

WELFARE TO WORK: AT WHAT COST TO PARENTING?

by
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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)

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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*¹ 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 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

¹ 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

the issues were about poor information flows and concerns with program contradictions.

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 were 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 policy², 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.

² See Appendix 1

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.
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.

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REPORT ONE: THE *WELFARE TO WORK* SURVEY STAGE TWO

Introduction

It is now almost 18 months since *Welfare to Work* was introduced by the Australian Government bringing changes to the entitlements of new and existing sole parents. The justifications for these changes were that it would improve the situation of the families of sole parents by increasing workforce participation of the primary carer and presumably save the government money. This assumption fails to recognise that sole parents also have to ensure time for care and responsibilities for child rearing unlike most other groups affected by these changes. Therefore, the *Welfare to Work* Survey was devised specifically to assess whether there were net benefits for the sole parents who would fall under the new requirements.

Over a year ago the research team made contact with about 70 sole parents who were likely to be affected by the changes and were prepared to fill in a comprehensive survey of how they were managing life at that stage³. The participants were contacted again over the last few months to see what changes had occurred and how these had affected them. We have been able to make contact with 46 of the initial participants both online and through phone interviews and we asked them to update us on their current situation with the aim of:

1. Assessing whether there had been any impact on their lives.
2. Assessing whether there were benefits from the procedures and rules presumably developed to assist them.
3. Exploring how the policy and program could be improved, and
4. Identifying other services and supports that could assist.

We acknowledge the quantitative limits of the sample however it does provide a broad cross section of cases. As much of the data collection was online, it did bias the sample somewhat to those who had such tools. A small sample of Culturally and Linguistically Diverse (CALD) respondents came from a community agency and were interviewed face to face in their own language which added to the mix.

Profile of Stage two respondents

The sample of sole parents who responded to the survey formed a diverse group. While not claiming this as a representative sample its diversity makes it useful. We have included some more general figures for comparison under a later section titled *Other supporting evidence of issues* to put the findings in a broader context and have provided a summary profile of respondents below.

Our respondent's ages were generally older than the general sole parent population with:

- just over two thirds over 40, with
- 21 aged between 40-49, and
- 10 over 50.
- only two were aged between 20-29, and

³ Extracts from the draft Stage one report can be found at Appendix 2

- 11 aged between 30-39
- two respondents chose not to state their age.

More than 15 respondents were caring for three or more children, which is unusually high, with 12 having two children and 19 having one child.

Our sample included many parents who have health and disability problems, and many whose children have health and disability problems or learning difficulties which reflect the problems recorded in other surveys of the broader sole parent community (Butterworth: 2003)

Eight had English as their second language and responded through one agency.

Most of the participants live in NSW.

The education levels were also mixed. Of the 46 respondents for Stage two 27 had some type of post secondary qualification (two postgraduate, eight with a university degree and 17 having completed college or TAFE). Five had only reached primary, the remaining 14 had made it to secondary school with only three of these receiving their HSC.

Summary of survey findings⁴

Benefit Status

- **Thirty three are receiving some level of Parenting Payment.** These recipients form the majority and are a diverse group. Of these one recipient receives Parenting Payment though is exempt from looking for work as she is a Foster Carer.
- **Five are on Newstart, with four moving to a lower level of income. One is working less than 10 hours a week.** One woman was preparing to approach a charity to pay bills and loans. She stated that her mental health was deteriorating since moving from Parenting Payment and volunteer work to Newstart and temporary unstable work. She had also had to leave her full time university studies as full time study cannot be approved for Newstart recipients.
- **Five are now on Carer payments, with two having moved across recently, and others are seeking this reclassification as they have children with disabilities.** However, one complained that this move left her with no casework support.
- **Two have moved from income support payments to full time work.** Both of these women have found this very stressful, but felt they had no option. One stated that completing her degree could no longer be an option due to the financial hardship involved and had also moved to a lower level job. The other was finding that trying to establish herself as a contractor was causing major stress and frustration and was diminishing her effectiveness as a parent.

⁴ See Appendix 6 for a selection of supporting tables

- **One is on Disability/Special Benefit because of ongoing illness.**

Workforce participation: jobs, training and the overlaps

Overwhelmingly respondents indicated that they were willing to take on paid work if they could be confident that their children's needs were being met, however many of the parents felt that the new requirements were undermining what they saw as good parenting.

Of the 46 respondents for Stage two, 16 were working in Stage one with a total of 21 working in Stage two with 17 working the required 15 hours.

Since Stage one:

Two respondents have stopped paid work

One resigned from her part time job due to a mental illness, the other has physical problems requiring vocational rehabilitation. Both had been referred to an employment service and sent to interviews but neither had been offered a job.

Four are working less hours

Three of these are still working the required 15 hours or more and the other has taken up full time study.

Seven are working more hours

All of these moves were voluntary without assistance from an employment service.

Only four have moved into the workforce from no work

All of these moves were self initiated with no helpful assistance from an employment service. One respondent had completed her degree since stage one and had found work in the chosen field, another moving from a voluntary position into work.

Six are doing the same hours

Five of these respondents were fulfilling the requirement of working 15 hours a week though one who was meeting the requirement 'most' weeks had not been called in for an assessment at the time of completing the survey.

Five have changed jobs

Only one had help from an employment service for a temporary position.

As shown above, most moves were self generated and not assisted by any employment service. Only in one case was the move seen as positive as it was a job they wanted, and had found it themselves.

Where a sole parent has little or no recent experience or qualifications, it is also likely that they will fail to find paid work despite diligent efforts and this may cause depression and fear. Appendix 3: *Snapshot of respondents who have not worked for more than five years* clearly shows that those respondents who have been out of the workforce for over five years were also dealing with disability and health issues as well as a lack of any or recent work experience. Even those, who are currently working or had recent experience, as shown in Appendix 4: *Snapshot of 25 respondents who are working or have worked in the last two years*, indicate that there could be continuing barriers to those who move in and out of the workforce, such as family needs, age and/or lack of qualifications.

There is also evidence from the survey that some sole parents who are already working less than the 15 required hours a week in jobs they like, or are trying to establish their own business are told this is not acceptable. This is interesting as the Centrelink New Enterprise Incentive Scheme (NEIS) program encourages sole parents and other recipients to set up their own business but has no *Welfare to Work* connections specified. ⁵

[there] didn't seem to be many guidelines for the self employed.

Similarly some of those studying part time are again being told this may interfere with their capacity to find the necessary 15 hours of paid work. These pressures are undermining often useful activities, such as study, that could give longer term stability and satisfaction, as well as the financial outcomes the Government claims is in their interest.

In stage one of the project 43% of respondents had been studying and a similar proportion of the stage two sample (17) were now studying. Though disappointingly, one had given up study because of paid work as noted in more detail earlier. Another had reduced their study load and one had changed courses, both being university students. This reduction in study is probably understated as some were not yet interviewed.

I am very frustrated at the bureaucratic short sightedness of this reform, in particular Centrelink's comment to me that if necessary, give up uni because a 15-25hr week job must take priority.

Longer term unemployed

For the longer term unemployed and others who face multiple barriers to employment there are government initiative programs like the Personal Support Program (PSP) to provide support. However, there are questions on how effectively this is being used and whether it is either economical or ethical to have programs to fix the distress caused by another program, if respondents' distress is an indication of possible consequences.

Looking at those respondents who had not worked for over five years⁶ all had reasons why work would be difficult for them. One had been placed on a Treating Doctors Order, three had moved onto Carers payment with another one applying. In one case although the respondent had a University Degree she had little English, and had not worked for thirteen years. One case had been escaping domestic violence for many years with three children constantly moving and staying in refuges with no family support. The lack of affordable childcare was an issue for many, including no affordable available services for those over 10-12. Over half of the respondents claimed that paid work would be hard for them in some way.

⁵ See www.workplace.gov.au/neis

⁶ See Appendix 3

Nine women were followed up for Stage two through an agency in Western Sydney. Of these women two were not required to look for work as they had health problems. Five were looking for work and one had moved into a paid job in a factory since stage one but had had to leave her study. The level of education achieved for these women varied with one woman never having gone to school, two having left in primary, one gaining her HSC and two having University degrees which were gained overseas and not recognised in Australia. All of these women have poor English with some able to study English and others trying to access classes to improve their options.

Housing

On top of issues with employment many sole parents are financially compromised by their housing situation. The figures collected for stage two showed that:

- Only 10 women were in a buying/owner situation
- 23 were in private rental – with one buying/owner having moved into this category, and
- 13 were in public housing.

Although most of the respondents would probably be eligible for rental assistance, those 23 in the private rental market would be paying a significant part of their income toward this. The public housing tenants in NSW also face the possibility of losing their housing if they move over the earnings threshold by entering long term full time work, and have to pay higher rent (25% of their income) which could only serve as a disincentive.

Another problem faced that causes major disruption to any family was the need to move houses, with just under a third of the total respondents having moved in the last two years: with 11 moving once, two moving twice and four having moved more than twice.

Economic versus social change

The information above about the uncertainty of employment, study, affordable childcare and housing indicates that even with paid work that sole parents are too often poor. Our survey shows that for most any financial change was more negative than positive.

Uncertainty about my income is also very stressful. When my bigger contract ceased in August I had an awful lot of trouble dealing with Centrelink to try and get Parenting Payment again as I had to start the whole new claim process again.

High EMTR mean I lose 60 cents of every dollar I earn, I receive less FTB, less rent assistance and I pay heaps more for clothing and petrol (cannot use public transport because of work hours [shiftwork] so financially I feel I am only slightly better off. With new policy changes, I will also receive less Child Support from July 2008.

Overall, thirteen respondents felt that their financial situation was worse or uncertain with three stating that although they had more income they had more expenses so were ultimately no better off as illustrated by the comments above. Income stayed the same for 27 and only three felt better off. Two of these were women who had gone from no work to 15 hours or more but one, who has two children, felt that the home situation had been affected with a lot more stress and a negative impact on effective parenting. The other had changed jobs and decreased hours to 38 hours minimum a week, reducing her study load and taking on unskilled labour.

For 14 respondents, time with their children had diminished, increased for one, and stayed the same for five, with the rest not commenting as they were not actively engaged as yet. However, 16 reported that they found it difficult to meet the demands of caring for children and working, and out of the 12 that commented about their influence on their children, nine worried that it had diminished. More (18) complained of general stress and anxiety with seven of these having a child with some form of health condition or disability that added to the stress.

More work from home on short term contracts has increased my social isolation and I still have income uncertainty. This leaves me with less time for parenting and the stress often leaves me with less patience for parenting. I have fewer social outlets to meet people and talk with other women, parents etc

The impact the move into work can have on sole parents and their families is illustrated by the comments selected below.

This respondent had moved into 15 hours a week paid work from no work and has two children under 12, one with behavioural issues.

There has been substantially more stress and thus related health and relationship issues in trying to keep up the hours of work, the home situation and effective parenting. Life was certainly a lot easier, more harmonious and the home a more pleasant and happier place to be prior to my taking on this work.

Another respondent moving into 40 hours a week with one six year old stated:

I work shiftwork therefore I don't spend much time with my son anymore. My wage has gone up, but so have my expenses such as car/petrol, childcare costs. I am also about to lose my blue pension card which means my bills will go up as I am no longer entitled to concessions. I don't feel that I am significantly better off. My child now virtually lives with his Grandmother as I am working odd hours and shiftwork. He usually spends about 5 nights out of seven at her house solely due to my work.

Others said:

Have much more difficulties with child care. Child has to stay home alone for many hours each week as I finish at 11pm, or start at 6am, work up to five weekends in a row, work public holidays (including Xmas this year), school holidays and night shift. Child s father lives in another state so child is growing up with inadequate parental supervision as Centrelink policies force me to put my work commitments first.

More stress, my child hates that I have to send her to different friends when there is work available. Disrupts her routine and leaves me feeling stressed and guilty at having to leave her.

While working from home does allow me the flexibility to attend events at my son's school, care for him at home while he is sick, and pick him up from school on certain days, I find it very isolating...

Employment Service requirements

It is interesting to note that of the 29 deemed eligible for work, only 15 so far had been referred to an employment service, 14 were not and 17 were not yet expected to work. Only five had been interviewed and 11 reported on their contact, only four positively. None were offered any jobs. Of the 21 already in paid work 17 of these were working the required 15 hours a week. However, four of these respondents had been referred to an employment service for other reasons being:

- To find more hours than the 17 hours that were currently being undertaken

They are not very easy to deal with, or realistic about or understanding of the situation of a single parent and the variances between families and their needs (ie it is a 'one size fits all' situation to them).

- To find work because full time study was no longer an option

I was forced to look for work and sign up with an employment service when my study load reduced to part-time (health related). I applied and interviewed for several positions without their assistance, was offered several jobs and accepted a job of my choice. A part time job was not a viable alternative for me, nor is full time study

- To check on employment details, and
- To increase casual fluctuating work hours

I had the rule book thrown at me. I felt staff were more interested in ensuring I was complying with legislative changes than in actually providing me with assistance. I was instructed to accept any job at all with no regard at all to matching the position with my skills or qualifications. I was instructed that I had to leave my child alone and I could not refuse the job offer or risk losing eight weeks of parenting payment single. I felt I was verbally abused and coerced with punitive measures. I was told I had to clean toilets.

The remainder, who were working but did not meet the criteria for 15 hours, all commented that they had found the employment services unhelpful.

Had to go every week. No job matches even though I have lots of experience. Not helpful at all.

For sole parents who have multiple responsibilities there can be many barriers to finding appropriate employment, including unfriendly hours, language, distance, age, transport, lack of education and lack of confidence and experience. For the many respondents who were able to tick more than one of these boxes finding work is never going to be an easy task. With the added reports of employment services being unhelpful this illustrates how these regulated processes need to be reviewed so that they can better serve their clients.

Centrelink requirements

On the bureaucratic side, there are many more demands for time to be spent on paperwork and visits to offices. Fifteen respondents reported more paperwork and general reporting requirements:

Another bone to pick is the paperwork has gotten worse with Centrelink which I am surprised as I am meeting their minimum requirement to do 15 hours paid work per week and they expect me to report in fortnightly when I am doing permanent part time work and my income does not change!

In relation to Centrelink visits, 33 had reason to visit their local office since July with:

- 18 having done this three times or more

Visited 4-6 times. The first person told me that I would have to leave my child at home alone (if) I found work (child 12).

- Eight of these more than 10 times – included in this are both respondents undertaking routine lodgements and two who were experiencing other ongoing problems with documentation.

Added to the requirements for contact with the employment services and job seeking, the time spent on such requirements may become substantial, particularly if added to the pressure of family responsibilities and volunteer work which 13 reported doing in Stage two.

Hopeless, unhelpful and not forthcoming with the correct information about volunteer work related to study. I also noticed the wording on Centrelink's website regarding this issue has been reworded – making it even more difficult to ascertain any commonsense from the new rules or the Department.

Were most of these visits useful or even reassuring, the time taken may not have been such an issue, but only about half of those responding saw the services as

considerate and helpful with four stating some staff as being helpful but others not and another nine claiming unhelpful or rude service.. There was only one comment that Centrelink knowledge systems were good with 10 stating it was bad and four receiving conflicting information.

More time delay, more mistakes, even simple things like reporting your income become time consuming. Centrelink has become slower, less efficient and more frustrating I would believe for both staff and the client.

I have had several contacts with Centrelink over the last few months. Some of these have been positive and some have been very frustrating with myself having to contact Welfare Rights to get information that they should have been able to access themselves. This process took five months.

Other supporting evidence of issues

The following material is drawn from a range of other reports, data collections and case studies that cover similar areas of concern. There are surprisingly few reports on the impact of the program on sole parents, in particular, given the potential differential impact on these families. There has therefore been limited capacity to present evidence based material to the government to show what was working and what was problematic. The material below indicates clearly that many of the problems we identified were evident when the program was devised and should have been taken into account at that stage.

Education and training: the wider population of sole parents

The population of sole parents tends to be somewhat different to other women in education and training backgrounds. The figures from the Australian Bureau of Statistics (ABS)⁷ show far more sole parents have not completed year 12 or any post school education, and the numbers with post school qualifications are much lower than for partnered parents.

In 2006:

- 39% of lone parents, compared with 24% of partnered parents, left school before year 12 and had no qualifications and half as many sole parents had a degree (12% compared with 24%).

Therefore it was not surprising that lone parents were twice as likely as partnered parents to be studying (14% versus 7%). Most (68%) were studying part time, for the same time limiting reason they worked part time, with 29% at university and 39% at TAFE.

The Australian Council of Social Services (ACOSS) paper, *The Role of Further Education and Training in Welfare to Work Policies* dealt with this situation across the program. We have extracted the bits relevant to sole parents. ACOSS estimate that by 2007, the *Welfare to Work* policy will include approximately 285,000 parents whose youngest child is 6-7 years or over.

⁷ One Parent Families, *Australian Social Trends 2007 4102.0* at www.abs.gov.au

The report draws on previous research by the Department of Employment and Workplace Relations (DEWR) that suggests that most of those who obtain jobs within 12 months of Job Network assistance remain in low paid part time and casual employment. Significantly the report comments that:

The average weekly wage for those in full time jobs was just \$475. Significantly, former Job Network clients who have post school qualifications are about 50 % more likely to get a full time job within three months, and about 25 % more likely to get a part time job, than those who have Year 10 or less. This underscores the benefits of further education and training for these disadvantaged job seekers.

The report states that more than 60% of sole parents affected by the *Welfare to Work* policy have only reached Year 10 qualifications. The disadvantage is shown in Australian Industry Group estimates⁸ that 86% of occupations require a post-secondary qualification. On average, possession of at least Year 12 qualifications or its equivalent increases the probability of employment by around 30% and reduces the risk of unemployment by about 60%.

The report also illustrates how the policy has changed. Rather than single parents receiving Parenting Payments whether studying or looking for jobs, plus a \$31 per week Pensioner Education Supplement (PES), those affected by *Welfare to Work* receive the lower Newstart Allowance, and if they study full time for over a year they are likely to have to transfer to Austudy Payment. This is unattractive as their overall level of income support is even less than Newstart. This illustrates the actual disincentives to upgrade skills past the very limited job specific short courses, often full time, that are likely to be approved if they are not easily placed in employment

Given that there is an established causal connection between an individual's levels of education and training and employment participation (needs reference) it is therefore not surprising that fewer sole parents than partnered parents are in paid employment. Add to this factor the difficulties of finding jobs that have family friendly hours, then the current difference in participation rates is quite logical. Therefore remedies must move beyond simplistic assumptions that sole parents need to be pushed into employment to improve their situation.

In theory, Newstart recipients can combine part time employment or job search and part time education or training. If they do undertake a course, however, they still need to actively seek a certain number of jobs each fortnight, and/or accept a job offer for up to the required number of hours per week regardless of conflicts with time spent in education or training. Recipients can be asked to stop a course if it conflicts with a job, even if the job is casual or short term and they have almost completed the course. In practice, most parents will have difficulty juggling the two, due to multiple responsibilities.

Another problem is that full time short courses can generally only be approved for people on Newstart or other payments with agreements to look for work, where

⁸ Australian Industry Group (2006) *New National Skills Fund Initiative* Sydney at www.aigroup.asn.au

they have little chance of getting a job without sufficient qualifications. The short courses are also less likely to prepare sole parents for the types of skilled jobs that would allow them decent wages and working conditions.

The result will generally be poor for the *difficult to place* sole parents who need more sustained and staged set of supports, combined with training and work experience. It also means that the more educated and potentially more employable parents may be compelled to take on inappropriate jobs that are likely not to work long term. It means essentially that many of the sole parents covered by these provisions will, at best, become part of the more marginal workforce that is in and out of short term jobs. New sole parent applicants and those who have lost their earlier entitlements will now be placed on the lower level Newstart payment and may be sent to apply for insecure and inappropriate jobs. Those who are not easily employable even in this relatively unselective sector may deteriorate in their ability to parent as they meet more and more rejections.

As the *Welfare to Work* policy emphasis is on moving people rapidly into jobs, giving priority to either rapid job entry or skills development, it discourages recipients from finishing courses and militates against upgrading qualifications. It also leads to inappropriate job placements as was shown in our survey when one graduate was told she should take a job cleaning toilets.⁹

Housing

A report released in September this year titled *Too Big to Ignore* (Beer, Faulkner, Tually:2007) included data on 126 cases of sole parents with 97 of those being female. The study showed that women were particularly vulnerable to housing affordability with household earnings playing a significant role. Both female and male sole parents were overrepresented in rental housing and underrepresented in home ownership generally. The study also found that female headed households were much more mobile than male sole parent households. They were also seen to be carrying a greater responsibility in terms of providing care to a person with a long term health condition or disability, which is consistent with our survey findings, with 21 of our respondents having a child with some form of disability and some commenting that they had to care for ageing parents also.

Impact of work on parent and child's wellbeing

A longitudinal study titled *Mothers and fathers with young children: paid employment, caring and wellbeing* (Baxter et al: 2007) which was presented at a recent conference in Melbourne found that:

young children are twice as likely to develop serious emotional and behavioural problems if their mothers lack job satisfaction.

⁹ For other case studies that raise interesting issues regarding *Welfare to Work* requirements and processes see www.workrights.org.au

Due to this finding the authors suggests that the debate should no longer be about whether mothers should work but about the quality of jobs that are out there for them.

As many of the sole parents in our study are already dealing with children who have emotional and behavioural problems it will be interesting to see the impact of the coercive measures of the new policies which often find women in jobs that they are overqualified for or have long and unfriendly hours. The report states that unless urgent government action is taken on the work-life balance and job quality then a generation of children may grow up with physical and mental problems caused by *inherited stress*.

Other information released recently in Odyssey House's *Annual Report*¹⁰ draws the link between illicit drug use of children aged 11 and 12 to lack of parental supervision at home particularly in the hours immediately after school. Not being around to supervise their children after school was a real concern for many of our respondents in light of lack of formalised affordable supervised care for adolescents and for those who could not afford child care for those younger than this.

Conclusions and recommendations for State action

This part of the report was funded by the NSW Government's Office for Women and therefore the focus here is on what can be done through both the state of NSW and its role on COAG, as recommended in the summary on page 5. While the *Welfare to Work* program is a Federal responsibility and a separate set of recommendations has been developed, there are many families in NSW who are being affected negatively by the program. These families report stress and less time for supervision so some children's school performance and attendance could be affected. Some parents were also indicating personal distress that may also need state based assistance and services.

Increasing the capacities of sole parents so they can contribute to their families and wider communities well being, is consistent with both state priorities and the new social inclusion policies of the Federal government. Parenting skills and the ability to supervise and support their children are a necessary part of reducing the demands on state welfare services and the school failures of many children. The increasing numbers of notifications of children deemed to be at risk signals the need to provide supports for vulnerable families to increase their coping skills. Providing positive supports through access to children's services, education and training and family programs is required to achieve this. Increased pressure to move into paid employment that fails to recognise the risks to children and parents can only put more families at risk, requiring expensive intervention services to manage the negative outcomes.

There are therefore the following areas in which either state or joint services could be used to provide positive supports to these families. The demands for labour

¹⁰ Go to http://www.odysseyhouse.com.au/site/more/2007_odyssey_house_annual_report/ to request a copy.

expected over the next few years suggests that investing in training and supporting sole parent entry to paid work would pay off in many ways.

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.

REPORT TWO: REFORMULATING THE PROGRAM

This second report includes data from Report One and draws from other surveys and a range of other sources to develop an analysis and critique of the current *Welfare to Work* program and its assumptions. This critique informs the proposals for changes that would more equitably, ethically and effectively meet the needs of sole parents and the wider community. We have used the evidence from multiple sources to support our basic proposition that this program is inherently flawed and needs to be reformulated.

We re-state that we support the notion of assisting sole parents to find *appropriate* paid work but maintain that this is feasible without using coercion, income cuts and requirements that penalise those most at risk. Starting from the premise that a sole parent's primary responsibility must be to their child's well being, we need to examine whether the current program takes sufficient account of this. The welfare to work changes are prescriptive in areas which were previously seen as core to parents being able to make choices in their allocation of time and resources that take their children's needs into account. The question is whether the new policy undermines what has been seen as a given, and puts children at risk.

This is not the first research on sole parents done by members of this research team. In an earlier research project, we found most sole parents were interested in taking on paid work, or increasing their working hours but had the primary objective to put the needs of their children first. Respondents tended to be risk averse, and protective towards their children's needs, possibly because of prior experiences, and any policy changes needed to recognise and respect this viewpoint. The recommendations for change are based on this principle.

***Welfare to Work* program contradictions**

Welfare to Work sets out the conditions, both legislative and regulatory, that the last government considered appropriate for increasing the proportion of sole parents in paid work. The origins of this set of changes are part of welfare 'reforms' that focus on active engagement with paid work. These started in the USA a decade or so ago, and have been a theme in welfare policy for some time. These changes are ostensibly aimed at improving the economic well being of recipients of income support, deemed to be able to take on paid work. The Australian version covers a broad range of income recipients, including partnered parents on payments, but this report looks at the part of the program that targets sole parents on forms of income support. The conditions for payments involve requirements to actively look for paid work and accepting jobs under very tough criteria or risk losing their payments for eight weeks or longer.

Our research data raises questions on whether one of the key justifications for the program is built on incorrect assumption: *that there is merit in pressuring eligible sole parents into looking for and taking up paid work*. There is enough evidence that many of these parents are not equipped to find jobs and also that many of the jobs available may clash with child care needs, therefore can the current policy justify

continuing with aspects of the program given the potential problems that are being uncovered?

If the significant proportion of sole parents on full benefits with children at school cannot easily take up paid jobs, or do not have the capacities to find appropriate jobs, then the application of such programs can cause considerable hardship, as the data shows. The model of program that assumes coercion is necessary and useful, as based on the US model, therefore needs to be examined. A recent paper by Sally Cowling (Cowling: 2007) warns that following the US example too closely has the capacity to put many local families at risk.

As our data illustrates, the apparent assumptions underpinning the local program fail to take into account the diversity of sole parents affected by the program. A closer study of the characteristics of sole parents makes it clear that many sub populations of sole parents are not able to easily or confidently undertake the job seeking process for a range of valid reasons; nor are they likely to improve their financial situation in any sustainable way were they able to find employment.

The material collected from both stages of our study suggests that a program based on an inadequate understanding of different characteristics of the families¹¹ ignores the risks which outweigh the gains for too many families. There has been little consideration of the resulting stress, loss of income and other ill consequences that can seriously interfere with parenting roles.

Mothering and paid work

The premises behind this program suggest that the last government, despite its apparent commitment to traditional roles and choice, decided that the concept of parental choice in relation to paid work only applies where the family unit is not a recipient of an income support payment. Those on income support, including those with unemployed or low income partners, have now been told that once their child turns six, they will be obliged to comply with requirements for job seeking that may overlap with raising their children.

This change has interestingly been justified by quoting women-into-the-workforce feminist led changes and therefore the presumed choices made by other mothers to combine care and work roles. It also assumes that children will be at school and therefore mothers free to take on other roles, while children are presumably being cared for by the school or associated childcare centres. This does not allow for the shortage of school hour jobs or care demands during sickness, holidays, emergencies and other times that may affect the ability for ongoing commitment to paid work by the many sole parents who lack access to enough finances, family and other supports.

This removal of choice for these parents is somewhat contradicted by other public policies such as *Family Tax Benefit B* which is primarily designed to support single income families and encourages traditional time out from the for the mother. There

¹¹ See appendix 5

has been public support of this and other payments that were seen as explicitly supporting the 'single income' family model as a legitimate choice, ie the non working mother/spouse being entitled to government support till the child turned 16 or even 18 with no coercion to work. This type of government policy that explicitly supports valuing the traditional family model and choice has continued public support, with popular authors, such as Steve Biddulph and Anne Manne encouraging the notion of full time parenting as a choice. However, polls still find substantial minority support for that view and articles in the media often play up tensions between working and stay at home mothers. The mix of official and popular continued support for this collection of beliefs may not be seen as progressive but its tenacity needs to be recognised and respected as sincere.

A paper (Hand et al. 2005) presented at the Australian Institute of Family Studies conference in Melbourne outlined some research findings including the influence of Catherine Hakim's preference theory which identified a substantial proportion (20%) of home based women. Their study of a sample of sole parents and others found that there was a group of mothers who were concerned about mixing the roles of paid work and mothering and the need for the former not to interfere with the latter. However they also comment that views are often shifting and age related. The study does however reaffirm the intensity of the views that some mothers hold, even if some may change these over time.

There is therefore a not surprising small group of 'traditionalists' amongst the sole parent population and in our survey, that feel that children need full time parenting during and sometimes beyond primary school age. One respondent saw it as her role to be available to the school as a volunteer, as that benefited her children and others. Others were very dubious about leaving their children with others adults, or at home alone, even as adolescents. Being the only parent often made them very anxious about being distracted by paid work from what they see as their primary role and some reported that the pressures of the program to enter paid work was creating considerable distress.

There is also enough existing evidence about the need for ongoing contact and supervision of older children to make some of the women feel very conflicted about requirements to take up any paid work that would limit their availability to their children. One, a widow, had committed herself to the home parent role in her marriage and found it hard that her twelve year old would no longer have her availability. Given that full time parenting is still an option for a proportion of the community, public political coercive pressure to change their commitment needs to be looked at in light of situations such as these.

The older version of Sole Parent Pension/Parenting Payment allowed more options for parenting. Despite this, existing statistics show the gap between sole and partnered mothers in the paid workforce is relatively small, given the population differences. While raising the proportion of employed sole parents could benefit the future for many, the policy question that needs to be addressed is whether the current mix of coercion and pressure is likely to achieve good results for both the parents and children involved.

Are sole parents a problem?

The introduction of the *Welfare to Work* policies for sole parents was based on the assumptions that sole parents presented a problem that needed some fairly drastic action. However, the basis for these assumptions was not clear as the numbers of sole parents are not increasing, and their workforce participation has risen over the last decade. The most recent ABS¹² sole parent data shows that:

within the last few years, the number of lone parents with children under 15 years has fallen slightly, but they nevertheless account for around one-fifth of all families with children of that age. In 2003–04, government pensions and allowances were the principal source of income for 61% of one-parent families.

The concern often expressed about very young single mothers has not proved a problem as the same report states that:

parents of children under 15 years had an older age profile in 2006 than in 1997. The proportion of lone mothers who were aged under 35 years decreased from 53% to 43% between 1997 and 2006.

The perceived problem of children of sole parents being in households without paid workers was also diminishing. The ABS figures show that between 1997 and 2006 the proportion of lone parents who were in the labour force, that is, either employed or looking for work, increased from 52% to 62%. This reflected an increase in the proportion of lone mothers in the labour force from 49% to 60%.

Over the same period the proportion of partnered mothers in the labour force also increased, from 61% to 66%. In 1997 23% of lone mothers worked part-time, increasing to 32% in 2006. *Vis a vis* partnered mothers working part-time increased from 34% to 39%. There was little change in the proportion of mothers working full-time, solo mothers went from 18% in 1997 to 19% in 2006 with partnered mothers going from 23% in 1997 and 24% in 2006. The proportion of lone parents receiving some income from wages and salaries or income from their own unincorporated business was 51% in 2003–04, an increase from 44% in 1996–97.

These figures show the differences between the rates of solo and partnered mothers' workforce participation is only about 6%. This gap seems quite reasonable, given both the demographic differences between these parent populations and the practical problems facing sole mothers, illustrated in the research.

The shifts above towards more participation for all mothers hardly suggest a crisis and do not support the necessity for the substantial policy changes by the last government in mandating that mothers on income support should become part time workers by the time their child turned six. In doing this, they took away the ability of these mothers to *decide* to undertake paid work and ignored the particular

¹² See www.abs.gov.au Australian Social Trends 2007 *One Parent Families*

problems faced by many of those sole mothers who were not already in the paid workforce.

Poverty, income support and earnings

Being dependent on income support, partially or totally, is an indicator of a lack of economic resources. The absence of universal child based payments and the general means testing of Family Payments ensures that those on forms of income replacement are sufficiently needy to justify public support. A single female earner is too often a predictor of low income as female earnings still lag behind male earnings on an hourly basis and drop further behind when hours are limited by family care. As most sole parents with primary care are female, the combination means that they are at risk of financial disadvantage on both dimensions.

ABS data from the 2003-04 Income Survey¹³ illustrates the mean equivalised disposable household weekly income of one-parent families with children under 15 years was 70% of that of partnered families with children of this age. This compared with 74% in 1996–97. This difference is also shown in the mean equivalised weekly expenditure on household goods and services of one-parent families as 75% that of partnered families with children under 15 years. This marginal financial situation could make these parents very vulnerable to fear of being breached and financially penalised for non compliance with the current policy.

Too many sole parent families are poor but the question is whether access to part time, casual relatively unskilled work will improve their situation. If this is the only option for many under *Welfare to Work*, with acceptable net gains as little as \$25 per week, the improvement of living standards is dubious as the Newstart allowance is also lower than the older Parenting Payment. While the rhetoric assumes that such jobs could be a step on a promotion ladder, there is research evidence that such part time and casual workers are least likely to move up.

The ACOSS paper quoted earlier in Report one also comments that:

The growing divide between higher-skilled full time employment and lower-skilled part time or casual jobs means that many jobless people have access to part time work but find it difficult to take the next step up the jobs ladder towards more secure full time employment. Recent research on transitions from casual employment by the Productivity Commission found that 27 per cent of previously unemployed people who obtained a casual job moved up to permanent employment in the following 12 months. However, almost half remained casual employees and another 27 per cent fell back into joblessness. People with disabilities and people with low education levels were especially vulnerable on this score. (Productivity Commission: 2006)

¹³ 2003-04 *Household Expenditure Survey and Survey of Income and Housing*, Australia: User Guide (cat.no.6503.0) describes the 2003-04 Household Expenditure Survey (HES) definitions concepts, methodology and estimation procedures. It also contains the Household Expenditure Classification and a list of the HES output data items. See www.abs.gov.au

The report goes on to say that:

People with post school qualifications are more likely to progress from joblessness to ongoing employment. For example, the probability that people who lose or leave a job will still be out of work a year later is about one third higher for people without post school qualifications than for those with trade qualifications (Shah and Burke: 2005).

Additional barriers

There are other documented differences for these cohorts that affect seeking job options such as the prevalence of ill health and disabilities amongst sole parents. A research paper commissioned by Family and Community Services (Butterworth 2003) provides an interesting insight into this. The paper showed that 78% of sole parents on payments had a disability, compared to 65% of partnered women: with 35% having a minor disability and 43% with a moderate or severe disability. The same study also showed sole parents were more than twice as likely as partnered women to suffer from an affective disorder (45% v 21%). These figures, together with the higher prevalence of children with disabilities amongst sole parents compared with partnered parents, militate against directly comparing sole parents with partnered parents in relation to workforce participation rates. As this category included both those in part time work and those not in the labour force, it is likely that prevalence of disability was higher in those not already undertaking part time work.

The question of whether some of the additional health problems of sole parents may be caused by long term isolation, poverty or other factors needs to be considered. There is no doubt that ill health, marriage break ups and their antecedents can contribute to the lack of well being, as can continuing poverty. Having to deal with court disputes, violence and other circumstances of messy break ups may affect mental health which further suggests that a coercive, one size fits all model cannot be effective.

Policy problems

There has been recent press coverage of a report from the Organisation for Economic Cooperation and Development (OECD)¹⁴ which has questioned why paid work rates for sole parents are lower in Australia (50%) than the OECD average (71 %). The media coverage quoted speculation that this could relate to the lack of requirement for job seeking. However, the report appears to underrate other factors on the practical level, such as significant gaps in child care, an income support system with fairly savage withdrawal systems or effective marginal tax rates. This contrasts with the often universal child payments in many European countries. There have also been some differences in attitudes to combining paid work and mothering that tangles with stigma in some local attitudes to sole parenting. The results of our surveys indicate that most sole parents want to work so it is the

¹⁴ An Organisation for Economic Cooperation and Development (OECD) www.oecd.org - series – **Babies and Bosses** – reviews policies in OECD countries to support parents in their choices of work and childcare options and recommends a range of measures to improve results.

practicalities that need to be examined to see how these defeat them. The similar low rates of people with disability employment suggest that there are structural issues that limit participation. The OECD report states that:

The countries with the best outcomes for sole parents combine a system of employment and good-quality child care supports with activity requirements for all unemployed persons.

One major issue is the way our income support and other financial payments are structured. While a targeted system has benefits in limiting the costs of churning, ie payments that are reclaimed through other means, like tax, it creates serious barriers when the income tests cut in. This creates complexity and the question of net financial benefits. A recent study by the National Centre for Social and Economic Modelling (NATSEM)¹⁵ showed that, in 2006-07, increasing proportions (7.1 %) of working age Australians faced Effective Marginal Tax Rates (EMTRS) of more than 50 % (Harding et al, 2006). This means that those affected lose more than half of any extra income earned by withdrawal of other payments. This has increased from 4.8% in 1996-97 and is now more likely to affect working age mothers, raising concerns about the impact upon their labour force participation (Apps, 2006).

The NATSEM report predated the latest changes to sole parent payments and the authors state that *,it is not yet clear what the impact of the two major policy packages introduced in 2006, Welfare to Work and Work Choices will be.* They are concerned that the increased EMTRS of Newstart could undermine the key aim of both packages - to increase labour force participation - and ultimately produce higher and more secure incomes for those more marginalised in the labour market. They say, *the effect could be the opposite should these groups be unable to find jobs.* We would add to that the need for good jobs, ie ones that allow parents to continue their primary care roles or improve their chances to undertake more satisfying work.

The disincentives in the current program are severe as it puts new applicants for parenting payments single and returning applicants onto a lower payment with a harsher withdrawal system. This results in even steeper increases in the EMTR on earned income. The other conditions are not attractive. Conditions for accepting a job (or being breached for refusing it) are set as:

- a minimum of \$25 per week net gain after *approved* expenses
- up to an hour's travel each way, and
- travel costs that add to no more than 10% of earnings.

Some help is available for finding child care but this is not necessarily easy or satisfactory and not available for non primary aged children. Under the *Work Choices* provisions, Newstart recipients are not allowed to refuse jobs that met Centrelink's minimum conditions. The net gain for many of newly employed

¹⁵NATSEM report (2005) *The Distributional Impact of the Proposed Welfare-to-Work Reforms Upon Sole Parents* see www.natsem.canberra.edu.au.

:

workers is therefore likely to be marginal and miserable, as many costs of employment are not covered.

Added to the above conditions, the survey data and other studies show that many of the women have serious problems in finding work that is amenable to caring for children. The types of entry level jobs with vacancies tend to be cleaning, hospitality, care or call centre jobs that are 24/7 and hard to fill in antisocial hours.

There are other structural issues that need attention which are exacerbating the types of issues discussed above. One is the payment system to employment providers who are paid by results, with highest payments going to placing people in paid work. There is evidence in the ACROSS report referenced earlier that many providers do not spend time and available money to enhance the job capacities of registered clients unless there is no chance of placing them without such spending. This type of policy rewards bad case management from both the government and recipient viewpoints as too often it does not look for sustainable benefits just a quick return for the agency effort.

The way forward

There appears to be little support for the present format of the program and evidence that it is not working for too many of the groups concerned. It is possible to use this evidence to construct a program based on a more optimistic view of sole parents and their interest in paid work. A depressing aspect of this report is our recognition that others and ourselves have said it before. There is a need to offer support and encouragement to sole parents as most are more than willing to take on paid work and study to prepare them for this. Their only caveat, with which we as a society should accept is that their paid work will allow them to continue being a good parent and not put their children at risk.

The small group of relatively intransigent sole parents who object to taking on paid work need to be respected for holding strong views that are still supported by a significant minority of conservative community leaders and members. There are questions of whether forcing these to take on paid work will undermine their parenting skills, and whether other less coercive tactics may assist them change their views.

For the rest, we quote from our previous report which found the same in 2000 (Swinbourne, Cox et al: 2000).

The major outcome of the project has been a clear articulation of the complexities of decision making for most sole parents. As mothers (mainly) they share general concerns for the well being of their children, but often face demands, both practical and emotional, which limit their options and choices. We also have little evidence that sole parents are work shy or happy to continue on benefits indefinitely, in fact the reverse is more likely, of parents postponing their desire to take paid work until they feel it is best for the children.

Later in the summary the report stated:

This report on the world views of a cross section of sole parent raises the concept of a social economy where decisions are made by intertwining social outcomes with financial ones. In a climate where social welfare reform is again on the political agenda, this study provides a rich and important entry to understanding that decisions on participation in the labour market involve complex social and emotional factors. The dimensions emerging in this research show that sole parents, diverse as their situations may be, will generally put the well being of their children first on their agendas. Time becomes a major factor in decision making, underpinned by explicit and implicit messages that good mothers are available to their children. The needs of their children for social and emotional support, particularly close to a break up of a relationship is crucial; the lack of supports, formal and informal, can also be a major problem, together with the specific problems of transport, housing, child care and other infrastructure. Financial issues are always there but there is a greater recognition that access to low paid, sporadic work is not very empowering or enriching.

And in even in 2000 it concluded in words that are still applicable:

Current directions in welfare reform both nationally and internationally are often based on sets of assumptions about using coercive power to change participation rates. There seems to be a presumption that carrots are secondary to, and will not work without, sticks. This can be dangerous in that it both adds to distrust and scapegoating, and may undermine the capacities of sole parents to cope with difficult situations and to parent effectively. Capacity building requires optimism and mutual trust before it can manifest in its 'dependents'. Sole parents are already participating by rearing children. Most wish to do more. However they need support not coercion to move on.

Understanding the social, and its impact on economic decision making, is perhaps the biggest test facing policy makers today. However, until they do so the likelihood of their affecting the behaviour and workforce patterns of sole parents, and thereby improving the future prospects for them and their children, is minimal at best.

We can only reiterate the earlier findings now but with renewed high levels of concern as the policy has become even more coercive and inappropriate in its treatment of sole parents. There is other evidence that parental competency is closely related to parental perception of their competence and workplace satisfaction. The indications of stress and problems with the program that have been illustrated by the small sample of mothers and the anecdotal evidence from other sources suggest that many families and children lives are negatively compromised. In a time when there is a focus on family dysfunction we should be looking at making the lives of vulnerable, and sometimes mildly depressed sole parents better.

The changes in Parenting Payment means that the system can no longer be seen as a support system, particularly for those who have little or no support from the other

parent. The shift to Newstart when a child turns eight provides both a lower level of pay and a more savage taper, so the option of supplementing part time work is now very limited. The result is that sole parents will be expected to live on much less and engage in work seeking and more work to make ends meet. As most partnered mothers with children of primary age are in part time work, we need to question why this is not seen as a choice that is acceptable for lower income sole parents.

Recommendations for the Federal Government

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 *Labor Party's Social Inclusion Agenda* and other programs for training and 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 programs. These should 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 their children's needs are met, both material and non material. Stressed parents have a negative affect on children, and excessive time pressures, lack of services and bad working conditions need to be avoided.

Our first recommendations are that this report and other accompanying material

- be circulated to all Ministers for Women at all levels of Government.
- be made available to any inquiry into the *Welfare to Work* reforms
- 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.¹⁶so there is an actual improvement in living standards
5. Jobs selected 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.
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.

¹⁶ See Appendix 1

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 the 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 are 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.

APPENDICES

Appendix 1

Summary of changes to sole parent income support and requirements through the *Welfare to Work* program

Table: Income payments for parents applying on or after 1 July 2006 and existing recipients who go off payments for 12 or more weeks.

Payment Changes		
	Prior 1/7/06	On or after 1/7/06
Type of payment	Parenting payment single	Newstart allowance
Current payment amount	Up to \$476.30 per fortnight	\$432.00 per fortnight
Income test	\$146.60 + \$24.60 each additional child pf	\$62.00 pf
Taper rate	40 cents in the dollar	Over \$62 - \$250: 50 cents in the dollar, over \$250: 60 cents in the dollar

Source: ACOSS

NB these figures are not currently correct but illustrate the changed amounts then

Table Impact of the proposed system on disposable incomes and EMTRS of Sole Parents; Various levels of earnings 2006

Disposable Income				Effective Marginal Tax Rates (EMTR)		
Private income	Current system	New system	Change*	Current system	New system	Change
	\$pw	\$pw	\$pw	per cent	per cent	Percentage point
One child aged 6 years and over						
\$0	385	356	-29	0	0	0
\$50	435	394	-41	0	65	65
\$100	476	411	-64	40	65	25
\$150	506	426	-79	40	75	35
\$200	531	439	-92	57	75	18
\$300	565	470	-95	68	66	-2
\$400	597	504	-93	68	66	-2
\$500	632	562	-70	66	34	-32
\$600	656	629	-27	66	50	-16

Note: Averaged 2006-07 payment levels used. All dollar figures rounded to nearest dollar. All EMTRs rounded to nearest per cent. Pharmaceutical allowance excluded from all calculations. Figures may not subtract exactly due to rounding.

Source: *Welfare to work and sole parents (2005)* Ann Harding, Quoc Ngu Vu and Richard Percival

NB This table was drafted prior to the changes so the 'current system' is what is now the old system and the 'new system' the one currently operating.

The following information has been taken from the Centrelink Website
www.centrelink.gov.au

Parents/principal carers - From 1 July 2006, people granted income support who are principal carers of a child or children will generally have to seek part-time work if their youngest child is aged between 6-15 years. These customers will have to register with an employment service provider and look for paid work of at least 15 hours per week. Some exemptions will apply to parents with special family circumstances. People who are already on Parenting Payment will have to seek part-time work from 1 July 2007 or when their youngest child turns seven, whichever is later.

Note: Those with a formal exemption from looking for paid work include being a registered and active foster carer, or undertaking home schooling, distance education or having a large family (four or more children aged under 16). They will receive a supplement to take the payment up to the parenting payment level.

Other sole parents will still receive the lower Newstart payment even if they are granted exemptions from the need to look for work because of stress, temporary disability of a child, own ill health or other discretionary factors.

Mature age job seekers - From 1 July 2006, people aged 50 to 64 will have the same obligation to look for work as other job seekers. However, job seekers aged 55 and over will be able to meet their obligations by undertaking part-time work or volunteering for 30 hours or more per fortnight.

Frequently asked questions

- **Voluntary work** is not considered suitable for the purposes of meeting a principal carer's requirement to seek or undertake part-time paid work of at least 15 hours per week unless the principal carer of a dependant child is aged 55 or over. However, you may be able to undertake voluntary work where it gives you the relevant work experience.
- **Study:** If you are on Parenting Payment **before 1 July 2006**, so long as you remain eligible for this payment, you can continue to meet all your participation requirements by commencing or continuing full-time study, for example, a university degree or TAFE qualification. In these cases, you will not be required to search for work or accept a suitable job offer.
- **Study:** If you apply for Parenting Payment **after 1 July 2006**, studying part-time may help meet your mutual obligation requirements, but you must search for work and if you are offered a suitable job at any time you must accept it. If you are studying full-time in an approved course when you come on to Parenting Payment after 1 July 2006 for that study, you can finish that course and be deemed to be meeting your participation requirements until that course of study finishes.

- **Childcare:** If there is child care available from a formal and approved child care provider, and your child is able to be assisted in getting to and from that child care, then the child care is suitable. If there are no approved child care services available, then you cannot be made to accept the job offer

Note there is no discussion of the needs of older children for whom there is no registered care, and when these can be left to care for themselves.

Welfare rights – www.welfarerights.org.au

The following information was taken from a Welfare Rights pamphlet.

Payments for single parents from July 2007

Single parents who apply for payments (including many existing recipients who leave Parenting Payment and reapply after 12 weeks) will no longer be able to get Parenting Payment once their youngest child turns 8.

- 77,000 single parents will instead go onto lower payments over three years like Newstart Allowance or Austudy Allowance.
- The main taper rate on the income test for Newstart Allowance is 60 cents in each dollar earned, higher than the 40 cents in the dollar deducted from the earnings of people on pension-level payments.
- *Exempt from the changes:* Some single parents on Newstart Allowance will continue to be paid at pension rates: foster carers, home or distance educators, and parents with 4 or more dependent children. Single parents with their youngest child under the age of eight are also still eligible for Parenting Payment.
- People will have to accept jobs paying the minimum wage under the new workplace relations regime, though there are some limits on requirements to accept a job where child care is not available or travel time to work would exceed 60 minutes each way.
- Single parents on payments accepting a job would have to be \$50 per fortnight better off after taking into account a range of factors including: income tax liabilities, the drop in payments as a result of the earned income, out of pocket child care costs incurred in order to undertake the work (after taking into account JET Child Care fee and Child Care Benefit), travel costs to and from work (costs of up to 10 per cent of the gross wage are considered reasonable) and any increase in public housing rent.

Appendix 2

Extracts from the draft Stage one *Welfare to Work* report with our reasons for stage two

'We asked the state Office for Women in the NSW Department of Premier and Cabinet to fund stage two for the following reason:

1. The stage one responses indicated confusion and concern with the system.
2. The situations and needs of the respondents offer an important insight into the before and after effects of the changes.
3. Stage two will increase the value of the work already done by giving a sense of how the changes are affecting the women concerned.
4. Longitudinal data of this type is not available elsewhere at present and is particularly valuable in assessing how changes affect people.
5. Following up as promised is important for the women who sent us contact details and their stories in good faith, and with level of trust that should provide good data in their second stage responses.

An initial report on the situation of about 70 single mothers by

Eva Cox, Ros Riordan, Colleen Woods and Terry Priest, with input from Amie Carrington Cuneen and Michelle Cloughessy, the Social Inquiry Centre, Faculty of Humanities and Social Sciences UTS.

The survey responses

Responses to the survey have been received from about 70 women with diverse backgrounds, educational levels, knowledge of spoken/written English, numbers of children, own disabilities and/or of children and expectations of future paid work. While not representative, their diversity represents an interesting cross section of women who are likely to be affected by these changes:

Types of income support by percentage of respondents:

- 81% on Parenting Payment,
- 4% on Newstart
- 4% have an additional carers payment
- 9% on carer and disability payments
- 2 respondents on special benefit

Time spent on Centrelink payments by percentage of respondents:

- 23% for less than 2 years
- 24% for 2 – 5 years, and
- 46% for more than 5 years

Income

For 86% of respondents a Centrelink payment was their main source of income, while 9% gave their employment income as their main source. Child support was counted by less than 2% as their main source of income. However, the second main source of income for 19% was earned income, with child support being the second source for 22%. Therefore close to 30% had significant earned income.

Housing and transport

In terms of housing, 54% were in the private rental market, 28% in public housing with only 15% being owner/buyers. More than half had moved in the last two years, suggesting a level of instability. Access to transport/car was relatively high at 65% as well as access to public transport, so travel was not a significant issue.

Education and training

The diversity of survey respondents was clearly represented in the level of education achieved:

- 15% Primary/no schooling (mainly immigrants)
- 20% incomplete Secondary
- 7% Higher School Certificate
- 35% TAFE
- 17% University undergraduate
- 4% Postgraduate

Nearly half of the respondents stated that they had some trade or professional qualifications. These were identified as being mainly in health, business and community services, about a quarter each, with trades, education, and hospitality adding up to another quarter. These figures suggest that for many of respondents, the problems faced finding work are not only related to their skills or training.

Other relevant data

The largest group had one child only but nearly a third had three or more children. Most had children in the affected age group with a small number having children approaching the eligible age group.

Sixty percent of those who responded online or by post were Australian born but a sub sample, mainly those interviewed personally by a student came from one agency and were mostly from more recently arrived groups and on humanitarian visas with 13% arriving less than 5 years ago, 9% six to twenty years ago and 6% over 20 years ago. Percentages for other places of birth were, 20% Middle East , 4% Asia Pacific, 4% Africa, 4% NE Europe and 3% America.

At home, 23% speak a language other than English.

Employment

We asked respondents if they were required to look for work by Centrelink with 37 (57%) stating no; about a third (35%) stating yes and 4 (6%) indicated they would need to begin looking in July 07. The responses on job seeking requirements seemed somewhat inconsistent with who was required to do what. This tends to bear out later responses about inconsistencies of information, and it is possible that more were being warned that they would need to look for work in July than the responses show.

A large percentage were not working (68%) not working with only 19 (29%) respondents in paid work (29%). Most of these worked part time and casually,

some for irregular hours. Of those working, most were in professional or office work, the rest in personal services. Nearly half were working for 15 hours or less and therefore would probably be required to look for more hours.

The requirement to work at least 15 hours a week was already adversely affecting a number of respondents.

Study

The results showed that 44% were studying with most for more than 10 hours a week with 20% at TAFE, 12 % undergraduate university and 3% doing post graduate studies. Types of study varied but 17% claim them as professional qualifications. Responses to these questions again indicate the need for Centrelink to clarify information as it relates to single women with children and their obligations to enter the workforce, even when women aspire to be working. This adds to the broad concerns about whether individual situations will be taken into account by both/either Centrelink or Job Networks.

Changes under *Welfare to Work* to educational assistance reduce access to extended study and emphasise short term job related training which was a concern for several respondents.

Future plans

The futures that many of the women want are not dissimilar to the stated intentions of the *Welfare to Work* program. However the differences are clear:

- firstly the coercive aspects of the program may make it harder for women to manage the conflicting tensions and this may undermine their good intentions as they become more stressed
- secondly, the changes to study entitlements and other aspects of the re-entry into paid work, for example experience in volunteering, may be counter-productive. The results here mirror earlier studies that show that women recognise their parenting responsibilities as primary and may get depressed and defeated by difficulties affecting their paid work prospects.

Where do these women want to be in two years time?

- **41** would like to be working pt/ft, or not stated
- **15** would like to be studying or completing studies
- **5** would like their own business
- **4** would like to be caring for their children as their primary job
- **4** felt this was their job

Conclusion

The 70 women who responded all indicate in some way they are anxious about the changes. By the nature of the collection process, many found our survey online and others sent their completed survey by post, therefore it is likely that respondents are representative of a group where the issues around *Welfare to Work* stimulate their interest and may not be typical of the broader sole parent group.

The diversity of the group and the similarities of the responses suggest that there are many legitimate concerns about the changes and suggest there may be many people with continuing difficulties with the new processes. A recent meeting of academic and government workers in this area at the UNSW Social Policy conference 2007 made it clear that a longitudinal approach was not echoed in any other studies. About 55 of our Stage one respondents stated that they were happy for us to follow up with them in a years time to see how they had been affected.

One of the major problems that was reported is the coercive aspects of the policy and whether this will result in undermining the desirable intentions of assisting sole parents into better income outcomes. In this survey we found echoes of our earlier work on a major qualitative study of 100 plus sole parents (Swinbourne, Essin and Cox 2000) that most do want to earn money, and many want to get off income support but face institutional and policy barriers. These may be placed there by workplace organisation and attitudes, by lack of appropriate services and other social provisions that do not recognise the difficulties, particularly for a sole parent. There are also higher levels of child disability and adult health issues in sole parent families which have often lead to marriage breakdowns. The intersections of payments and earnings are complex and often discourage effort. Some of these are both state and federal overlaps and could be remedied by more effective coordination, funding and planning of services between governments.

The sample is interesting because it contains some well qualified sole mothers but also others with limited workplace and education skills who will have serious difficulties in finding paid work. How the latter group may be affected by changed education provisions is also interesting for state federal relations. There are also questions about access to better jobs for those whose skills suggest they could gain good jobs, not just any jobs.

The reported difficulties with Centrelink raise serious concerns about their readiness to manage new policies. The changes may also create more anxieties as penalties are now more severe and damage the competencies and confidence of some parents. This may raise particular issues for the subgroup of those who are relatively recent arrivals, in terms of support, training and, in some cases, very basic education. We need to recognise that the difficulties of negotiating complex requirements are exacerbated when there are language and cultural barriers. The lack of clarity of details, even now, makes serving such groups particularly difficult.

These responses set us a challenge. If we follow up on most of these and find that many report their situations have deteriorated because of the changes, what is our responsibility? These are often vulnerable people whose problems will be passed to the next generation if the system makes life too hard.

Eva Cox
16 July 2007

Appendix 3

Table: Snapshot of respondents who have not worked for five or more years.

Age	Last work in years	Education achieved	Current study	Age of youngest	Child/you Disability yes/no	Past work type
30-39	7	Secondary	None	9	Yes	Retail
	5	Secondary	None	11	Yes	Community
	5	Secondary	NA	11	Yes	Public Servant
	7	Post Graduate	None	6	Yes	Community
40-49	NS PP payment for 5 yrs	Secondary	English	6	No	NS
	NS Pp 22 years	Secondary	None	4	Yes	Domestic
	10	TAFE	None	9	Yes	Unskilled
	NS PP payment for 5 yrs	Secondary	English	9	Yes	NS
	10	TAFE	FT University	8	Yes	Health
	14	Tertiary	English	8	No	Clerical
	5	Tertiary	FT University	13	Yes	Admin
50-59	27	TAFE	None	13	Yes	Health
	6	Post Graduate	None	7	Yes	Education
	8	TAFE	None	16	Yes	Domestic
	NS Disability payment for 11 yrs	No schooling	None	14	Yes	NS
	NS on PP payment for 9 yrs	Secondary	None	9	Yes	Childcare

NS = Not stated

Appendix 4

Table : Snapshot of 25 respondents who are working or have worked in the last two years

Age	Education achieved	Current study	Age of youngest	Current work type	Work type last 2 years
NS	NS	University Part time	13	FT retail	
20-29	TAFE	None	8	FT clerical	
	TAFE	None	9	PT Welfare	
30-39	TAFE	University Full time	11	PT community	
	TAFE	TAFE	11	None	Admin
	Primary	None	7	FT admin	
	Tertiary	None	6	Health	
	Post grad	None	7	FT admin	
40-49	NS	None	12	Casual retail	
	TAFE	None	14	Hospitality	
	Secondary	None	6	Unskilled	
	Secondary	None	11	PT retail	
	Tertiary	University	13	PT community	
	TAFE	TAFE	12	PT office clerical	
	Post Grad	None	9	PT environmental	
	TAFE	None	15	None	Domestic
	Secondary	University Part time	10	PT domestic	
	TAFE	TAFE	11	Casual clerical	
	Secondary	University Full time	8	None	Clerical
	Tertiary	None	11	None	NS
	Tertiary	None	8	PT clerical	
	TAFE	None	8	PT community	
50-59	TAFE	University Full time	15	Temp admin	
	TAFE	TAFE Full time	8	PT retail	
	TAFE	None	14	Contractor	

NS = Not stated

Appendix 5: Snapshot of four broad groups identified

Group one

Those sole parents, who may use the sole parent payments short term to subsidise part time work or periods of no income, and mostly move back into full time paid employment as their children grow older. Most of these parents have education, employment oriented skills, self confidence and adequate social supports from family and/or more formal sources.

This group may need access to children's services, flexibility in the workplace and a level of other supports but do not need coercive measures to force them to move in these directions.

Group two

Those who may have some similar characteristics to those above, but who may have children with difficulties and disabilities or may themselves have some other health or social issues. These make them reluctant to take on paid work that diminishes their capacity to be there for their children and or undermines their time to manage family or other issues. They may have lost confidence in their ability to balance paid work and other needs.

These may need to be case managed to see what supports are needed, and to solve any health or other problems that affect the capacity to manage or leave children before being pressured to take on paid work.

Group three

Those who have taken on the traditional roles of parenting who have a strongly rooted belief in the primacy of their child rearing roles. Some have very little workforce experiences and limited qualifications but others are just passionate believers in the role of parenting.

Whether this group, probably numerically quite small, should be forced into seeking and taking on paid jobs becomes an ethical issue as the role of stay-at-home mother is still promoted as a legitimate choice in policy and some professional and social groups.

Group four

These are generally older, and may have had 20 plus years out of the workforce and have no confidence in their ability to hold down employment. Some have poor literacy, others lack English or both, and often have health problems also that can make paid work difficult, even though most are willing.

These need an investment of time and resources: training, basic education and work experience, to build confidence and competence.

Group five

Another group not covered by our sample are very young mothers who need to finish education and training, and gain work experience, before moving into paid work. Many of these will be Aboriginal which raises issues in relation to the NT intervention and other questions related to the problems identified in Aboriginal communities which may require additional attention.

Appendix 6: Some tables from the survey

1. Benefit Status movements of respondents from Stage one – Stage two

Payment type	Parenting Payment	Newstart	Carer	None	Special benefit disability	Stage one Totals
PP	31	3	1	2	0	37
NS	0	2	2	0	0	4
Disab	1	0	0	0	1	2
Carer	0	0	1	0	0	1
7 pc	1	0	1	0	0	2
Stage two Totals	33	5	5	2	1	46

2. Work movements of respondents from Stage one – Stage two

	Respondents	Percentage
Same/no work	29	63.0
Less	4	71.7
More	11	93.5
None now	2	97.8
Total	46	100.0

3. Study movements of respondents from Stage one – Stage two

	Respondents	Percentage
New study	4	8.7
Dropped out	1	2.2
Reduced load	1	2.2
Same	12	26.1
None	26	56.5
Completed	2	4.3
Total	46	100.0

4. Education achieved by current study status

This table illustrates that there are a significant number of respondents with less education who are not accessing further education.

	New	Drop out/ reduced load	Same	None	Completed	Total
Primary	0	0	2	3	0	5
Secondary	1	0	2	8	0	11
HSC	0	1	1	1	0	3
TAFE	2	1	4	10	0	17
University degree	1	0	3	3	1	8
Postgrad	0	0	0	1	1	2
Total	4	2	12	26	2	46

5. State of finances of respondents from Stage one – Stage two

	Respondents	Percentage
Same income	27	58.7
Income up/ more expenses	3	6.5
Better	3	6.5
Worse	12	26.1
Uncertainty	1	2.2
Total	46	100.0

6. Time for children from Stage one – Stage two

	Respondents	Percentage
No comment	26	56.5
Same	5	10.9
More	1	2.2
Less	14	30.4
Total	46	100.0

7. Number of respondents who found the balance between child and work demands difficult. (Reasons included shiftwork, long hours, the demands of caring for a child alone and no childcare.

	Respondents	Percentage
Find difficult	16	34.8
No comment/NA	30	65.2
Total	46	100.0

8. Influence with children from Stage one - Stage two

	Respondents	Percentage
No comment	34	73.9
Same	3	6.5
Less	9	19.6
Total	46	100.0

9. Respondents indication of stress/anxiety/poor health from Stage one – Stage two

	Respondents	Percentage
No comment	27	58.7
More stress	18	39.1
Less stress	1	2.2
Total	46	100.0

10. Respondents who indicated more paperwork and reporting requirements from Centrelink

	Respondents	Percentage
No comment	31	67.4
More paperwork/reporting	15	32.6
Total	46	100.0

11. Respondents number of visits to Centrelink since July 2007

Visits	Respondents	Percentage
No comment	9	19.6
1-2	15	32.6
3-4	7	15.2
5-6	3	6.5
>10 or every two weeks for required reporting	8	17.4
Phone contact only	4	8.7
Total	46	100.0

12.Respondents rating of Centrelink knowledge and information systems

Rating	Respondents	Percentage
No comment	31	67.4
Good	1	2.2
Bad	10	21.7
Conflicting	4	8.7
Total	46	100.0

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