

# **“Is Australia Advancing Fairly?”**

by

**Professor Geoff Gallop**

---

**Paper delivered at New Agenda for  
Prosperity Conference, Melbourne**

**27 March 2008**

---

Is Australia advancing fairly?

In seeking to answer this question it is important that we go to the heart of the matter and ask: What do we mean by fairness?

This is important because there is a school of thought which holds that fairness cannot be defined and shouldn't be the focus of public policy. Even as an aspiration, so the argument goes, it inevitably leads to more harm than good.

Counter to this point of view I believe fairness can be defined as a general principle and as a working principle for government. The American political philosopher John Rawls provides an excellent starting point with his concept of "justice as fairness".<sup>1</sup>

Rawls asked us to imagine a situation in which we come together to agree to a set of rules for our common life. However, none of us is to know our race, gender, social class, talents, capacities, religious beliefs or conception of the good life. We are, as it were, placed behind a "veil of ignorance".

In such a situation Rawls believes individuals will choose a state which will give each the most extensive liberties compatible with like liberties for others and which ensures that any social and economic inequalities are to be arranged so that they are to the greatest benefit of the least advantaged and attached to positions open to all. In other words we would always seek to have the highest minimum level of freedom, wealth and opportunity. It is the least risk strategy and, I would add, what it means to live in a community as opposed to a tribe or a completely commercialised society.

---

<sup>1</sup> See John Rawls, A Theory of Justice (Harvard Uni Press, 1971)

What I like about Rawls' theory is that he forces us to ask hard questions about restrictions on liberty rather as John Stuart Mill did in his classic On Liberty (1859). However, he also forces us to ask hard questions about social and economic inequalities rather than being swept along by the view that they are inevitable and unchangeable. The onus of proof is on those who enjoy such privileges to demonstrate their relevance to those without them. I am reminded here of the Christian concept of a "preferential option for the poor" defined and analysed so well by Father Gerry Arbuckle in a publication commissioned by Catholic Health Australia earlier this year.<sup>2</sup>

That Australian policy makers have sought to counterbalance market realities with the fairness principle has been a recurring theme in our history. Both government and non-government organisations have been involved in this enterprise. Despite these efforts I doubt whether any of us could say that we have achieved the highest possible minimums in freedom, wealth and opportunity. As Professor Tony Vinson has observed recently: "Pockets of concentrated and severe social disadvantage have become entrenched across rural and remote as well as suburban Australia".<sup>3</sup> None of us, peering in from behind the veil of ignorance, would accept these conditions as adequate for ourselves or our families.

The fact is the fairness principle has always been – and still is – heavily contested and even more so in recent years than was the case, for example, in the first two decades that followed the Second World War. Not only does it come up against the free market principle but also the realities of contemporary democratic politics and its bias towards the interests of those with numbers and voice. The politically inspired

---

<sup>2</sup> Gerald Arbuckle, A 'Preferential Option for the Poor' Application to Catholic Health and Aged Care Ministries in Australia (Catholic Health Australia, 2008)

<sup>3</sup> Quoted in John Langmore, To Firmer Ground: Restoring Hope in Australia (UNSW Press, 2007), p.13



policies promoting what is well described as “middle class welfare” are a case in point. Once entrenched such benefits are difficult to remove.

The fairness agenda has had to battle not only on the ground where it confronts political and market realism but also in the world of ideas where personal behaviour has become **the** issue rather than one half of a rights and responsibilities equation. Economic thinking narrowed and social policy was transformed into its handmaiden.

There are, however, some grounds for political and public policy optimism. In respect of the first it is important to note the defeat of Workchoices. For the electorate this was a de-regulation that went too far. It tells us that at least fairness in the workplace is still part of the all-important middle-ground of politics. This was certainly one cultural battle that the Howard government didn't win.

In respect of public policy more generally considered we can note a number of developments. First and foremost is the recognition in contemporary economic theory of the importance of human capital and a healthy society for growth and productivity. This forms the basis for the third wave of national reform agreed between the Commonwealth and the States and Territories.<sup>4</sup> It should mean a greater effort to tackle the factors that cause ill-health and low school attainment.

This accommodation between social and economic policy has also arisen in respect of the debate over skills shortages. Local level partnerships between business, government and the community have been recognised as potential levers for the creation of skilled and available labour, particularly but not exclusively in rural and remote Australia.

---

<sup>4</sup> See in particular the Victorian Premier, Governments Working Together: A Third Wave of National Reform (August 2005)

A better union between economics and fairness is coupled with a more realistic understanding of the effort that is going to be needed to tackle social exclusion. The concept of income support is a necessary but hardly a sufficient condition for social inclusion. We are talking here of culture and capacity – a culture of self-respect and the capacity to participate. The context may be an individual or a community making both case and place management – both expensive options if applied properly – a requirement for good policy.

All of this suggests, as Frank Stilwell and Kirrily Jordon have noted, “the need for a more tailored approach to the eradication of poverty and recognises the diverse character of the problems of economic and social marginalisation”.<sup>5</sup> Recognition of diversity sits uneasily alongside the ideology of mainstreaming and would almost certainly imply that we need a range of service providers – government and non-government – if positive results are to be forthcoming. It also means that change will need to be “bottom up” as well as “top down” it is to be owned and thereby sustainable. None of this will be easy – and all of it will require a long-term commitment rather than short-term enthusiasms.

Maintaining such a commitment in the face of opposition from free market economics and the temptations of political realism is never easy but will be complicated even further by the emergence of climate change as a major political issue. As Ross Garnaut has noted climate change and the policies designed to address it will have important distributional implications which cannot be ignored by those committed to a fairness agenda.<sup>6</sup> Indeed it may be the case that the extent of the efforts required to

---

<sup>5</sup> Frank Stilwell and Kirrily Jordan, Who gets what? Analysing Economic Inequality in Australia (Cambridge University Press, 2007)

<sup>6</sup> See Garnaut Climate Change Review, Media Release (20 March 2008)

tackle climate change will necessitate a new politics of fairness just as we saw during and after the Second World War.

To help make fairness a reality the government, non-government sector and individuals all have a role to play. Governments can't do it all and they will require special skills in managing a process that will need to ensure that taxes and expenditures are better targeted in the interests of equality of opportunity rather than in the interests of those already privileged. However, the private and non-government sectors will need to play their part in supporting innovation and providing opportunities for the poor. Indeed social inclusion can't just mean self-respect and individual capacity, it must also mean social and economic opportunity. For too long we have allowed these collective and community foundations of our individual freedoms to wither on the vine. Restoring the balance brings hope to those currently disenfranchised and is a worthy object of our national attention.