Tito, Raymond, Crompton, Gibson.

A couple of other reviews from the 1980s warrant a mention:

- Committee of Inquiry into Labour Market Programs, chaired by Kirby, December 1983-December 1984. (Kirby, 1985)

The first of these helped inform the reshaping of employment services and labour market policies in the 1980s (Cooper, 2011, p21). The second is a notable example of a review aiming to foster
consensus across a diverse group of people, with the nine-person panel being drawn from academia, voluntary associations, pensioner groups, consumer bodies and church organisations (Prasser, 2006). It followed a controversy over the re-introduction of an assets test on pensions.

It is worth noting that a major social policy reform of the 1980s and 1990s, the introduction of a three per cent employer superannuation contribution in 1986 and the introduction of the Superannuation Guarantee in 1991 occurred without any specific policy review.

The 1990s and the turn of the century: recession, recovery and the McClure Review

The Committee of Employment Opportunities and Working Nation

The Cass Review continued to have an influence on policy in the 1990s, but the dominant influence on reform in this decade was the context of rapid economic change. The numbers of people receiving social security payments rocketed in the recession of the early 90s, with unemployment (and long-term unemployment) rising dramatically.

Following the 1993 election, the re-elected Government set up an expert committee to advise how best to deal with the unemployment crisis. The Committee of Employment Opportunities was chaired by the Secretary of the Department of the Prime Minister and Cabinet and included the Secretaries of the Departments of Social Security and Employment, Education and Training, the senior social policy adviser in the Office of the Prime Minister and three academics – two labour economists and a social policy analyst (Saunders, 1995). The Committee released a discussion paper Restoring Full Employment (1993) which, following a wide consultation process, led to the release of The White Paper on Employment and Growth (Keating, 1994a) and the companion report Working Nation: Policies and Programs (Keating, 1994b).

Working Nation stressed the importance of economic growth and was ‘a comprehensive package that dealt with labour market reforms, education and training reform, changes to social security, regional development, workplace relations and industry policy, as it was recognised that unemployment had many causes and many enablers’ (Cooper, 2011, p21).

As the 1990s progressed, the economy recovered significantly but the numbers of people receiving social security payments continued to increase. In 1996, the incoming Coalition Government abandoned the Working Nation initiative and a new reform program was introduced. This included a reshaping of employment services into a fully contestable market, with the Commonwealth Employment Service being replaced by the Job Network. Work for the Dole was also introduced which included ‘stricter’ training requirements placed on young people, and which further embedded the principle of ‘mutual obligation’ into policy reform.

As the decade ebbed, the Government remained concerned about certain groups (lone parents and people with disabilities in particular) receiving pension-type payments (Herscovitch and Stanton, 2008).

Reference Group on Welfare Reform

In 1999, the Reference Group on Welfare Reform was established. The Reference Group was chaired by Patrick McClure of Mission Australia and tasked with providing advice on income support and associated services that would prevent and reduce ‘welfare dependency’ of people of working age. The Government placed a strong emphasis on community consultation in the Review’s
establishment, with the membership of the Reference Group including representatives from the community sector, business, academia and Government to support this broad consultation.

**Reference Group on Welfare Reform – the McClure Review**

*Dates:* September 1999 – July 2000  
*Chair:* Patrick McClure, Chief Executive Officer, Mission Australia  
*Composition:* Seven members representing the community sector, business, academia and government.  
Wayne Jackson (Deputy Chair), Deputy Secretary, Department of Family and Community Services  
Professor Peter Dawkins, Director, Melbourne Institute of Applied Economic and Social Research, University of Melbourne  
Professor Mark Lyons, School of Management, University of Technology, Sydney  
Jane Schwager, Chief Executive Officer, Benevolent Society of New South Wales  
Jim Longley, Senior Finance Executive, Commonwealth Bank of Australia  
Elizabeth Morgan, Social Policy Specialist, Morgan, Disney and Associates  
The review was supported by a team of officials including David Tune, Serena Wilson and Wayne Jackson.

As with previous reviews, the Reference Group advertised for public submissions relevant to their terms of reference and met with many organisations representing disadvantaged people, business and service providers. The Group also published an Interim Report to seek further feedback making the report available on the Internet and distributing it widely. A series of focus groups with income support recipients and representatives of a wide range of stakeholders (from the community sector, employer and business peak bodies, academia and government) were commissioned.

**McClure Review: Terms of Reference**

a. Adopting the reform principles established by the Government to provide advice on:

I. Options for change to income support arrangements aimed at preventing and reducing welfare dependency by those of workforce age; and

II. Other options relating to the provision of associated services, including employment, education and training, that would assist in preventing and reducing welfare dependency.

b. In providing this advice, the Reference Group will give particular consideration to:

I. The broader application of Mutual Obligation

II. Demographic changes

III. Sustainability of the current system

IV. The particular incentive effects associated with the design of social security payments for people of workforce age

V. International best practice.

c. In framing its advice, the Reference Group will draw on community input and call for submissions from interest groups and the broader community.

Extract from McClure (2000a).
At the outset of the Review, the Government outlined a set of welfare principles which were to guide reform. They were:

- Maintain equity, simplicity, transparency and sustainability;
- Establish better incentives for people receiving social security payments, so that work, education and training are rewarded;
- Create greater opportunities for people to increase self-reliance and capacity-building, rather than merely providing a passive safety net;
- Expect people on income support to help themselves and contribute to society through increased social and economic participation in a framework of Mutual Obligation;
- Provide choices and support for individuals and families with more tailored assistance that focuses on prevention and early intervention; and finally;
- Maintain the Government's disciplined approach to fiscal policy.

(McClure, 2000a,p62).

The Reference Group’s final report advocated a Participation Support System, with a central theme of ‘social and economic participation’. Specific proposals focused on a simplified and integrated income support system and more individualised support services. The report also suggested enhanced obligations on parents of school-aged children to seek work and improved financial incentives for participation in work. The report pointed to the strong community feedback that secure and adequate income support should be the basis for social and economic participation. The Group’s recommendations ‘seek to enhance and complement the existing social safety net’ (McClure, 2000b, p7).

The proposed Participation Support System had five integrated features:

1. Individualised service delivery that supports individuals’ ‘participation goals’ and a focus on greater prevention and early intervention.
2. A simpler income support structure that is more responsive to individual needs, circumstances and aspirations over their lifecycle and within a family and community context.
3. Incentives and financial assistance to encourage and enable participation.
4. Mutual obligations underpinned by the concept of social obligations, with Governments, businesses, communities and individuals all having roles.
5. Social partnerships to build community capacity and to increase opportunities for social and economic participation, such as through fostering micro-businesses and social entrepreneurship.

Dawkins (2001, p87), one of the members of the Reference Group, summarised their approach. ‘The McClure Report proposed a multi-faceted approach to welfare reform. It drew on international experience to recommend a balance between services, incentives and obligations in reforming the social support system into a ‘participation support system.’ It also sought to place the process of reform of the income support system and associated government services in the context of a role for all parts of society through mutual obligation and social partnerships.’

In addition to the policy recommendations, the final report also set out the desired reform process, suggesting staged implementation over the short, medium and long-term, and stressing the importance of on-going research and evaluation running alongside.
The final report received wide-ranging support, but it prompted concern from some academics and civil society organisations particularly in relation to the further emphasis on mutual obligation. In late 2000, the Government responded, endorsing the broad approach. In the 2001-02 Budget, a package of measures titled ‘Australians Working Together’ was announced. Aspects of the Reference Group’s vision and reform proposals were evident in this initiative, including a ‘Working Credit’ (which was broadly similar to the earnings concessions abolished in 1996 and allowed working-age people to keep more of their income support while working) and new job search programs (such as the Personal Support Program and the Transition to Work Program). Measures to introduce a simplified income support system plus other recommendations were not, however, taken forward. The likely cost of the income support recommendations was a major prohibiting factor.

The history of ‘Welfare Reform’ is very closely aligned with control of the Senate. It was very controversial and there were a number of Senate Reviews. It was only when the Government gained control of the Senate in 2005 that the legislation to extend mutual obligation could be enacted.

Before turning to the new century, it would be remiss not to mention the National Commission of Audit established in March 1996 by the incoming Howard Government. Commissions of Audit are bodies established by Government (Federal and State) to examine the finances of the state. Since 1988, when the first Commission of Audit was established by the New South Wales Government, there have been 14 such bodies. All except one have been appointed by incoming Liberal Governments, Liberal-National or National-Liberal Coalition Governments (Jones and Prasser, 2014).

The 1996 Commission of Audit, whilst not a welfare review, was tasked with scrutinising relevant issues, such as ‘assistance programs’ for individuals and families (which they considered could be better targeted to those most in need) and the scope for further contracting-out of services. The Commission of Audit was specifically tasked with determining the most appropriate basis for benchmarking the level of the age pension and presented options for this but recommended a further review was necessary.

The Howard Government was also interested in ‘Pathway Approaches’ to address social policy concerns at this time and set up a number of ‘Pathway Reviews’. For example the Youth Pathways Action Plan Taskforce (2001) and the Family Law Pathways Advisory Group (2001) were both externally-led review mechanisms.

McClure Review: Key documents:


Government Response to McClure: Budget 2001-02
The end of the century also witnessed scrutiny and reform of the tax system. The ANTS (A New Tax System) package was implemented in mid-2000 and introduced a goods and services tax (GST). The package included a range of measures to compensate social security recipients for the price effects of the new tax.

The new century: Welfare to Work, the GFC and the Henry and Harmer Reviews

The themes of the McClure Report, particularly around mutual obligation, continued into the policy agenda of the 2000s. In the 2005-06 Budget, the Government announced a new set of policies called 'Welfare to Work'. This package was consistent with some of the Reference Group’s findings (increased obligations on participants and investment in training, child care assistance and other support measures). McClure was Deputy Chair of the Welfare to Work Consultative Forum, chaired by the Hon Kevin Andrews, then Minister for Employment, Education and Workplace Relations, and which supported the implementation of the new Welfare to Work initiatives.

Ministerial Taskforce on Child Support

Another focus of social policy in this decade was child support. There have been many advisory groups and reviews of child support. These include reports and evaluations from the Child Support Consultative Group, the Child Support Evaluation Advisory Group (chaired by Justice Fogarty) and the Australian Institute of Family Studies. The breadth of child support reform is beyond the remit of this paper. (See Edwards, Howard and Miller, 2001 chapter 3, for a discussion of the development of the Child Support Scheme.) As set out in Section one of this paper, the Ministerial Taskforce on Child Support is included here as an example of a particular type of organisational form (Taskforce and Reference Group) and to illustrate the role of reviews in a particularly contentious policy area.

In December 2003, the House of Representatives Committee on Family and Community Affairs published a report of their review of child custody issues (Every Picture Tells a Story, 2003). This report made a number of recommendations, including that a Ministerial taskforce be set up to examine the child support formula. It gave further impetus to calls for a review that had been made by fathers groups over many years, based on what they perceived as the unfairness of the Child Support Scheme. The Prime Minister announced in July 2004 that the Government would be establishing a taskforce to review the scheme, and in August 2004, the membership of the Taskforce and Reference Group was announced. The groups were chaired by Professor Patrick Parkinson of the University of Sydney (Smyth, 2005).

Ministerial Taskforce on Child Support: Terms of Reference

The Terms of Reference required the Taskforce, supported by the Reference Group, to:

1. Provide advice around the short-term recommendations of the Committee along the lines of those set out in the [Every Picture Tells a Story] Report (Recommendation 25) that relate to:
   • increasing the minimum child support liability;
   • lowering the ‘cap’ on the assessed income of parents;
   • changing the link between the child support payments and the time children spend with each parent; and
   • the treatment of any overtime income and income from a second job.
2. Evaluate the existing formula percentages and associated exempt and disregarded incomes, having regard to the findings of the Report and the available or commissioned research including:

- data on the costs of children in separated households at different income levels, including the costs for both parents to maintain significant and meaningful contact with their children;
- the costs for both parents of re-establishing homes for their children and themselves after separation; and
- advise on what research program is necessary to provide an on-going basis for monitoring the child support formula.

3. Consider how the Child Support Scheme can play a role in encouraging couples to reach agreement about parenting arrangements.

4. Consider how Family Relationship Centres may contribute to the understanding of and compliance with the Child Support Scheme.

Parkinson (2005, p2).

A notable feature of the Taskforce was the complementary use of a Reference Group. The Taskforce was an ‘expert body’ made up of people with a wide breadth of expertise in social and economic policy, family law, family policy, and research. Membership of the Reference Group was drawn from advocacy groups and professionals with experience particularly in issues concerning parenting after separation, relationship mediation and counselling (Smyth, 2005). Whilst also experts in the broader sense, the Reference Group enabled the Taskforce to be well informed of community views and the realities of the operation of the current child support system.

The use of a Reference Group seems appropriate given the complex, sensitive and contentious nature of the Child Support system. In particular, it meant that as the work of the Taskforce progressed, that work could be tested with and informed by the Reference Group. At the same time, it was clear the Reference Group was advisory and not responsible for the Recommendations of the Taskforce (Stanton, 2005).

The Taskforce was well linked in to the internal policy processes of government. The secretariat was drawn from the Department of Family and Community Services (FaCS) and the Child Support Agency. A Deputy Secretary from FaCS (Wayne Jackson) was also a member of the Task Force. The Taskforce and its secretariat worked closely with other departments; so important given the interaction between child support and the wider tax and income support systems. The final report and its recommendations reflect this ‘whole of Government’ approach. ‘In pursuit of joined-up policy and service delivery, the power of the Taskforce’s work lies in its attempt to harmonise the tangled web of policies relating to child support, income support and income tax – which is why it is critical that the Taskforce’s proposals be evaluated as a whole package and not in isolation from each other’ (Smyth, 2005, p60).

Ministerial Taskforce on Child Support: Summary

Dates: August 2004 – May 2005

Chair: Professor Patrick Parkinson, Professor of Law, University of Sydney, and Chair of the Family Law Council.

Composition: A Taskforce and a Reference Group.
Ministerial Taskforce on Child Support: Membership of the Taskforce:

Professor Patrick Parkinson (Chair), Professor of Law, University of Sydney, and Chairperson of the Family Law Council

David Stanton (Deputy Chair), Consultant Social Security Planner and Policy Analyst and Visiting Fellow, Asia Pacific School of Economics and Government at the Australian National University. Formerly, Director of the Australian Institute of Family Studies (AIFS)

Dr Matthew Gray, Deputy Director, Research, Australian Institute of Family Studies (at the time of the Taskforce – Research Fellow, Centre for Aboriginal Economic Policy Research, Australian National University)

Professor Ann Harding, Director of the National Centre for Social and Economic Modelling (NATSEM)

Dr Paul Henman, Lecturer in the School of Social Work and Applied Human Sciences, University of Queensland

Wayne Jackson, Deputy Secretary of the Department of Family and Community Services

Professor Deborah Mitchell, Director of the Australian Consortium for Social and Political Research, Australian National University. (Professor Mitchell had to resign due to family circumstances in January 2005.)

Bruce Smyth, Research Fellow, Australian Institute of Family Studies

Membership of Reference Group:

Patrick Parkinson (Chair)
David Stanton (Deputy Chair)

Bettina Arndt, Social commentator and member of the Family Law Pathways Taskforce

Michael Green QC, Author of the book Fathers After Divorce

Dr Elspeth McInnes, Lecturer in the School of Education, University of South Australia, Deputy President of ACOSS and Co-executive Officer of the National Council of Single Mothers and their Children

Tony Miller, Founder and Director of Dads in Distress

Jocelyn Newman AC, Former Senator for Tasmania and former Minister for Family and Community Services

Clive Price, Executive Director of Unifam Counselling and Mediation, New South Wales

Judy Radich, National President of the Early Childhood Association

Kathleen Swinbourne, President of the Sole Parents Union of Australia

Barry Williams, Founder and National President of the Lone Fathers’ Association of Australia

Another key feature was the Taskforce’s commitment to evidence-based policy development and therefore the strong focus on both secondary and primary research collection as part of the Inquiry’s work. The Taskforce reviewed existing research and practice from across Australia and overseas. They commissioned the Australian Institute of Family Studies to conduct a survey of community attitudes towards child support and the National Centre for Social and Economic Modelling (NATSEM) at the University of Canberra to develop a micro-simulation model to analyse the operation of variants of the Child Support Scheme and their interaction with the tax and income support systems. NATSEM’s model was able to show outcomes for both individual families and the general population of alternative policies and was an invaluable contribution to the Taskforce’s deliberations.
Writing prior to the Government’s response to the Taskforce’s recommendations, Smyth (2005, p60) comments, ‘Irrespective of whether the Taskforce’s recommendations are accepted, its review has acted as the catalyst for the collection and bringing together of the best available evidence in Australia on the economics of post-separation parenting.’

The Taskforce reported in June 2005. Their report had 30 recommendations with the first of these being a detailed description of a proposed new child support formula. As Smyth (2005, p58) sets out, the Taskforce’s proposals were grounded in ‘a fundamental philosophical shift from a “one home, one carer” model to a “two-home, two family/carer” model, reflecting evidence that children are best served when they are able to have on-going contact with both parents. Key conclusions of the Taskforce (as summarised in Smyth, 2005, p59) were that:

- the ‘continuity of expenditure’ principle – that children should enjoy the benefit of a similar proportion of the income of each parent to that which they would have enjoyed if their parents lived together – should remain because it is the fairest basis on which to calculate child support;
- government contributions towards the costs of children (in the form of Family Tax Benefit A) in an intact family should be taken into account when calculating the net costs of children;
- costs of children, in percentage terms, fall with combined parental income;
- costs of children increase with the age of the child; and
- each additional child adds a smaller additional cost (economies of scale).

Ministerial Taskforce on Child Support: Key documents:

Final Report, In the Best Interests of Children? Reforming the Child Support Scheme.


The Government announced reforms to the Child Support Scheme in February 2006. The reforms largely echoed the recommendations of the Taskforce. Further waves of reform to the Child Support Scheme occurred in 2007 and 2008 under the new Rudd Labor Government.

Welfare policy and the Rudd/Gillard Labor Government

Whilst independent reviews were the policy development vehicle of choice in other areas (most notably the Gonski Education Review), the reforms to the welfare system under the post-2007 Labor Government did not tend to involve the use of independent reviews. For example, the replacement of Job Network with Job Services Australia in 2009 followed a review of policy undertaken within the Department of Education, Employment and Workplace Relations, which included a consultation exercise with external stakeholders. (See Commonwealth of Australia (2008), The Future of Employment Services in Australia: A Discussion Paper) Government has also turned to the Productivity Commission more often in relation to social policy concerns. Their inquiry into disability was pivotal in the development of the National Disability Insurance Scheme. This is discussed further below.

In opposition, Labor had called upon the Howard Government to set up a national poverty summit (see for example http://www.abc.net.au/am/content/2003/s883291.htm), and was instrumental in the Senate Poverty inquiry at that time (Senate Community Affairs Reference Committee, 2004). On coming to power in 2007, Labor did not instigate a Poverty Summit but welfare concerns were a
significant theme of the Australian 2020 Summit held in 2008, which did pave the way for Australia’s Future Tax System Review.

The Australia’s Future Tax System Review

The review of Australia’s Future Tax System (AFTS) was undertaken by a Review Panel, chaired by Ken Henry, Secretary to the Treasury. The panel was asked to consider ‘how Australia can best structure its tax and transfer system to meet the challenges of the 21st century and to enhance its economic and social outcomes’ (Henry, 2009, Executive summary). In the context of the AFTS review, the Government also established a Pension Review, chaired by Jeff Harmer, Secretary of the Department of Families, Housing, Community Services and Indigenous Affairs. This review was into ‘measures to strengthen the financial security of seniors, carers and people with disability,’ with Harmer stating in the final report that it was ‘the first opportunity since the Social Security Review (1986–88) for a comprehensive examination of pension payments’ (Harmer, 2009, pxi). Whilst not unprecedented, it was unusual for Heads of Departments to be appointed to run public reviews.

Australia’s Future Tax System Review: Summary

Dates: May 2008-May 2010

Chair: Dr Ken Henry AC, Secretary to the Treasury

Composition: Five members (see below)

Key documents:

Panel membership:

Dr Ken Henry AC (Chair), Secretary to the Treasury
Dr Jeff Harmer, Secretary, Department of Families, Housing, Community Services and Indigenous Affairs
Professor John Piggott, Professor of Economics and Associate Dean, Research, Australian School of Business, University of New South Wales
Heather Ridout, Chief Executive, Australian Industry Group
Greg Smith, Adjunct Professor, Economic and Social Policy, Australian Catholic University

The Terms of Reference of the Review were wide-ranging and, of most relevance to this paper, the Review was asked to take into account ‘the relationships of the tax system with the transfer payments system and other social support payments, rules and concessions, with a view to improving incentives to work, reducing complexity and maintaining cohesion’. (Henry 2010, Terms of reference.)

The Terms of Reference were limited by the exclusion of consideration of the goods and services tax (GST) and by current government policy to preserve tax-free superannuation payments for the over 60s and the requirement to reflect the already ‘announced aspirational personal income tax goals’ (Henry, 2010). It is not, however, unusual for reviews to have limits on their terms of reference.

Australia’s Future Tax System Review: Terms of reference (objectives and scope)

The review will consider:

- The appropriate balance between taxation of the returns from work, investment and savings, consumption (excluding the GST) and the role to be played by environmental taxes;
- Improvements to the tax and transfer payment system for individuals and working families, including those for retirees;
- Enhancing the taxation of savings, assets and investments, including the role and structure of company taxation;
- Enhancing the taxation arrangements on consumption (including excise taxes), property (including housing), and other forms of taxation collected primarily by the States;
- Simplifying the tax system, including consideration of appropriate administrative arrangements across the Australian Federation; and
- The interrelationships between these systems as well as the proposed emissions trading system (ETS).

The review should make coherent recommendations to enhance overall economic, social and environmental wellbeing, with a particular focus on ensuring there are appropriate incentives for:
- workforce participation and skill formation;
- individuals to save and provide for their future, including access to affordable housing;
- investment and the promotion of efficient resource allocation to enhance productivity and international competitiveness; and
- reducing tax system complexity and compliance costs.

Extracts from Henry, 2010.

The Review Panel was supported by a large secretariat within the Treasury, which included representation from the Department of Families, Housing, Community Services and Indigenous Affairs. The Review published a consultation paper and undertook an extensive consultation exercise receiving around 1,500 formal submissions, in addition to holding public meetings, focus groups and discussions with community and business representatives. A two-day conference was held in June 2009 to enable domestic and international experts and stakeholders to debate the issues and inform the Review’s work.

The final report was published in May 2010 and included a vision for how ‘a 21st century tax and transfer system should meet its purposes efficiently, equitably, transparently and effectively’ (Henry, 2010). One hundred and thirty-eight specific recommendations were made, grouped under nine broad themes. The themes were:

1. Concentrating revenue raising on four efficient tax bases.
2. Configuring taxes and transfers to support productivity, participation and growth.
3. An equitable, transparent and simplified personal income tax.
4. A fair, adequate, and work supportive transfer system.
5. Integrating consumption tax compliance with business systems.
7. Completing retirement income reform and securing aged care.
8. Toward more affordable housing.
9. A more open, understandable and responsive tax system.

(Henry, 2010)

The Review concluded that the overall architecture of the Australia’s transfer system ‘is well founded being focused on poverty alleviation, clear targeting and sustainability’ (Henry, 2010). The Pension Review had already reported and had developed adequacy benchmarks for age, disability and carer pensions. The AFTS Review determined that adequacy benchmarks were also needed for other payments, but that they must also address incentives to work.

The Review suggested three levels of primary support payments should be designed – pensions for the aged, disabled and carers; lower rate participation allowances for those of working age; and
assistance payments for young people and students – each with ‘means test withdrawal rates reflecting different work expectations’. The Review recommended that common indexation arrangements be applied to each of the main payment types, once adequacy benchmarks are reached, and that the assets test be abolished and a comprehensive means test established for the main pension and allowance payments. Furthermore, the review set out how family assistance should be paid through a single program based primarily on the additional costs of children, and increasing with age. The final report of the Review reiterated the findings of the Pension Review, covered below.

In general, the taxation recommendations received more public and policy attention than those relating to the transfer system following publication of the final report. The most significant proposal to be taken forward was a resource rent tax, with the Mineral Resource Rent Tax being implemented by the Gillard government in 2010 (a re-design of the original Resource Super Profits Tax). A number of other recommendations were also taken forward shortly after the Review reported, but the government did not proceed with most of the proposals. [See http://ministers.treasury.gov.au/DisplayDocs.aspx?doc=pressreleases/2010/028.htm&pageID=003&min=wms&Year=&DocType=]

Henry saw the Review as setting the long-term agenda for the Treasury, to give a blueprint well into the future. ‘One way the Review can help reduce risk is by promoting a feasible long-term path for tax reform – in a way that the Asprey Review from 1975 created a reform framework that influenced the nation’s tax reform direction for more than two and a half decades’ (Henry, 2009). The Review was framed explicitly as a long-term vision, and set out to identify the necessary reform pathways to realise that vision, rather than recommending a specific package of short and medium-term policy recommendations. (For a full discussion of the AFTS Review see Moore et al, 2014, forthcoming).

The Pension Review

The Pension Review was announced in May 2008 to review the Age Pension, Carer Payment and Disability Support Pension. Jeff Harmer, Secretary of the Department of Families, Housing, Community Services and Indigenous Affairs was appointed to lead the Review, with input from a Reference Group. The Review took place during a period of significant economic change as the effects of the global financial crisis started to be felt in Australia, and with the Government announcing its major stimulus package in October that year, which included a $4.8 billion ‘down payment’ on long-term pension reform (Harmer, 2009).

The methodology of the Review included drawing on both internal and external analysis and undertaking wide ranging consultation. In the foreword to the final report, Harmer gave a special thank you to the 2,000-plus pensioners who contributed to the Review. ‘The views and experiences of those pensioners who provided direct input through the consultations, helped shape and deepen our understanding of the issues central to the Review’ (Harmer, 2009, pix).

The Review made 30 findings across five major areas: the adequacy of the rate of the pension; indexation arrangements for pensions; the design and delivery of pension payments; the concessions and services that support the pension system; and the targeting and long-term sustainability of the pension system. The key finding of the Review was that the rate of payment to single pensioners was too low. In the 2008-09 Budget, the Government announced that this would be increased. The Pension Review was qualitatively different to the AFTS review, given its concern with short-term policy reforms designed for immediate implementation in addition to proposals addressing longer-term challenges. The AFTS Review was not tasked with developing a set of priority reform options for the taxation system overall.
The Government also took forward some other elements of the Pension Review’s findings, most notably to increase progressively the qualifying age for the Age Pension (to reach 67 in 2023) and closing the Pension Bonus Scheme to new members.

**The Pension Review: Summary**

*Dates:* May 2008-February 2009

*Chair:* Dr Jeff Harmer, Secretary, Department of Families, Housing, Community Services and Indigenous Affairs

*Composition:* the review was supported by a Reference Group. Members were Bruce Bonyhady, Ross Clare, Charmaine Crowe, Val French AM, Rhonda Galbally AO, Marion Gaynor, Bob Gregory AO, Lorna Hallahan, Joan Hughes, Gregor Macfie, Michael O’Neill, Patricia Reeve and Peter Whiteford.


**Terms of Reference**

The terms of reference directed the Review to consider:

- the appropriate levels of income support and allowances, including the base rate of the pension, with reference to the stated purpose of the payment
- the frequency of payments, including the efficacy of lump-sum versus ongoing support
- the structure and payment of concessions or other entitlements that would improve the financial circumstances and security of carers and older Australians.

Harmer, 2009

**Post 2010 and the welfare agenda**

Following the 2010 election, the Gillard Government’s main welfare reforms included taking forward the National Disability Insurance Scheme (NDIS), extending income management and moving many lone parents from the Parenting Payment on to the Newstart allowance.

The development of the NDIS is an interesting and contemporary example of the role that an external review mechanism played in the development of a major policy reform. Following many years of ardent campaigning by people with disabilities, their families, carers and advocates, the need for radical reform of disability care and support had increasingly gained prominence. The concept of an NDIS was raised in the 2020 Summit and this was followed shortly by the establishment of the Disability Investment Group. The National People with Disabilities and Carer Council (Australia) released the Shut Out report (2009), which described the experience of people with disabilities and their families. In 2009, the Senate Community Affairs References Committee also undertook an inquiry into ‘planning options and services for people with a disability.’ (For more history of the NDIS, see [http://www.pwc.com.au/industry/government/assets/disability-in-australia.pdf](http://www.pwc.com.au/industry/government/assets/disability-in-australia.pdf))

Momentum for reform was mounting. In 2010, the Government asked the Productivity Commission to undertake a public inquiry into a long-term disability care and support scheme. Throughout this time, Jenny Macklin MP was the Minister for Disability Reform and a strong proponent of an NDIS. The Productivity Commission undertook a comprehensive and rigorous inquiry. (See [http://www.pc.gov.au/projects/inquiry/disability-support/report](http://www.pc.gov.au/projects/inquiry/disability-support/report)).

In July 2011, the report of the inquiry was delivered to the Government and in August 2011, it was published by the Government. This report was then used as the basis for policy development and in July 2013, the NDIS was launched in a selected number of ‘trial sites’ across the country. The public inquiry undertaken by the Productivity Commission was significant in both providing evidence for the
need for reform (describing the current support system as ‘underfunded, unfair, fragmented, and inefficient’) and for setting out design recommendations for an NDIS based on a broad constituency of support. (More detail on the Productivity Commission’s approach is in the box below and can be found at www.pc.gov.au).

The Productivity Commission

The Industry Commission, the Bureau of Industry Economics and the Economic Planning Advisory Commission amalgamated on an administrative basis in 1996 and then formed the Productivity Commission in April 1998. Whilst retaining many of the features of the three merging bodies, the Productivity Commission has an expanded role and function.

‘The Productivity Commission is the Australian Government’s independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed simply, is to help governments make better policies in the long term interest of the Australian community.’ (See http://www.pc.gov.au/about-us/quick-guide)

Whilst the Productivity Commission is an on-going advisory body, the inquiries which it undertakes have many similarities to the policy reviews covered in this paper. The core function of the Productivity Commission is ‘to conduct public inquiries on key policy or regulatory issues bearing on Australia’s economic performance and community wellbeing.’ Their approach is strongly evidence-based and involves extensive public input.

The Productivity Commission attributes its effectiveness to three underpinning features: its independence; its transparency; and its community-wide perspective. A number of inquiries have been undertaken into areas of social policy concern, for example into Disability Care, Aged Care and the current Child Care inquiry.

Disability Care - Productivity Commission 2011, Disability Care and Support, Report no. 54, Canberra.


The most recent ‘review’ concerned with the transfer system was the Senate inquiry into adequacy of the allowance payment system. The Education, Employment and Workplace Relations Reference Committee looked at ‘the adequacy of the allowance payment system for jobseekers and others, the appropriateness of the allowance payment system as a support for work and the impact of the changing nature of the labour market.’ This paper has not included the many House of Representatives, Senate and Joint Inquiries that are relevant to welfare policy, as the focus has been on public inquiries, not those conducted in Parliament. This Inquiry is mentioned here primarily to highlight a finding from its consultations, namely that ‘Throughout this inquiry the committee has heard that it is timely to revisit the fundamentals of the allowance payment system and conduct a fresh review’ (Education, Employment and Workplace Relations References Committee, 2012).

The Abbott Government and a new welfare review

As promised in opposition, on coming to power the Abbott Government set up a new Commission of Audit. Tony Shepherd AO, President of the Business Council of Australia, chaired the Commission and, as with previous Audit Commissions, it had a very wide remit to scrutinise government
expenditure, including welfare spending. The Commission reported on 1 May 2014 and its recommendations include changes to the Age Pension, Disability Support Pension, Family Tax Benefits and benefits for carers. The 2014 Budget endorsed a number of the Commission of Audit’s welfare proposals.

Shortly after taking office, the new Coalition Government also established a new welfare review. An internal Welfare System Taskforce was set up within the newly formed Department of Social Services and an independent Reference Group was appointed, chaired by Patrick McClure. The other members are Sally Sinclair and Wesley Aird.


The review is covering a broad range of payments and services for people of working age. The aim of the review is ‘to identify improvements to ensure the social support system is sustainable, effective and coherent, and encourages people to work to their capacity.’(Australia Department of Social Services, 2014)

The Interim Report proposed four pillars of reform:

> Simpler and sustainable income support system
> Strengthening individual and family capability
> Engaging with employers
> Building community capacity

A proposed direction of reform is set out under of these pillars, alongside a series of consultation questions. In addition to a call for public submissions, the consultation process is to include an online forum and round tables in each capital city. The outcomes of the consultation are expected to inform the Final Report to be released later in 2014.
4. A REVIEW OF WELFARE REVIEWS

Introduction

It is evident from studying the various welfare reviews that there is great diversity in the form, function and remit the reviews have had and in their influence and impact. This ‘review of reviews’ explores this variety and makes some observations about their role over the period as a whole. The analysis draws primarily from the reviews that were selected to be explored in more depth, namely:

- Joint Parliamentary Committee on Social Security (1941-1946)
- Commission of Inquiry into Poverty (1972-1976)

These reviews were selected because they were ‘major’ welfare reviews or because they had particular characteristics of interest. (See Section 1 for more detail.)

A simple framework is used to unravel the value of each of the reviews. This includes an attempt to comment on the ‘outcomes’ of the various reviews, whilst acknowledging that trying to isolate the impact of a specific review from other policy-related activity and from wider political, social and economic forces, is highly problematic. Finally, some ‘review lessons’ are distilled from the analysis.

Review framework

The reviews are considered under three broad headings: review characteristics (what they look like), review activities and process (what they do) and review outputs and outcomes (what they produce and achieve).

Review characteristics

- organisational form and membership
- terms of reference
- degree of independence

Review activities and process

- use of research and evidence
- public and stakeholder consultation
- formulation of policy advice

Review outputs and outcomes

- reports and papers
- advice and recommendations
- influence and impact.
Review characteristics

Organisational form and membership

The diversity in the composition of the various review groups is striking. No two reviews had the same organisational form and their membership reflected the different purposes of the review bodies.

Review characteristics

<table>
<thead>
<tr>
<th>Name</th>
<th>No. of members (incl. chair)</th>
<th>Academics and researchers</th>
<th>Public servants</th>
<th>Business</th>
<th>Civil Society</th>
<th>Type of review body</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission of Inquiry into Poverty</td>
<td>5</td>
<td>4 (incl. chair)</td>
<td></td>
<td>1</td>
<td></td>
<td>Commission of Inquiry</td>
</tr>
<tr>
<td>Social Security Review</td>
<td>1</td>
<td>1 (chair)</td>
<td></td>
<td></td>
<td></td>
<td>Lead reviewer</td>
</tr>
<tr>
<td>Reference Group on Welfare Reform</td>
<td>7</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>2 (incl. chair)</td>
<td>Reference Group</td>
</tr>
<tr>
<td>Ministerial Taskforce on Child Support</td>
<td>8</td>
<td>7 (incl. chair)</td>
<td>1</td>
<td></td>
<td></td>
<td>Taskforce and Reference Group</td>
</tr>
<tr>
<td>Australia’s Future Tax System Review</td>
<td>5</td>
<td>2</td>
<td>2 (incl. chair)</td>
<td>1</td>
<td></td>
<td>Review Panel</td>
</tr>
<tr>
<td>Pensions Review</td>
<td>1</td>
<td>1 (chair)</td>
<td></td>
<td></td>
<td></td>
<td>Lead reviewer</td>
</tr>
</tbody>
</table>

The establishment of each of the reviews will have followed some consideration of alternative models but given, as the ALRC inquiry showed, ‘there is no formal process by which the institutional knowledge of those that have established, conducted and administered inquiries can be captured and passed on’ (ALRC, 2009), it is likely that the choice of organisational form was often more pragmatic and based on limited knowledge, than particularly strategic or well-informed.

The organisational form and membership of the different review bodies are, however, a function of what they were set up to achieve. The breadth of the membership of the Taskforce and Reference Group for the Child Support review illustrated the desire to have both a broad base of expertise and experience to draw on directly and the means of building consensus among a wide and disparate constituency. The addition of extra members to the Poverty Inquiry (following its launch)
demonstrated a commitment to, and allowed the consideration of, a wider interpretation of poverty in the study. The Welfare Reference Group was explicit in its terms of reference that the group was composed of ‘representatives’ of the community sector, business, academia and Government (McClure, 2000a).

The members of all the review groups were knowledgeable in their respective fields of inquiry, illustrating a primary purpose of each inquiry was to be an ‘expert group’ providing advice to government. (The Joint Parliamentary Committee is an exception here, but simply reflects that it was a parliamentary inquiry and its members were parliamentarians.)

This paper is about external reviews (those most like ‘public inquiries’) so, by definition, their membership is drawn mainly from outside of government. The involvement of non-public service advisers is both a major advantage and a significant challenge. Being from outside of government means members can bring expertise and a perspective not available or possible inside government, but this potentially means a distance from the realities of policymaking and the practicalities of delivery and implementation. Many of the reviews do, however, involve public servants. Hennessy points to the value of taskforces which tend to include public servants, noting ‘Hybrid committees of insiders and outsiders can be very productive here. They have the great advantage of having at least some of the people who may be charged with implementing the proposals around the table from the outset.’ (Hennessy, 1989, p729).

Given the various welfare review groups were made up of ‘experts’, they were not therefore representative of the public or of groups affected by welfare policy. The Reference Group model of review tends to be more representative than other models and reflects a desire to negotiate an agreed policy settlement rather than present advice based purely on available evidence and public views.

No attempt has been made to assess diversity, except to note here the generally strong representation of women in welfare reviews across the period. Few women were involved in the earlier reviews (the JPC and the Poverty Inquiry) but this is a reflection of the role of women in society in general at that time. Women play a more significant role in the later inquiries. Female representation was strong in the Social Security Review, with the involvement of Bettina Cass and her colleagues, and in the Ministerial Taskforce on child support in both the task force and reference group. The proportion of women in two later inquiries (McClure and Henry) was low (2 out of 7, and 1 out of 5 respectively) but about on par with the number of women generally involved in senior positions. However, more than half of the reference group for the Pensions Review were women.

The choice of chair for a review is critical. It is this person who drives the review forward and is ultimately responsible for the review’s advice and recommendations. Often the final report becomes synonymous with the chair, for example, the Henry report and the McClure report. Sometimes, it would seem the choice of chair can come quite naturally. For example, Professor Henderson was an obvious choice for the Poverty Inquiry, being a preeminent poverty analyst and already a public face of poverty following publication of the Melbourne Poverty Study. Likewise, Bettina Cass was a leading expert in social security research and policy and was known to the Social Security Minister, Brian Howe. Often chairs have a pre-existing relationship with the commissioning Minister. Whilst it is much more common for independent reviews (and public inquiries) to be headed by non-public servants, there are examples where this is not the case, for example the Henry and Harmer Reviews during the Rudd Government and a number of examples when Fraser was Prime Minister. Having a public servant as a chair has benefits (particularly in access and influence), but it does risk undermining the independence of the review.

Finally, but probably most importantly, the support given to the reviews would appear to have varied greatly. Most reviews stand or fall by the skills of its secretariat and how well they are resourced by
officials (analysts and administrators) within the sponsoring department. The Poverty Inquiry, for example, was supported by a team largely handpicked by Henderson. (This included Andrew Burbidge, Hayden Raysmith, Ian Manning, Warwick Papst, Helen La Nauze, and Bruce Burraston (from ABS) as researchers. Administrative support was provided by John Gibson and Maurice O’Keefe (the latter from DSS Melbourne) and David Stanton was the liaison officer between the Inquiry and DSS in Canberra.)

In general, there is limited publicly-available information on how well each review was resourced.

Terms of Reference

The terms of reference of the various reviews are diverse, both in breadth and topic. A number of reviews were focused on specific aspects of welfare policy (e.g. child support or the pension system) whilst others were broad poverty or welfare inquiries. The former tend to have prescriptive and detailed terms of reference whilst the latter have loose and broad terms of reference.

A number of reviews have particular issues defined as outside of their terms of reference (such as the exclusion of GST from the AFTS Review).

In all the examples studied here, the terms of reference were made public.

Degree of independence

One of the defining features of the reviews studied here is their (real and/or perceived) independence. This is in large part a function of other factors such as the choice of chair, membership and the distance that the group operates from decision-makers. Independent policy advice matters because in contested policy areas (of which there are many, and of which welfare policy is one), the power of vested interests can sway policy debates and cloud an understanding of the facts. As Banks (2011, p2) remarks ‘the structures and interests of government departments don’t necessarily always facilitate an understanding of what is in the wider public interest.’ Often it does, sometimes it does not.

Banks (2011, p2) sees independent advice as complementing the work of government departments and, so long as it is well researched and grounded, can help in the implementation of policies by building public confidence. ‘In other words, it can increase the trust of the wider community in circumstances where many will not have, or be able to acquire, a detailed understanding of the particular policies under consideration.’

Asking whether a review is independent, or not, is not the right question. Independence is not, as Banks (2011, p13) states, ‘an absolute concept. There are degrees of independence.’ Prasser (2006) has shown where public inquiries fit in the advice landscape in terms of their closeness to executive government. He places Minsterial advisers at one end of the spectrum (closest to executive government) and public inquiries at the other end (being perceived as most independent from executive government. (See Prasser 2006, page 21).

It is also worth stressing that independence should be considered not only in relation to executive government, but also with regard to wider vested or personal interests of individuals and groups. Of course, the degree of independence varies within the category of ‘public inquiries’ and across the reviews considered in this paper.

The factors that affect independence are many and include the governance arrangements, the personal interests and values of individuals and the relationships that they have with decision-makers and lobby groups. Banks (2011, p3) states that ‘the minimum requirement for ‘formal’ independence is that the advisory group operates at arms-length from the decision maker. The more substantive requirement is that the adviser is not able to be unduly influenced by any party, including
the decision maker.’ Banks is considering independence in the context of the work of the Productivity Commission, but his insights are relevant here too. Independence is also influenced by resources. All the reviews referred to in this paper are publicly funded with secretariats provided by executive government, and this clearly has a bearing on their level of independence.

The literature available on each of the reviews studied here does not allow any in-depth consideration of their independence, but it does support a few general observations:

- The conflicting views of the Henderson, Hancock and Woodhouse inquiries of the 1970s reflect the differing scope of the three inquiries but also suggest that they were operating independently of government thinking, and of each other (and indeed reflected the different philosophical viewpoints about future directions – universal versus selective provision, social insurance contributions versus general revenue).
- The independence, or at least the perceived independence, of both the Henry and Harmer reviews is questionable given both chairs were departmental Secretaries. That is not to say that their conclusions were not based on extensive research evidence and community views, and indeed many of their recommendations were not adopted by Government.
- The use of a Reference Group with wide-ranging membership (as with the Ministerial Taskforce on Child Support) provides some protection from Taskforce members being too influenced by one group.
- In general, the ‘balance’ that involving a wide group of people in a review body can bring should enhance independence, but potentially risks the ability of a group to reach consensus or increases the likelihood of advice being ‘lowest common denominator’.
- A well-resourced review that has the authority to commission its own research and undertake its own analysis boosts the independence of its policy advice.

Review activities and processes

Use of research and evidence

All of the welfare reviews discussed in this paper sought to enhance the evidence base for their areas of policy concern. Most of the reviews placed very high priority on research and undertook considerable amounts of research and analysis. For example:

- The Poverty Inquiry undertook 34 research projects relating to a very wide-range of issues (for details, see Stanton, 1973). The research included a large element of externally-commissioned work. The research reports were all published and were a major contribution to the Main Reports of the Inquiry.
- The Social Security Review undertook and published 31 research and discussion papers, alongside their six major Issues Papers. The research papers were largely done by the Department and the Department played a key role in the major Issues Papers.

A few of the reviews were also the vehicle for seminal new research and analysis. For example:

- The Poverty Inquiry commissioned two new national statistical surveys (see page 21).
- The Ministerial Taskforce on Child Support commissioned a new micro-simulation model to analyse variants of the Child Support Scheme (see page 36).

A key function of each of the reviews was synthesising relevant domestic, and often international, research and evidence and using this as an important starting point for further research and analysis. Most of the reviews were concerned with establishing international trends and developments. When a review deviated from overseas trends, it was not done without knowledge of the international scene.
The involvement of academics as review members, and often as review chairs, also clearly grounds the review’s policy advice in the research evidence. The concept of ‘evidence-based policymaking’ has become more prominent in the last decade or so, but these reviews demonstrate that it is far from a new idea.

Public and stakeholder consultation

Whilst seeking the views of the public and of stakeholders has also been a common function of all the reviews, some of the methods and the scale of activity have changed over time. Members of the Joint Parliamentary Committee on Social Security toured the nation, took evidence from 409 witnesses and held a total of 177 hearings (De Maria, 1989). The AFTS Review received around 1,500 formal submissions, following the publication of its consultation paper, and held public hearings, focus groups with community and business groups and a two-day conference with experts and stakeholders (Henry, 2010).

It is also worth mentioning that public consultations are now increasingly using new technology to facilitate involvement and debate. The Reference Group on Welfare Reform used the Internet to publish its Interim Report and seek comments. As part of their inquiry into Royal Commissions, the ALRC (in addition to using traditional methods such as meetings and roundtables) used its website to support community education and participation in the Inquiry. It published an Inquiry Snapshot, which provided an overview of the issues considered in the Inquiry, and created an online forum to create a ‘talking space’ with the public. This online forum included ‘a discussion page to encourage comments and a page to facilitate the receipt of electronic submissions’ (ALRC, 2009, p30).

There is an extensive literature on public consultation, involvement and engagement methods and a growing body of good practice on how to consult and involve the public as part of policymaking and decision processes. (See for example, Holmes, 2011) It is interesting that most members of review groups have expertise in research and policy, but it would seem few are expert in public consultation, and this might be considered an essential skill of any review body given the importance often placed on public engagement.

Prasser (2006, p101) includes in his list of key functions of public inquiries, the ‘promotion, mobilisation and education of public opinion’. It is not clear whether the reviews studied here saw this as an explicit function, but it would seem many of them were effective in this regard. (See discussion below on outcomes.)

Developing policy advice largely in a public domain is a distinctive feature of a review or public inquiry. Terms of reference are made public and the input of the community actively sought. Most reviews test out policy proposals through a consultation paper or interim report. The activities and processes that a review undertakes can promote public understanding and help build an environment receptive to change. External reviews also lead to much more information on the actual operation of the system being out in the public domain. It is this ‘publicness’ that can contribute significant value.

Formulation of policy advice

From studying the workings of the various reviews, it seems clear that the value a review can bring is not just in undertaking research or in consulting the community. These are functions that could be, and frequently are, undertaken directly by government. The real value seems to stem from undertaking these functions, and others, together in one entity and for policy advice to be formulated independently and largely in the public domain.

From the literature, it is hard to assess what methods are used to synthesise knowledge from research evidence and from community consultations. With regard to the Poverty Inquiry, Stanton
(1973) refers to how ‘the research material... is to be integrated with information which will be forthcoming from submissions and public hearings.’ This synthesis role is clearly an important function of a review and worthy of further investigation. It is also not clear from published material whether different sources of evidence are weighted, or what methods are used to sort through research that uses different methodologies or reaches contradictory conclusions. Nor is there information on techniques used to generate ideas, formulate policy options or reach recommendations.

Prasser (2006) also includes ‘mediation and conflict management’ as a key function of a public inquiry. This can be a key part of the process of reaching agreed policy advice and recommendations. Interestingly, the setting up of a Reference Group that includes a range of perspectives can mean that this occurs in private, rather than being fought out in a public domain. The inclusion of different interest groups makes the problem ‘everyone’s’ and puts an onus on the group to reach a consensus.

It is also not clear from the documentation what the decision-making processes were within each of the reviews. There are a number of examples where a review body has been unable to reach a consensus on final recommendations, and a minority report is published alongside the final (majority) report. For example, the final report of the National Superannuation Committee of Inquiry contained a majority recommendation supported by Hancock and McCrossin and a minority position supported by Hedley.

Outputs and outcomes

Reports and papers

Each review generated different types and numbers of reports and papers. Most reviews produced interim reports as a basis for consultation and testing particular approaches or ideas, followed by a final report. Others, like the Poverty Inquiry and the Social Security Review, produced a series of papers which set out proposals but there was no final report that consolidated recommendations. In general, the reviews published what that they produced (including research reports and discussion papers) as well as material that they had received from their consultation processes. This reflects the ‘publicness’ of independent reviews.

The papers and reports emanating from the reviews provide a wealth of material for understanding how and why welfare policy has developed the way it has, and on the wider context in which policymakers were operating.

Advice and recommendations

The type of advice and recommendations varied across the reviews:

- many (but not all) of the reviews made short-term (priority reforms) as well as longer-term recommendations
- many set out precise policy recommendations, as well as broad directions of reform
- some set out a big picture vision
- some set out a proposed process of reform, identifying different stages.

The reviews often accompanied their policy recommendations with arguments for reform, based on the data and evidence they had received throughout their duration.
Influence and impact

Three dimensions of influence or impact emerge from studying the various reviews:

- impact on research
- impact on public discourse
- impact on policy.

In relation to each of these, the impact can be immediate or occur over the longer-term and it can be direct or indirect. Whilst it can be challenging to say anything definitive in relation to influence or impact on policy, it is possible to draw some conclusions. For example, at one end of the spectrum, if a government ‘accepts’ the recommendations of a review then it would be fair to say it has had some impact (although it is still true that the policy reform may have occurred regardless). At the other end of the spectrum, if a government rejects a review’s recommendations, then the review has failed to influence policy (at least in the short-term), but may still have engendered new research and analysis and fostered public debate or improved public understanding. Whether individual recommendations are accepted or rejected by the government of the day, a review may have helped created a climate for long-term reform – in this sense, the impact of a review as a ‘paradigm shaper’ (both within and outside Government) might be a critical outcome.

Prasser (2006, p29) makes a similar point when he notes that ‘...the real impact of policy advisory inquiries may be less about the accuracy of their reports or in proposing the ‘best’ solution, and more about whether they have assisted in securing agreement about the way forward among the varying interests both inside and outside government.’ This suggests two further points. First, in considering the impact on public debate, an important subset is the views of stakeholders (internal and external). Secondly, in exploring impact on policy, it is helpful to think through the role of reviews in supporting the process of policy reform not only the provision of policy advice. This point also draws attention to the potential of consultation activities to be a two-way process, with a review body hearing and shaping views.

Each of the selected reviews has been considered in relation to impact on research, public discourse and policy. This analysis suggests that each has its own distinctive contribution:

- The major strength of the Joint Parliamentary Committee on Social Security was its ability to act as a forum and locus of public debate and in helping create a climate amenable to reform.
- The Commission of Inquiry into Poverty was powerful in generating new research and evidence for policymaking and in promoting public and stakeholder involvement, through direct activity and in funding the Australian Council of Social Service (ACOSS) to support involvement. Its direct impact on policy was less significant (for example, the proposal for a Minimum Income Guarantee was not adopted) but a change of Government and an adverse economic climate were key determining factors in lack of policy impact.
- The Social Security Review was effective in generating new research and thinking, in actively consulting on its ideas and in directing the reform of policy. A number of the new policies in the 1980s and early 1990s can be traced back to the Social Security Review.
- Some elements of the Reference Group on Welfare Reform’s recommendations were adopted by Government but others such as benefit simplification and the emphasis on broad community responsibility were overlooked. The Reference Group was successful in presenting a reform agenda with wide stakeholder support, which came from a strong focus on public engagement.
- The value of the Ministerial Taskforce on Child Support and the accompanying Reference Group was in developing a package of practical recommendations based on new and in-depth research evidence and pre-negotiated with a diverse range of interest groups and
The influence and impact of a review depends on a range of factors: context and timing; the people involved and their relationships inside and outside government; the rigour of the research and analysis; the flexibility to be responsive (since not operating in a fixed environment); the independence to think freely; and a recognition that the scope to influence continues well after publication of the final report.

The enduring influence of a public review is also shaped by what happens to the members and secretariat after the final report has been published. Reviews might be more successful in producing policy outcomes where there is some continuity with the post-review world. This might mean a review member gaining a Government appointment in the area of the review or the members of the secretariat continuing to lead (or be involved in) policy development rather than being dispersed.

Some further review lessons

The above analysis suggests three further lessons relevant for future reviews.

Understanding the relationship between review characteristics, activities and outcomes

There is clearly a relationship between what a review looks like and is tasked to do, what activities it undertakes, what resources and skills it has available to it (and which exist within the supporting department) and the impact it ultimately has.

To illustrate one dimension of this, the table below shows that the wider the scope of a review (or the more ambitious its terms of reference), the longer the duration of a review tends to be.

Review characteristics, duration and scope

<table>
<thead>
<tr>
<th>Name</th>
<th>Duration</th>
<th>Scope (1-5 scale)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint Parliamentary Committee</td>
<td>5 years</td>
<td>4</td>
</tr>
<tr>
<td>Poverty Inquiry</td>
<td>4 years</td>
<td>5</td>
</tr>
<tr>
<td>Social Security Review</td>
<td>3 years +</td>
<td>4</td>
</tr>
<tr>
<td>Reference Group on Welfare Reform</td>
<td>10 months</td>
<td>3</td>
</tr>
<tr>
<td>Child Support Taskforce</td>
<td>1 year and 10 months</td>
<td>1</td>
</tr>
<tr>
<td>AFTS Review</td>
<td>2 years</td>
<td>5</td>
</tr>
<tr>
<td>Pensions Review</td>
<td>9 months</td>
<td>1</td>
</tr>
</tbody>
</table>
Given the pace of politics and of policy formulation today, it is hard to imagine a policy review being ‘allowed’ to take four or five years, not least because it means an inquiry set up by one Government reporting potentially to another. The AFTS Review took two years and was very broad and ambitious in scope.

The simple lesson is that reviews need to be ‘fit for purpose’ - resourced (in time, people, and budget) in proportion to their scope and scale of ambition, if they are to add value to policymaking processes.

**Recognising the importance of both independence and influence**

There is a possible trade-off between independence and influence. The more a review body operates at distance from the processes of government, the greater the risk that its recommendations do not reflect current priorities and aspirations.

This relates to what ‘success’ looks like. As discussed above, success might include shifting public debate or generating new research evidence, not only policy impact. It might be that a review feels it has done its job if it provides the ‘best possible’ advice, irrespective of current context and constraints, and of the likelihood of its recommendations being adopted. But for most reviews, the aim is to be both independent and influential in policy impact, and there is an art in achieving both. It requires attention to internal biases and awareness of vested interests; a close understanding of policy constraints and government priorities; and consideration given to how much recommendations should reflect (and be shaped by) the political and financial realities of the day.

**Some things change, much stays the same - the value of a historical perspective**

The differences in the reviews to a large degree reflect the different social and economic context in which they operated, and the dominant policy concerns of the day. Some things have changed. Many of the earlier reviews were concerned with the financing of the welfare system (whether it should be tax financed or based on a social/national insurance model) and related questions of universal or targeted access. Australia has ended up with a highly targeted welfare system, funded through general taxation, and this has not been the subject of independent review since the 1970s.

The reviews of the 1970s and 1980s were particularly concerned with adapting the welfare system to new models of family life – a reform agenda which had (arguably) worked its way through by the end of the 1980s. There was increasing concern throughout the 1990s around welfare dependency and that the levels of payments were acting as a disincentive to work. Henderson’s recommendation in the 1970s to increase benefit levels at the same time as supporting people into work shifted to a ‘make work pay’ agenda during this later period.

The nature, prevalence and experience of poverty and disadvantage have also changed, but many elements of the policy debate have stayed the same. What is probably most striking from collectively analysing welfare reviews since the 1940s is this degree of commonality in themes and challenges across the period. These common themes include:

- links between the welfare payment system, employment and the labour market
- the obligations of welfare recipients (questions of conditionality and reciprocity)
- the sustainability and distribution of social security spending
- the targeting and means-testing of payments
- the differentiation of payments and services for different ‘client groups’
- the adequacy of benefits
- incentives/disincentives to work
- the relationship between the tax and transfer systems.
Crucially these are all challenges and tensions that prevail today. It seems fitting (and probably inevitable) that this analysis concludes with highlighting the importance of a historical perspective and the value of understanding previous reviews and policy reform to future policy activity.
5. CONCLUSION

In conclusion, some final remarks are made in relation to welfare reviews and reviews in general.

The ‘value’ of reviews stem from a range of factors:

- They are versatile and multi-functional (combining research, consultation, consensus-building and analysis in one entity and to fit the task at hand).
- They provide time and a space outside of the day-to-day demands of government (and beyond the limits of departmental or institutional boundaries) to refresh knowledge and think critically, creatively and long-term.
- They are ‘public’ - involving stakeholders and the wider public, publishing terms of reference and reports and engendering transparency in process and findings.
- They are usually led by and involve external experts, bringing expertise and knowledge to the policy process that is often not available within government.
- They are to varying degrees independent, operating at a distance from government and populated mainly by external experts.
- But, they are also connected to government - commissioned by government, resourced by government and frequently involving public servants in their membership.

This suggests that reviews can add most value in areas:

- where evidence and the facts are weak or disputed (e.g. distribution of welfare spending)
- where public understanding is low or public attitudes are not known (e.g. adequacy of benefits)
- which are contentious (e.g. child support)
- which require long-term thinking (e.g. retirement incomes)
- which need cross-government action, including involvement and co-operation of the States (e.g. poverty alleviation).

Therefore, what seems surprising is not how many reviews have involved the welfare system, but how few have been broad and strategic. Yeend (2000, e-brief) points out that, ‘there have only been a few occasions in the history of welfare provision in Australia when full-scale reviews have been followed by comprehensive reforms. Most of the changes to welfare programs and systems have occurred on an ad-hoc and incremental basis.’ This mode of development risks exacerbating complexity and inconsistencies in the welfare system.

This all points to an important role for external reviews in the future, particularly in providing a ‘neutral space’ for external experts and public servants to work together to produce more strategic policy advice.

Finally, the value of reviews could be enhanced in the future if reviews were evaluated, with lessons captured and used to inform future reviews. No such process, or institutional home for this activity, currently exists. The ALRC inquiry (2009, p32) suggested a Review Handbook be developed with this objective in mind. Another option might be to establish a mediated Review Alumni program for ex-reviewers and support staff.

The documentation on welfare reviews (publicly available because a public process) is a rich source of insight into the development of welfare policy in Australia and the realities of policymaking more generally. This literature reveals that the influence of welfare reviews has frequently been significant – shaping public discourse, enhancing the evidence-base and often leading to changes in policy. A history of the development of the welfare system in Australia cannot be told without reference to Henderson, Cass or McClure. It is hoped that this paper, in bringing together material on the many past reviews, will act as a helpful resource for future review activity and policy development.
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