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Author:

Martin, Julia

# What Happens to State Wards After They Leave Care?

BY JUDY CASHMORE AND MARINA PAXMAN

When the New South Wales Children's Court determines it is in the child's best interest not to remain at home, a child may be made a ward of the state. Legal guardianship is transferred from the child's parents to the Minister of Community Services.

The state is then responsible, as guardian, for the long-term welfare of children in wardship. Direct care is generally carried out by foster parents or residential workers. However, the statutory responsibility for ensuring the child's needs continues to rest with the Department of Community Services.

In recent years, approximately one hundred young people aged 16 to 18 years have been discharged from wardship each year in New South Wales. Such young people are not homogeneous in their characteristics. Children and young people differ in terms of gender, sexuality, ethnicity, Aboriginal identity, disability and mental health.

young people are often discharged from care and protection arrangements on the basis of their age, rather than their maturity

These young people enter care at various ages and for a range of reasons. During their time in care they experience different types and number of placements, levels of family contact and numbers of workers. After leaving care, they have to deal with another set of challenges.
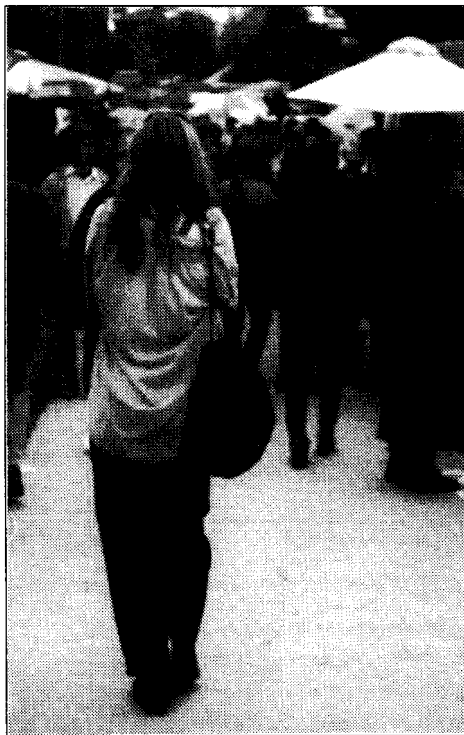
Young people are often discharged from care and protection arrangements on the basis of their age rather than their maturity, and often have little systematic preparation or ongoing after care.

At discharge, young people also face other major life-course transitions, such as that from school to further studies, job training or work, unemployment or parenthood. These life transitions often occur simultaneously and are especially difficult for a group of people who have

life transitions are especially difficult for a group of people who have weak familial ties and limited support networks

weak familial ties and limited support networks. Discharge from wardship at 18 years is against the trend in the general population, where young people leave their parents' home later, and often return several times before leaving for the last time.

While some young people who have been in care make the transition to independent living successfully, others are vulnerable and 'at risk'. Former wards have a relatively high incidence of unem-

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ployment, homelessness, and ill health.

Material and financial support and other services relating to education and training are still available to ex-wards at the discretion of the Minister and the Department, according to s92(1) of the 1987 Children (Care and Protection) Act. However, any assistance is discretionary and open to wide interpretation as the legislation is not specific about what this may entail, apart from time-limited assistance for vocational education and training. It is not an entitlement, and no age is specified at which benefits to ex-wards cease.

Government-run after care programs do not exist, and in the recent shift to the increased provision of substitute care services by non-government agencies there are as yet no clear guidelines or specifications for the provision of after care services as part of the tendering process.

The Longitudinal Study

The SPRC project **The Longitudinal Study of Wards Leaving Care** looked at the perceptions and experiences of young people in care, during their transition to independent living, and their needs for after care.

The objectives of the study were:
• to examine the circumstances, experiences, and difficulties of young people leaving wardship at the time of leaving care and subsequently;
• to document their perceptions of the events and experiences of being in care;
• to evaluate the service needs of young people leaving care and the extent to which these needs are being met by Departmental and non-departmental services;
• to examine any relationships between outcomes and young people's individual characteristics, family histories and experiences in care.

Commissioned and funded by the NSW Department of Community Services, the research was conducted between 1992 and 1995 by Judy Cashmore and Marina Paxman. The data provides longitudinal information from interviews with the young people themselves and their 'voice' provides the most powerful evidence of their needs.

Data were also gathered from their

Departmental B-files (case files), from interviews with their workers and from two comparison groups of young people of similar age who had not been in care. One comparison group comprised young people still living at home with their parents and the other, young people who had left home and were in refuges or supported accommodation.

A total of 91 young people aged 16 to 18 left wardship in NSW over 12 months from September 1992 to August 1993. Attempts were made to contact them and invite them to participate in this research project. Forty-seven agreed to be involved, 16 were unable to be contacted before they were discharged, 19 could not be located and nine declined to participate.[1]

The 47 young people in the interview sample were interviewed in the months

at that time in terms of gender, location and Aboriginality. However those interviewed had a more settled history in care than those who decided not to participate. In light of this, the findings should be interpreted as perhaps underestimating the needs of young people leaving wardship.

Summary of Findings

The main purpose of the study was to find out what happens to young people when they leave wardship and what their needs are. It became clear, however, that their experiences in care and their circumstances as they were leaving care had a significant effect on their transition from wardship.

The research shows some factors are good indicators of turbulent futures after care. These include the number of place-

Living arrangements at the time of the three interviews

Living Arrangment	Interview 1 3 months before discharge	Interview 2 3 months after care	Interview 3 12 months after care
Foster care	14	13	8
Relative care	5	3	2
Self-selected foster care	3	1	1
Birth parent/s	9	5	4
Supported accommodation/refuge	6	7	3
Independent/renting	6	12	19
Friend's family	3	5	3
Other (college, detention, residential care)	1	1	5
Total	**47**	**47**	**45**

immediately before discharge (with retrospective coverage of their experiences in care) and at intervals approximately three months and 12 months after being discharged from wardship. Ninety-six per cent of the participants remained in the longitudinal study until its completion. The table above shows where the young people in the interview sample were living at each of the three interviews.

Data were collected from the 91 Departmental B-files to verify the accuracy of the interview data and to assess the representativeness of the interview sample.

Comparison of the interview and non-interview groups' characteristics show that the interview sample was representative of all young people aged 16 to 18 leaving care

ments, workers and carers, the number of schools attended, the frequency and quality of family contact, and young people's knowledge and access to information about their personal history.

• In Care

The stability and continuity of care for children in wardship is extremely important. Young people who had spent at least 75 per cent of their time in care in one long-term placement were better off than those who did not. They attended fewer schools, were more likely to have completed Year 10 at school, reported themselves to be happier, and to be able to make ends meet financially. They were more satisfied with what the Department

had done for them, less likely to say they had missed out on affection and things other children had, and they were less likely to have thought about or attempted suicide. Fewer than half had spent 75 per cent of their time in one placement; 79.6 per cent had three or more placements, and the median number of placements was 6.5.

District Officers may also provide an important source of continuity for children in care which is necessary to build trust and understanding. Their presence can help to better prepare children for unavoidable changes with minimal anxiety, helping them to ask questions about and understand the reasons they entered care. This is particularly important, because young people who believed at some stage that they were responsible for being placed into care were less likely to complete high school, were less happy after discharge and more likely to have thought about or attempted suicide.

Continuity with District Officers fosters a trusting relationship between children in care and their workers. This is important in facilitating the monitoring of out-of-home placements to prevent and thwart abuse in care. It is also important for workers to listen to children and to inform them about appropriate services and the support they are entitled to from the Department and other government and community organisations.

Family contact while in care was found to be the best predictor of family contact and support after leaving care.

• *After Care*

The needs of young people leaving care vary and change over time. The research indicated the need for preparation and ongoing support beyond discharge. There was considerable variation in the level of preparation, in the emotional and material support provided at discharge and after care among the young people interviewed. Many were discharged from care with little or no after care.

Nearly half the young people leaving care felt unsure and vulnerable about it at some stage. At other times they expressed enthusiasm or indifference. There appeared to be particular difficulties encountered when leaving care and leaving school occurred at the same time.

Twelve months after discharge, only

one in four young people were living in the same place as in the months leading up to their discharge from care. On average, they moved three times in the year following discharge. The more places they lived in while they were in care, the more places they lived in after leaving care. Often they did not see their previous carers as key support people. Overall, it is clear that they did not have the same level of support or stability as young people leaving home generally have.

Just over half had completed Year 10 and 44 per cent of the participants were unemployed a year after discharge. A large number were dependent on Commonwealth income support alone. Unfortunately, these benefits are age-related and the level of payment is based on the assumption that young people have familial support.[2]

After discharge, young people with little family support are in a particularly vulnerable position. Nearly half said they

the more places they lived in while they were in care, the more places they lived in after leaving care

were having problems making ends meet financially. Over half had thought about, or attempted, suicide at some stage. Nearly one in three young women had been pregnant or had a baby soon after leaving care.

Implications

This study provides virtually continuous data on the factors and policies supporting and impeding a successful transition to independent living after leaving care. Young people's needs vary and change over time, but the research does provide systematic evidence that there is an urgent need for after care.

Young people's circumstances varied considerably. The level of support received was dependent on the discretion of Regional Managers and the goodwill of District Officers. Young people felt their access to their own B-Files and the level of

preparation and assistance were inadequate.

It is clear there needs to be flexibility in the age at which young people are discharged from wardship, as their maturity, needs, personal wishes and circumstances vary so much. Young people are often willing to accept help, but not willing to ask for it.

After care services need to be developed as an essential part of substitute care policy and practice. Policy needs to be specific about entitlements and adequate resources for after care are required. The challenge is to develop proactive policies and remove arbitrary discretion whilst maintaining flexibility and consistency across the state in the areas of vocational education and employment, accommodation, health and counselling, income support and budgeting, access to personal information and files; and also advocacy and general support.

State guardianship, however, should not be viewed negatively. As many of the young people in the study recognised, children who receive stability and continuity of care often do better than had they had remained at home.

Notes

[1] Young people in care with a disability or mental illness were not included as early experience in the study showed their needs were not dealt with adequately in the general study.

[2] Young people have the right to claim Commonwealth income support from 16 years onwards and 15 years in special circumstances. Single claimants of the Youth Training Allowance, Job Search Allowance, Newstart Allowance, Sickness Allowance and Special Benefit receive $232.10 per fortnight if under 18 years (including homeless); $256.70 per fortnight if 18-20 years; and $310.50 if 21 years and over (DSS, 1996 Rate Card 1.1.96-19.3.96).

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The Social Policy Research Centre (originally the Social Welfare Research Centre) was established in January 1980 under an agreement between the University of New South Wales and the Commonwealth Government.

The Centre is operated by the University as an independent unit of the University. The Director receives assistance in formulating the Centre's research agenda from a Board of Management, and in periodic consultation with the community. The Director of the Centre is responsible to the Vice-Chancellor for the operation of the Centre.

The Centre undertakes and sponsors research on important aspects of social policy and social welfare; it arranges seminars and conferences, publishes the results of its research in reports, journal articles and books, and provides opportunities for postgraduate studies in social policy. The Centre's current Research Agenda covers social policy issues associated with changes in work and employment; levels of social and economic inequality including poverty and the measurement of income and living standards; the changing structure of the mixed economy of welfare and the roles of state, market, household and non-government sectors in meeting social needs; in policies and programs in social security, taxation and the labour market, and in community services policies and programs.

The views expressed in this Newsletter, as in any of the Centre's publications, do not represent any official position of the Centre. The Newsletter and all other SPRC publications present the views and research findings of the individual authors with the aim of promoting the development of ideas and discussion about major concerns in social policy and social welfare.

The Social Policy Research Centre is located on Level 3 of the Samuels Building, University of NSW, Kensington Campus. Enter by Gate 11, Botany Street.
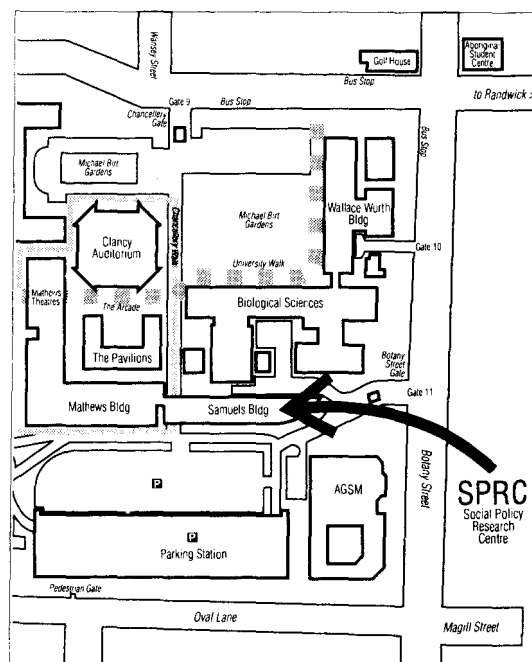
1996 promises to be an interesting one for social policy in Australia, as elsewhere. It has been designated the International Year for the Eradication of Poverty, an event which will hopefully serve to draw attention to the need for effective measures to ensure that needs are being met and that inequalities are reduced.

Even in rich countries like Australia, there is a need for constant monitoring to ensure that past progress is not eroded and that new problems are identified and addressed as they emerge. The implementation of appropriate and effective social policy is best regarded as an ongoing process requiring constant review and response, not as a once-and-for-all intervention.

In Australia, the forthcoming federal election will no doubt add further spice to the coming months and will provide a good opportunity for public discussion of the nation's social landscape as we approach the end of the 20th century. There is an accumulation of evidence that public

interest in social issues is growing. Studying what has happened to income distribution has itself become a growth industry and while some very valuable work has been done in this field, we should not lose sight of the fact that inequality of incomes is but one dimension of the broader social justice canvas. To be most effective, the study of how the distribution of income is changing must lead into a consideration of more fundamental issues associated with the forces which facilitate the production and reproduction of the various forms of inequality. Much of this broader task remains ahead of us.

Further evidence that public interest in social issues is growing is to be found in the fact that last year saw a considerable increase in the number of contacts we received from the media and other bodies asking for information about our research findings. Dissemination of research results through a variety of channels, including mass media outlets, is an important part of raising community awareness of social issues - even if the media does not

always cover the issues as well (nor often as accurately!) as we in the research field would like. Getting the right message across, like devising the appropriate policy responses, will take time.

In the meantime, bodies like the SPRC need to continue researching the social dimensions of modern life, not only because these need to be monitored and understood, but also as an input into efforts to improve Australian society.

Those who stress the crucial role which the performance of the economy plays in our lives must not be allowed to forget that the economy is a means to an end, not an end in itself. Ultimately, it is social cohesion and public acceptability of market-based transactions, as well as incentives and market conditions, that determine what the economy can deliver in terms of rising living standards for those whose labour and resources underpin all economic transactions.

Peter Saunders
Director

Staff and Visitors

■ Centre Director Dr Peter Saunders was promoted to the position of Professor of the University of New South Wales from the beginning of 1996. The position of the Director of the Centre has long been equivalent to professorial level. The conferring of the status and title is in recognition of the academic achievement of Dr Saunders.

■ Tony Eardley joined the Centre in December 1995 as a Senior Research Fellow. He was previously a Research Fellow at the Social Policy Research Unit at the University of York, UK, where he completed a comparative study of social assistance schemes in the OECD. Tony will be working the areas of social security, living standards and income support.

■ Róisín Thanki was appointed Senior Research Assistant with the Budget Stand-

ards Unit (BSU) in November 1995. Róisín worked previously with the Public Sector Research Centre at UNSW and the Northern Ireland Economic Research Centre.

■ Colette Murray also joined the BSU in November 1995. A graduate in nutrition studies, she has a background in community health and health promotion, most recently working at the Maryland Community Health Centre as a Health Promotion Officer.

■ Ahsan Habib is working with the BSU under the Skillmax program throughout the months of February and March, providing research assistance with calculating the costs of leisure.

■ Gerda Vrielink, from the University of Enschede in the Netherlands, will be at the Centre until June, working on the

project Poverty Lines Among Sole Parent Families in Australia.

1996 Visitors

February - November: Professor Terry Carney, Faculty of Law, University of Sydney.

February - April: Alois Guger, Austrian Institute of Economic Research, Vienna.

March 15 - June: Professor Derek Hum, St John's College, University of Manitoba.

April 15 - May 8: Professor Dr Hans Braun, Centre for Labour and Social Policy, University of Trier.

April - July: Dr Jane Mears, Dept of Policy and Human Services, University of Western Sydney

July 15 - December: Prof. Maureen Baker, School of Social Work, McGill University

Who Cares? What Works?

Successful Caring Arrangements for Employed Caregivers

BY KAREN TURVEY

Informal carers provide the bulk of care for elderly and disabled people in the community. In 1993, 577,500 people or 4.2 per cent of the Australian population aged 15 years and over cared for a person with a handicap (ABS, 1993: 11).

The majority of carers under pensionable age remain in employment (Laczko and Noden, 1992). However, there are no accepted strategies to alleviate the conflict experienced by employed or job-seeking caregivers, unlike parents with young children, who have access to childcare. The Social Policy Research Centre has commenced a Study, **Successful Caring Arrangements for Employed Caregivers**, to investigate the family and workplace factors and service interventions which best support caregivers in paid employment. The study is funded by the Department of Health and Human Services and is due to be completed early in 1996.

Who cares?

A combination of economic and demographic trends has led to an increasing

there are no accepted strategies to alleviate the conflicts facing employed caregivers, unlike parents with young children, who have access to childcare

reliance on the care provided by informal caregivers and a rise in problems associated with combining caregiving and paid employment.

Recent shifts in government policies in Australia have encouraged the provision of care in the community rather than institutional care. Parallel to this has been the ageing of the Australian population (ABS, 1995: 3) resulting in an increase in the numbers of disabled or frail elderly
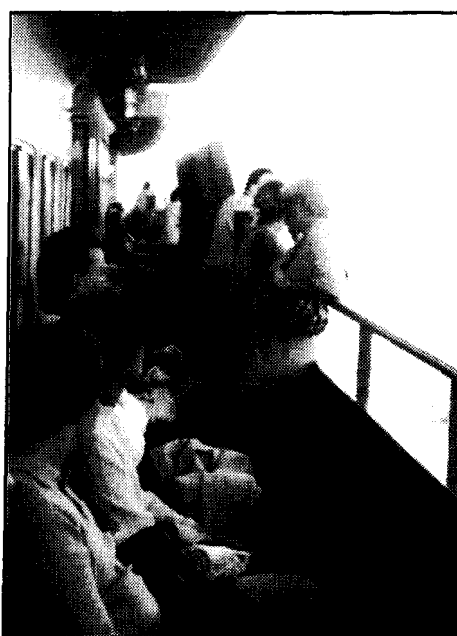
people who are likely to need some degree of physical or social care. However, implementation of community care policies still rely heavily on the assistance provided by informal carers. This raises problems for all caregivers who may wish to gain or maintain employment, particularly for women, who have traditionally provided informal care for family members.

Paid employment can provide the caregiver with both material and non-material benefits. Material benefits provide the financial means with which to

survive and continue caregiving while non-material benefits can include providing the caregiver with status, a sense of identity and social contacts (Glendinning, 1992) and in some instances, a relief from caring (Pixley, 1989:91; McLaughlin and Ritchie, 1994).

The economic opportunity cost of combining paid work and caregiving is often reflected in the carer having limited choice in employment (Glendinning, 1992), taking reduced pay or a lower paid job (Hancock and Jarvis, 1994), having difficulties in obtaining work or leaving paid work (Hancock and Jarvis, 1994; Glendinning, 1992).

Many caregivers are unable to combine caregiving responsibilities and paid employment, with the result that they are forced to rely on government benefits. Evidence of the impact of caregiving on participation in paid employment is revealed in the lower labour force participation rate of principal caregivers of work force age (60 per cent) compared to all people (78 per cent) (ABS, 1995:30).

The Study

The study will investigate the difficulties experienced by those who attempt to combine their ongoing responsibilities for caregiving with paid employment and to identify family and service interventions which enable them to gain or maintain employment.

Two stages make up the project. The first stage is a literature review, to draw together existing research on caregiving and employment, and the second stage is a small scale empirical study.

An important dimension of the study is the use of small focus groups to explore the experiences of caregivers in employment and identify strategies which provide support such as family support,

> **non-material benefits of paid work for caregivers are status, a sense of identity, social contacts, and in some instances, a relief from caring**

occupation and position within the organisation, work conditions, access and adequacy of pensions and benefits and access to formal services.

The organisation of focus groups is well underway and participants are being drawn from a wide range of sources. These include voluntary organisations responsible for the support of elderly people and people with disabilities, organisations representing ethnic groups, and also possibly an employer group.

In order to represent a wide range of disabilities and different relations between caregiver and care recipient, the research team envisages that five separate focus group sessions will be conducted with employed or job seeking caregivers of workforce age from a range of backgrounds and caregiving circumstances.

References

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Glendinning, C. (1992), *The Costs of Informal Care: Looking Inside the Household*, Social Policy Research Unit, HMSO, London

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Laczko, F. and S. Noden (1992) 'Combining paid employment with eldercare: the implications for social policy, health and social care', in R. Hancock and C. Jarvis (1994), *The Long Term Effects of Being a Carer*, Age Concern Institute of Gerontology, HMSO, London, 1: 81-89

A Longitudinal Study of Social Security Clients

BY BRUCE BRADBURY

I n 1995, the SPRC commenced a new longitudinal study of unemployed Social Security clients and their spouses. The main goals of the study are to investigate the impact of the changes to income support arrangements which occurred in mid-1995 (the *White Paper on Employment and Growth* reforms), and to provide more general information on longer term outcomes for Social Security clients of workforce age.

> **how much casual or part-time work are people who receive Social Security payments able to do?**

The 1995 reforms involved four main changes to the Social Security payments received by families with unemployed members. They are as follows.

• For most people receiving Social Security Allowances, a new income test means that they can now earn a higher amount of part-time or casual earnings before their benefit is reduced to zero.

• The income test for couples has been 'split', so that the casual earnings of one partner have less impact upon the allowance received by the other partner.

• For couples with children under 16, a new payment, Parenting Allowance, was introduced, usually paid to the mother. This is paid to families where the other spouse is receiving an allowance, as well as to families where the other spouse is working or self-employed but with a low income.

• Some people who were receiving Partner Allowance prior to July 1995 now have to apply for some other payment (such as Job Search Allowance). This mainly applies to married women who do not have children under 16 living with them, and who are aged under 40 or have some recent labour market experience.

The study involves an initial face-to-face interview with around 1100 people whose families were receiving Social Security Allowances in June 1995. About one fifth of the sample are single adults, and most of the remainder are either women married to unemployed men, or in families with very low incomes.

The SPRC is designing the study, with Reark Research conducting the client interviews. Interviews for the first wave of the study took place in August and September 1995, and will be followed by telephone interviews at six monthly intervals over the following three years.

Some of the specific questions the study will be addressing include the following.

• What do people who were receiving Social Security payments think of these changes? Do they think they will make any difference to them?

• How much casual or part-time work are people who receive Social Security payments able to do?

• Does part-time work lead to higher income full-time work and independence from Social Security?

• What happens to people after they stop receiving Social Security payments?

It is expected that the first interim report from the project will be available in mid-1997. For further information, please contact Bruce Bradbury or Jenny Doyle on (02) 385 3833.

> **does part-time work lead to higher income full-time work and independence from Social Security?**

Why do the Wives of Unemployed Men Have Such Low Employment Rates?

ANTHONY KING, BRUCE BRADBURY AND MARILYN MCHUGH

SPRC Reports and Proceedings No. 125

This report is based on a study of the wives of unemployed men commissioned by the Department of Social Security in 1993 to investigate why this group of women has such a low employment rate.

Three hypotheses are addressed: that these women have personal and other characteristics that decrease their likelihood of employment; that income tests make it uneconomic for them to work when their husband is receiving unemployment allowance; and that social roles may make it unacceptable for the wife to work when the husband is unemployed.

Variations in the characteristics of married women, distinguished according to the employment status of their partner, are sufficient to explain almost all of the variation in employment rates between these groups of women. However, which of these characteristics was most important could not be identified conclusively.

The picture is dominated by women's role caring for children, the women's own ill-health or disability, and by labour market discouragement. To the extent that the direct effects of the husband's unemployment on the wife's labour force participation are important, they appear largely to offset each other.

Financial disincentives appear to play only a minor role, and there is little evidence of the 'bruised machismo' effect. The study suggests that the elements of the White Paper on Employment and Growth with the greatest potential to assist these women are the enhancements and extensions of labour market assistance, rather than the changes to social security provisions alone.

The Wives of Disability Support Pensioners and Paid Work

ANTHONY KING AND MARILYN MCHUGH

SPRC Reports and Proceedings No. 126

A companion study to the one described above, this study looks at the low employment rates of wives of Disability Support Pensioners. In particular, it investigates the roles the social security system and labour market assistance play in the labour market decisions made by these women.

Unlike the companion volume, this report is concerned solely with the results from the interview survey. ABS data were not available and Social Security administrative data provided only a small number of cases.

The picture obtained of these women's labour force decisions is mainly one of degrees of constraint: in particular, the constraints imposed by disability, ill-health, only basic labour market skills, or the lack of labour market experience. Financial disincentives imposed by the social security system do not exist in isolation, but in a combination with the perceived need to supplement income.

The main route to changing the labour force behaviour of these women would be through reducing these constraints, particularly through the provision and encouragement of appropriate training.

Older Workers Report

The report Job Search Experiences of Older Workers, by Sol Encel and Helen Studencki, is available from the NSW Consultative Committee on Ageing.

Telephone (02) 367 6840 to obtain a copy of the report.

Evaluation and Research in Social Policy

PETER SAUNDERS AND MICHAEL FINE

SPRC Discussion Paper No. 62

Evaluation has entered a 'new age', and this paper explores how it might influence the development of policy and, more particularly, how it has affected the nature of the work of the Social Policy Research Centre (SPRC).

Following a discussion of the definitions of evaluation, of other policy-related research, and of evaluative research, the authors look at changes in the program of research undertaken in the SPRC over the last five years. Some examples of SPRC research in the fields of social security and community support illustrate the nature of its contribution to the evaluation of government social programs.

Unpacking Inequality: Wage Incomes, Disposable Incomes and Living Standards

PETER SAUNDERS

SPRC Discussion Paper No. 63

The relationship between the labour market and the distribution of income is explored in this Discussion Paper.

The author first shows the importance of the number of earners to the overall distributional location of Australian income units, and also locates the distribution of wage incomes within the broader distributional picture.

It is shown that other income components can have significant distributional effects which markedly change the distributional rankings of individual workers. These relationships are also explored using a range of international data for OECD countries.

A Challenge to Work and Welfare: Poverty in Australia in the 1990s

PETER SAUNDERS

SPRC Discussion Paper No. 64

One of the main aims of this paper is to illustrate why and in what sense the measurement of poverty remains important in the broader policy debate. The role of budget standards in the development of poverty benchmarks is discussed, as are the limitations of the current method of updating the poverty line.

Some possible ways of dealing with these issues are explored using data from the latest (1990) household income survey. This is followed by a discussion of how income units at different points in the income distribution evaluate their own perceived happiness and health status.

Finally, the paper canvasses some of the effects of labour market changes and what these imply for future trends in poverty and income support policies.

Social Policy and Personal Life: Changes in State, Family and Community in the Support of Informal Care

SHEILA SHAVER AND MICHAEL FINE

SPRC Discussion Paper No. 65

Two contemporary developments challenge policies which support informal caregiving. One is the post-industrial transformation of employment; the second concerns demands for policies which are responsive to social difference and distinctive values of care in communities of shared sexual, ethnic and religious identity.

Three approaches for policy and implementation of policy are canvassed: the enforcement of family responsibility through the withdrawal of public assistance; the relief of caregiving responsibilities through alternative forms of support; and the development of a 'shared care' approach, based on a 'partnership' between the state, community and family.

Price Rise For SPRC Publications

Owing to increased costs in printing and paper, SPRC Reports and Proceedings and the SPRC Research Resource series have increased from $9 to $10 per copy. Subscribers should note that this will not affect their current subscriptions.

PUBLICATIONS ORDER FORM

Please mark boxes to indicate which publications you are ordering.

REPORTS AND PROCEEDINGS

☐ No. 125, Anthony King, Bruce Bradbury and Marilyn McHugh, **Why do the Wives of Unemployed Men Have such Low Employment Rates?**, December 1995, 198pp. $10

☐ No. 126, Anthony King and Marilyn McHugh, **The Wives of Disability Support Pensioners and Paid Work**, December 1995, 120pp. $10

DISCUSSION PAPERS

☐ No. 62, Peter Saunders and Michael Fine, **Evaluation and Research in Social Policy**, December 1995, 32 pp. Free

☐ No. 63, Peter Saunders, **Unpacking Inequality: Wage Incomes, Disposable Incomes and Living Standards**, December 1995, 40 pp. Free

☐ No. 64, Peter Saunders, **A Challenge to Work and Welfare: Poverty in Australia in the 1990s**, December 1995, 40pp. Free

☐ No.65, Sheila Shaver and Michael Fine, **Social Policy and Personal Life: Changes in State, Family and Communtiy in the Support of Informal Care**, December 1995, 44pp. Free

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Public Sector Management

BY NORMAN FLYNN

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Reviewed by Sol Encel

As recently as 1988, the political scientist Ken Wiltshire noted that the Australian Labor Party retained a 'binding commitment' to the role of the state in providing welfare services and basic public utilities. He also argued that fashionable talk about 'privatisation' was largely inspired by borrowings from British sources and that, in practice, the Australian conservative parties had only rarely been prepared to cut back public sector activity.

How rapidly times have changed. Not long after Wiltshire's article appeared, Prime Minister Hawke told the Labor caucus that privatisation of public enterprises was unavoidable in order to reduce the Budget deficit, bring down overseas indebtedness, and also to provide funding for health, education, and social security. Within a few years, the Federal government had disposed, in whole or in part, of Australian Airlines, Qantas, and the Commonwealth Bank, and introduced compe-

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tition into the telecommunications industry.

In Australia, the major areas of social policy have, however, remained largely unaffected by the ideology of privatisation. In Britain, on the other hand, no area of economic or social policy has been exempt from the threat or the actuality of privatisation. Flynn's book, originally written
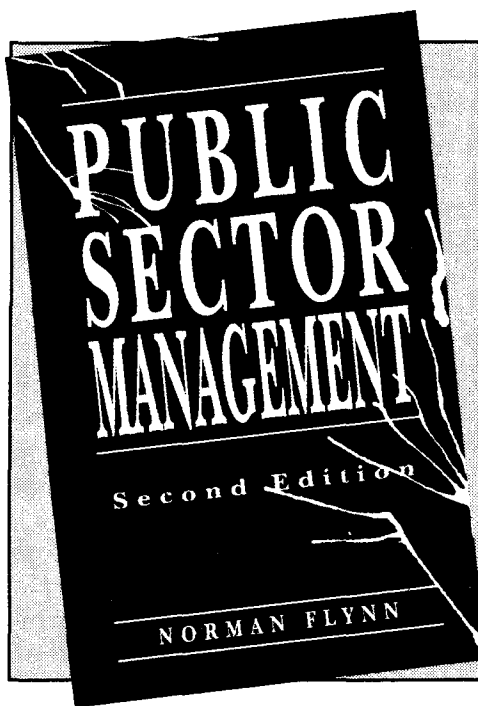
while Margaret Thatcher was Prime Minister, has been updated for its second edition to cover developments in the post-Thatcher era. He is principally concerned with the impact of the privatisation ideology on the actual conduct of social policy in seven areas: income maintenance, local government, education, housing, health care, personal social services, and criminal justice.

For an Australian reader, it is of interest to note that Flynn quotes a local publication as an influential source of ideas on the subject of privatisation and the need to remove distortions in public policy caused by interest groups such as the 'welfare lobby'. In 1989, Freebairn, Porter and Walsh published *Spending and Taxing* (Allen and Unwin, Sydney), which attacked the role of interest groups in pushing up levels of public spending and maintaining the existence of social programs beyond their effective life.

These arguments, based on 'public choice' theory, chime closely with Margaret Thatcher's famous declaration in 1987 that 'there is no such thing as society'. Hence, social programs arise only because of particular interest groups, and public expenditure patterns will be determined by the relative strengths of these groups. The introduction of market principles would remove these distortions.

Flynn gives us a compelling description of the impact of such ideas, sometimes called 'managerialism', on the administration of services. The managerial ideology states that

> there is no difference between running a factory and running a hospital, or between a company and a local authority. If there are differences, such as the fact that there is no market or there is no way of measuring profits, then these differences should be removed.

Hence, hospitals become 'profit centres' and schools are run as businesses. It is logical, therefore, that managerial positions should be filled by recruitment from private business. Many of the recent reforms, Flynn tells us, have been introduced by such recruits, many of them seconded from the big accountancy firms.

This reflects the belief that the private sector has the best people, and of course they are more oriented to the 'bottom line'. More chillingly, it also reflects the attitude that managers should be left to manage free from political interference. Political accountability is inappropriate; hence, local authority representatives have

been removed from health authorities, and school governors are recruited from the business world because they bring with them a managerial approach.

Flynn depicts two scenarios, one involving the conflict between individualism and collectivism, and the other the tension between managerial and professional values. He offers four possible futures for the welfare state:
• residualisation, based on capacity to pay;
• privatisation and charitisation of services, where the burden of provision shifts strongly to voluntary agencies;
• retention of the welfare state, with reductions in some kinds of services;and
• a 'persuasive' welfare sate, in which there is much more 'customer orientation'.

The tension between managerialism and professionalism also lends itself to a quadripartite set of scenarios as follows:
• inward-looking managerialism, obsessed with budgets and 'efficiency';
• inward-looking professionalism, claim-

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ing to know what is good for people;
• outward-looking professionalism; and
• outward-looking managerialism.

Flynn's preferences are clearly for a system which combines a persuasive welfare state with an outward-looking professionalism. As he stresses throughout the book, services are not provided by the managers but by front-line staff, who can only perform effectively if their commitment to an ethic of public service is fostered and rewarded. This commitment is likely to be undermined by the assump-

tion that motivation to perform is fuelled solely by money.

Ironically, Flynn concludes with a reference to the United States, where Thatcherism made a great impression on conservative Republicans. At the time of his election, President Clinton expressed his support for ways of managing public services which did not rely simply on privatisation and competition. 'Perhaps,' Flynn remarks, 'the United States may be turning away from Republican ideas about the public sector'. These words were obviously written before the last US Congressional election and the 'Contract with America'. So much for political prophecy.

One does not, however, have to be much of a prophet to predict a change of government in Britain. The Labor Party is committed to dismantling much of the legacy of Thatcherism in social policy. In due course, perhaps, Flynn will produce a third edition of this book, which tells us how successfully a future Labor Government has managed to keep this commitment.

The Asia Social Policy Forum

development and human rights, people are usually treated as individuals and that gains from economic growth have mainly been considerable for individuals.

However, Forum discussion suggested that acceptance of the principles of individual need and the responsibilities and rights of individuals should not be considered to be in conflict with a sense of family and community. Responsibility to family through the exercise of individual responsibility is encountered in each of Asia's great religions. In Confucianism, for ex-

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ample, individual effort and achievement are regarded as a way to develop the family.

Spiritual development was seen as a process of developing individual and social values. 'Economic development without spiritual development,' said one participant, 'is like a house that is not a home'.

Policy initiatives

Small group discussions generated some principles for addressing some of the problems identified. These included:
• the importance of people-centred sustainable development;
• the key role of families and communities in social capital;
• the value of the distinctive blend of collectivism and individualism which characterises the cultures of the region;
• the need for a balance between traditional values and modern circumstances; and
• the importance of distinctive and co-operative roles for government, business and non-government organisations.

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The Future

Several means of keeping an ongoing network to share regional knowledge of policy and policy developments are currently being explored. There is considerable support for continuing the dialogue that began with the Forum, and to extend the discussion beyond families into other important areas of Asian life.

In the meantime, as one participant remarked, the Forum 'enabled members playing diverse roles in many countries of the region to discover common experience and share ideas'. The next few years will, hopefully, see a continuation of this co-operation in social policy throughout the Asian region.

The Asia Social Policy Forum

Economic Development, Social Progress and Family Change in the East-Asian Hemisphere

The Asia Social Policy Forum brought together 43 participants from Australia and 14 countries in South-East and East Asia to discuss changes in and pressures on families in a time of rapid economic development, and to look at the role of social policy in responding to them.

The Forum was a joint initiative of the Social Policy Research Centre and the Asia-Australia Institute of the University of New South Wales, and was held in Chiang Mai, Thailand, on 25-27 November 1995. It was conducted with the financial assistance of the Australian Commonwealth Departments of Social Security and Housing and Regional Development, Greenspot Thailand and Qantas.

Participants came from Australia, Cambodia, Chinese Taipei, Hong Kong, Indonesia, Japan, Korea, Malaysia, Negara Brunei Darussalam, the People's Republic of China, Philippines, Singapore, Thailand and Vietnam. They included academics from a range of social policy disciplines, senior government officers and elected

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officials, members of non-government organisations, and men and women from business and the media.

Associate Professor Stella R. Quah of the National University of Singapore presented the Keynote Address, 'Family and Economic Development: The Social Policy Challenge'. Professor Quah argued that although conflict between work and family responsibilities is not new, it is an issue of considerable significance to the peoples of Asia today.

Competition to attain economic development in the global market has not been accompanied by increase in the support given to family life. Professor Quah argued that nourishment of 'social capital' embodied in family relations is of fundamental importance for the complete progress of the community.

Economic Development and the Family in Asia

The first plenary session of the Forum discussed the implications of economic development for the family in Asia. Although the dimensions of 'family' vary a good deal from country to country, a number of broad trends were identified.

One of these is a reduction in the breadth and size of family groupings. In

countries like Vietnam, there has been a shift away from extended and towards nuclear family households. In other countries such as Japan, the nuclear family household has long been an established norm. The extended family continues to function, although it is less influential in the daily life of family members than in the past.

Family Life

Significant changes are also taking place within families, particularly in the relationship of husband and wife. Many participants associated economic development and changes in the family with conflicts in social values, with modernisation and 'western' influences challenging traditional values of Asian societies. In East Asia, rapid technological development is a further force in these changes, creating and deepening divisions between generations.

Dilemmas are emerging in child care and marital practices. The loss of extended family makes childcare more difficult, and one participant observed that in their country, while sons are being taught to be like their fathers, daughters are told not to follow their mothers. When children from these families marry they are often unable to agree on how to proceed, especially with regard to the division of labour within the household.

The 'House that is not a Home'

The second session of the forum continued the discussion of stresses on and changes in families in Asia. It was noted that in terms of both economic