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The influence of faith-based organisations on Australian social policy

Brian Howe and Renate Howe

Abstract

This historical overview explores the crucial and changing relationships between faith-based organisations and governments, not only in the implementation of social services but also in the formation of social policy. Historically Australian governments have left large areas of social provision to the non-government sector. For example, income support for the unemployed was not taken up by governments until World War II and income support for sole parents remained largely a responsibility for non-government organisations (NGOs) until the 1970s. Prior to governments taking responsibility for income support, most of these NGOs were religious organisations surviving on donations, philanthropic support and limited government funding. It is argued that the dominant, semi-public role of religious organisations in service delivery and social policy formation is an important but largely overlooked aspect of the Australian historical experience.

Keywords: outsourcing, religion, social policy, nonprofit organisations, state and territory government administration
Introduction

The article on ‘Religion’ in The Oxford Handbook of the Welfare State argues that dominant modernism and secularisation explanations of social change, especially that religious practices and belief would decline as modernisation advanced in the post-war period, have contributed to the lack of recognition and research of the role of religion in social policy in Britain and Europe (Van Kersbergen & Manow 2010). Australian historiography of social welfare and policy has also stressed the importance of the decline of religion and the rise of the secular nation state in the post-war period, while historians of religion have also accepted that Australia is and has been a predominantly secular society (Breward 1993). Within this context there have been many excellent studies of denominations, social welfare agencies, religious orders and individuals, but little sustained analysis of the influence of religion on social policy even though faith-based welfare organisations dominate the delivery of welfare services in Australia to an extent that exceeds other developed countries.

Understanding this uniquely Australian situation requires a fresh look at the history of church-state relations and the importance of the theological and social ideals that influenced churches and the agencies they established. This paper argues that in Australia, religion has been both a cultural and political force in terms of social policy, especially through the impact on principles of social policies – fundamental tenets of faith translated into modern ideas of social justice – and through the political impact of religion on the institutional set up of the welfare state via political parties and systems of interest mediation.

Historical overview

The dominance of religious organisations in social welfare policy and services is not a post-war development but originated in the colonial period. The rejection of the English Poor Law model in Australian colonies, especially the non-convict colonies of Victoria and South Australia, meant that religious organisations partly funded by colonial governments provided welfare services and influenced social policies from the founding period. This distinctive third sector of welfare provision between public and private developed as an attractive option for colonial governments (Mendelsohn 1979).

During the last years of the 19th century, divisions emerged within religious groups between those who argued that responsibility for care should lie with the individual and family, and those who argued for greater acceptance of collective responsibility exercised through an interventionist protective state. Support for the latter position included Roman Catholics influenced by the papal encyclical Rerum Novarum (1891) and liberal Protestants influenced by social gospel theology. Theological ideals were especially influential in the period leading up to Federation. Cardinal Moran, then Archbishop of Sydney, delivered a lecture inspired by Rerum Novarum on ‘The rights and duties of labour’ in 1891 that was attended by government officials and representatives from political parties, including most of the 35 newly elected New South Wales
Labor Party MPs (Haeusler 2003). The Central Methodist Mission established in 1891 at Wesley Church in Melbourne attracted MPs and speakers from the trade union movement to its Pleasant Sunday Afternoons where the importance of a protective role for the state was advocated by church leaders, labour representatives and members of Parliament (Howe & Swain 1993).

Support for an interventionist state came from religious thinkers who were influential in the broader theological and philosophical discussion about individual versus collective responsibility. Francis Anderson, Professor of Philosophy at Sydney University, a leading member of the Australian Student Christian Movement (ASCM) and a founder of the Worker’s Education Association (WEA), was a leader of this debate, arguing:

> Liberalism, as well as socialism, cannot do without government intervention, whether to call such intervention grandmotherly legislation, or simply the necessary extension of the economic functions of the State. The State is society organized for the common good, for the protection of individuals against groups, associations of masters, unions of masters or unions of men, who without such common State action would make freedom of individual development impossible…Part of the strength of socialism as a fighting political creed just lies in the recognition of this fact and on the emphasis that socialistic legislation is a means not the final end of politics (Anderson 1920: 9).

It is important to emphasise that these views reflected an idealist form of liberal theology that in some ways matched and possibly influenced the thinking of some politicians from this period who rejected the individualism and instrumentalism in more mainstream forms of liberalism at the beginning of the 20th century. In a study of the influence of the Oxford philosopher T. H. Green, Mark Bevir has observed that ‘while scholars have often linked the growth of welfarism and socialism to secularisation and the decline of religious belief … on the contrary a new theological understanding sustained a moral idealism, which in turn, inspired modern social reformism’ (Bevir 1993). In short, welfarism and ethical socialism did not so much provide a new home for an old religious spirit but rather emerged from a new set of religious dogmas. There is supporting evidence for this view in academic analysis of the new liberalism in late 19th and early 20th century Australia. Marion Sawer and Tim Rowse in their studies of the period have argued that this more liberal theology at the turn of the 20th century came at a time when church influence was considerable and matched the new liberalism, especially in federal politics (Rowse 1978; Sawer 2003). This convergence was important in the period of Australia’s national formation as a consensus developed around the protective role of the state and the emergence of the distinctively Australian ‘wage earners’ welfare state’ (Castles 1985). Church leaders felt able to debate with politicians and political parties about broad directions in the economy and in society, about capitalism, socialism and individual versus collective responsibility. There was in Australia a broad acceptance, until relatively recently, of the responsibility of churches to exercise moral leadership in social
and political questions. On their part, religious leaders recognised the need to find mediating language enabling the churches to more effectively convey their views to an increasingly secular society. In this respect British theologian J. H. Oldham was an important international leader who coined the term ‘middle axiom’ to describe this mediating language (Clements 1999).

Religious leaders were especially prominent in national debates following the harsh depressions of the 1890s and the 1930s. This would eventually lead to demands for the building of a stronger welfare state that would relieve poverty and reduce the burden on religious agencies in providing relief to the unemployed and their families. For example, there was strong leadership during the 1930s depression from Bishop Burgmann, then Bishop of Newcastle, and in the early post-war period from the Rev. Alan Walker at Cessnock, a depressed Hunter Valley coal town, supporting policies of full employment and the provision of benefits for the unemployed (Hempenstall 1993; Wright 1997). At this time American theologians such as Reinhold Niebuhr were extremely influential in churches and universities (Howe 2009). During the earlier period liberal Christians had been critical of the competitive emphasis in capitalism and the individualism encouraged by markets, while Niebuhr’s doctrine of ‘Christian realism’ recognised the concentration of power in capitalism and rejected the idealism and evolutionary path to a greater good which had characterised earlier critiques:

We are living in a world in which the essential power is economic power. The men who hold this power either cynically or naively beat back every effort to restrict its force and bring it under social control. They may reveal many amenities in their lives and may, in their intimate relationships, express themselves with charming grace. They may be quite honest in the business dealings … Now if a religious and ethical institution is unable to deal realistically and honestly with the human motives which express themselves in this power and the insistence upon its maintenance, all of its claims to moral leadership must become hollow pretensions (Niebuhr 1959: 72).

This period saw a more holistic critique of social policy from faith-based organisations as well as the establishment of more inventive welfare agencies. It was important for religious leaders such as the Rev. Alan Walker in Sydney, housing reformer and Methodist layman Oswald Barnett and Father Gerard Tucker in Melbourne, to support their case for reform based on surveys and social research (Davison 2000). There was also a need to create a strong institutional base to influence those in power and create sustainable social reforms. It was during the 1930s and 1940s that Tucker transformed the Brotherhood of St Laurence (BSL) from a local agency in inner city Melbourne to one that, through research linked to advocacy, was able to influence the social policies of governments to the present day (Holden et al. 2008). In religious agencies such as the BSL there continues to be a subtle interplay between the foundation values and a commitment to social research governed by a reformist
perspective. This leadership in times of transition and crisis joined with social and theological critiques has clearly been important in driving the expansion of faith-based welfare organisations.

The post-war welfare state

A central question of Australian welfare history is why post-war governments did not fund a large government welfare system similar to the social security system that underpinned Roosevelt's New Deal in the United States and the welfare state established by the post-war Labour Party government in Britain. In the period of post-war reconstruction in Australia emphasis was rather placed on extending the 'wage-earners' welfare state' through strengthening the basic wage for families and initiating industrial and large infrastructure employment (Watts 1987; Beilharz et al. 1991). New initiatives in social welfare at the national level were piecemeal and there was no comprehensive national income support programme. It would seem that the ideals of a modernising secular society excluded critical discussion of fundamental assumptions of social policy. Although a comprehensive social insurance scheme had been debated in the 1940s by the Joint Parliamentary Committee on Social Security, the committee's recommendations had the effect of continuing the means-tested and targeted system focused on wage earners and family protection as opposed to the more expensive European social insurance model. In the crucial period of expansion of Commonwealth powers and finances following the uniform tax laws passed after 1942, little desire was expressed for a comprehensive welfare state programme that would reduce reliance on a welfare state predominantly delivered by faith-based organisations supported by state governments (Watts 1987).

Another factor in the failure to develop a national social security system was the embedded belief that Australia did not have entrenched poverty. This view was later challenged by most faith-based organisations, especially in the campaign for a national poverty inquiry. The campaign mounted by Anglican bishops in the early 1970s and supported by other mainstream churches and religious leaders was effective in urging the national government to establish the dimensions of poverty. In this respect the Commission of Inquiry into Poverty, established by the McMahon government in 1972 and chaired by Ronald Henderson from the Institute of Applied Economic and Social Research at Melbourne University, was an important turning point. Henderson was aware of the work of the BSL on poverty and the support for an inquiry urged by the chaplain, the Rev. Peter Hollingworth, who was later to become Director of Social Services and then Executive Director at the BSL (Hollingworth 1973; Holden et al. 2008). Henderson also drew on the experience and research of those with a religious background including Davis McCaughey, Master and Professor of Theology at Ormond College and Jean McCaughey who later undertook research at the Institute. Anglican layman Dr Ian Manning, appointed to the inquiry as a project officer responsible for social security policy analysis and development, later drew on this experience in his book God and Goods: Some Christian Thoughts on Economic Inequality in Australia (1989).
A crucial outcome of the inquiry was the creation of a measurement for relative poverty in Australia. The Henderson Poverty Line, still in use today, recognised the importance of indexing social security payments to movements in wages and salaries. Although Henderson’s recommendation for a guaranteed minimum income was not taken up by subsequent governments, the emphasis in the inquiry report on the importance of employment and the maintenance of real incomes has been a continuing influence on social policy.

The conferences and reports which accompanied the inquiry initiated a wide-ranging debate about poverty among faith-based welfare agencies and were followed by a creative period in social policy development. This was especially evident in the period of the Whitlam government (1972–75), when progressive religious groups actively supported major extensions of the Commonwealth’s role in social policy. This included further expansion of income support through higher pensions and benefits, and the introduction of a sole parent pension along with major social policy initiatives such as the *Children’s Commission* to develop a national childcare programme and the *Social Welfare Commission* to supervise the expansion of social services, especially through the Australian Assistance Plan. As well as the expansion of the *Commission of Inquiry into Poverty*, the Whitlam government also established the *Hancock Inquiry into National Superannuation* and the *Woodhouse Inquiry into National Compensation* (Howe 2013 forthcoming).

Faith-based agencies played an important role in the development of social policy and programmes in this period. The BSL was responsible for the Family Centre project which sought to test Henderson’s hypothesis that poverty was at its core a lack of income. Participants in the Family Centre project were guaranteed an income above the poverty line and encouraged to play a role in addressing other causes of poverty such as social exclusion. Perhaps the most enduring of the Brotherhood’s programmes in this period was the family day care programme, a model which continues to be an important component of nationally funded programmes (Holden et al. 2008: 184–86). There was a clear basis for cooperation with governments where churches and religious agencies were prepared to extend and test their commitment through rigorous inquiries. It was not so much that churches could influence government from the pulpit, but rather the recognition that values needed to be embedded in a spirit of enquiry enabling the possibility for significant social reforms to be considered following research and investigation. There was emerging a new and more modern approach to social policy formation in which religious groups and their agencies could play an important part (Howe 2013 forthcoming).

This was a high point of statism, but statism with a sense of collective responsibility. There was a great deal of creative interaction between these organisations and government in terms of policy and service delivery and a desire to revamp the residual welfare state of the post-war years. An important outcome was the encouragement and support for the development of social policy and research. As the Commonwealth Government expanded areas of responsibility and introduced income support legislation for the homeless
and sole parents – areas that had previous been occupied by faith-based organisations – it was open to churches to specialise either in areas of need that were not supported by governments or to concentrate in providing care for church members. In some fields, such as aged care, it was the latter.

However, there were new challenges emerging in Australian society such as the rapid expansion of population through an increasingly diverse migration programme. A study of the policy of multiculturalism indicates the important role of religious organisations such as the Ecumenical Migration Centre (EMC) in Melbourne which initially experimented with a coffee house programme in the inner-city focusing on young people from southern Europe. Gradually through the 1950s and 1960s the EMC was both able to expand the range of services that it offered while also building close relationships with an emerging ethnic leadership increasingly concerned with establishing identity and citizenship rights in Australia. From such modest origins there began a groundswell that contributed to a recognition of the reality of ethnic and religious pluralism in post-war Australian society (Lopez 2000: 286).

At the same time there were changes in the theological worldview of the churches. During the 1960s the ecumenical councils of the World Council of Churches (1961 and 1967) and the Vatican Councils in Rome (1961–1965) helped to create a very different theological paradigm that not only emphasised an ecumenical theology but also encouraged the broadest possible cooperation between Christians at the local and international level. There was a convergence in theology most evident in the understandings realised between the Swiss Catholic theologian Hans Kung and the German Protestant theologian Karl Barth (Kung 2003). Both theologians emphasised the centrality of Christology in theology and the importance of building a strong evidence base before considering the historic issues that had divided churches. Both argued that Christianity at its heart was an ethical religion that addressed universal issues and struggles that were central to building a just and sustainable world. The Uniting Church in Australia (UCA), formed in 1977 from the Methodist, Presbyterian and Congregational denominations, was one important outcome of this ecumenical theology. The UCA was to extensively invest in the development of social services often through broader partnerships, echoing the oft-repeated mantra of the period to be ‘the servant church of the servant Lord.’

There were a number of significant faith-based research and policy projects that flourished in this more cooperative environment. A pertinent case study is the pioneering research of Alan Jordan at the Fitzroy Methodist Mission in inner-city Melbourne (Jordan 1975). His study of homelessness was the basis of an agreement between agencies that had traditionally provided support for Melbourne’s homeless (Wesley Central Mission, the Brotherhood of St Laurence and The Scots Church Mission) to establish a jointly sponsored agency to become known as the Hanover Centre (now Hanover Welfare Services). The Hanover Centre marked the transition from the paternalistic mission model to a model emphasising the rights of homeless people to be treated with dignity as citizens. The centre was soon recognised for its detailed knowledge of homelessness; Alan
Jordan was co-opted by the Department of Social Security to assist with drafting the pioneering *Homeless Persons’ Assistance Act* 1974 (Cwth) which provided financial and other support for homeless people previously only available through faith-based agencies. The success of the Hanover Centre led to the transformation of the Fitzroy Mission to the Centre for Urban Research and Action (CURA), established on an ecumenical basis with the aim of linking research, training and action to empower disadvantaged people to act on their own behalf. CURA’s research contributed to the development of social policy especially in housing, urban development and childcare. Aspects of this model were adopted in a number of other urban missions where:

- innovative leaders argued that traditional welfare dependent programs needed to change their emphasis and empower and support the growing movement of self-determination. The self-contained programs of denominational missions took advantage of the growing system of government grants and this reinforced the welfare service tradition (Eland 2000: 12).

At the end of the 20th century, faith-based organisations had recognised the need to develop a more critical approach to their involvement in social policy issues, especially to be constantly re-examining values and to build an evidentiary basis for reform. Researchers and advisers were encouraged to build a well-researched case for social policy proposals. However, it was increasingly obvious that the support and resources available in government were not there in the world of non-government organisations (NGOs), where well-informed research was often a challenge.

### Religion and social policy since the 1990s

Although faith-based organisations have been crucial to Australia’s social welfare system, their influence remains difficult to quantify. The Australian Industry Commission (IC) report on ‘Charitable Organisations in Australia’ (IC 1995) has some relevant but by no means comprehensive material. The report found that the larger community social welfare organisations (CSWOs) had ‘church sponsorships going back to last century’, indicating the ongoing contribution of faith-based organisations for over a century (IC 1995: xviii). An analysis by the IC of the 50 largest CSWOs with budgets exceeding $11 million per annum in 1993–94 reveals that 20 had a religious background, the largest being the Salvation Army whose annual income of $255.5 million included $149.8 million of government funding. Others with substantial budgets were the UCA urban missions and the City Missions in capital cities. Since the IC’s report, the influence of faith-based organisations in social welfare has continued to grow, despite the changed social and economic milieu in the last decades of the twentieth century and the decline in influence and the membership base of the traditional religious denominations.

With higher unemployment and the dominance of neo-liberal economic policies, social policy has been influenced by expenditure restraint and a more open economy characterised by low inflation and employment growth based on...
wage restraint and the social wage. During these neo-liberal years, the focus on economic restructuring lead Australian governments to set limits on the growth of government expenditure and to emphasise ‘devolving’ services to the non-government sector. These efforts to contract out services saw social welfare religious organisations expand their activities and budgets. However, as the new century approached, churches grew wary of the increasing emphasis on individual agency and the tendency for national and state governments to eschew collective social responsibility. Economic rationalism rather than communitarian imperatives became important. Some faith-based agencies embraced the new competitive business ethos enthusiastically and grew rapidly as a result. Others were more cautious, although these differences were not aired publicly.

More recent trends in welfare provision has seen the movement of private sector or ‘for profit’ organisations into the provision of welfare services. This shift has tended to create a stronger emphasis on efficiency and competitiveness and has been translated among faith-based organisations into a demand for economies of scale. Local or state-based organisations were often replaced with a national organisation which created greater efficiency not only in terms of administrative functions but also in making it possible to mount bids for contracts on a national basis. This trend has led to the growth of a number of national organisations that, while they may retain links with the religious sponsors, now operate as very significant corporations.

One of the first large consolidated national organisations was Mission Australia; an amalgamation of state-based city missions. Uniting Care Connections was formed to include most welfare agencies of the former Methodist, Presbyterian and Congregational churches. Anglicare and Centre Care (now Catholic Care) were established as coordinating bodies for state-based agencies while the Salvation Army strengthened its national focus. Although on a smaller scale, Jewish welfare bodies in Sydney and Melbourne founded Jewish Care Australia. These are all national social service agencies that have consolidated and extended their influence since the 1995 IC study, covering an extensive range of services and programmes, employing professional staff, and involving large numbers of volunteers. Increasingly, management of these large faith-based, corporatised bodies has moved from ordained clergy to Executive Officers who may have only tenuous or even no links with the sponsoring religious denominations (Pollock 2011).

The impact of this movement to larger corporate organisations is difficult to measure. The Productivity Commission (2010) has recently documented the significant contribution of this sector to the Australian economy although, as with the IC report, faith-based organisations are not separately identified. One of the few studies of the implications for religious organisations in this period is the study commissioned by the Victorian Council of Churches and undertaken by economist and theologian Paul Oslington (Oslington 2002). This is an unusually thoughtful study of the practical and theological issues raised by the development of the church related umbrella agencies over the last decade and is worth considering at some length. Oslington argues that church
agencies are attractive to government because they help to lower costs, provide quality services, assist the rationing of services, make available established infrastructure, provide a share of financing, and help to build client trust and participation (Oslington 2002: 15–19). In his economic analysis of the relationship between government and church agencies, Oslington argues that as an agent of government the agency has to mirror the government’s aims while also recognising that government may have more complex agendas than social welfare. The language of social justice may become no more than spin for programmes often driven by essentially economic considerations (Oslington 2000: 19–27). The contractual issues will also be complex recognising that governments may build into contracts incentives that erode the quality of services thus making it more difficult to achieve the proposed social policy objectives. On the other hand governments might design contracts with the intention of maximising quality. Inevitably there will be tensions between the demands of government and the ideals and hopes of a faith-based agency.

Oslington found that the controversial employment programmes of the Howard government in the 1990s strengthened the trend towards corporatisation. This was done by denying opportunities to improve services through collaboration between agencies and favouring larger agencies over smaller ones. Oslington noted the emphasis on confidentiality clauses in welfare and labour market contracts, along with restrictions on commenting on government policy. He especially emphasised the risks involved in many of these contracts and the lack of risk insurance for agencies redirecting their work to pursue such contracts, and identified the advantage to government of being a single purchaser of services. The difficulty with the language of partnership is that it suggests a relationship between equals when clearly this is far from the reality. In dealing with private contractors, governments want to shift the risk from government to the contractor as far as possible. This makes for complex negotiations that churches and welfare agencies may find difficult to manage.

This problematic relationship was especially evident when the Commonwealth Government sought to transfer functions in social welfare from government departments to religious agencies through Job Network contracts. The replacement of the Commonwealth Employment Service with Centrelink, an agency which joined social security payments to job placement, resulted in contracting out to the non-government sector much of the work previously done by a government agency. For Patrick McClure, Executive Officer of Mission Australia (1997–2006) and chairperson of the Howard Government’s Reference Group on Welfare Reform in 1999–2000, ‘the issue was a no-brainer. If non-profit organisations like Mission Australia aren’t in these privatised market places of employment, who will be?’ McClure later claimed that participation in the Job Network programme saw Mission Australia’s budget leap from $40 million to $160 million (Govorcin 2003). However, participation of other large religious organisations came only after substantial changes were made to the programme. Harry Herbert, Executive Director of Uniting Care NSW/ACT, identifies this as a significant victory for the church agencies, arguing:
I know that some people think that the social justice agenda is weakened when you are in partnership with government and are in receipt of substantial government funds. Although there can be truth in this, it is far from the full story. In fact groups like ourselves can be very powerful in our own right. When the Howard Government wanted church Jobs Network providers to participate in a scheme to dock people’s payments, the resistance of the church groups eventually caused the idea to be dropped (Herbert 2012).

Finally, Oslington discusses the issue of responsibility for the rationing of services. This is a core issue in those Australian social services not distributed on the basis of rights and has been particularly evident in the case of disability services where the demand for services clearly exceeds supply. The language of government may have a high sounding quality but the delivery is far short of what may be required if families are not to carry the principal burden of caring for the severely disabled. This creates a high level of risk for church agencies that will have to share some of the responsibility for government unwillingness to provide services to all who need them.

More recently there are signs of increasingly tense relationships between the traditional denominations and their social welfare arms. Within the UCA there has been opposition to the UCA Missions who ‘largely determine their own policies and directions with little reference to the wider church’ (Eland 2000: 63). This questioning has increased as congregational membership sharply declined while denominational welfare organisations have dramatically expanded their budgets and staff. Herbert observes that for the UCA ‘the differences in recent years have become stark’.

This year (2012) Uniting Care NSW /ACT is operating on a budget of $600 million while the remainder of the Synod structure would have a combined budget of about $45 million. What this means in practical terms is that the church welfare agencies are often very professional, well managed and organised, with very competent staff, while other parts of the Church struggle to make do on a much less professional basis…so the respective strength is not just a financial issue. (Herbert 2012).

While the IC noted that the closeness of many CSWOs ‘to their clients and their circumstances enables them to contribute to the critique of social policy’, many church members believe this is no longer the case (IC 1995: xxi). This questioning by parishes of the value of diluted social justice objectives has been noted in a recent study of the sector:

Current requirements and practices associated with the delivery of services in partnership with the government are contributing to trends in workforce development and associated education and training that appear to be associated with the marginalisation of mission, particularly in its theological dimension (Pollock 2011: 2).
Most church-related social welfare agencies are well aware that governments – Commonwealth, state or local – provide their major source of funding. Where increasing emphasis is laid on accountability for funds spent, especially through measures by results, the government piper very definitely calls the tune. The Australian Catholic Social Welfare Commission (ACSWC) noted in its 1993 report that government policy was:

shifting from providing broad based subsidies in a spirit of co-operation and partnership to a range of market instruments which are leading to a model of non-government welfare stripped of its own values, identity and autonomy. Like market franchise systems, services would simply mirror a corporate identity, value base and service (ACSWC 1993: 78).

The ACSWC concluded that while the language of partnership was used this seemed to be corporate language masking a business relationship fundamentally based on contracts requiring a professional workforce and standardised outcomes. In the view of Father Peter Norden, then with Jesuit Social Services:

We are not just a welfare service, we are also a Christian ministry. So we choose the young people we work with on the basis that are most likely to fail, the most in need. You don’t measure your success on numbers but what you’re actually communicating to this person, a sense of care, respect and belonging (ACSWC 1993).

However, the dominance of faith-based organisations in the social welfare sector could decline as the line between the ‘for profits’ and ‘not for profits’ is increasingly crossed. There is strong competition in the area of social service provision between faith-based agencies and straight out commercial interests, especially in areas such as labour market programmes and in the provision of aged care and childcare. Concern at the need for coordination of the sector was a key feature of both the IC report of 1995 and the Productivity Commission report of 2010. Recommendations for a national register of organisations and the suggested appointment of a not-for-profit regulator based on overseas models may further reduce the autonomy of faith-based social welfare organisations.

**New directions**

There has been a high level of cooperation between governments and faith-based organisations in policy development and the delivery of welfare services since the 19th century. The ethical basis of social policy, which has historically been designed to counter the deficiencies of either too much control on the part of government on the one hand or a market based individualism on the other, has been especially important. Faith-based organisations have also been important historically because they are carriers of important values, are a civilising influence in society and contribute to the ‘cement’ that holds the members of society together (Beck 2010: 76–79). On the other hand the social capital that religious organisations represent, while it is important, is not sufficient for effective social
policy without the capacity for research and evaluation, for testing ideas using the tools provided by social science. The most effective (but not necessarily the largest) faith-based organisations in Australia are those which have developed the skills for the careful analysis of policy options and the selection of effective strategies aimed at reducing poverty and maximising participation in society.

As the chapter on ‘Religion’ in The Oxford Handbook of the Welfare State observed, ‘it makes sense to study religion...as a cultural force, shaping the values, norms, beliefs and attitudes of the cultural, social and political community that supports a welfare state regime’ (Van Kersbergen & Manow 2010: 268). This is true as much in Australia as it is in the United Kingdom and Europe. Faith-based organisations in Australia have played a unique role in supporting the welfare state in both policy development and the delivery of services. However, it is worthwhile to ask whether we are witnessing the end of the impact of religion on the welfare state. Indeed the combined forces of ‘ageing populations, sluggish economic growth, long-term unemployment, changing family structures and gender roles, the transformation of life-cycle fashions, post-industrial labour markets, the rise of new risks and needs’, all narrow the manoeuvrability of pro-welfare political actors, including religious ones (Van Kersbergen & Manow 2010: 276). In Australia ‘beyond the welfare state thinking’ will especially need to consider the implications of a more diverse society for the future development of social policy, especially the growth of non-Christian religious groups. Perhaps here the history of partnership will help. During the 1960s there was recognition among Christians of the need for an end to the sectarianism that had divided the Churches for centuries. This challenge was especially pressing in Australia where such a rapid change in the ethnic and religious mix of our society was underway.

It is now apparent that ecumenism in the post-Christian era needs to be extended beyond the Christian faith to include a greater recognition of Australia’s religious diversity and the need for a broader sense of religious fellowship. During the 1960s many people believed that that the age of religion had passed and that in the future Australia would become an ever more secular society. Few people today would make such a bold prediction. The obvious benefits of multiculturalism are that we are able to both celebrate our cultural diversity and recognise the contribution of differing cultures, including that of our Indigenous people. Of course culture and religion have always been interdependent. But the religious pluralism we now enjoy is both a gift and a challenge – a challenge in that it could bring more intense sectarianism. The future of the historical and theological traditions that have shaped a great deal of social and community service in Australia is uncertain (Pollock 2011). However, if it proves possible to create a broader ecumenism this will provide the basis for building a more truly just and humane society.
References


