



THE UNIVERSITY OF
MELBOURNE

24 July, 2003

The Secretary
Standing Committee on Employment and Workplace Relations
House of Representatives
Parliament House
Canberra ACT 2600

EMP Inquiry
Submission No. 27

Re: Inquiry into Employment: Increasing participation in paid work

In response to the invitation of Mrs De-Anne Kelly MP to contribute to the above inquiry, I would like to submit three research papers (attached), which examine issues relevant to the inquiry. The value of these papers is primarily as background information.

1. 'Reliance on Income Support in Australia: Prevalence and Persistence' (with Dr Yi-Ping Tseng). In this paper, we document the extent of reliance on income support payments of working-age persons in Australia, finding that almost one third of persons are in families that receive income support payments at some stage of the year, compared with approximately one quarter two decades ago. Furthermore, one sixth of income support recipients receive payments continuously for more than 5½ years. The proportion of total income that income support recipients derive from welfare payments (as opposed to wages and salaries, investments, etc.) has remained essentially unchanged since 1982. This suggests there has been little increase in participation in paid work among income support recipients.
2. 'Labour Market Outcomes and Welfare Dependence of Persons with Disabilities in Australia'. A significant finding of this research is that, although rates of participation in paid employment do not appear to have declined for persons with disabilities in recent years, the proportion of working-age people reporting a disability has grown dramatically. Since persons with disabilities are less likely to be employed, non-employment associated with disability has grown substantially.
3. 'The Effects of Changes in Family Composition and Employment Patterns on the Distribution of Income in Australia: 1982 to 1997-1998' (with Associate Professor David Johnson). Among the significant findings of this paper is that changes in the distribution of employment across families – for example, growth in both two-earner and no-earner families – account for approximately half the growth in inequality of private income (that is, income before government transfers and income taxes) between 1982 and 1997-8.

Yours sincerely,

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