

# **A brief submission from the Women's Equity Think Tank (WETTANK)**

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'The adequacy of the allowance payment system for jobseekers and others, the appropriateness of the allowance payment system as a support into work and the impact of the changing nature of the labour market'

The WETTANK works for gender equitable social change. One major aspect of our approach is recognition that gendered views on what is valued tend to obscure the many ways that people can contribute to the common good. In particular, an over-emphasis in policy and practice on paid workforce participation as the preferred means of generating income fails to recognise care of others, community and creative contributions can all add serious social value to social and individual well being.

Policies such as paid parental leave do recognise the importance of parental availability in the first year of life. The existence of Parenting Payments does recognise that there are still substantial demands on parenting time and attention in preschool years. However, the changes in child age eligibility for these payments that have been gradually introduced over the past few years, including these latest cuts, fail to recognise the continuing time and energy demands that single parenting, in particular, may bring. The Government is now failing to offer a continuing payment that can both supplement possible low earnings or adequately replace these where paid work is not appropriately available.

The government has decided that penury is a better option for all sole parents on income support, once their child is presumably settles in primary school. It claims it is doing this for the good of child and parent because dropping the basic payment level will force the presumably lazy parent into seeking and taking up a paid job. Despite the lack of any valid evidence that reducing payments has caused more employment amongst the many sole parents who have already been put onto the very inadequate Newstart Allowance, the Government is adding in the last 'grandfathered ' group of over 100,000 sole parents.

This last group, by definition, has older children, many are already working part time, who will just lose income. They have been on the payment for some time, otherwise they would not be covered by the grandfathering clause. Those who have not found work, despite an obligation to look for paid work, probably have a range of barriers preventing their finding suitable jobs. Many would have had long periods out of the paid workforce, which seriously reduces their confidence and employers likelihood of employing them. Others will have health issues and maybe minor disabilities that create difficulties with both their families and putative employers. Some will have children with health, behavioural or other issues that make flexibility in jobs essential.

Over a decade ago, as a researcher at UTS, I initiated a study of sole parents, With Kathleen Swinbourne, I explored the attitudes of sole parents to paid work through some 20 focus groups. The results showed clearly that most sole parents were more than prepared to take on paid jobs but with the proviso that their children's needs had to take priority. I followed this study up when the welfare to work policies came in in the middle of the decade and similar results emerged.

Sole parents need jobs that fit in with school hours, medical appointments, sick kids, and the many other demands they face alone. In addition, many do not have recent work experience, are lacking in confidence, have limited schooling, poor English and may have visible minor disabilities. They often live in cheaper rental areas where there are few jobs and limited public transport. All of these militate against finding appropriate jobs. Add employer prejudices to the mix and it is not surprising many have serious difficulties in combining parenthood duties, care and paid work. There is also inadequate after school care in many areas and they have no savings to cover the costs of job seeking or even attending interviews.

So why add another 100,000 plus of mainly women who are more likely to share many of these disadvantages to the 200,000 plus already trying to find jobs that fit their parenting needs? There is no logic to this because the loss of income that the shift will create is both likely to discourage job seeking and reduce the resources needed for the tasks.

The following data shows the flaws in the government's promoting the idea that work is available for those seeking it.

In November last year DEEWR listed officially 106,000 job vacancies – yet at that time there were already around 560,000 on Newstart Allowance. The chances of sole parents finding jobs in this limited market are small. Most vacancies are for those with recent work experience and qualifications. They compete with others amongst the 600,000 people on Newstart Allowance who are actually among the most disadvantaged people in Australia.

The Government needs to improve the level of targeted jobs assistance to help break down the barriers for sole parents, as well as increasing care services. Increasing allowance payments will place them in a better position to participate in the search for paid work. However this is only a partial solution.

With no employment growth last year and the profile of people out of paid work becoming more disadvantaged (people with low skills, long periods out of paid work, disabilities, and of mature age) many of these sole parent will find it increasingly hard to secure a job. It would seem logical to offer adequate financial support that allows them to focus on the children as well as maybe being able to offer others informal care options in the community. This is preferable to the mix of inadequate income and other factors that may also damage their child rearing capacities.

WETTANK would like to see a major review of payments to ensure that other forms of participation in the community are recognised. This would involve having a payment level that provided adequacy for those who contribute in other ways than holding full time jobs. This type of payment could subsidise the contributions made as carers, parents and neighbours. Income support needs to recognise that changing jobs and demands for skills will require other forms of contributions beyond the economic.

I include below the summary and conclusions of the 2008 report we did on Sole Parents and Welfare to Work, as little has changed.

# **WELFARE TO WORK: AT WHAT COST TO PARENTING?**

by  
**Eva Cox and Terry Priest**



*It's hypocritical ...*

*they say, 'education is important. Stay on at school. Get a degree. Do all these things'. But - if you're a single parent, 'get out to work'. If you're in with a partner, you might be working different shifts, but if you're a sole parent [the children] are coming home to an empty house. They might be going out with their friends and you don't know what they're getting up to ... [and] they'll blame it on the fact that you're a single parent. It is very hypocritical and very cynical saying on one hand 'be good parents' and then on the other hand, say:*

***'hard luck, you have to go out and work'.***

*Original cartoon and comment from focus group report (2000)*

Stage two of this project was funded by the NSW Office for Women  
Stage one and overall support came from the  
Social Inquiry Centre, FHSS, University of Technology, Sydney

## SUMMARY AND RECOMMENDATIONS

The following summary and recommendations are primarily based on a small longitudinal survey of a cross section of sole parents, most of whom have become eligible for the Australian Government's *Welfare to Work*<sup>1</sup> policy requirements for less than six months. This survey offers some interesting insights and disturbing evidence of the initial effects on some particularly vulnerable sub groups of this category of parents. These reported effects raise questions on whether the current policy design is too limited and rigid to usefully serve groups as diverse as sole parents. These conclusions, even at this early stage, are confirmed by other data and strongly suggest that although the longer term effects of the policy are yet not clear, there are risks in continuing those aspects that may be counterproductive to good parenting.

The effects of changes to the levels and types of payments and the coercive work obligations on *Welfare to Work* clients build in risks of affecting the parenting capacities of the more fragile groups within the sole parent population. While there are many sole parents who are not long term dependents on income support payments, and some who never need these, many others may end up as long term recipients or find the repeated need to move on and off payments. Sole parent circumstances are varied and few remain on payments by choice, therefore the question is whether aspects of the new policy can undermine some families' capacities to fulfil their role as a parent and raise their children to the best of their ability.

For sole parents the capacity for good parenting may conflict with the basic assumption of the *Welfare to Work* program being that *all* recipients' families will accrue benefits through their workforce participation and presumed increased income. This blanket assumption of the benefits of paid work should be re-examined as the different situations of sole parents raise questions on when this may not be compatible with 'good-enough' parenting. We need to move away from 'paid work' as a singular category and question the types of jobs and conditions that are on offer. and recognise that both job content and conditions of work make for very varied experiences, some of which may be more suited to certain parental styles or needs. The present legislative provisions leave little space for such considerations.

The cases from this small survey have indicated which questions need to be asked on when and how parenting capacity is put at risk. The overall findings of the survey are that the respondents, whose situation had changed due to direct or assumed government pressure, did not report that their lives had improved. In a few cases there were slight improvements in finances but often combined with extra costs and more stress. The jobs newly acquired, in

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<sup>1</sup> See Appendix 1 for a summary of changes to sole parent income and requirements. For full details go to [http://www.centrelink.gov.au/internet/internet.nsf/site\\_help/w.htm](http://www.centrelink.gov.au/internet/internet.nsf/site_help/w.htm)

most cases, were casual and low level and likely to be tenuously held. Despite their indications when contacted in Stage one that they wanted to work, most did not see the new program as helpful. Some of the issues were about poor information flows and concerns with program contradictions were also reported.

The changed requirements for those who were already in receipt of parenting payment before July 2006 specified that they look for paid work once their youngest child turned seven from 1 July 2007. New applicants were affected from 1 July 2006 if they had a child already age six. These changes apply both to sole parents and those partnered parents whose partners' income is low enough to qualify them for Parenting Payments. New sole parents' move to Newstart is separate and happens when the child turns 8.

The following summary illustrates the concerns expressed by respondents that triggered both our analysis of the appropriateness of the justifications of the program and our proposals for policy and program changes. The data is particularly valuable as it is longitudinal, in that it measures the activities or inaction that relates to the same group of 46 respondents over about 12 months, in which most became eligible for the changed requirements.

The majority of our respondents saw their children's needs as their primary responsibility therefore resented the conflict between this and the prescriptive nature of the work requirements. Those doing child related voluntary work, were also confused as to why this was not accepted any more. Those who had made changes to their paid work as required, did not see these as particularly beneficial and often as negative. None of their changes were assisted or facilitated by any positive provisions of the new policies, such as job referrals, but were usually initiated by respondents' fears of the new program and problems experienced with Centrelink.

Two respondents had given up what they defined as good jobs because they did not satisfy the 15 hours a week requirement and one had moved into less skilled work. Another had become unemployed when a new job failed. One respondent who had acquired a desired job had earned it through six months of volunteering, an option no longer possible unless over 55. Some had given up study or cut it back and others had not taken on study as it could not be approved. Many complained of loss of parenting time and control, as well as stress and ill health effects. These results are informative even though they only relate to about half the respondents, as the rest were still waiting for Centrelink referrals or been asked to wait for further contact.

Respondents' movements into paid employment were very limited and generally into casual jobs, sometimes at a lower level than previous jobs. Two women, trying to set up their own businesses found the process for independent contractors frustrating and difficult with few guidelines available. Some of those studying part time to further their qualifications had been pushed into giving up study in favour of a casual jobs. Some were trying to

transfer to Carer payments and the rest were not yet being processed, in breach of the Centrelink time guidelines. Many of the latter group had not worked recently, had no qualifications, and had their own or child's health problems. Too many overall were anxious about the future.

What the results from this small sample do indicate is that *Welfare to Work* has many characteristics of an unworkable program in its present form, as it undermines the social well being of many families without achieving their expected improvements in economic well being through increased rates of workforce participation. While it is still early days, the evidence so far is that the design of the program fails to recognise different needs or provide the necessary information and support that most unemployed sole parents need to make effective transitions into the workforce. The mixture of coercion and confusion that is evident so far imposes requirements that may temporarily increase participation but too often at the costs of good family relationships, little or no financial gain and possible more secure future job options.

Overall, the surveys revealed considerable frustrations from those who were trying to work out what they could or should be doing. One summed it up by saying that a one size fits all model cannot work and others commented that trying to meet the requirements of a rigid system was creating problems for Centrelink staff as well as for the sole parents. Rather than assisting them to improve their situations, most thought either little had happened or it had become worse.

### **Proposals for policy and program changes**

We note that this survey was undertaken by researchers who were both aware of the usual benefits of paid work for both parents and children. We therefore support the presumption that access to *appropriate* paid work will generally benefit sole parents where there good policy and program supports. Our recommendations for changes are therefore framed in that context.

Firstly, in order to assess the policy effects, it is necessary to identify the various needs of particular sole parents which are not recognised in the current program. These range from those who want to move into paid work as soon as feasible but still need some help, to those who need higher levels of assistance and maybe some experience to find the right jobs, and those who will have ongoing problems finding work. Amongst the parents we interviewed, and those who contacted us, only a few expressed their ongoing commitment to full time parenting, such as one recent widow who had not worked since her child was born by agreement with her husband. However, they with other longer term unemployed sole parents, will need time and help in upgrading skills and work experience to allow them to find the types of jobs that will improve their longer term financial status and not be at the expense of good parenting. All will require paid work that allows them to continue to meet parenting requirements and that is not easy.

The main changes to the program need to be at Federal level and will include removing the coercive aspects, the financial penalties and upping the levels of basic payments and tapers. However, there are new collaborative options under the Australian Labor Party's *Social Inclusion Agenda* (ALP: 2007) and other proposed programs for training and child care, which suggest more positive state involvement as well. The focus on the welfare of children and educational needs means that sole parents could benefit from an integrated mix of government and non government programs. These should be funded to distinguish between the needs of the various types of recipients and establish ways of improving their well being, both financially and socially/emotionally.

First priority must be given to ensuring that children's needs are met, both material and non material. Stressed parents have a negative affect on their children, so excessive time pressures, lack of good services and bad working conditions need to be avoided. While individual workers may try to manage cases sensitively, the regulations and legislation need to be altered, employment services reviewed, as does the funding to encourage better practice.

### **Recommendations**

Our first recommendations are that this report and other accompanying material:

- be circulated to the Ministers for Women at all levels of Government.
- be made available to any inquiry into the *Welfare to Work* reforms
- be included as part of the agenda for the March 2008 meeting of the Council of Australian Governments (COAG), to be raised on the Productivity Agenda on Education, Skills, Training and Early Childhood Development. It should be referred as part of the item on determining the priorities for the *Social Inclusion Agenda*, as dealing with families at serious social disadvantage.

We propose the following *principles* should be accepted to underpin the redesigned program.

1. There should be an appropriate assessment process of clients to decide when and whether the entry into paid work is to the overall benefit of both children and mother in terms of time, care and resource changes.
2. This assessment should take into account whether levels of stress or ill health are evident that could create barriers to entry into paid work, or its continuation, to ensure the quality of parenting will not be significantly affected.
3. The employment services should assess job matches on the basis of skill level, time at work, travel time, flexibility and financial benefits, both immediate and long term.

4. The criteria for adequate financial benefits should cover both the direct additional costs and loss of time for other activities at a more generous level than current policy<sup>2</sup>, so there is an actual improvement in family living standards.
5. Jobs matched to clients must be able to adapt start and finish times and be flexible to meet the needs of parents having to deal with crises and holidays.
6. The basic assumption of the staff implementing policy should be to encourage clients to achieve their potential by upgrading qualifications and finding jobs that match their skills and aspirations, not just to meeting minimum standards.
7. Therefore job seekers should not have to accept work which fails to match their qualifications and capacities and have no prospects for promotion and income increase.
8. There should be no penalties or coercion by reduction or withdrawal of income support when any of the above criteria are not met.

*We propose the following changes to the current guidelines and programs be introduced:*

#### At the Federal level

The Australian Government suspend the coercive aspects of the legislation for 18 months and undertake an urgent review of the legislation and regulations on services and payments. This should include:

1. An urgent review of the payments to employment services to ensure these are rewarded for assisting clients with longer term improvements in employment potential, and not for placements in short term low level employment with no prospects.
2. Removal of current limits on training and education so those with capacities can take on higher level, longer courses that both benefit them and remedy the skill shortage.
3. Redesigning income support for sole parents to recognise that many of these without partner support will need an ongoing public subsidy so they can combine good parenting and paid work and ensure that children be kept in education.
4. The *Welfare to Work* guidelines be amended to fit in with the NEIS self employment program to effectively support those sole parents (and other recipients) who may work as independent contractors or are starting/running their own business.
5. Where sole parents are working part time already and happy with the job, the program should build on these experiences, not push them to seek a job with more hours regardless.

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<sup>2</sup> See Appendix 1



6. Where sole parents are doing voluntary work that is developing confidence, skills and is useful, they should be encouraged to continue this until something else is specifically available.
7. Combined language and other training programs be funded through NGOs and offered to those sole parents whose language skills and other education levels may be seriously limited.

At the joint government levels we propose:

- The Federal and State Governments explore the possibility of jointly funding a number of parenting information and brokerage services to be established to assist all parents returning to work by offering integrated local, state and federal services for care and education. .
- The funding and planning of such services need to take into account the various needs of particular groups and if necessary be funded to ensure that their differing needs can be met.

Some examples of the types of programs that could be offered by the joint processes could include the following:

- Young sole parents, often early school leavers, be offered long term support plans that include opportunities to upgrade their basic education and be offered further extended training so that they can earn decent money when they do take on paid work. They need social and emotional supports to give them the confidence to access child care and other services. This would avoid the possibility of long term dependence on welfare payments.
- Similarly, older sole parents, particularly those 45 up who have not recently been in paid employment, need extended support plans for training and work experience to allow them to move into long term secure paid work, not just entry level short term work. A combined funded training and work experience program in expanding areas such as child care and aged care at local or state levels could work for many of these parents.
- Sole parents with existing skills, recent work experience and some qualifications need to be supported in looking for work by ensuring their access to quality care services and the working conditions they need to make this possible. Better local job seeking services with particular emphasis on part time work and good employer liaison would work.

In sum, it would be more sensible, logical and economically valid to look at combining the policy and process to ensure that those clients can access appropriate education and training, as well as placements that complement their skills and potential. The criteria for success should be a three year cycle and evaluation on the basis of ongoing employment, some access to skills development and promotion, and a measured level of improved wellbeing both financial and emotional.

Proposals for changes in the supply side (the jobs)

Most of the proposals above would assist recipients of income support to find better options and/or upgrade their skills so they can meet the market demands for their service. There are other structural and institutional changes that need to be addressed, as well as recognition that there is often prejudice against sole parents that may prove to be a barrier to good employment prospects.

*We propose that:*

- Employers be canvassed to offer part time jobs that complement school hours and have some flexibility built in. This could be done by a task force including the Human Rights and Equal Opportunity Commission (HREOC), state anti-discrimination groups, employers and unions.
- Industrial Relations and workplace legislation be amended to recognise that sole and other parents need flexibility in their workplaces to recognise the need to deal with sick children, school demands, disability issues and other aspects of parenting with consideration that these issues cause more disruption when there is only one parent available to take up the problem.
- NGOs and other community based organisations be encouraged and funded to design and develop both volunteer options and employment experience programs that involve both formal training and skill development that are targeted at sole parents returning to paid employment after extended time out.
- Group projects along social entrepreneurial lines be developed and funded to allow cooperatives or similar supported small self employment incubator options to be developed.