



Submission to: The House of Representatives Standing Committee
on Employment and Workplace Relations

Re: Increasing paid workforce participation

Date: September 2003

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Women's Action Alliance is a national women's group, established in 1975, which has active representation in each State and Territory of Australia.

Our aims are twofold

- 1. To raise the status of women in the Australian community*
- 2. To strengthen Australian families as the basis of our society*

To further these aims we encourage women to be well informed, to analyse issues, and to participate in areas where opinions are formed, and where decisions are made.

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We have been prompted to make a submission on this matter due to our concern at detecting a developing attitude that full time mothers should be attracted into the paid workforce.

We fear that the government is tending to view women who are undertaking full time mothering and other caring work as potential taxpayers rather than as the active economic contributors they are.

The rise in the proportion of elderly in the Australian population, due to the falling birthrate, is driving an argument that we must have more tax-payers in the economy. The irony is that the very women targetted as being the much needed extra contributors to the tax-base are also those in their prime childbearing years. It is a well established that the more children a woman has the longer she is out of the paid workforce. The Government in setting its policy directions needs to be careful not to work at cross-purposes with itself. It should not seek to increase women's participation in paid work at the expense of making it harder and even less attractive to have children.

THE ECONOMIC CONTRIBUTION OF UNPAID WORK

Women by contributing their unpaid labour, while not paying tax, are saving the government massive outlays in childcare, elder care etc. The economic value of unpaid labour has been measured twice in Time Use surveys in 1992 and 1997 with startling results. These studies make visible the full contribution that people make to a nation's economy. In 1992 labour time spent on unpaid work was valued at \$270 billion. By 1997 it was \$346 billion. i.e. an increase of 25% So unpaid workers contributed about 73% of GDP in 1992 and 70% in 1997.

A comparative analysis of the 1992 and 1997 surveys by Melbourne economist Dr Duncan Ironmonger showed that women seem to have the responsibility of providing 344 million hours of physical and emotional support for other adults. This type of support increased dramatically by 58% to 544 million hours per year by 1997. In the same period men's voluntary support for other adults increased by only 8.3% from 349 mhy to 378 mhy

We were concerned to read an article in The Age and the Sydney Morning Herald on September 8th reporting a study by the Women's Economic Policy Analysis Unit at Curtin University of Technology in WA. The article said, "*Women in the prime of lifeare the key to Australia's looming labour shortage and retirement income crisis.*" It went on to say that women aged 25-54 are the biggest source of underutilised labour with large numbers not working or at least working relatively few hours. "

One is prompted to ask if the women's unpaid work hours were included in this assessment. If not this completely ignores the demanding work of mothering, grandmothering and caring for the elderly or disabled that occupies many of these women. In recent years grandmothers have been providing unpaid child care for their grandchildren during school holidays at a rate never experienced before. Primary school aged children in the company of a woman too old to be their mother are now a very common sight in the large shopping centres of this nation during school holiday periods.

It is troubling to see these women once again referred to as "not working!" This language is insulting and discriminatory. Australia's workforce has two components – the market and non market, and those participating in the unpaid sector should not be subjected to the indignity of being labelled 'not working' and 'underutilised.'

In fact a study by Heinz Wattie in 2001 showed that half of all mothers with children under four years of age are lucky to find twenty minutes a day for themselves. 28% of mothers had 2 hours or less a week to themselves and 20% said they had no time. The remaining 52% had about 5 hours a week to themselves or about one-third of the time enjoyed by the typical Australian adult who had 18 hours free time.

NZ feminist Marilyn Waring has warned that "Women who are invisible in a nation's accounts cannot expect to have their needs considered when policy is being developed or when the benefits of production are being distributed." We urge the committee to seriously consider this warning. Policy which ignores the link between unpaid work and the macro economy risks inducing unforeseen burdens for families.

WHY THE FOCUS ON MOTHERS?

Ironically on the very same day that the report about prime aged women being the key to Australia's labour shortage appeared in The Age the front page headline in the (Melbourne) Herald Sun was "Jobless abuse dole". This article reported that figures released by the Minister for Employment Services, the Hon Mal Brough, show that only 60,000 of 82,000 unemployment benefit recipients attended for their required Job Network interview in the last year..

While we are being warned of a looming labour shortage The Herald Sun reported that there is only one job on the Job Network at any one time for every ten Victorian jobseekers on benefits.

While we still have a youth unemployment rate of around 19% there is a (genuine!) supply of underutilised labour available without putting pressure on mothers of young children and other carers to return to paid work before they feel ready. Youth unemployment should be actively tackled. Sole parent mothers **are** participating through their parenting but some young people are not participating at all and are in great need of employment not only to become financially self sufficient and to build an economic base for future life plans such as marriage, home ownership and parenthood but also to develop self esteem.

Do women need incentives to be in paid work?

The Terms of Reference refer to 'incentives' for paid work participation. There is more than enough incentive (pressure) for families to have two incomes applied by housing costs, HECS debts and ordinary living costs without the Government actively seeking other measures.

'Assistance' to increase participation is also mentioned in the Terms of Reference. It is sometimes suggested that providing paid maternity leave would help women make the choice to be in paid work while their children are young and that this may help arrest our declining birthrate. In fact the Australian Capital Territory, where Commonwealth public servants have had access to 12 weeks maternity leave on full pay for the last thirty years, has the lowest birthrate in Australia - 1.51 in 2001 (ABS 33118.0).

Sole parent families

Another concern we have is about families who are headed by a sole parent. In 87% of cases this is a woman. We remain anxious about the prospect of mothers who are parenting alone and who are in receipt of Parenting Payment single being pressured to return to paid work by being required to attend a participation planning interview while they have children younger than 16 years of age.

We do not in any way support welfare cheats or a mentality of long term dependency. However we wish to ensure that women's mothering and caring roles are not seen as a secondary consideration to the Government's plan to get all people of working age who are in receipt of welfare payments into training and "real" jobs.

In June 2002, 9% of lone parent mothers were unemployed. This group should be targeted for assistance in preparing for employment rather than those sole parenting mothers who do not yet feel ready to rejoin the paid workforce.

The Jobs Education and Training program (JET), run by Centrelink, has over the years of its existence served sole parents well in assisting many back into paid work.

No greater incentive exists than poverty! Poverty is a significant part of the heroic struggle of the many lone mothers who relinquish income in order to 'be there' for their children during their growing years.

Women's Action Alliance believes that women should be entitled to the Parenting Payment Single while they have a dependent child attending school. To suggest that when the youngest child reaches secondary school age (approximately 12 years of age) the provision of this payment become conditional upon the mother undertaking another training or work role is to belittle the important and demanding work of parenting teenagers - a role which is even more demanding when undertaken without the support of the children's father parent on a live in basis. It is also to suggest that children of this age are old enough to come home to an empty house. We think not!

To suggest that the receipt of the payment should depend upon the mother being in training or employment when the youngest child enters primary school is quite unacceptable.

Women caring for a family on their own already have an enormous task. To place further strain on them by requiring them to assume training or paid employment when their youngest child is twelve years old is to ignore the reality of their lives and their responsibilities.

Many sole parent mothers live extremely complicated lives. Recent research discussed in the current issue of 'Family Matters', the magazine of the Australian Institute of Family Studies, points to the

greater risk that they suffer of mental illness, physical ill health, substance abuse and domestic violence (physical and sexual) than the general population.¹ Overall the risk of lone mother recipients of welfare payments having a mental health barrier was almost three times the risk of other mothers. 13 per cent of lone mother recipients experienced anxiety and depressive disorders compared to 4 per cent of other mothers. Many of these women who cycle on and off welfare were also victims of childhood abuse themselves. (Salomon et al 1996)

Not all people have the same capacity for paid work. Participation requirements and exemptions need to be tailored to take account of the diversity in people's work ability and availability. i.e their physical and intellectual ability to undertake paid work and the amount of time they are available for paid work, taking account of their other commitments such as family work. Where a sole parent is playing the roles of both mother and father on a day by day basis this availability is likely to be limited, especially when the children are of preschool and primary school age.

Sole parents and others who have disabilities, who are caring for young children or someone else who needs constant attention should not be expected to look for paid work. The degree to which their caring responsibilities reduce their availability for paid work must be recognised.

Broadly we would say sole parents should not be required to seek paid employment while they have dependent children.

As a minimum we would say while they have school aged children

As an absolute minimum we say that the current arrangement of Parenting Payment being continued until the youngest child is 16 should continue.

RESPONSIBILITIES OF FATHERS

We believe that the reforms coming into place this month will place further pressures on sole parent mothers but ignore the responsibilities of fathers. Of parents making child support payments via the Child Support Agency in the year 2000-2001 the median income against which child support liability was assessed was only \$13,886 pa.² (Average male weekly earnings are currently \$45.000pa)³ This very low figure raises the question of whether a significant proportion of these fathers are unemployed or underemployed. If this is the case it would seem sensible for the Government to direct its attention to making payment of the father's unemployment benefit conditional upon **him** undertaking some mutual obligation activity - training , voluntary work etc., rather than the mother who is shouldering the major responsibility of rearing the children. It is thus pleasing to read of the Child Support Agency new policy measures that include support for unemployed newly-separated paying parents. (If this low median income is due to non resident parents concealing income this presents another problem and challenge to Government.)

We recommend that more vigorous efforts be made to ensure that fathers contribute adequately to the financial security of their children after separation and divorce.

¹ "Family Matters" Issue No. 64, Autumn 2003, pp 22-29 "Multiple and severe disadvantage among lone mothers receiving income support" Butterworth, P.

² "Child Support Scheme, Fact and Figures 2000-2001, Child Support Agency, Department of Family & Community Services.

³ www.abs.gov.au Cat No. 6302.0 Average Weekly Earnings, Australia - released 22nd May 2003

GIVING ADEQUATE REGARD TO INDIVIDUAL CIRCUMSTANCES

We would like to stress that this need applies when assessing the capacity of a sole parents to return to paid work. The youngest child who is turning six years old may be the youngest of several children. Large families are less common than in the past but they do still exist. One or more of the children may have health problems that make school attendance irregular. The mother's own health status may be dubious. She may be playing an active role in the care of elderly relatives, such as parents, maybe even to an extent which is preventing their admission to residential care. **For these reasons, and many others, before a mother is required to take up employment or training, or even voluntary work, a personal adviser should examine her individual life circumstances and that of the children's father, and make recommendations re the capacity of each parent to participate or to participate further.**

We congratulate the government on the provision of the new personal advisers and the intention to build their numbers to 800 in the next two years.

While Women's Action Alliance would welcome information re the JET program being made available to Parenting Payment recipients we remain opposed to making participation in such a program compulsory, particularly if this applies when the youngest child starts primary school and especially if it does not take into consideration the number and ages of the other children or other caring responsibilities the woman may have.

Women's Action Alliance recommends that information about the JET or other schemes be sent to lone parents of primary aged children **by mail only**. Consideration could be given to interviews by a personal adviser of parents with secondary aged or older children to discuss their capacity to undertake training or paid employment BUT no pressure should be brought to bear on parents with children under 16 years of age to participate and the Parenting Payment should remain payable until the youngest child leaves school.

1. There should be absolutely NO compulsion to participate in the JET scheme for parents with primary aged school children - or school children of any age.
2. Finding suitable child care. Who will make the decision as to what child care is *suitable* for the children? Will that be an (unpressured) parental decision or a government decision?

Most recipients of Parenting Payment remain on the payment for brief periods - average time 3.4 years. i.e. most mothers simply need a social security 'bridge' to carry them through a period of adjusting to a huge life change - that of being married to that of being a sole parent - and from the financial security of a marriage to re employment or repartnering.

While Women's Action Alliance in no way opposes sole parents with older children being encouraged to participate in training with a view to re entry to the paid workforce, we retain strong opposition to this being enforced by the cessation of the Parenting Payment until such time as all children of the family have left school.

If any change is implemented we urge that each case be thoroughly and compassionately assessed on its individual merits by a personal adviser, respecting the autonomy of the parent to make important decisions about her personal capacity to undertake work, paid or voluntary, outside the home and about what is best for her family.

DISINCENTIVES TO PAID WORK FOR MOTHERS.

For mothers who are ready to return to paid work and wish to do so there are several existing disincentives that could be examined.

- A mother who needs to undertake further study in order to participate in (usually) part time paid work may be reluctant to accumulate a HECS debt. (Most women undertake only part time paid work due to the level of unpaid family work still required)
- The need to resume repaying an existing HECS debt when the mother returns to paid work. Her debt may have inflated substantially over several years while she was out of the paid workforce caring for children.
- High effective marginal tax rates – especially where there are a couple of 16-18 year olds in the family.
- Inflexibility in most workplaces in relation to hours, leave to care for sick children, the need to work through school holidays etc.

RECOMMENDATIONS

Women's Action Alliance recommends that

- 1. The Australian Bureau of Statistics Time Use survey be restored to a five yearly cycle to provide good data on which effective policy about paid/unpaid work participation can be formulated.**
- 2. Sole parents with resident children should be entitled to the Parenting Payment while they have a dependent child attending school. Failing this, as an absolute minimum, the current provision of the payment for those with a child under 16 years of age should remain. This is because these parents are performing a valuable work role in parenting children/teenagers in difficult circumstances.**
- 3. Before a mother is required to take up employment or training, or even voluntary work, a personal adviser should examine her individual life circumstances and that of the children's father, and make recommendations re the capacity of each parent to participate or to participate further.**
- 4. More vigorous efforts be made to ensure that fathers contribute adequately to the financial upkeep of their children after separation and divorce.**
- 5. No additional pressure be brought to bear on mothers with dependent children and other women undertaking caring roles to be in paid work.**
- 6. The HECS debt of women be frozen (not inflate with indexation) during periods out of paid work caring for dependants.**
- 7. The retirement age be set at 65 years of age and superannuation draw down not be available until 60 years of age.**

The task at hand is complex and challenging. We need to be fair while seeking to achieve increased participation in paid work. We wish the Committee well in its deliberations on this important matter.

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