

## **Welfare Reform and FBOs: an Australian perspective.**

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### **Abstract**

For a number of years, welfare policies across the OECD countries have been framed in terms of mutual obligation and individual responsibility. Welfare recipients can become subject to significant monetary sanctions. Coupled with the tightening of criteria to access some benefits and residual payments, this leads to a heavy demand for the emergency relief that the government contracts FBOs to deliver. A number of politicians in Australia have claimed that FBOs religious guidance enable welfare recipients to become responsible citizens. This study of FBOs in the Hunter Region of NSW demonstrates that (i) people of faith are heavily motivated by their religious beliefs leading to compassionate help even in the face of limited resources; and (ii) Hunter FBOs meet clients' immediate need irrespective of socio-economic situation, or behaviours. It also indicates that the harsh welfare policy climate may lead to a clash of cultures in regard to the needs of the poor.

In recent years, the intersection between political and religious values has led to interesting changes in welfare provision in Anglo-Western nations across the OECD countries (Bartkowski & Regis, 2003; Lohrey, 2006; Saunders, 2005; Walsh, 2000; Warhurst, 2007). This has led to a restructuring of welfare that, in Australia, has reconfigured the relationship between the government and the not-for-profit (NFP) sector in which faith-based organisations (FBOs) play a major role (Engels, 2006: Family and Community Services (FaCS)<sup>1</sup>, 2005; Lyons, 2001). FBOs tend to be largely staffed by volunteers with religious motivation to be of service to others.

In the period that this study was carried out, the Howard Liberal Coalition Government's welfare reforms led to the targeting of welfare dependents. In 2006 the severity of the breaching program was increased which could render welfare dependents on benefits such as Newstart and Youth Allowance losing their benefits for a period of eight weeks (Andrews, 2005; Centrelink, 2006). Sanctions coupled with residual payments and the tightening of criteria to access pensions left many with no option but to access emergency relief (ER) from FBOs who hold the majority of contracts to supply it (Engels, 2006). Welfare beneficiaries were expected to integrate into society through economic participation (ACOSS, n.d.; Centrelink, 2006; Saunders, 2005). Politically this was achieved in a number of ways, (Travers, 2005) one in particular was the

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<sup>1</sup> Now the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)

articulation of the individualisation of personal responsibility for poverty, viewed through a moral lens.

FBOs religious orientation, faith and moral wisdom assumed to be embedded within their day-to-day practices, was seen by many as a means to impact positively on the behaviours of those using their services (Bartkowski & Regis, 2003; Costello, 2003; Olasky, 2000). Howard upheld volunteers as virtuous (Brett, 2003). Volunteers who worked in FBOs provided the added value of faith and hence could provide an extra dimension to assist in reforming those on welfare. The Howard government's Federal Treasurer for eleven years Costello (2003) articulated this position in an address at an Anglican lunch: '[T]hese agencies can make more immediate and individual contact with those in need. They are run by people of religious and moral conviction willing to share their values (virtues) in support of treating underlying causes of poverty' (n.p.n).

Therefore, the causes of poverty, from the perspective of the Howard government, were embedded in the personal behaviours of the poor. Again as highlighted by Costello (2003):

...the pension should be enough to provide food and shelter ... but it doesn't ... [money] is always spent on the wrong thing. And it always will be until you treat the cause of the poverty, which is alcohol and drug dependence (p. 3).

These views repositioned FBOs as a solution to poverty within the context of a reforming welfare state. Embedded in this approach was a view that workers in FBOs would look through a value-laden lens to determine which services or resources might or might not be granted based on client behaviour. Yet there was little concrete evidence for these assumptions as emerged from research conducted in the Hunter Valley Region in 2006-2007.

This discussion revolves around a small sample of results drawn from a larger research study including 10 in-depth interviews with managers and volunteer counsellors working in eight Protestant FBOs. Additional data was developed using a 'client assessment of services survey' (CASS) that was distributed to clients of one major regional FBO during the months of June and July 2007 on the initiative of that FBO's manager. Within this time, 613 clients sought emergency relief, 124 were given 'in-kind' support (food over the counter), leaving 489 receiving a face-to-face interview with volunteers and a paid member of staff. From this group, 80 assessment surveys were completed and returned, giving a response rate of 16%.

This research showed how volunteers and managers of FBOs viewed their clients and how clients perceived their treatment when accessing the services of an FBO. It demonstrates that the moral lens hoped for by the government did not manifest in direct moral judgments of the clients; that is, clients were not denied resources because they were deemed morally bad. Rather this cluster of FBOs treated their clients with care and compassion, underpinned by the strong undercurrent of their Christian faith. Predominantly, the amount of resources given to clients was based on the demands of budgets and not exclusively on client behaviours. Those in need were accommodated regardless of their behaviour including those sanctioned by Centrelink. Hence it was concluded that policies in which FBOs were expected to provide a role in disciplining the poor might instead have led to a clash of cultures as FBOs struggled to meet the increasing needs of their desperate clients.

### **Jesus Lives in This Place**

Undoubtedly, the participants interviewed emphasized the importance of working within an environment underpinned by their Christian faith. As one respondent stated:

I think, for the organisation, it [faith] is probably the real crux of why the organisation exists...man is created by God and our service to man is also a service to God. The social arm, it comes from the faith (Manager Interview 1).

Particular references were made to following Jesus, doing what Jesus wanted and being Jesus 'with skin on'. Manifesting a 'Christ-like persona' was deemed important as hopes were held that clients would see Christ in them, as one volunteer commented: 'God is in the service'. These self-perceptions as to how they interacted with clients stood in stark contrast to participants' views on how they thought Centrelink treated welfare beneficiaries. For example, one manager thought Centrelink 'off loaded' those they did not want to help straightaway to FBOs (Manager Interview 3). Participants felt that Centrelink treated people like numbers, whereas they really cared for people at a deeper, more personal level. There was an overall tendency to try and accept, as one volunteer stated, 'where people are at'. Working in what might be conceptualised as a 'philosophical or spiritual work environment' did lead to a change in attitude from another volunteer who claimed to have a direct communication from God. She stated:

I had this message from the Lord saying to me you know, 'this can't be, you can't be judging' um, I just settled here. So now I am happy to discuss or talk or help with whoever comes in now (Volunteer Interview 2).

This acceptance of 'whoever' permeated the volunteers' views on clients, which tended to be liberal in perspective. Even though it was acknowledged that clients did have issues with addictions, drinking and relationships, there was no overt moralising in discussions relating to single parents, welfare dependants or the long-term unemployed.

This is not to conclude that client behaviours perceived as being wrong did not lead volunteers and managers to get frustrated at times, which created at times an underlying tension as expressed by one volunteer when she stated: 'I couldn't do this every day' (Volunteer Interview 1). Even so they strove to express their faith by showing a loving, caring and compassionate *persona* to those in need regardless of behaviours. Discussions relating to interactions with clients were peppered with comments such as 'I love the people who come in here week after week, faith helps me love everybody, I accept everyone, everybody is equal, and God loves all of humankind'. This acceptance of clients regardless of why they were in need stood in stark contrast to the assumptions behind the policy solutions of the Howard government and welfare reform in general. For FBOs, the increase in the severity of breaching made assisting clients very difficult as articulated by one manager: 'We put them on an auto voucher<sup>2</sup> just so they can continue to eat. But what about electricity, rent? We just do not have the resources to fund a person's total living expenses'. Even so, they still tried to meet clients' needs even though, at times, resources were limited.

Results derived from the Client Assessment of Services Survey (CASS) upheld the claims of care and compassion by the volunteers and managers. A mixed of responses indicated that clients felt welcome (n=58), understood (n=18), and supported (n=10). Only two respondents felt judged while in an interview situation with a volunteer.<sup>3</sup> In regards to some clients having a negative experience one manager stated: 'The actual quality in the delivery of services however can vary enormously depending on the outworking of faith of the individual staff/volunteer member' (Manager Survey 2), thus suggesting that there were times when volunteers had not

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<sup>2</sup> An food voucher given to a clients on a weekly basis who have no income for a set period of time.

<sup>3</sup> The volunteers providing ER to clients were a different set of volunteers and did not participate in the data collection process.

lived up to the expectation of their centre and clients had been treated in a negative way. However, this was the exception rather than the rule. Nevertheless, caution must be applied as some might have been denied assistance or not received adequate assistance and, as a result, might not have filled out the CASS. However, those that did receive assistance found it a positive experience as follows:

I was treated with respect and compassion and encouraged through my trials.  
When I needed food and clothes and shelter you were there. Thanks.  
I was extremely happy with interview, it was non judgmental, non invasive  
and dignified.  
Wonderful service, I don't know how I would get through without the ability  
to access this service

The results indicated that volunteers and workers did strive to provide a caring environment. However, even though faith was very important for all participants, the verbalization of faith was viewed as appropriate only if instigated by a client. Managers, including one not contracted to the government, were united in their views of the role of faith and its manifestation to clients accessing services, as the following statements show:

We take the opportunity of speaking the gospel if the clients give us the opportunity...we are not here to Bible bash people, but if the opportunity to present spiritual things comes up, we will talk to them (Manager Interview 3).

So *in our actions* we would hope that people would see Christ, and that would be unreal (Non-contracted Manager Interview 2 emphasis added).

Responses such as these highlight, yet again, the importance placed on faith manifesting as social action rather than overt moralisation. The term 'Bible bashing' was used derogatorily more than once during the interviews. As one manager elegantly put it: We should not thrust faith down a client's neck because we have a captive audience' (Manager Survey 1).

The responses from clients to the question in the CASS asking whether religion was mentioned in their interview with a volunteer, 82% said no. However, it must be acknowledged that service provision was grounded in faith and, therefore, contained a strong moral undercurrent. In acting out their faith in a caring and compassionate way, volunteers and managers hoped that clients would see the benefit of a religious - Christian - lifestyle and thus come to know Christ and change their behaviour, that is, the outcome the Howard government sought. However, rather than seeking to punish clients who were deemed deviant by restricting

resources and thus change their behaviour, faith-based service provision demonstrated the benefits of faith by providing a caring environment in which ‘occasional’ religious conversion was the icing on the cake.

Volunteer power rested on their ability to decide whether or not to help the client in a particular instance. However, even if a client had spent the money on drink or alcohol or had been breached, as long as proof of expenditure or loss of income could be shown, assistance would generally be provided, especially where children were involved. As one manager stated: ‘We are not here to judge, but to provide a service’ (Manager Interview 1). There was a tendency to want to be able to help clients more substantially and this was particularly important as participants were aware of the difficulties faced by clients. Qualitative responses from the CASS highlighted the desperation of some clients. The responses were littered with words and phrases like ‘urgent, hungry, survival, now I can eat, and hard times’ and, rather disturbingly, ‘my children will eat for the next few days’. The provision of increased assistance depended on financial resources. There was constant concern that government contracts might not be renewed and this hindered assistance providing a long-term solution to client need.

Therefore, FBOs had to manage their resources carefully so as to ‘get through’ the funding year. Guidelines as to the amount and frequency of assistance given were often tightened to cope with high demand, especially when budgets were running low. Tension arose as to how clients could be helped given budgetary constraints and FBOs’ heavy reliance on government funding. This ‘poverty of provision’ or underfunding of the faith-based sector in relation to client need was viewed by all as a serious problem: ‘the service that we provide here, if a government agency were to do it, it would probably cost you half a million dollars a year. And you know we are here five days a week’ (Manager Interview 3).

When questioned as to why government was increasingly seeking to use the faith-based sector as an alternative to state services, there was resignation that it was probably because they provided ‘cheap welfare’. In addition to managing on limited budgets, most operated out of buildings supplied by churches or the larger organisation under which they operated and, of course, the use of volunteers. Most organisations paid their own electricity bills, water and land rates, and staff salaries; ‘The church owns the building and pays for electricity’ (Manager Interview 2) and ‘ER funding does not pay for rent’ (Manager Interview 3). On top of these

costs, those under contract to the government also had the extra cost of paying for yearly audits of their books that ate into their budgets:

I mean that sticks in my claw because it costs us over \$1000 a year to get our audit done and as a consequence of that there is 10 families I can't assist straight away sort of thing (Manager Interview 3).

A level of tension and anger expressed to the government's perceived attitude that faith-based service provision was inexpensive. One manager of an FBO felt that the organisation in which he worked had 'done itself a disservice' (Manager Survey 1) by becoming too closely involved with the welfare side of things, and another manager of a small centre not attached to a larger network took out his frustrations on the larger FBOs thus:

Government will give everything to the cheapest tender. They have conned the major charities like St Vincent de Paul, The Salvation Army, Wesley and all those people for bidding for these contracts and underbidding one another to get the price down. They are doing it cheaper and cheaper ... (Manager Interview 3).

This manager also tendered for contracts, but he felt the larger FBOs were undermining the whole process. But this tension was also reiterated by a manager of a national FBO as he stated:

It is a cost saving mechanism. It would cost double for the government to provide the service. One of the things that I get very disappointed in, is the fact that because FBOs do some of this work, the government funds them because they do it cheaper than anyone else (Manager interview 1).

One manager referred to his centre's services as band-aid assistance in line with the views of a volunteer who stated, 'they're still handing out vouchers and paying bills and putting band-aids on things' (Volunteer interview 4). This view of their services did not sit well. There was an overriding wish that government used their services because they were good and that they were giving 'something back to the community'. Viewed as being 'cheap' undermined their sense of purpose and pride in their work. However, for most of the volunteer participants this was tempered with the view that what they did was God's work, so whether government thought them cheap or efficient was not a major issue, they were not doing it for the benefit of Government, but for God, in service to the poor.

## Conclusion

As this sample of research highlights, even though it is obvious that faith-based organisations have a strong moral undercurrent, the overt verbal moralisation to the poor does not manifest as an automatic trade off between accessing material or social resources. Instead access to resources is based on need, some of which are a direct result of harsh government policy, in which behaviours whether deemed deviant or not by volunteers and managers is not the major consideration. If in need the hungry are fed and those in need of social support are comforted.

However, the Howard government was right in stating that the sector is filled with people who care; clients were treated with care and compassion. It is obvious that the sector is constrained by funding limitations and their only focus is on the immediate needs of clients. Tension arises due to funding constraints, the perception of Centrelink as being uncaring, the increasing need of clients, as well as government using their services because they are cheap. As governments seek to reduce the welfare bill a clash of cultures may arise within states (Huntington, 2002 [1997]), particularly in relation to how the most vulnerable in society should be treated. How long the faith-based sector can keep providing services set against a state which seeks to make access to state resources increasingly difficult is something only the faith-based sector can decide.

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