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Transitioning the Australian Welfare State: The Unnatural Fit of Quasi Markets in Australian Human Services Delivery

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Overview

- Research Program Focused on Australian Welfare State – its development and prospects for effectiveness
- Australian cultural baggage
- Beveridge Report (1942) as structural break in systemic responses to inequity
- New Public Management driving market economics rhetoric



Cultural Baggage - Elements of Australian Colonial Socialism

- Initial period where survival and subsequent economic growth depended on public economic action
- Application of public investment where private would have been preferred elsewhere – socialising costs
- Governments were major employers and investors
- Set the scene for future expectations of role of gov't



Pre Report – England (19th & Early 20th C)

- Development of scientific response to poverty as a structural issue
- Philanthropy central but leaning toward systemic responses (Charitable Organisation Society: evidence; orchestration; cycle of poverty & deserving poor)
- Market Economics a cause of poverty rather than panacea



Ideology – Australian Response Post WWII

- Beverage report and British experience
- Australian style
- 1945 – 1980s: Gradual systematisation – governments and nonprofit/charities progressed from grants system to procurement system
- 1980s onwards: NPM style change; govt & nonprofit collaboration at state/territory level – Quasi Markets & Markets Language



Nature of Human Services

- Private Goods
- Public Goods
- Merit Goods
- “Life Goods”?:
 - Needed to live
 - Not demanded
 - Not providable as private goods
 - All power with governments



The NDIS as example

- Quasi Market
 - Rhetorical device
 - Places rhetorical emphasis on choice and control by service user
 - However, adds Neo Liberal perspectives of personal responsibility and market economics
 - But:
 - State sets price
 - State sets service 'menu'
 - State sets quality framework
 - State defines 'demand'



The NDIS as example

- Lack of system response impacts efficiency and effectiveness:
 - Under Utilisation in 2019/20 of approx. \$6b or one third of deployed funding was unable to be used
 - Supply-side not effectively managed (e.g. data shows nonprofits changing their service mix to emphasise higher priced services to the detriment of complex needs)
 - Competition for labour likely to reduce capacity further
- Lack of collaboration:
 - State does not understand the true cost of service delivery
 - State does not allow local decision making to support effective resource allocation
 - Virtually no evidence gathered with respect to true comprehensive costs of service delivery



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