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# SPRC Newsletter

SOCIAL POLICY RESEARCH CENTRE No. 42 SEPTEMBER 1991 FREE. EDITOR: JENNIFER YOUNG

## BEYOND HENDERSON

BY ANTHONY KING



### THE HENDERSON POVERTY LINE

Whether one believes there were no children, or 400 000 children, living in poverty in Australia by 1990, one unambiguous outcome of the Prime Minister's 1987 'Poverty Pledge' has been to highlight the difficulties with the measurement of poverty in Australia. Recent years have seen critiques of the Henderson Poverty Line intensify and an increase in the calls for adoption of a new approach to poverty measurement in this country.<sup>(1)</sup>

The Henderson Poverty Line has dominated the measurement and analysis of poverty in Australia since the Commission of Inquiry into Poverty in the early 1970s. Criticism, however, is not new and the Henderson Poverty Line has remained pre-eminent despite continuing debate over its merits and limitations.

This resilience can largely be attributed to widespread public acceptance and the failure or inability of critics to present an alternative of at least equally acceptable standing. Thus, whilst users of the Henderson Poverty Line have acknowledged the limitations of the measure, the ultimate defence against the critics has always been the point that no-one has yet come up with anything better.

With time, this element of the justification for use of the Henderson Poverty Line is becoming increasingly untenable and there now appears to be an urgent need to reformulate the approach to poverty measurement in Australia.

**increase in the calls for  
adoption of a new  
approach to poverty  
measurement in this  
country**

### WHY IS A NEW APPROACH NEEDED?

It is not necessary to restate here the debate about poverty measurement in Australia. A number of recent reviews are available (Saunders and Whiteford, 1989; Carter, 1991; Brownlee, 1991). The case for a new approach to poverty measurement can be established irrespective of the persuasiveness of particular conceptual, methodological or technical arguments in the debate.

The argument for a new approach, as opposed to the arguments for what type of new approach, rests simply on consideration of the present and prospective credibility of the Henderson Poverty Line. This refers to the degree of support among the community at large, not just among those researchers, policy analysts and others working with poverty measurement. Credibility and support is crucial to the usefulness of a measure of poverty as a tool for practical policy analysis.

It appears that the credibility, and thereby the usefulness, of the Henderson Poverty Line is being diminished over time through a process of attrition. Resistance to the con-

tinuing criticism is weak for two reasons. Firstly, many (but, by no means all) of the criticisms of the Henderson Poverty Line are accepted by its proponents and, indeed, were often first raised by the proponents. Secondly, the argument that there is nothing better available becomes weaker with time.

Weakened credibility for the established poverty measure has important ramifications for policy debate. It allows the situation to arise where much of the energy directed at attempts to reduce poverty is instead expended in debate and confrontation over how poverty is measured. A clear example of this has been the recent experience with the 'Promise the Children: Action on Child Poverty Campaign' run by the Brotherhood of St Laurence and the Councils of Social Service. Media attention focused on instances of confrontation with the Government on the matter of poverty measurement, thus diverting attention from the substance of the Campaign.

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There is a sense of impending limbo as the credibility of the Henderson Poverty Line is weakened, whether justifiably or not, yet there is no widely accepted alternative available to take its place.

**reformulation of the  
way poverty is  
measured could  
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## WHAT SORT OF REFORMULATION?

The various criticisms of the Henderson Poverty Line have different implications for the type of measure which would be preferred. The criticisms can be categorised into three broad types:

1. There are the criticisms of *particular aspects of the Henderson Poverty Line*, such as: the equivalence scales, the level of the benchmark, the method of updating, or the treatment of housing costs. The objective of this type of criticism tends to be refinement of the Henderson Poverty Line.

2. There are the criticisms based on arguments that *the notion of a poverty line is unrealistic* and that it promotes a focus on the poor in isolation from the conditions of the better-off. These arguments call for broader measurement of inequality rather than on the single aspect of poverty.

3. There are the criticisms that *poverty and, more generally, people's well-being are matters of much more than income alone*. These criticisms are not so much a rejection of the Henderson Poverty Line per se. Rather, they are largely a criticism of the use of an income poverty line to the exclusion of indicators of other facets of well-being.

This third area of criticism has been in the limelight recently with the turning of government attention to issues of 'locational disadvantage', with a focus on the contribution of the degree of access to services to people's well-being.

In a response to the above types of criticism, reformulation of the way poverty is measured could potentially yield a broad range of outcomes, from something very similar to the present Henderson Poverty Line to something vastly different. Are there, though, feasible alternatives and how would we judge which is the best approach? To answer this, we need to look first at what the past, current and prospective research effort offers.

## THE RESEARCH EFFORT

A 1989 EPAC discussion paper on poverty measurement concluded:

*An enormous effort by researchers and policy analysts has been put into debating the strengths and weaknesses of the Henderson poverty line ... What is surprising in Australia, given the widespread criticism of the Henderson poverty line voiced in the last decade, is the almost total lack of effort put into developing an alternative.*

(Saunders and Whiteford, 1989, p34)

This conclusion, however, is really only partly true. A considerable amount of effort has been expended, but not very effectively.

Research into alternative methods of poverty measurement has been, and is currently being, conducted by a number of bodies. This ranges from investigations into aspects of the Henderson Poverty Line, such as the equivalence scales, to very different approaches to the measurement of poverty along the lines of the Townsend 'indices of deprivation' and the Scandinavian 'level of living' approaches.

The recently heightened questioning of the Henderson Poverty Line seems set to lead to an increased intensity of research activity in this area. The question must be asked, however, as to whether the current and prospective research effort is likely to yield an alternative to the reliance on the Henderson Poverty Line? There are two good reasons why the answer to this question should be 'no'. These are:

1. the fact that there can be no definitive measure of poverty (there is no single correct solution to the question of how to measure poverty), and

2. the fragmented nature of the current research effort.

The measurement of poverty or, more generally, of well-being, is often seen as a technical problem with the key barrier to the resolution of the debate being data limitations. Ways of measuring well-being, however, cannot escape underlying value judgments. Sometimes these are made explicit and sometimes they are not. As long as people's values differ there can be no single correct measure of poverty (or well-being). Measurement is partly a technical problem but it is also importantly a political problem.

With regard to the fragmented nature of the research effort, the requirement that a measure of poverty has broad public acceptance will reduce the chances of any separate approach to research and development proving conclusive. While the pursuit of different approaches provides a basis for constructive criticism of alternatives, the separate research agendas and the investments in particular lines of research also provide a basis for defensive criticism. It is difficult to see one research, welfare/advocacy, or policy organisation alone succeeding in bringing about a conversion from the current reliance on the Henderson Poverty Line.

**Measurement is partly a  
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political problem**

The research which has been undertaken, both here and overseas, does provide adequate material with which to assess alternative approaches. Further research along independent paths will add to this stock of material, but will not necessarily bring us any closer to devising a satisfactory reformulation of poverty measurement.

## WHAT IS REQUIRED?

The research effort has tended to focus on the conceptual and technical issues of poverty measurement with a corresponding neglect of the political issues entailed in the actual use of poverty measurement. This focus will need to shift before effective use can be made of the research effort.

It seems that a broadly acceptable alternative to the Henderson Poverty Line will only emerge from a concerted effort by those with an interest in resolving the otherwise endless debate. This has to occur at some stage. There has to come a point where the objectives of pursuing independent lines of academic inquiry are subsumed, if only temporarily, by the more urgent goal of providing a broadly acceptable method of poverty measurement for use in practical policy analysis in Australia.

## THE NATURE OF A CONCERTED EFFORT

It is one thing to argue for a concerted effort to resolve the debate on poverty measurement, but what form could such an effort take?

### the priority should be to resolve the debate in practical terms

Given the will to resolve the poverty measurement debate, the immediate goals should be to clarify the conceptual and methodological issues in contention and to identify the alternative approaches around which broad support may be achieved. The various parties would then need to agree on the approach to take, and then to co-operate in support of any remaining research and development work needed to implement the preferred approach. This does not mean that there would be no room for continued research into other approaches, but that the priority should be to resolve the debate in practical terms.

Given the value-laden nature of any approach to measurement, it is reasonable to wonder at this point whether any approach would be capable of commanding widespread support. That such support is attainable has, however, been demonstrated by the experience of the Henderson Poverty Line over much of the past 20 years. What is needed is not a form of measurement which is everybody's preferred option but, rather, one which is seen as reasonable by many.

The chances of finding an approach to measurement which can command widespread support will be enhanced if

that measure is *relatively straightforward*, covers a *range of factors* and allows some *degree of flexibility* in its use. To find such a measure would not be an impossible task. For example, one form of measure which could fulfil these requirements would be something akin to the Scandinavian levels of living approach: retention of an income measure but supplemented by other measures of well-being. This sort of approach could address all three types of criticism of the Henderson Poverty Line which were noted above.

## THE ROLE OF GOVERNMENT

A key aspect of the nature of a concerted effort to reformulate the approach to poverty measurement is the question of who should be involved in such an effort. One can think of a number of interested research bodies, welfare/advocacy groups, and individuals who would usefully contribute. But what about government?

A number of recent statements from the Federal Government could have been taken to suggest the absence of any serious interest in poverty measurement. It is likely, however, that these have been a figment of the political difficulties and contentions surrounding the issue rather than a true indication of the Government's concern. After all, any government with a concern for equity in the distribution of well-being within the population would be expected to take a keen interest in the issues.

### the strength and usefulness of a measure will not depend on its public acceptance by the government of the day

Accordingly, it seems logical that government should be involved or, at least, support the required effort. On the other hand, there seems no reason to seek endorsement from government for a new approach to poverty measurement. After all, there will be a strong temptation for any government to favour that measure which shows its

achievements in the most favourable light. The strength and usefulness of a measure will depend on the extent of broad community support, not on its public acceptance by the government of the day.

## IN SUMMARY

The continuing debate surrounding use of the Henderson Poverty Line has now reached the stage where there is an urgent need to reformulate the way in which poverty is measured in Australia. The failure to do so risks seriously compromising debate on a range of social policy issues. Such a reformulation, however, is unlikely to just happen. What is required is a concerted effort by those with an interest in resolving the debate. This could yield a range of possible outcomes, extending from essentially a reaffirmation of the Henderson Poverty Line at one extreme to a considerably different approach at the other. Within this range, there are grounds to be optimistic that a solution can be found which will address many of the criticisms levelled at the Henderson Poverty Line, can command widespread support, and will be useful for practical policy analysis.

The Social Policy Research Centre and a number of other bodies are proposing to hold initial discussions to consider the steps required to resolve the issue.

## FOOTNOTE

<sup>(1)</sup> This article stems from arguments developed during work undertaken with the Brotherhood of St Laurence reported in Carter (1991).

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- Saunders, P. and P. Whiteford, 1989, *Measuring Poverty: A Review of the Issues*, Discussion Paper 89/11, Economic Planning Advisory Council, Canberra.

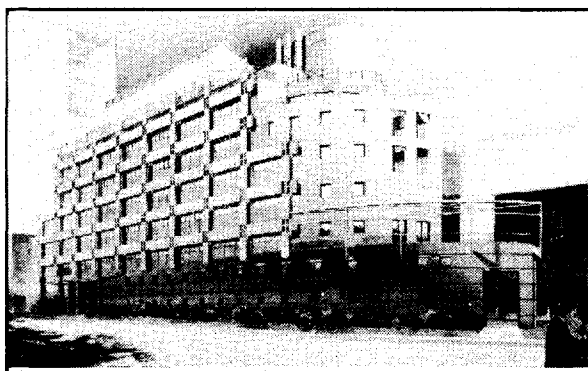


The Social Policy Research Centre (originally the Social Welfare Research Centre) was established in January 1980 under an agreement between the University of New South Wales and the Commonwealth Government.

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

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. Current research areas cover poverty, inequality, and standards of living; social security, taxation and the labour market; the welfare state; and community support services for the frail elderly and younger people with disabilities.

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 now located on Level Three of the University's New Research Building which can be found just inside Gate 11, off Botany Street, opposite the Australian Graduate School of Management and the University Parking Station.

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# FROM THE DIRECTOR

S O C I A L P O L I C Y R E S E A R C H C E N T R E

I arrived back in Australia from leave in mid-June to discover that the SPRC had moved into new premises, and now find myself writing for a new format of the *SPRC Newsletter*! I must say that both are great improvements over previous arrangements, particularly our location on the third floor of the University's New Research Building. It was not my intention, by the way, to be on leave during the move, but I must admit no regret at having missed what must have been a disruptive and traumatic period. Once again, the staff of the Centre have coped extremely well.

## STUDY LEAVE

Just a few words about my leave under the University's Special Study Leave (SSP) scheme. I spent the first two months in the Economics Department at Sydney University, followed by two months in the Department of Social Policy and Social Work at the University of York. My final month was spent as Honorary Simon Visiting Professor in the Department of Social Policy and Social Work at Manchester University. Much of my time was spent working on a manuscript on Inequality and Poverty in Australia which I hope to publish next year. The material draws heavily on the work I have been involved in at the Centre over the last few years, but is being written with a non-specialist audience in mind - a difficult task, as I was to discover.

One positive memory I brought back with me was the number of occasions on which people mentioned the very high regard they had for the quality of Australian social policy research. Several people made the same point to me, one eminent scholar claiming that the quality of comparative social policy analysis being undertaken in Australia is now second to none. It was a source of great pride to hear such views expressed (entirely unsolicited, I might add!) and it made my return to Australia in June all the more agreeable.

## TEACHING

Under the Centre's new Agreement, we are required to assume responsibility for teaching a course on aspects of social policy in the University. This requirement has been seen as allowing the Centre to become more integrated into mainstream University life. For this reason alone it is to be welcomed. I am pleased to report that we will be participating later this year in the Bachelor of Social Sciences Program, teaching part of the second year course, Social Science and Policy Case Studies (SLSP 2002). Our involvement will be undertaken by Bruce Bradbury and Anthony King (on aspects of income support) and by Michael Fine and Sara Graham (on community support services). I believe that this represents an important development of the Centre's mission to educate and raise awareness of the importance of social policy issues.

## PROFESSOR JOHN LAWRENCE

Many of you will know by now that Professor Lawrence recently retired from the School of Social Work at the University. John has had a long and close involvement with the Centre and has served on its committees since we began operation in 1980. He was chairperson of the Research Management Committee from 1985 to 1989 and has chaired the Management Board since the beginning of 1990. I am delighted to report that his retirement will not affect his continued role as chairperson of the Board. He has, over the years, been a constant source of advice and assistance, both to me and to my predecessors. The success of a Centre like this depends on the kind of help, commitment and encouragement that John Lawrence (and many others) provide. Without that, much of what we currently do would

simply not be possible. John Lawrence is someone who has worked tirelessly on behalf of the Centre and I am particularly grateful that his formal involvement with the Centre is to continue.

## STAFF

I am pleased to welcome Alan Law to the Centre for a period of seven months beginning in June. Alan is a PhD student at the University of Alberta, Canada.

## VISITORS

■ The increasing recognition and standing of the Centre is causing a continual increase in the number of Australian and international visitors. Jørgen Elm Larsen returned to Copenhagen in early June, having spent nine months at the Centre. His time with us was a productive one. Not only was he able to continue his research on European welfare states - some of which is summarised in Reports and Proceedings No.91 - but his wife Ellen also gave birth to a son, Rolf, while they were here. We enjoyed their stay with us very much and wish all three of them well for the future.

■ In July Professors Gøsta Esping-Andersen, Stein Ringen and Ian Shirley each spent time at the Centre following the Conference. Dr Bob Rowthorn, Reader in Economics at the University of Cambridge spent two weeks with us in late June. Dr Mark Lyons from the University of Technology, Sydney began a period of six months as a Visiting Scholar in August.

■ Finally, as I write this we are preparing for a visit from the Minister for Higher Education Services and Employment, Peter Baldwin, in early August.

Peter Saunders  
Director

# FROM THE PROJECTS

S O C I A L P O L I C Y R E S E A R C H C E N T R E

## WHAT CONSTITUTES AN ADEQUATE INCOME?

GEORGE MATHESON



This seemingly intractable question is currently being addressed by Peter Saunders and George Matheson in the guise of a project entitled *Poverty Lines: the Consensual Approach*. Actually, the concern which the question embodies is by no means an esoteric academic matter. Any assessment of the adequacy of existing pension and benefit levels, for instance, involves at least an implicit judgement regarding socially acceptable minimum standards of living. This project examines one possible basis for making such evaluations, namely public opinion as measured by the results of attitudinal survey research.

Social policy research, and particularly that part of it concerned with issues of poverty and disadvantage, is forever making judgements regarding minimum acceptable living standards for the poorest members of the community. Typically, experts rely upon a combination of scientific and intuitive considerations to set a 'poverty line' at some income level which they believe approximately delineates those with an income adequate for meeting their basic needs from those without. The well-known Henderson Poverty Line (discussed by Anthony King elsewhere in this *Newsletter*) is a case in point. The present project departs from this sort of approach by exploring the possibility of somehow democratising, as it were, the determination of minimum acceptable levels of income and resources. In an era in which public opinion polls appear to be assuming an increasing salience in political debate, it seems not unreasonable to seek the views of the wider community on acceptable minimum income levels. If we want to know how much income the general public think

people need to survive and/or live in a modicum of comfort, what could be simpler than to ask them, in the form of a social survey?

Of course, in practice things are never as easy as this might suggest. Some obvious difficulties spring to mind. For instance, what questions does one ask to gauge popular sentiment regarding minimum necessary amounts of income? Furthermore, given that people's opinions on such issues vary enormously, and in large part reflect *their own* economic and social circumstances, how might the responses be meaningfully summarised? Even assuming away these difficulties, what exactly would the results tell us? Such are the kinds of questions being tackled by this project, drawing upon the ideas of welfare economists and data from a national sample survey.

### **investigation of popular views on income adequacy touches on some fascinating questions regarding the social meaning of income levels**

A number of researchers have dealt with the conceptual and practical questions associated with measuring public views on income adequacy. For instance, one approach developed in the Netherlands tries to control for the relationship between people's own incomes and their perceptions of the least they would need to 'make ends meet' by statistically estimating the relationship between these two amounts and then setting a 'consensual poverty line' at the point where both are the same (see the Appendix to *SPRC Discussion Paper No. 14* for details). Variations on this method can be used to estimate mini-

mum incomes for different categories of people, such as families of differing size and composition. More theoretically complex inquiries have sought to associate particular levels of perceived economic well-being with corresponding levels of income in the form of estimated 'welfare functions of income' and the like.

The SPRC project seeks to replicate and develop some of this research in the Australian context using data from a national mailed survey on *Attitudes to State and Private Welfare* conducted by Professor Elim Papadakis of the University of New England in 1988. For example, respondents were asked for 'the very lowest net weekly income...that your household would have to have just to make ends meet'. Amounts nominated varied enormously, but had an average of just under \$346 a week. Such an average is however distorted because of a handful of huge responses. If the intersection method described above is applied to the responses, however, together with controls for the numbers of adults and children in a household, then the weighted average response for a household of two adults and two children falls to around \$303 a week, and for a single person household, \$244 a week.

What then do these numbers mean? Certainly, they are significantly higher than the relevant Henderson Poverty Lines for this period, or for that matter the prevailing rates of pension and benefit. Does this suggest that the general public is somehow more generous than the experts or those responsible for setting benefit levels, or does it simply indicate that what the ordinary person understands by 'making ends meet' has little connection with questions of poverty *per se*? The investigation of popular views on income adequacy not only provides evidence of 'what the public thinks' but also touches on some fascinating questions regarding the social meaning of income levels.



## FEMINISTS, COLLECTIVITY AND THE STATE

ROSELYN MELVILLE

**F**eminists, Collectivity and the State is one of the doctoral projects currently sponsored by the Social Policy Research Centre.

The research intends to examine the impact of the wider environment (and in particular the impact of policy and policy changes) on the development and long-term survival of alternatively structured women's refuges. One of the major dimensions to be examined is the relationship of these organisations to the welfare state.

The study consists of two distinct phases: the first comprises analysis of policy documents relating to the refuge program and the second phase of case studies of four refuges.

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One of the aims of the study is to examine the shift in policy from support of innovative community based management models which occurred during the 1970s to large-scale, bureaucratic charity model. This has implications not only for the nature and composition of the non-government sector but also for the range of goods

and services and the types of service delivery provided to women and children.

Debates about the structure and management of non-government organisations and the development of preferred management models is becoming an increasingly important social policy issue. Given the limited empirical work done in this area in Australia, hopefully this study will provide data useful to both service providers and policy makers.

Fieldwork is well underway on this project. During the past four months have been conducted interviews with both past and current workers, volunteers and residents of four Sydney refuges. It is intended that the fieldwork be completed by the end of 1991.

## EMPLOYMENT PROSPECTS FOR ABORIGINES IN NEW SOUTH WALES

RUSSELL ROSS

**T**his paper provides an overview of an analysis of Aboriginal employment prospects based on data on 677 working age Aborigines from the 1986-87 *Survey of Working Age Aborigines in New South Wales*. Only 17% of the people were employed at the time of the survey (see Chart). The focus of the analysis was to compare the characteristics of employed Aborigines with the characteristics of Aborigines who have not been successful in gaining employment. By doing so, the employment prospects for the individual Aborigines can be estimated based on their specific characteristics.

Included among the characteristics looked at, were age, gender, marital status, level of education, extent of previous work experience, acquisition of work-related skills, and locality. The issue of discrimination could not be examined from this data base as no information on non-Aborigines was collected. The analytical technique used was probit analysis; its value for this type of research being that it provides estimates of the relative importance of each characteristic to the employment outcomes.

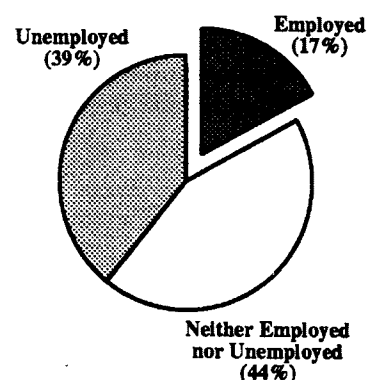
The results of the probit analysis indicated that the strongest determinants of an Aboriginal person's employment prospects are the person's level of education, extent of previous work experience, and the successful completion of a recognised labour market training program. There was also a regional element involved in the form of a metropolitan/non-metropolitan distinction (i.e. among non-metropolitan regions, no specific region could be identified as being any more, or any less, conducive to employment success).

The age profile of employment prospects was very flat. That is, although individuals aged between 30 and 50 were more likely to be successful in gaining employment than were those aged either under 30 or over 50, the marginal impact on job prospects was fairly slight.

After allowing for all other effects, employment prospects for Aborigines were independent of both gender and marital status, the only exception to this finding was that employment prospects tended to be worse for previously married women (i.e. those who at the time of the survey were widowed, divorced or separated). The most likely explanation for this finding is that many of these women have become sole parents, and as such have greater access to social security payments.

The implications of this research for social and economic policy are that, if the labour market position of Aborigines is to be improved, considerably more resources will be needed to provide greater opportunities for formal learning and the acquisition of job-related skills. In addition, more resources should be allocated to programs which enable Aboriginal groups and communities to set up co-operative ventures permitting them to become more independent of the state of the labour market. Until this is done, Aborigines will not be able to compete in the labour market on an equal footing with other Australians.

**Aboriginal Employment Status  
New South Wales, 1986/87**



Source: 1986/87 Survey (677 cases)



# NEW PUBLICATIONS

S O C I A L P O L I C Y R E S E A R C H C E N T R E

## **Benchmarks and Other Approaches to Planning Community Support Services: A Review of International Experience**

SPRC Reports and Proceedings No.94

MICHAEL FINE  
& SARA GRAHAM WITH  
ADRIAN WEBB

This Report is based on a study commissioned by the Australian Department of Community Services and Health in 1989 to examine the feasibility of developing national service provision benchmarks for the Home and Community Care program in Australia.

The study examines and critically appraises existing methodologies for the planning of community services in

Australia and other comparable countries; clarifies theoretical and conceptual issues, and examines the feasibility of implementing national guidelines in Australia. This was done largely on the study of published literature obtained from on-line bibliographical searches, writing to relevant government departments and research institutions in 22 countries, contacting colleagues, and interviewing personnel involved in the delivery and planning of services at all levels in the UK.

It was found that on the basis of international comparisons 'successful planning formulae in the field of community care remain elusive'. Problems associated with the use of benchmarks are discussed and a more appropriate response to the problems of planning, resource allocation and service delivery is believed to be the introduction of short to medium term targets for service provision, in which objectives are well articulated and in which review is built into the process.

## **Benchmarks and Other Approaches to Planning Community Services: An Annotated Bibliography**

SPRC Research Resource Series No.8

LYNN SITSKY

This is a companion volume to *Benchmarks and Other Approaches to Planning Community Services: A Review of International Experience*, SPRC Reports and Proceedings No.94, by Michael Fine and Sara Graham with Adrian Webb, and shares its broad aims to examine material on existing methodologies for the planning of community services for older, frail people, people with disabilities and the carers of both groups; on conceptual issues; and on the feasibility of implementing national guidelines in the light of international experience.

The basis for the bibliography was an on-line search undertaken in July 1989, with an update in September 1990. Examination of references and bibliographies of all material examined led to further inclusions.

The bibliography contains over 700 annotated entries and consists of whole books, parts or chapters of books, conference papers, papers in series and journal articles. The annotations are descriptive only and no attempt has been made at criticism or evaluation of the content.

The arrangement is alphabetically by author and there is a complete author index and key-word index.

## **Workers' Compensation and Social Security: Personal and Social Costs**

SPRC Reports and Proceedings No.93

DON STEWART

Australia-wide, several persons die each week and several thousand more are injured in the course of employment, and yet very little is known about the long-term effects on these persons, their families, or the social welfare system.

This report examines aspects of the transfer of costs between state workers' compensation schemes and the federal

social welfare system. It examines the basic structure of the Australian workers' compensation schemes, the non-recognition of injuries, the movement of the work-injured onto social security pensions and benefits, and the potential for social and economic marginalisation which accompanies this transition. It provides data illustrating the development of personal and social costs, social security dependency, and the exclusion of women, particularly migrant women, from social benefits. It suggests that substitution of social security for workers' compensation reinforces labour market inequalities and obscures the extent of the financial gains of this substitution to insurers and employers. However, before a full social division of costs could be presented in detail, better data are required.

## 1990 Diary of Social Legislation and Policy

National Institute of Economic and Industry Research, Australian Institute of Family Studies, and Social Policy Research Centre, 1991.

This is the latest edition of the Diary of Social Legislation and Policy which is compiled by staff from the three sponsoring research institutes and the Bureau of Immigration Research. It has been edited by Deborah Whitear of the Australian Institute of Family Studies.

The Diary summarises legislative and administrative changes made in the social policy area by the Commonwealth government during the calendar year 1990. The chief sources of information for the entries are departmental press releases, annual reports, Budget Papers and Budget Related Papers.

The sections covered are as before: Social Security; Community Services; Health; Education; Employment and Training; Family Law; Immigration; Housing; and, for the first time, with this edition, a section on Superannuation, including an historical overview tracing the development of superannuation policy from the Accord in 1983.

## SUBSCRIPTION RENEWAL

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# 1991 NATIONAL SOCIAL POLICY CONFERENCE

S O C I A L P O L I C Y R E S E A R C H C E N T R E

Our second National Social Policy Conference, *Social Policy in Australia: Options for the 1990s*, held from 3-5 July at the University of New South Wales, was one of the highlights of the year.

The Conference attracted nearly 600 registrations. We were honoured to have the Centre's first Director, Dr Adam Graycar, now Chief Executive Officer, Office of Tertiary Education, South Australia, give the Opening Address.

The Conference Dinner was enlivened by an address by Senator Graham Richardson, Minister for Social Security. An Invited Address was presented by Senator Richard Alston, Shadow Minister for Social Security.

The Conference program featured a Keynote and four Plenary addresses. Over 130 other papers were presented

covering a wide spectrum of social policy issues.

A selection of contributed papers is to be published in the Spring 1991 issue of *Australian Quarterly*, Vol. 63 (3). Keynote and plenary addresses and a further selection of papers will be published in the *SPRC Reports and Proceedings* series in the near future.

Feedback from those who attended the Conference has been largely positive. About 20 per cent of participants returned the evaluation form. The majority found the Conference a valuable forum for the presentation and discussion of research. Most felt there was a good range of topics and that subjects were well covered. Conference organization was much praised, a gratifying reward for our hard-working staff team.

Evaluation responses and our own experience have raised issues about the size of the Conference. The large number of parallel sessions (nine) required difficult choices, while participants still felt there was too little time available for discussion and debate. Rooms allocated were not always large enough to accommodate all who wished to attend, especially in the popular area of Economic Issues in Social Policy.

We are giving some thought to being more selective in our choice of papers for the 1993 Conference, and would welcome readers' views on this suggestion.

Our thanks to all participants. We look forward to seeing you in 1993.



▲ At the registration desk  
(from left) Helen Studencki & Lynn Sitsky



▲ Michael Wearing gets  
down to business



▲ Sock it to them, Hal!  
Hal Kendig



▲ 'You must be joking...'  
(from left) Peter Saunders & Stein Ringen  
listening to Senator Richard Alston



▲ Our Director makes a serious point  
to the staff  
(from left) Judy McHutchison, Suzanne  
Vaughan, Bruce Bradbury & Peter Saunders



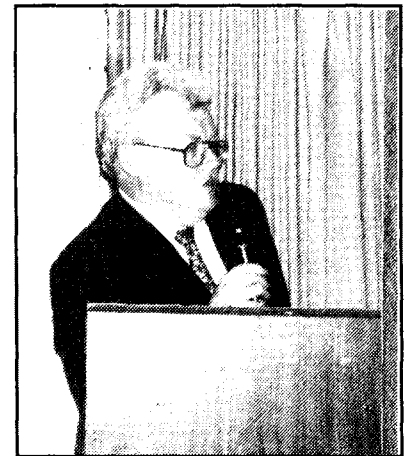
▲ Linda Rosenman



▲ (from left) Adam Graycar, Sheila Shaver, Stein Ringen & Ian Shirley



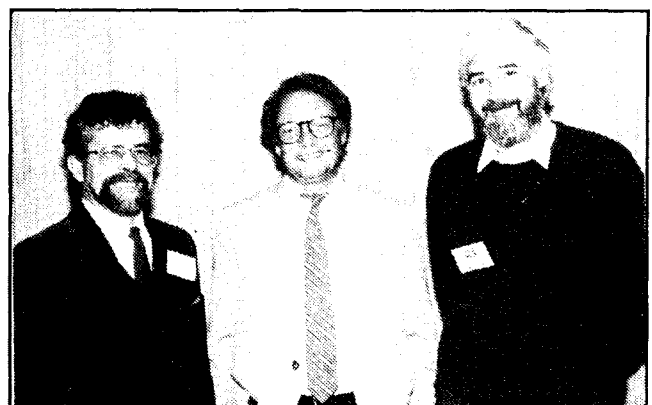
▲ (from left) Sheila Shaver & Lois Bryson



▲ Senator Graham Richardson



▲ (from left) Michael Fine, Robert Nittolo, Cathy Boland, Toni Payne, Alan Law, George Matheson & Suzanne Vaughan



▲ (from left) Frank Castles, Gøsta Esping-Andersen & Peter Saunders

## ONE DAY WORKSHOP

### THE ALLOCATION AND FUNDING OF LONG-TERM SUPPORT IN THE COMMUNITY: AUSTRALIAN AND INTERNATIONAL PERSPECTIVES

A one day Workshop, organised jointly by the Social Policy Research Centre and the Australian Association of Gerontology will be held on Tuesday 29th October from 10.30 am to 4.30 pm at the Social Policy Research Centre, University of New South Wales. Policy makers, practitioners, consumers, professionals and academics will be welcome but regrettably attendance is limited to 80 people. Price of attendance is \$40 to include lunch and a copy of the proceedings of the Workshop.

Further information from Cathy Thomson (02) 697 3843

# BOOK REVIEW

S O C I A L P O L I C Y R E S E A R C H C E N T R E

## ECONOMICS OF POPULATION AGING THE 'GRAYING' OF AUSTRALIA, JAPAN AND THE UNITED STATES

JAMES H. SCHULZ,  
ALLAN BOROWSKI &  
WILLIAM H. CROWN

New York: Auburn House. pp.xiv plus 364. (Distributed in Australia by DA Book (Australia)), Melbourne. Recommended retail price: \$65 Hardback

Reviewed by Peter Saunders

Over the last decade, the number of articles and books on comparative social policy has grown enormously. One reason for this is the increased quality of cross-national data, both at the aggregate level (e.g. the OECD economic and social statistics) and at the disaggregate level (e.g. the microdata generated by researchers involved with the Luxembourg Income Study). A second reason relates to the similarity of social problems and issues being confronted in different countries and the consequent benefits to be gained from understanding and analysing the experiences and policies of other countries. Finally, cross national evidence adds to the breadth of experience and can assist in testing hypotheses within individual countries. All countries have an interest in learning how others have dealt with policy problems and what the results of these policies have been.

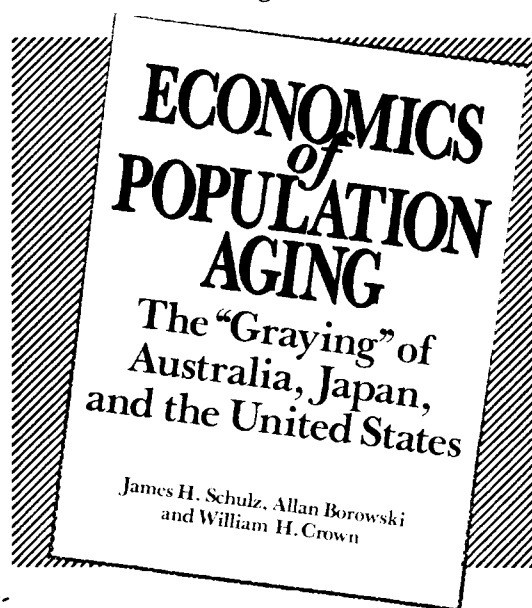
The book by Schulz, Borowski and Crown is a further addition to the comparative social policy literature, dealing in this case with the economic and policy issues associated with population aging. Unlike recently published comparative studies on aging released by bodies like the OECD and the IMF, this study chooses to focus in considerable depth on just three countries, Australia, Japan and the United States. In relation to two of these - Aus-

tralia and the United States - the material covered is comprehensive and it is dealt with in a way which displays the authors' knowledge of the basic economic, institutional and policy issues. The material covered is also very up-to-date, for which the authors (and the publishers) are to be congratulated. However, a great weakness - in a sense, the great weakness - of the

prehensive analysis of Japanese experience, and/or by the inclusion of a country which has a different range of experiences and policies than either Australia or the United States - one of the continental European countries for example, or even the United Kingdom, a country in which the dependency ratios projected for the three countries included in the book are already a reality.

Aside from such criticism of what the book *doesn't* include - a pastime in which the privileged reviewer is always free to indulge - it is difficult to find too much wrong with what is included in this well researched and well written book. Here, the authors are on familiar ground, and they deal with many of the myths about aging in convincing style. After initial chapters on the aging issue and a description of programs for the aged in the three countries, the book analyses aging from an economic perspective, arguing that the 'crisis' often assumed to be attached to population aging is greatly exaggerated. Chapters then follow on aging and work, income support policies and the role of intra-family support.

A major conclusion of the book is that even after adjusting for the relative expenditures on different age groups, total dependency ratios will be lower when the baby boom generation retires than they were when that generation were children in the fifties and sixties. That case is made convincingly and with great thoroughness and conviction. Perhaps the only arguments left or those not convinced rest on the absence of any serious analysis of the political consequences of population aging and, associated with this, the possibility that health care costs may explode. Neither issue is addressed at any length in the book, but that is not to detract from the useful material and analysis that is included.



book lies in the relatively superficial treatment which is devoted to Japanese experience and policy responses. This is a great pity, because the experiences and policies of Australia and the United States in the aging context are quite similar, as the authors (and others before them) show quite convincingly. Neither country thus has much to learn from the other, yet both, it would appear, have a great deal to learn (but not necessarily copy) from the Japanese aging experience. That is why the lack of material on Japan is, ultimately, a fundamental weakness of the book, one which this reviewer found a source of disappointment.

These observations prompt the more general question of why these three particular countries were chosen for such a study in the first place. Surely, much could have been gained either by a more com-