

design for industry. The youth of this country so easily think in terms of the machine that they could readily design *with* the machine not *for* the machine. These students would, therefore, upon graduation have some industrial connection and industry would gain trained designers with a practical knowledge of methods and materials. Equally knowledgeable about design other graduates would provide adequate teachers for the teaching of crafts in schools, for home industry developments in rural communities, for youth training projects. At the present time most students who seek such adequate training leave Canada for schools elsewhere and very often fail

to return. The result is a constant loss of talented young men and women whose desire to learn takes them abroad and whose capacities are frequently more appreciated elsewhere. The teaching of art and of art appreciation would reflect this honest approach and be applied to simple things in daily use.

Socially, economically and culturally the lives of the citizens of Canada would be deepened and enriched and it could no longer be said that, "The artist must be content to look on while sums are given for dead beauty, the tenth part of which, properly directed, would irrigate whole nations and stimulate once more the production of vital artistic expression."

## Social Security in Australia

By T. H. KEWLEY

THE Government of the Commonwealth of Australia, like other Governments of the United Nations, has declared social security to be one of its major objectives in the post-war period. The first step towards the realization of that objective was taken in July, 1941, when a Parliamentary Committee was appointed to enquire into the problems of social security. This Committee has worked quietly and well, and has, up to the present, submitted six interim reports covering a wide range of subjects. Many of its recommendations, as to both social legislation and administrative machinery, have been adopted by Parliament and are substantial elements in the social security framework of which it is proposed here to give an account in outline.

### Commonwealth and State Functions

The Commonwealth Constitution followed the lines of the American in granting specific powers to the Federal Government and in leaving the residue to the States. As a result of these limitations, the social services in general have remained a function of the States<sup>2</sup>, which provide, in varying degrees, for education<sup>3</sup>, unemployment relief, public health and child welfare services.

The Commonwealth has provided old age pensions since 1909, invalid pensions since 1910, and maternity allowances since 1912. More recently, under the influence of the world-wide movement to provide social security, it has introduced systems of child endowment (1941), widows' pensions (1942), additional

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1. (a) First Interim Report, (September, 1941).
- (b) Unemployment and the War Emergency, (March, 1942).
- (c) Consolidation of Social Legislation and Post-War Unemployment, (March, 1942).
- (d) Housing in Australia, (May, 1942).
- (e) Reconstruction Planning, (October, 1942).
- (f) National Health Services, (July, 1943).

2. The functions of Local Governments are extremely limited and, in practice, unimportant in the field of social services.

3. Voluntary organizations, such as private schools, play an important part in providing many of the social services. In 1938, out of a total of 1,116,323 school children, 249,497 were enrolled in private schools. Most of these schools have a religious, and some of them also a class basis. About 80% of private school children were enrolled in Roman Catholic schools.

maternity allowances (1943), and funeral benefits for invalid and old age pensioners (1943). The last two services are the first instalment of a National Welfare Scheme (announced in February last) which will "include health, sickness, unemployment and many other associated services." This scheme is to be developed gradually and is not intended to be fully implemented until after the war.

The Commonwealth has thus made considerable use of such powers as it has in the field of social service. There is every indication that it intends to develop the services which it can provide under its existing powers, and to seek amendments to the Constitution to enable it to enter fresh fields. As the future appears to be with the Commonwealth, it is with the social security measures taken by the Commonwealth that this survey will be mainly concerned.

### What Does Social Security Imply?

It cannot be said that the implications of social security have been very clearly thought out. There has been no general recognition as yet that social security and social services are not synonymous terms, that social service is but one aspect of social security, and that the way in which social services are provided and administered may even prejudice the goal of social security. It has yet to be appreciated that the object of any scheme of social security worth consideration is to "enable men to build on the secure basis of an assured standard of material well-being a fuller, richer and above all, a freer life," and that it is, in its best sense, merely a means to an end, not an end in itself.

It is in the preliminary stages of such a plan that mere legislation can play a part most directly and with most influence, and the first steps will include:

1. measures to mitigate the causes of insecurity: (employment, health, housing, education, recreation);
2. measures to maintain an income when earning power is interrupted (unemployment, sickness), or de-

stroyed (old age, invalidity, widowhood); and

3. measures to provide for special expenditure arising out of birth, death and marriage.

When the legislature has done these things adequately, it has done perhaps as much as it can do towards realizing social security: what follows rests largely on the citizen himself. It is by the test of its activities in these directions, therefore, that the Commonwealth must be judged in any consideration of its contribution to social security.

### 1. Reducing the Causes of Insecurity

The Commonwealth Parliamentary Committee on Social Security, appreciating its own limitations, has urged upon the Government the need for establishing more expert bodies to undertake certain aspects of planning with a view to reducing the causes of insecurity. The most important of the administrative machinery since established has been a Ministry of Post-War Reconstruction. This Ministry, composed of a small group of specialists, appears to have the function of co-ordinating the work of a number of associated Commissions which are to be responsible for carrying out the detailed enquiries.<sup>4</sup> Two Commissions have already been appointed. A Housing Commission is to enquire into the present housing position in Australia and also the housing requirements of Australia in the post-war period. A Rural Reconstruction Commission is to review all matters affecting the primary industries and to submit plans for rehabilitating the rural areas. In addition, the Tariff Board has for some time been examining proposals regarding secondary industries.

Although this administrative set-up looks imposing, little actual work appears to have been done. This inactivity is due partly to the fact that the Commonwealth has been unable to persuade the States to transfer to it certain powers that it regards as essential for the purpose of

4. A small grant has been made by the Ministry for Post-War Reconstruction to enable some research to be carried out under University control.

post-war reconstruction, and partly to the tendency in practice to emphasize remedial rather than preventive measures. Even should this planning work be taken seriously, the presence of strong personalities on the associated Commissions raises the doubt whether the Ministry for Post-War Reconstruction will prove an effective co-ordinator.

An important development at the recent Premiers' Conference<sup>5</sup> (July 15) was the announcement of the establishment of a National Works Council "to co-ordinate post-war public works throughout Australia." This Council is to consist of representatives of the Commonwealth and the States, with the Prime Minister as *ex officio* Chairman.

In summing up the measures that have been taken with a view to reducing the causes of insecurity, it can be said that planning machinery has been established to enquire into ways of maintaining employment and providing housing; the Parliamentary Committee has recently submitted a report dealing with a national health and hospital service; and a Universities' Commission has been set up, mainly as a war-time measure, to administer a scheme of assistance to university students. Recreation, in facilities for which this country, particularly in the city areas, is ill-equipped, is being reviewed by a National Fitness Council, working through Commonwealth, State and Local Governments.

## 2. Maintaining an Income

After having, in the earlier part of this century, held a proud position as a pioneer in the field of social legislation, Australia has since fallen far behind many other countries in this field. Her early reputation was largely due to her experiments in industrial arbitration and to her invalid, old age and maternity allowance systems. It is unhappily true that industrial arbitration, with its corollary of the living wage, has accounted in no small degree for the inadequate meas-

ures that have since been taken for providing for unemployment.

*Unemployment.* The care of the unemployed has been the responsibility of the States. Except for Queensland, which has had an Unemployment Insurance Scheme since 1921, the unemployed were provided for, up to the time of the 1930 depression, mainly by voluntary organisations, assisted by grants-in-aid from the State Governments. The depression led to hastily improvised government measures in the form of food relief and public works. Improvisation has ever since characterised the provision made for the unemployed—although in one State food relief depots are now called social welfare bureaux!

The present unemployed class consists mainly of elderly unemployables who receive food relief, generally in kind, from the State Governments. For those 'disemployed' as a direct result of war measures, the Commonwealth, under its defence powers, provides allowances in cash.

*Sickness.* Some industrial awards provide for sick leave, and Workmen's Compensation covers industrial accidents. Apart from these, the main provision for cash payments during periods of sickness is made voluntarily, by a comparatively small number, through Friendly Societies. A health insurance scheme, introduced by the Commonwealth Government in 1938, was suspended before it had come fully into operation. The Commonwealth Government recently announced its intention to introduce a system of sickness and unemployment benefits as part of the National Welfare Scheme, but the elections have at least postponed action in this direction.

The provision for loss of earning-power through old age, invalidity, and widowhood is more satisfactory than that made for interruption of earnings through sickness and unemployment.

*Old Age.* In the early part of this century only two of the six States had old age pensions systems. These were superseded in 1909 by the present Commonwealth scheme. The maximum rate

5. This is a Conference between the Premiers of the States and the Prime Minister of the Commonwealth.

of pension has since been gradually increased, (mainly during the last two years) to the present level of £1-5-6 a week. This amount is liable to change in accordance with variations in the cost of living<sup>6</sup>, but cannot be reduced below £1-5-0 a week without Parliamentary approval.

Old age pensions may be claimed by men at the age of sixty-five years and women at the age of sixty, but age is not the only qualification for a pension: certain conditions regarding means, residence and character must also be satisfied.

*Invalidity.* A Commonwealth Invalid Pensions system has been in operation since 1910. The rates of invalid pension are the same as the rates of old age pensions and the scheme is much the same in most respects. An applicant must be at least sixteen years of age and satisfy certain conditions regarding means and residence. A recent amendment provides that a pension may be claimed by those partially,<sup>7</sup> as well as those totally, incapacitated for work.

*Widowhood.* Following upon the recommendation of the Parliamentary Committee, a Commonwealth Widows' Pension scheme was introduced and commenced operation in July, 1942. Previous to this, only one State had a fully developed widows' pension scheme.

### 3. Special Expenditures

*Birth.* A Commonwealth system of Maternity Allowances has been in existence since 1912. A recent amendment provides for the abolition of the means test (which had been introduced during the 1930 depression) and for an increase in the amount of the allowance. As from July, 1943, the allowance paid upon the birth of a child will be £5 where there are no other children in the family, £6 where there are one or two other children, and £7-10 where there are three or more other children.

The amendment also provides for the payment of an additional allowance—

also without means test—at the rate of £1-5 a week for the four weeks immediately before and the four weeks after childbirth.

*Death.* A payment, not exceeding £10, will be made (from July, 1943) towards the cost of burial of an invalid or old age pensioner.

*Marriage.* Australia has no scheme, such as marriage loans, for assisting with the cost of 'getting married'; but it does make some provision for maintaining children. One of the States introduced a system of child endowment in 1927, as a supplement to the basic wage. This was superseded by the Commonwealth system of child endowment which commenced operation in July, 1941. Under the Commonwealth scheme, an endowment on a flat rate basis of 5s- a week is payable for each child in the family<sup>8</sup>, after the first, under sixteen years of age, irrespective of the income or property of the parents. This includes illegitimate children.

### Method of Finance

With the exception of Child Endowment<sup>9</sup>, which is financed mainly by means of a payroll tax on employers, all social services are financed out of general revenue. Invalid and Old Age Pensions,<sup>10</sup> are financed from a Trust Fund built up from surplus revenue. Maternity allowances<sup>11</sup> and funeral benefits for invalid and old age pensioners<sup>12</sup> are the first instalment of the National Welfare Scheme. The fund, from which this scheme is to be financed, will be built up from an annual grant from general revenue of £30,000,000, or a sum equal to one-fourth of the total collections each year from income tax on individuals, whichever is the lower.

### General

It will be seen from what has been said that some of the conditions of social security in its first stage seem to have

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6. The basic or living wage is also adjusted at quarterly intervals in accordance with changes in the cost of living.

7. A person is regarded as "partially incapacitated" if "the degree of his capacity for work does not exceed 15%".

8. In computing the Commonwealth basic wage, some regard is had allegedly to the needs of a man, wife and one child.

9. Total cost, 1941-42: £11,302,863.

10. Total cost, 1941-42: £19,257,025.

11. Estimated cost, 1943-44: £1,990,000.

12. Estimated cost, 1943-44: £230,000.