The Job Network is one of the Howard Government’s most radical policy experiments to date—"a revolution in the delivery of employment services"—in the words of Employment Services Minister (Abbott, 2000). Yet after two and a half years, there is only limited evidence on this experiment’s impact. The McClure Report proposes a major expansion of individualised services to promote employment participation, which if implemented would have major implications for the delivery of employment services. So it is timely to consider how well the Job Network has been performing up to now.

The SPRC is currently engaged in research on this topic, in collaboration with the Brotherhood of St Laurence and Job Futures, a consortium of non-profit employment service providers. The research, which is funded by the Australian Research Council, is now past the halfway mark and the research team will soon be releasing a report on the first round of findings.

Here we discuss the changing shape of the employment services market and consider how well it is meeting the needs of disadvantaged job seekers.

NEW STRUCTURE

In February 1998, the Commonwealth Employment Service (CES) was closed and a new public corporation, Employment National, created. Most of the Working Nation labour market programs also ended. The Job Network began operating from May 1998 as a quasi-market in which Employment National, private companies and community-based agencies competed to win contracts for the delivery of employment services. The old CES assessment and referral functions were devolved to a new public agency, Centrelink, which also assumed responsibility for delivering income support payments and policing compliance with activity test requirements.

The three main employment services provided within the Job Network broadly match in scope those previously provided under Working Nation. Job matching (initially known as Flex 1) has an employer-servicing focus, with agencies competing to attract and fill vacancies. Job search training (Flex 2) provides structured assistance with job search roughly equivalent to that of the former job clubs. Intensive assistance (Flex 3) replaced ‘case management’, focusing on the needs of long-term unemployed and disadvantaged jobseekers. Where it differs significantly from case management is in the much greater opportunity agencies have to determine the level and type of assistance provided.

Payments are designed primarily to be outcome-driven, except that for intensive assistance an initial sum is paid on commencement in assistance and two further payments are available where sustained outcomes are achieved. In the first round, intensive assistance had a fixed price schedule, whereas job matching and job search training fees were price competitive. The second round introduced an element of price competition for intensive assistance too.

THE CHANGING MARKET

Under Working Nation, the public employment service retained the main labour exchange functions and the majority slice of case management, while community-based agencies were awarded the

“In the first round of the Job Network, the big winner in terms of overall market share was the private sector.”

Continued on page 4

FEATURE

David Abello and Tony Eardley discuss the impact of the new competitive employment services
The Social Policy Research Centre was established in January 1980 (originally as the Social Welfare Research Centre) under an agreement between the University of New South Wales and the Commonwealth Government.

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

The SPRC 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 employment, income support and the labour market; changes in households and families; poverty, needs and economic inequality; and the restructuring of forms of social support.

The views expressed in this Newsletter, as in any of the Centre’s publications, do not represent any official position of the Centre. The SPRC 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.
So far, most of the discussion about the Final Report of the Reference Group on Welfare Reform (The McClure Report) has been concerned with its most direct implications for income support policy. The extension of mutual obligation requirements to sole parents, and potentially also to people with disabilities, has had most attention in the media.

The implications of the report are more far-reaching than this limited focus suggests. It presents us with a new vision of Australia’s welfare system and its place in Australian society for the 21st century. The need for such a new vision is the central premise of the report. At this early moment in what will clearly be a continuing debate, it is worth reflecting on the ideals we are offered.

My purpose here is not to assess the merits of the report itself, but to comment on the rhetorical terms in which they are presented.

The report presents a communitarian vision of welfare and society. It presupposes that welfare claimants are members of a close and abiding community of citizens who have important interests in common. Communitarianism imagines the good society as one in which mutual support predominates over the pursuit of self-interest, and one in which the actions of individuals are tempered by respect for collective needs. It reflects concern with harmony rather than with conflict, and with order rather than change. There is little reason to think that Australian social life is like this, or even that it is moving in this direction. While Australians do indeed share many values, the social fabric of the nation is also divided by cleavages such as those of economic interest, urban and regional location, and of culture and religion.

This communitarian vision represents a significant ideological shift away from the traditional liberal image of society as comprised of individuals, engaging with one another through market-like exchange relationships. Equally, it signals a move away from the commitment to redistribution of income that has been central to Keynesian postwar social policy.

The members of the communitarian citizenry have both rights and obligations, but these are linked together only in a general way and in the long run. Thus mutual obligation is a special case of the more general expectation of what the report terms social obligation. As the report sees it, social obligation applies not only to welfare claimants but to everyone, and to government, business and non-profit organisations as well as to individuals.

The vision is of an active communitarianism, in which citizens fulfil their social obligation in the community of the nation by participating in its common affairs. The report assumes that participation is always and unquestionably good, and that it should be as nearly universal an expectation as possible. It speaks of many kinds of participation, including in the work of business and the work of corporations, as well as in the affairs of community and non-profit organisations.

It also recognises the value of social as well as economic participation. Yet there is a clear hierarchy in which paid employment is to be preferred, for those able to undertake it, to work such as the care of older children, work in the community, or artistic, spiritual or political expression. The proper aim of welfare, as the report sees it, is to meet need as well as foster social integration. Welfare should enable, empower, and finally enforce, social or, preferably, economic participation on the part of those at risk of social exclusion. While social obligation may be incumbent upon all, it is only welfare claimants who face sanctions for less than active fulfilment of their welfare obligations. Seen as an expression of citizenship, this vision of a participatory society is remarkably apolitical. The title of the Report, Participation Support for a More Equitable Society, refers to the active, productive role which its authors see for welfare in the future. Much of their vision for Australia’s welfare future, and many of the recommendations, are attractive.

At the same time, there is little reference to the darker side of the communitarian vision, in compulsory community at the expense of individual rights and freedoms. Like other versions of communitarianism, the report’s vision assumes social agreement about the principles defining what is good, right and fair, and the justice of enforcing this agreement on everyone – by denying the means of livelihood to dissidents if necessary. It is not clear that Australians do agree about these things, nor that all Australians have the same interests at stake in the politics of welfare reform. Beyond calls for sensitivity to indigenous and ethnic cultural difference, the report has little to say about how its writers would address the majoritarian bias of its communitarian ideals. Speaking for myself, this is not a vision that I would like to live.

Sheila Shaver is Acting Director of the Social Policy Research Centre. Peter Saunders is on leave from his position as Director of the Centre until July 2001.
larger slice of outsourced contracts (Table 1). In the first round of the Job Network, the big winner in terms of overall market share (defined as the percentage of contracted placements in each type of service) was the private sector, which increased its share to 37 per cent. The public sector’s overall share was reduced to one-third, but Employment National remained the largest single organisation in the network. However, these aggregate figures mask the distribution of market share across the different types of provision and within the different sectors. Intensive assistance (the most valuable in dollar terms) was highly concentrated, with the top four providers accounting for 65 per cent of the total (and Employment National gaining the bulk of this). Job matching became more diversified, but still nearly half accrued to the top 10 agencies. The distribution of job search assistance is difficult to compare with the pre-1998 arrangements, as the equivalent (job clubs) was just one of a range of programs to which job seekers could be referred. However, this too became concentrated among a small number of providers.

Davidson (1998) has observed that in the first round the Government opted for a ‘safety-first’ strategy. This meant keeping the dominant public sector provider in place, but under commercial management, and supplementing it with two major, church-based non-profit providers and one large private firm. The second contract round, from March 2000, has produced a rather different market composition. The number of separate organisations has dropped, reflecting further consolidation in the market, but the number of sites has expanded to over 2,000, many in rural and regional Australia.

In the second round, Employment National lost virtually all of its intensive assistance contracts. While it was again offered the largest slice of job matching (22 per cent), loss of its intensive assistance contracts meant that the overall market share going to public agencies fell to only eight per cent. The bulk of contracts are now divided between non-profit agencies and private firms.

Drake, the major private provider and the only other agency with a national presence, also lost all its Job Network business. With Drake out of the network and Employment National relegated to a minor role, the distribution of market share has become somewhat more dispersed, even though a handful of larger non-profit and private agencies still dominate most areas of provision.

**IMPLEMENTATION**

In spite of the Government’s cautious strategy in the first round, implementation was fraught with problems and attracted widespread criticism from the media. It is hardly surprising that such a reorganisation of service delivery would have implementation problems, but service providers and welfare organisations both argued that there were more fundamental problems that threatened the scheme’s viability. These included the restriction of eligibility for assistance to people receiving income support payments, which particularly affected unemployed women with working partners and newly arrived migrants; problems with Centrelink’s referral arrangements; and inaccurate client assessment through Centrelink’s Job Seeker Classification Instrument (JSCI). Perhaps most problematic of all was the structure of payments, which made operation barely viable for agencies with only job matching contracts. Lobbying by service providers resulted in a series of changes during the first year, which are generally agreed to have eased initial problems.

The second round also involved significant changes to the contractual terms under which intensive assistance is delivered. DEWRSB’s (2000a) implementation evaluation acknowledged that many intensive assistance clients were receiving only limited help. Spending on training and employment subsidies in particular seems to have dwindled, partly because while agencies were feeling their way in the new system it was risky expending funds which might not be recouped as an outcome payment. Many also used upfront intensive assistance payments to subsidise unfunded job matching services.

The new contracts required a ‘declaration of intent’, to make agencies more accountable for delivering what their tenders promised. Agencies are now also required to enter individual support plans for job seekers who do not find employment within the first 13 weeks of assistance. As Gittins (2000) has noted, the implied requirement that more resources should be devoted to areas like training or work subsidies can be viewed as nudging the system quietly back in the direction of labour market

**Table 1: Percentage market share of employment services by agency sector, 1996-2000**

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<th></th>
<th>Public</th>
<th>Private</th>
<th>Community/ non-profit</th>
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<tr>
<td>1996-97</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Contracted case management only (243 agencies, 852 sites)</td>
<td>55</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>May 1998</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Job Network services (306 agencies, 1404 sites)</td>
<td>33</td>
<td>37</td>
<td>30</td>
</tr>
<tr>
<td>March 2000</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>All Job Network services (205 agencies, 2114 sites)</td>
<td>8</td>
<td>45</td>
<td>47</td>
</tr>
</tbody>
</table>

Sources: Davidson, 1998; Kemp, 1998; DEWRSB, 1999a
programs. But how effectively will this contractual requirement be enforced?

In general, service providers have responded well to the revised structure and see it as better reflecting quality of service provision over price. Yet, in spite of the radical shift in service delivery, it is hardly a free market. At present it remains an artificial structure, with a high degree of government control, and monopolies in both the purchase of services and the supply of clients. The change of composition in the second round of contracts is an indication of how much government is continuing to steer.

THE NETWORK’S PERFORMANCE

Even if sufficient data were available for independent scrutiny it would be difficult to distinguish implementation difficulties from underlying structural problems. It is also hard to compare the Job Network with what preceded it, especially identifying the effect of reduced resources and separating specific Job Network effects from those of wider labour market change. Unemployment has been falling mainly because of sustained economic growth. Few economists would argue that extra efficiency in the delivery of employment services in itself reduces the overall level of unemployment. Rather, employment services can reduce the length of time individual job seekers remain unemployed and enhance equality of access to employment. Thus the question is not just whether Job Network agencies are successful in capturing job vacancies for their clients, but whether the particularly disadvantaged are able to get assistance and employment.

The Government has consistently attempted to talk up the success of the Job Network: a press release issued by the Minister for Employment Services at the end of the first year claimed that outcomes were up to 60 per cent better than those of the old CES (Abbott, 1999). But many of these comparisons were made with the final year of the CES, when its activities were being run down before closure. Most were also based on job placements rather than on payable outcomes. This may have been justified at the time, in relation to intensive assistance, because participants would not have completed their maximum two years of assistance, but it is potentially misleading.

For example, the press release stated that in the first year, some 320,000 people commenced intensive assistance and 70,000 job placements were made. However, other DEWRSB data show that over this period the ratio of job placements to interim payable outcomes (those involving employment for at least 13 weeks which substantially reduces benefit receipt) was more than four to one, and for final outcomes (26 weeks) it was nearly 10 to one (DEWRSB, 1999b). It is not possible to tell how many job placements made near the end of the year lasted long enough to become payable outcomes, but it does seem that a large number of placements were made (often several for the same people) which were either too brief or provided too few hours of work to count as an outcome.

The DEWRSB (2000a) implementation report provides a better source of comparable information on performance so far. Table 2 shows the percentage outcomes for the cohort of job seekers who commenced assistance during the first three months of the Job Network and had left assistance by September 1999 (some 90 per cent of the total). These are compared with the outcomes for people starting case management in its first year. The table also compares outcomes for those leaving case management in 1996-97.

It is not clear how DEWRSB calculated the 1995 outcomes, but taken at face value it appears that intensive assistance may have got off to a slightly better start than case management. However, it seems that the Job Network’s initial outcomes had some way to go to match those of case management in 1996-97, even if both brokered and subsidised employment is discounted.

DEWRSB also provides data from its three-month post program monitoring survey on outcomes for all those leaving intensive assistance up to September 1999. On this basis, performance looks better, with 20 per cent in full-time and 17 per cent in part-time work. The most recent release of information suggests that outcomes are now marginally higher (DEWRSB, 2000b), but they are still not exceptional compared with those of two of the programs most used by case managers under Working Nation’s Job Compact. Of all those leaving assistance in the 12 months to February 1996, 41 per cent of JobStart participants and 30 per cent of people undertaking JobSkills training were in unsubsidised employment three months later (and many others were in subsidised or brokered employment placements) (DEETYA, 1996).

Caution is needed when interpreting these comparisons, because of differences in the way outcomes are assessed and because of changes in economic conditions since 1995. Nevertheless, the data do not appear to justify a claim that the Job Network is massively outperforming its predecessor.

These outcomes are, however, being achieved with substantially fewer resources. The cuts in spending on employment assistance and labour market programs preceded the introduction of the Job Network, making it difficult to untangle them from the effect of market reform, but in so far as the Job Network is producing similar outcomes to the previous system, viability now clearly demands much greater cost efficiency. This may be regarded as an achievement in itself, but the question remains as to whether those most needing assistance are receiving it.

So how far is the Job Network benefiting disadvantaged job seekers? There are two aspects to...
EARNINGS INEQUALITY
STILL RISING

By Peter Saunders

A number of studies have identified a trend towards rising inequality of earnings in Australia throughout the 1980s. Analysis of unpublished data from the ABS Survey of Employee Earnings and Hours (ABS Catalogue No. 6306.0) confirms recent findings reported by Norris and McLean (1999) that the trend has continued through the 1990s. This article summarises some of the trends, drawing on a longer paper published in this year’s edition of Australian Social Trends, to which interested readers are referred (ABS, 2000).

The analysis is restricted to the changing pattern of inequality among full-time adult employees, thereby avoiding the complications associated with changes in hours worked, or in the ratio of adult to youth wages. Looking at the period from 1985 to 1998 as a whole, the earnings of full-time adult workers at the lower end of the distribution (those at the 10th percentile) rose by less than earnings in the middle of the distribution. The ratio of the 10th percentile to the 50th percentile (or median) declined by seven percentage points, from 72 per cent in 1985 to 65 per cent by 1998. The earnings of those at the top of the distribution (at the 90th percentile) rose by more than those in the middle. Consequently, the ratio of the 90th percentile to the median increased by nine percentage points, from 163 per cent to 172 per cent.

MEN AND WOMEN

Throughout the period from 1985 to 1998, inequality in men’s earnings exceeded that of the inequality in women’s earnings, notably at the top end of the distribution. Table 1 shows that changes over the period exacerbated this difference, as men’s earnings inequality increased while women’s declined. These trends mainly reflect movements at the upper end of the distribution, as can be seen from the changes in the ratio of earnings at the 90th percentile relative to the median (P90/P50). While higher-earning men improved their position relative to the median (particularly in the late 1980s and again after 1996), the position of higher-earning women has declined steadily relative to median women’s earnings since 1985. The earnings of lower-paid men and women workers both declined slightly, relative to the median.

CHANGES AT THE VERY TOP

As Figure 1 indicates, at the very top of the distribution, the earnings of both men and women employees have risen steadily relative to median earnings. Again, the trend is more pronounced for men. In 1985, men’s earnings at the 99th percentile were around 2.6 times greater than median men’s earnings. By 1998, this ratio had increased to 3.2. The corresponding ratios for women were 2.1 in 1985 and 2.6 in 1998.

CHANGES IN EARNINGS RELATIVE TO THE CPI

The distinction between changes in the distribution of earnings and changes in the level of earnings is important. The former compares changes in the positions of those earning low, medium and high earnings by summarising the relativities between them. The latter compares movements in an individual’s earnings with movements in the cost of a representative basket of goods and services, as reflected, for example, in the Consumer Price Index (CPI). The real level of earnings increases when earnings rise by more than the change in the CPI, because in these circumstances it is possible to purchase a more expensive bundle of goods and services than before.

Although it is important to monitor overall distributional change, most workers are understandably more concerned about changes in the real value of

### Table 1: Earnings distribution ratios for full-time adult employees

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</thead>
<tbody>
<tr>
<td>Males</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>P10/P50</td>
<td>0.70</td>
<td>0.69</td>
<td>0.66</td>
<td>0.67</td>
<td>0.65</td>
<td>0.65</td>
<td>0.65</td>
<td>0.65</td>
<td>0.62</td>
<td>-11.4</td>
</tr>
<tr>
<td>P90/P50</td>
<td>1.62</td>
<td>1.62</td>
<td>1.63</td>
<td>1.66</td>
<td>1.69</td>
<td>1.67</td>
<td>1.69</td>
<td>1.70</td>
<td>1.75</td>
<td>8.0</td>
</tr>
<tr>
<td>Females</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>P10/P50</td>
<td>0.78</td>
<td>0.75</td>
<td>0.73</td>
<td>0.74</td>
<td>0.73</td>
<td>0.73</td>
<td>0.72</td>
<td>0.72</td>
<td>0.70</td>
<td>-10.3</td>
</tr>
<tr>
<td>P90/P50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.51</td>
<td>1.54</td>
<td>1.55</td>
<td>1.54</td>
<td>1.54</td>
<td>1.53</td>
<td>1.55</td>
<td>3.3</td>
</tr>
<tr>
<td>Persons</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>P10/P50</td>
<td>0.72</td>
<td>0.70</td>
<td>0.68</td>
<td>0.69</td>
<td>0.68</td>
<td>0.68</td>
<td>0.68</td>
<td>0.66</td>
<td>0.65</td>
<td>-9.7</td>
</tr>
<tr>
<td>P90/P50</td>
<td>1.63</td>
<td>1.63</td>
<td>1.62</td>
<td>1.68</td>
<td>1.66</td>
<td>1.65</td>
<td>1.67</td>
<td>1.68</td>
<td>1.72</td>
<td>5.5</td>
</tr>
</tbody>
</table>

Source: Unpublished data, ABS Survey of Employee Earnings and Hours, 1985 to 1998
their earnings. It is possible to combine these two aspects by comparing movements in earnings, relative to changes in the CPI at different points in the earnings distribution. This shows that over the 13 years between 1985 and 1998, earnings at the 10th percentile rose by less than the CPI (i.e. the level of real earnings declined). Earnings at the median and 90th percentile rose modestly relative to the CPI and earnings at the 99th percentile rose substantially faster than the CPI.

Until 1990, movements in earnings relative to the CPI were generally downwards at all parts of the earnings distribution, but since then the trend has been upwards. Even so, the improvement since 1990 has not been sufficient to offset the decline in real earnings experienced at the 10th percentile between 1985 and 1990. Lower-paid employees are thus still slightly worse off relative to the CPI in 1998 than they were in 1985.

**PUBLIC AND PRIVATE SECTORS**

Research by Nevile and Saunders (1998) identified differences in the changes in the earnings distributions of employees in the public and private sectors. This is confirmed by Figure 2, which summarises the data on changes in real earnings at different percentiles of the distributions of public sector and private sector employees, respectively.

Between 1985 and 1998, there was a substantial increase in inequality of earnings in the private sector. The level of real private sector earnings at the 10th percentile fell during this period, although private sector earnings at other points in the distribution rose in real terms, with the amount of the rise increasing at each percentile. At the 90th percentile, real earnings rose by almost 20 per cent, while the increase at the 99th percentile was over 40 per cent.

Changes in the real earnings of public sector employees over the period reveal a very different pattern. The change was spread far more evenly across the entire distribution, with the largest increases occurring at the 40th and 50th (median) percentiles. The increase in real earnings for public sector employees at the 10th percentile was just over eight per cent, while that at the 90th percentile was slightly lower, at 6.5 per cent.

These sectoral changes in earnings distribution need to be interpreted carefully. In part, they reflect changes in the distribution of jobs within each sector as well as changes in the earnings attached to specific jobs. Employment has been growing at different rates in the public and private sectors for some time, and there is evidence that lower-paid public service jobs have been disappearing (perhaps being transferred to the private sector as part of the privatisation process). This will have affected the differences in lower-paid public and private sector earnings shown in Figure 2.

In spite of these limitations, the patterns in Figure 2 imply that there have been considerable changes in private and public sector earnings differentials at different points in the two distributions. At the 10th percentile, public sector earnings in 1985 were 11 per cent higher than private sector earnings at the same percentile. By 1998, this differential had more than doubled to 24 per cent. At the 90th percentile, public sector earnings in 1985 were nine per cent above those in the private sector. By 1998, they were almost three per cent lower.

Continued on page 11
Foster care is one of the most important methods governments use to provide alternative care for children whose families are unable to look after them. One aspect of meeting the needs of children in foster care is an effective care-provider payment system. In general the care-provider payment system involves a standard subsidy to cover basic costs, with additional allowances according to a child’s special needs, such as family contact, specialised medical or dental treatment, tutoring or counselling. Care-provider payment systems are administered by State governments. There are wide variations between States in the items covered by the standard subsidy as well as in the levels of payment made to children in various age groups. In 1999, the NSW government’s Standard Age Related Fostering Allowance (SARFA) which covered costs for food, shelter and clothing (general items) was one of the lowest rates of subsidy paid to carers in Australia (McHugh, 1999).

Throughout the 1980s and 1990s most State governments used Kerry Lovering’s (AIFS, 1984) estimates of the costs of a child (based on a budget standards approach) as a benchmark or indicator for setting the standard foster care subsidies (Bray, 1997). These costs have been updated regularly by the Australian Institute of Family Studies, in line with the Consumer Price Index, to reflect current costs. In 1998, the Budget Standards Unit (BSU) at the SPRC developed new estimates on the costs of children (Chalmers, 1998). These new estimates have proved to be a useful tool for the NSW Government as the basis for a new financial assistance package for NSW foster carers. From July 2000, foster carers in New South Wales will receive a standard allowance of $175.00 per week for a child of any age. Additional allowances will be paid for children with special needs.

The new allowance paid from 1 July 2000 is significantly higher than the previous payment, and is more closely aligned to the ‘moderate-but-adequate standard developed by the Budget Standards Unit’. The higher rate of allowance is now expected to cover a much larger range of costs. These include costs associated with housing, clothing, footwear, energy, household goods and services, pocket money, health, transport, holidays, leisure and personal care, as well as child care, school camps and excursions, nappies for babies, school fees and all school tuition fees below $1000 per year. A study to be carried out in 2000/2001 by the BSU will examine whether the new rates of allowances are meeting the costs of children in New South Wales. This study will also examine the adequacy of allowance rates in other States and Territories.

REFERENCES

Bray J. (1997), Comparative Analysis of Careprovider Payments, DFYCC, Queensland.

Marilyn McHugh
FAMILIES FIRST

Families First is a NSW Government initiative, which began in July 1999, and which is being introduced progressively State-wide over a period of five years.

The aim of Families First is to enhance the long-term prospects of children from ‘at risk’ families: it is expected to improve these children’s health and their social, education and labour market prospects, while reducing levels of criminality and drug dependence.

To achieve this, an early intervention approach has been used which will identify children and families most likely to require further assistance. Drawing primarily on existing services and resources, the program is concerned with developing regional linkages between specialised health, community service, educational and other services, to ensure a coordinated approach to the initial intervention and to follow-up visits and other forms of support and guidance.

The University of New South Wales Evaluation Consortium, a group of academics and researchers, organised by the Social Policy Research Centre, has been commissioned by the Cabinet Office of NSW to conduct an evaluation of Families First. Other centres involved in the consortium include the Centre for General Practice Integration Studies and the Centre for Health Equity Training Research and Evaluation. Additional collaborators include researchers from other disciplines within UNSW, Macquarie University, the University of Western Sydney, University of New England, Southern Cross University, Griffith University and Ullis Reys Young.

The evaluation will be conducted over the next four and half years. The Consortium’s first task is to develop the evaluation framework, which will be designed to take account of the different levels or stages of the intervention. There are two major tasks involved. The first concerns the implementation of the Families First strategy. In addressing these issues, a formative or process evaluation is proposed, which will monitor the extent that services are delivered in the form envisaged by the agencies responsible for the development of the policy. A second component of the evaluation focuses on the longer-term outcomes of the intervention. This is intended to provide information on changes in the different dimensions of wellbeing of individuals, families and communities. Data to be used in the evaluation will be derived from three separate sources: routinely collected administrative data; special population-based data; and special collections. Special collection data will study both implementation and service delivery processes and their outcomes in greater depth.

Professor Peter Saunders is heading the UNSW Evaluation Consortium. Other researchers from SPRC include Michael Bittman, Jenny Chalmers, Karen Fisher and Cathy Thomson.

EVALUATION OF THE CHILDREN AND YOUNG PERSON’S (CARE AND PROTECTION) ACT 1998

There are tensions existing within children’s care and protection regimes. These derive partly from having a mixed model of welfare provision with a reliance on independent non-government organisations for some service delivery. Changing views about what constitutes appropriate care and protection practice have contributed to the development of renewed efforts by governments to manage risk effectively. One way governments are attempting to do this in the field of care and protection is by sharing the responsibility across portfolios and between sectors.

The Department of Community Services NSW (DoCS) is the statutory agency responsible for the care and protection of children and young people in NSW. New legislation governing this field of human

Karen Fisher, Marilyn McHugh and Cathy Thomson

Continued overleaf
FROM THE PROJECTS

service delivery, the Children and Young Person’s (Care and Protection) Act 1998 (the Act), is expected to be proclaimed in part from the end of 2000. In the new Act there is an expansion of the mandatory obligation to report child abuse or neglect and an increased emphasis on inter-agency collaboration.

The Act identifies reforms to several aspects of the care and protection of children and young people. Embodied in the Act are principles of participation, partnership, least intrusive intervention, early intervention and prevention, and the significance of culture, identity and Aboriginality in the care and protection of children and young persons (ss 7-14).

The Centre has been contracted by DoCs to design the evaluation framework for the implementation of the Act. The purpose of the evaluation is to assess whether the objectives of the Act have been achieved, through an effective implementation process and the functioning of the structures included in the legislation. The design includes developing evaluation tools and establishing key performance indicators (KPIs) and baseline measures.

The evaluation is in three stages: Stage One: developing an evaluation framework and benchmarks. Stage Two: collecting data about the implementation process and structures in the Act. Stage Three: assessing the achievement of the objectives of the Act. The SPRC project relates to Stage One of the evaluation.

The methodology for the framework design includes analysis of administrative data and qualitative data. Methods that take advantage of existing data collection are preferred over methods that require the generation of new data management systems.

Key performance indicators and their associated baselines will be set through analysis of the available data to provide measures for monitoring the achievement of the Act’s objectives (changes in the degree of over-representation of target groups in particular interventions).

SPRC researchers on the project include Christine Gibson, Julie Russell, Karen Fisher, Sheila Shaver and Cathy Thomson. The project is expected to finish in early 2001.

Christine Gibson

THE YOUTH HEALTH PROJECT EVALUATION

Northern Sydney Area Health Service has been funded by the New South Wales Health Community Health Innovation Program to develop a pilot project that encourages youth health partnerships.

The SPRC has been commissioned to evaluate the project. South Eastern Area Health Service has also received funding to develop a similar pilot project, which will be evaluated by SPRC later in the year.

The primary aim of the Youth Health Project was to identify youth needs and to plan a network of services that was responsive and ‘youth friendly’.

Northern Sydney Health Promotion, at the Royal North Shore Hospital, developed the project: young people from the Northern Sydney area (stretching from the Lower North Shore in the south to Hornsby Ku-ring-gai in the north) were recruited and trained as youth consultants. Youth consultants made visits to service providers in the area and carried out an assessment of their ‘youth friendliness’. The consultants provided the service with a report of their findings.

The purpose of the Youth Health Project was to improve health outcomes for young people, which was to be achieved in two ways. Firstly, youth consultants would increase service providers’ awareness of the need to develop a ‘youth-friendly’ atmosphere to improve access for young people. Secondly, it was expected that the use of young people themselves as consultants would increase their peers’ knowledge and awareness of, and confidence in using, services.

The Centre will evaluate the effectiveness of the model. Data collection on the project’s targets, processes and outcomes is currently nearing completion. The targets include recruitment and retention rate of youth consultants, meeting attendance by youth consultants, numbers of service providers involved in the project, production of youth guides, and consultation with young people. The evaluation will also assess the processes by which these targets were met. To this end, a series of focus groups and a small telephone survey of service providers has been carried out.

Outcomes are anticipated to be difficult to describe because of the short timeframe of the project. However, bearing this limitation in mind, a focus group has been held with the youth consultants at which outcomes have been discussed. The evaluation also includes a brief survey of the consultants to gather information on how the project has affected their own health and the health of their peers.

The report of the project is scheduled for completion by the end of September 2000.

Justin McNab

DETERMINING WOMEN’S ECONOMIC INDEPENDENCE

This project, which is funded by the Australian Research Council, will examine the relationship between policy and women’s autonomy in four industrialised countries. The project will investigate how social and related policies facilitate women’s autonomy both within and outside the family, and how other factors, such as women’s personal characteristics and the labour market intervene. The research is informed by theories of gender and the welfare state, and
includes comparisons of policies, institutions and survey microdata across Australia, Sweden, the UK and Hungary.

The project is currently analysing women's autonomy in Australia in the 'Labor Years' of the 1980s and 1990s. Between the early 1980s and the mid-1990s the proportion of Australian working-age women who might be described as financially independent (defined as having personal net incomes greater than the median) increased considerably.

Income survey microdata for the years 1982 and 1996–97 are being used to examine the changing characteristics of financially independent working-age women. Early findings suggest that women with children in particular (both partnered and sole parents) experienced a massive increase in their financial independence over this period, as did older women, both with and without dependent children. However, the proportion of younger women without children who might be defined as financially independent appears to have declined.

Demographic change (relating to marriage and fertility), increased availability of childcare, labour market deregulation and income tax reform are considered to be factors that have influenced changes in the characteristics of financially independent women over the period. While these developments were clearly positive for many women, for others the effects may have been neutral or even negative. In other words, it is possible that the degree of polarisation between those women who might be described as financially independent and other women may have increased during the 'Labor Years.' We are currently examining whether those same policies, which coalesced to help many women achieve financial independence, may have conspired to work against the interests of others.

Sharon Burke and Gerry Redmond

DISABILITY AND SOCIO-ECONOMIC DISADVANTAGE

The Department of Human Services Victoria has commissioned a research project into the association between disability and socio-economic disadvantage. The aim is to examine the strength of this association and the implications for geographically-based funding models.

The project includes a review of the existing research as well as an analysis using the recently released ABS Survey of Disability Ageing and Carers 1998. It also involves an analysis of the implications for the geographical distribution of disability. Preliminary results confirm that there is a strong association in Australia between the prevalence of disability and socio-economic disadvantage—a result that is also found internationally.

That is, people with disabilities are significantly more likely to suffer socio-economic disadvantage. This association is probably due to causal links in both directions, though separate identification of these is difficult. In general, however, we would expect that more disadvantaged regions will have more disabled people and (other things constant) a greater need for disability services. The project is developing a simple modelling framework to take account of these associations.

Kate Norris and Bruce Bradbury

EARNINGS INEQUALITY STILL RISING  Continued from page 7

The biggest change in the private-public sector earnings differential took place at the very top of the two distributions. This reflects the very large increases in the earnings of chief executive officers in many private companies. In 1985, public sector earnings at the 99th percentile were eight per cent higher than private sector earnings, but by 1998, this differential had reversed to the point where private sector earnings exceeded public sector earnings by nine per cent.

Eminent British economist Tony Atkinson (1999) has recently suggested that growing income and earnings disparity may reflect changes in the social norms that have traditionally placed boundaries on the overall degree of inequality. The idea reminds us that how much inequality we as a society are prepared to accept can only be ultimately sanctioned by social convention. Unlike those who see inequality as an inevitable consequence of the increased role of market forces, Atkinson’s theory reminds us that social forces and attitudes are also important. As a society, we have as much choice over the level of inequality as over the level of unemployment.

REFERENCES


IS THE JOB NETWORK BENEFITING DISADVANTAGED JOB SEEKERS?

Continued from page 5

Table 2: Comparable Outcomes for Case Management and Intensive Assistance

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<td>23% 'placed in employment or study and off income support or on reduced rate of income support 13 weeks after placement' including: 18% in paid work 2% in education or training 49% reached end of referral without paid outcome 31% 'other unpaid exits'</td>
<td>16% 'placed in employment or study and off income support or on reduced rate of income support 13 weeks after placement'</td>
<td>45% 'positive outcomes', including: 27% in unsubsidised employment; 6% in brokered employment; 10% in subsidised employment 2% in full-time study; 30% exited case management without paid outcome; 25% 'other exits'</td>
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Sources: DEWRSB, 2000, 6.4; ESRA, 1997, Tables 10-12

this question. First, are the most disadvantaged receiving assistance at all? Secondly, are those receiving assistance getting positive outcomes? DEWRSB’s first evaluation report shows that only 63 per cent of people starting intensive assistance up to September 1999 had been unemployed for more than 12 months and that this group made up only 68 per cent of those assessed as eligible for assistance using the JSCT. There are, of course, other indications of disadvantage than current length of unemployment. Also, a small percentage will have been judged as too disadvantaged for intensive assistance and referred to the Community Support Program. Nevertheless, it seems that if about one-third received assistance on the strength of being at risk of long-term unemployment, and took precedence over many who already were long-term unemployed, either intensive assistance is poorly targeted or there are simply too few places.

One way to assess whether Job Network is delivering better outcomes for the long-term unemployed is to consider aggregate data on the duration of unemployment over the last decade. If the new flexible market arrangements allow higher levels of ‘creaming’ (easier to place job seekers take precedence over the more disadvantaged) then we would expect to see an increase in the proportion of unemployment which is long-term.

Even this approach, however, is inconclusive. Using similar data, Dockery (1999) and Webster (1999), for example, have drawn different conclusions about movements in long-term unemployment over the last decade.

Overall, while it is clear that the Job Network has overcome many of its initial implementation problems, it remains difficult to discern how far it is having any greater impact on the opportunities of disadvantaged job seekers than its predecessor. Certainly it is costing less, and the demands of cost efficiency are testing the innovative skills of provider agencies. How this is impacting on agencies, especially in the non-profit sector, and on their clients, will be discussed in the first report from the SPRC/Brotherhood of St Laurence research, to be issued in November 2000.

REFERENCES


Ever since Bowlby’s famous publications on maternal attachment, women in advanced industrial societies have had to struggle with what has been presented as a choice between autonomy (through paid work) or motherhood (involving dependence on men’s earnings or on welfare). In other words they are faced with a choice between harming themselves or their children. This ‘diabolical trade-off’ rests on the presumption that working parents inevitably reduce their hours of contact with their children and diminish the quality of the parenting provided. However, a number of studies question whether children are, in fact, disadvantaged by maternal employment.

In collaboration with US colleagues and with support from the US-based MacArthur Foundation Research Network on Family and Economy, researchers at the SPRC have put to the test the presumption of a trade-off between the use of childcare and the quality of parental care, using information from Australian time use surveys. The results suggest that many of the effects on parent-child interactions are far more benign than expected.

The 1992 and 1997 Australian time use surveys, carried out by the Australian Bureau of Statistics, collected information about non-parental care arrangements in households as well as time diaries from all adult members of a household. This makes them among the world’s best source of data on parental time spent in childcare activities. These parental activities can be classified into three broad groups.

- Developmental childcare: face-to-face parent-child interaction that involves activities believed to be critical for the development of children’s linguistic, cognitive and social capacities. Examples include teaching, helping children learn, reading, telling stories, playing games, listening to children, talking with and reprimanding children.

- High contact childcare: face-to-face interaction that revolves around physical and emotional care of children. Carrying, holding, cuddling, hugging, soothing, feeding, bathing, dressing and putting children to sleep are all examples of high contact child care. This type of care fosters security and emotional well-being.

- Low intensity childcare: which is distinguished from other categories of childcare because parental involvement is less active. Activities covered by this category include being an adult presence for children to turn to, maintaining a safe environment, monitoring children playing outside the home, keeping an eye on sleeping children, and supervising games and recreational activities such as swimming.

The results of the time use analysis show that children receive the same amount of cognitive and social stimulation from their parents, regardless of the weekly hours children spend in care outside the home, or the type of care (long day care, family day care or informal care by a relative or neighbour). This finding of a constant quantity of developmental parental care, in the face of variations in the amount or type of non-parental childcare, holds true for both sexes. Parents clearly modify their behaviour when a child is placed in care outside the household, increasing the proportion of time spent with their children in developmental care activities.

Although care outside the home does not alter the gender balance in developmental care, it does affect the balance of physical and emotional childcare. Regression analysis shows that longer hours of care outside the home reduce mothers’ time spent in high contact childcare activities. Fathers’ involvement in the physical and emotional care of their children, however, increases. It seems that non-parental care replaces some of the physical aspects of maternal parenting, but the use of childcare significantly increases paternal time in high contact interaction with children. The distribution of childcare time between mothers and fathers becomes more equal as hours of non-parental care increase.

One concern in relation to parental childcare is that the children of single parents may be especially disadvantaged. This research, however, shows that in all categories of parental activity (developmental, high contact and low intensity), single parents compensated for the absence of a partner by spending more time with their children. Although children of single parents are more likely to attend childcare (and for longer hours), the time commitment of single mothers increases by an amount greater than the time contributed by married fathers, across all variations in type and length of extra-household care. In contrast with many of the findings in the US (for example, Cherlin, 1992), this study found that the children of single mothers are not disadvantaged in terms of total parental time compared with the children of two parent families. The increase in time commitment is proportionately highest for developmental childcare.

Continued on page 15
NEW PUBLICATIONS

SOCIAL SECURITY AND SOCIAL DEVELOPMENT IN EAST AND SOUTHEAST ASIA
Edited by Peter Saunders
SPRC Reports and Proceedings No. 143

Despite their many differences, the countries of East and Southeast Asia share a common concern over the role of social security in promoting social development through supporting economic development.

The 1997 Asian financial crisis sent several economies in the region into a sudden and deep economic decline. The political fallout from this catastrophic event, along with the dire social consequences for many people already struggling at or below the margins of absolute poverty, focused world attention on the design, role and impact of social support systems.

The workshop, the proceedings of which appear in this volume, was developed against this background. The volume includes papers from individual countries, and several discussions of comparative research, along with comment on the priorities for implementing the actions decided on at the UN World Summit for Social Development, in Copenhagen in 1995.

MUTUAL OBLIGATION AND WELFARE REFORM: AN ANNOTATED BIBLIOGRAPHY
Edited by Diana Encel
SPRC Research Resource No. 16

This bibliography is concerned with the concept of mutual obligation in the context of welfare reform. The works it describes cover such areas as work for the dole programs, the concept of the ‘active society’ as it pertains to social security and other programs designed to move people from welfare to work.

In Australia, the activity test is the first manifestation of the idea that in order to receive income maintenance, some commitment is required from the claimant. Several classes of people were excluded from this requirement, subject to other conditions. This bibliography is principally concerned with the increasing stringency of the activity test and the extension of the test to groups other than the unemployed. Non-compliance with the work/activity test requirements now incurs increasing sanctions.

 Debate surrounds the efficiency of compulsory participation in work. A number of evaluation studies have been carried out to assess the effects of the policy and to determine whether it reduces the number of people registered as unemployed or improved the income level of those who are or have been in the programs. Public attitudes to income support and to the move towards a more obligatory system are discussed in a number of the works described.

THE TRANSITION FROM WELFARE TO WORK: ARE CASUAL JOBS A SHORT CUT TO PERMANENT EMPLOYMENT?
Jenny Chalmers and Guyonne Kalb
SPRC Discussion Paper No. 109

This study uses longitudinal data from the Survey of Employment and Unemployment Patterns to examine if casual work can shorten the time taken to move from unemployment into permanent work. The analysis is based on comparison of the transition rate from unemployment to permanent work with the combined transition rates of unemployment to casual work and casual work to permanent work. The evidence suggests that disadvantaged unemployed people benefit most from accepting casual work in their search for permanent work, although they are still less likely than others to obtain permanent work.

NOW THAT THE FUTURE IS HERE: A RETROSPECTIVE REASSESSMENT OF GERSHUNY’S THEORY OF SOCIAL INNOVATION
Michael Bittman
SPRC Discussion Paper No. 110

In the early 1980s, Jonathan Gershuny developed a framework for thinking about the kinds of social organisation which might emerge ‘after industrial society’. The development of the ‘social innovation’ theory coincided with Gershuny’s interest in information from time-diaries. At the centre of the theory is the relationship between market and non-market provision of services. Gershuny argues that, over time, the relative market prices of durable goods and final services produces a tendency toward ‘self-service’, where households eschew the purchase of increasingly expensive final services and substitute them with home produced services. On this basis, Gershuny predicts the decline of time devoted to market work, a tendency he calls the ‘diminishing marginal utility of income’, and an increase in the time spent at home in non-market production and leisure consumption. Time spent in non-market production is in turn diminished by the increasing productivity of domestic technology and greater sexual equality in the division of domestic labour, producing a society of greater leisure. This paper argues that Gershuny’s predictions have gone awry: his failure to consider the effects of labour demand has led him to overlook the distribution of hours of paid work, and therefore unemployment and overwork. Ignoring marital bargaining has also seriously affected his predictions about the sexual division of labour and the processes of self-servicing.
**Non-Paternal Childcare Arrangements**

The project confirms that an analysis of time spent in parenting activities can yield relevant new information. It casts doubt on the pre-supposition that placing the care of children in the hands of others denies those children the most important forms of contact with their parents. The study shows that the type of parental interaction with children that most develops human capital by promoting health, sociability, cognitive ability and emotional security is not reduced by the time that children spend in non-parental childcare. Fathers’ involvement with their children is actually increased when the children attend extra-household childcare. Moreover, the children of single parents do not receive less parental attention of any type than children in two-parent families receive.

The results of the research were the subject of discussion at the Annual Meeting of the MacArthur Foundation Research Network on Family and Economy held in Santa Fe in September 2000. Publication of the report of the study will most likely follow this meeting.

*“Lyn Craig is the author of a recent honours dissertation from the University of New South Wales on mothers’ use of time. Nancy Folbre is Professor of Economics at the University of Massachusetts, USA, and author of *Who Pays for Kids?***

**References**

This conference continues the tradition of bringing together representatives of academia, government and community services to discuss research and policy papers from the range of social policy disciplines.

The conference theme of ‘competing visions’ allows us to invite debate among contending viewpoints about the part social policy can and should play in Australian life, and the appropriateness and effectiveness of present policies and practices in the light of these views.

The issues to be addressed include the:
- role of government, business and non-government sectors in social provision
- rights and obligations attached to claims for assistance, and
- scope and effects of inequalities of income, participation and opportunity.

2001 will be an election year, and there will undoubtedly be lively political debate. These occupy only part of a broader spectrum of perspectives on contemporary issues in social policy, and we aim for debate among all viewpoints.

The conference will include:
- a mix of plenary sessions
- forum discussions, and
- contributed papers in parallel sessions.

Parallel sessions will be arranged in thematic streams covering income and inequality; employment and welfare; families, children and young people; retirement and ageing; and community services organisation and funding.

We also plan to have sessions on welfare reform, and on community partnerships and the third sector. There will also be an open stream for papers in areas of social policy not encompassed by these themes.

A detailed Call for Papers and the announcement of keynote and plenary speakers to the conference will be issued in the next SPRC Newsletter. This information will also be available at our conference web site, accessible from mid-February through our main web page at www.sprc.unsw.edu.au. Details of registration and other attendance information will be provided early in 2001. As in past years, papers will be selected for presentation competitively on the basis of referee assessment of abstracts. The closing date for submission of abstracts will be announced in the Call for Papers. Start thinking about your contribution now!

We have always made every effort to keep the cost of attending as low as possible, in order to encourage the widest possible participation, while creating a comfortable and congenial setting. Because the SPRC will not have core funding in 2001, costs will necessarily be higher than in the past, but we will still be aiming to keep costs low for a national conference of this scale.