



The Clerk,
The Enquiry into Poverty and Financial Hardship
The Senate Community Affairs and References Committee
Parliament of Australia
Canberra

Wednesday, 26 March 2003

Dear Clerk

I enclose a submission to the Senate Inquiry into Poverty in Australia. The submission includes some material on housing, health care and sole parents and touches on a number of matters relevant to the terms of reference of the committee's inquiries.

I would also like to draw attention to a major piece of work, which is relevant to your third terms of reference. This work is available on the website of the **Centre for Public Policy** based at the University of Melbourne <<http://www.public-policy.unimelb.edu.au/research/>> .The project is designed to explore the implications of changing work and changing families for social policy in Australia. This project, which has had ARC funding, involves a collaboration between this Centre, the Brotherhood of St Laurence and the Committee for the Economic Development of Australia (CEDA). There have been a number of publications flowing from this research of which two examples are:

Linda Hancock, Brian Howe and Anthony O'Donnell (eds), Reshaping Australian Social Policy: Changes in Work, Welfare and Families, Committee for Economic Development of Australia, Melbourne 2000

Linda Hancock, Brian Howe, Marion Frere, Anthony O'Donnell (eds) Future directions in Australian Social Policy, Committee of Economic Development of Australia, Melbourne, 2002

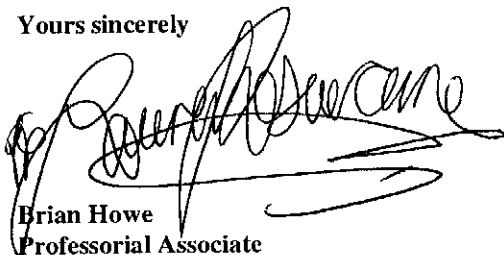
Both can be downloaded from
http://www.public-policy.unimelb.edu.au/research/Project_Publications.html.

The next stage of the project will involve these partners as well as the National Institute of Economic and Industry Research (NIEIR). The first stage was designed to explore concepts and trends and the links between disparate pieces of research. The next phase will be geared toward establishing policy directions especially focusing on transitions or stages in the life course.

Senators may be interested to be aware of this website on which we will be posting further pieces of work and drawing attention to relevant research in Australia and overseas.

I hope that our submission is of some value to the work of your committee.

Yours sincerely


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Senate Community Affairs References Committee

Inquiry into Poverty in Australia

Housing affordability and poverty are closely linked.

In this submission we argue that the Henderson commission of enquiry into poverty (1975) was right to argue that access to affordable and appropriate housing is crucial to preventing poverty. The Henderson inquiry in establishing a poverty line distinguished between before and after housing poverty recognising that housing costs could make the difference as to being in and out of poverty. The National Housing Strategy (The National Housing Strategy: Agenda for Action, Commonwealth of Australia, 1992) similarly emphasised the need to establish clear benchmarks of affordability suggesting that people paying more than 25% of their income would find that the cost of housing would crowd out other essentials in household expenditure. The very different circumstances that exist now as to when Henderson reported on the state of poverty in Australia in the mid seventies suggest that the issue for low income people of accessing affordable and appropriate housing is now a matter of even more concern than at that time. I would argue that this is so because of the shift in the impact of poverty from people for the most part at the end of their working life to much greater incidence of poverty among people of workforce age.

Poverty is increasing among people of workforce age.

In the early seventies older people for the most part fully owned their own homes. The very high rate of home ownership had a substantial impact on preventing poverty amongst aged people who then tended to be poor as Henderson reported because of the inadequate level of pensions then the principal source of retirement incomes. While Henderson found that the unemployed and sole parents faced the most serious risk of being in poverty the numbers of unemployed and the numbers of sole parents were then much less than there are now. Thus the demise of full employment and the trend for increasing rates of marriage separation and consequently the numbers of sole parents with dependent children were together to replace the aged as the people most at risk in poverty in the eighties and nineties. This was especially the case when families were without an adult in the workforce.

Housing policy in the post war period assumed both high levels of employment especially among male breadwinners as well as stable families. By the mid-seventies one could not assume that the post war model of full employment based on the 'male breadwinner' model would continue to be dominant. There has been no return to full employment over the past twenty-five years. The number of people unemployed has remained at high levels. Furthermore in recent years the average time in which people experience spells of unemployment has been over a year. The recent trend for more jobs to be part time, temporary or low paid also makes affordable housing a key pressure on people in the workforce but with low household incomes.

Post war public housing model needs fundamental review

Australia by the early 1950's developed an approach to housing policy, which gave overwhelming priority to supporting home purchase with very high rates of home ownership established quickly. This policy flowed easily from secure jobs and incomes allowing families to undertake long-term mortgage commitments. Public housing was developed not so much to house the unemployed poor as to provide decent homes for workers in industrial estates established in the major cities. Even through private rental was a tenure taken up by nearly a quarter of households it received little by

way of public support. The small percentage (around 5% on average) of houses built by the public sector were subsidised in the Commonwealth State Housing Agreement (CSHA). However the greatest subsidies were available to the much-preferred tenure of home ownership in the form of direct grants and substantial tax concessions such as exclusion of the family home from the assets test

The onset of a very different society post 1975 increasingly made the post war model of overwhelming reliance on home ownership supported by a small public rental program obsolescent. Structural change, especially the reduction in manufacturing industry with a shift to greater reliance on to a knowledge and service economy was to result in some of the most productive parts of the post war industrial economy becoming much less dominant. Regions such as the Latrobe Valley with its vast coal and power production suffered massive reversal, as did many of the other regions, which had specialised in the processing of raw materials. Similarly many urban areas with large production and processing plants were to reduce their workforces—especially the numbers of unskilled and semiskilled workers—leaving large public housing estates to house people who were unable to find secure and permanent work. The inner city high-rise flats were built at a time in which a large share of manufacturing was still located in inner areas. Public housing, which had formed an important element of post war reconstruction, was now more often seen as part of the problem in a modern economy, especially as governments increasingly targeted public housing as suitable accommodation for the most disadvantaged, often with high and complex needs. While giving highest priority to those most in need was consistent with the aim of reducing poverty, their concentration in public housing often created communities of disadvantage. The link between housing and jobs, which was at the heart of the post war public housing strategy, has now been severed.

Rent assistance not a housing payment

In an effort to make clearer the connections between housing and employment policy, governments in the eighties began to give more attention to the private rental markets. There was increased expenditure on assistance for private rental in the social security system together with some improvements in landlord and tenant legislation in some states. However these increased social security payments were not tied to housing and provided much less assistance than that available to public housing tenants. Furthermore, the success of rental assistance to ensure more affordable housing relied upon an adequate supply of low-cost housing which has been in decline since the 1970s. This decline has been most marked in the inner city suburbs and has resulted in low income households having to move to less well located areas and paying higher rents for the remaining stock.

As the payment was not specifically designed as a housing payment, it was not sensitive to differences in housing markets and provided far too little assistance in cities with the strongest labour markets especially Sydney and Melbourne. Neither was the payment designed to take account of differences in family circumstances.

Any reform of rent assistance along the lines of a housing payment would be difficult to achieve without some agreement with the states who have been more focused on receiving capital payments to assist in renovating old public housing stock and or adding to existing stock.

Apart from the deficiencies of rent assistance and the way the program was designed there will be problems in accessing suitable rental accommodation in areas where there are strong labour markets without some intervention by governments. Rents will be higher in such areas.

There is no history of significant large-scale investment in suitable rental accommodation for low-income people in Australia apart from investment from state housing authorities. (Most landlords are small investors owning few properties and more interested in capital gains on the investment rather than rents providing a decent return on capital.) It has been made quite clear by various investment funds that they will not invest in largescale rental housing projects without some form of capital subsidy. Possible schemes for financing have been developed but subsidies continue to be opposed by the Commonwealth Treasury. This has left the worst of all possible worlds: one with reduced investment in public housing, with declining stock of low-cost, well-located private rental housing and inadequate rental assistance for those in the private sector. This is leading to the increasing incidence of housing related poverty.

Changing Households.

The National Housing Strategy, a review of housing policy (1990-1993) drew the attention of governments to substantial change in household composition with implications for housing markets. While new houses seem to grow larger average households were getting smaller as the population began to age and as younger people were slower to partner and settle down. There has been a continuing decline in average household size. There were even then signs of decline in home purchase rates among younger adults and saving patterns were changing with younger people spending longer in education, often in a difficult labour market and not settling easily into longer term career jobs.

The modern economy's emphasis on flexible work patterns has implications for families. The standard work contract is a thing of the past. The pattern of intermittent work—in the past associated with women—increasingly seems characteristic of the working lives of more and more people. The security, which underlay post war mortgages, was replaced by more complicated savings patterns and much greater emphasis on the management of risk. The focus of post war housing policy was on providing a secure savings vehicle. There is now an emphasis on younger people investing in education, superannuation as well as in housing. For many younger people this may represent a difficult tension in which housing is given lower priority. This is of course an argument for a link either direct or indirect between the principal savings vehicle—now superannuation—and housing. However this is unlikely to obviate the need for subsidies, especially for low income households.

The need for a stronger policy response.

One of the consequences of the changes outlined above was an increase in the numbers of people renting and renting for longer periods of time. The National Housing Strategy pointed to the need to take account of the fact that there did not exist in Australia a pattern of large-scale investment in housing for low income people apart from public housing. At a time in which the capital for public housing was being severely constrained there has been no substantial policy response to meet the needs of increasing numbers of people requiring appropriate and affordable rental housing. The National Housing Strategy suggested in 1992 (The National Housing Strategy, Financing Australian Housing Commonwealth of Australia 1991 -p3) a scheme of which would provide for private investors to invest in a housing bond which would finance an increased supply of housing for low income people. However this proposal was strongly resisted by the Commonwealth Treasury. This proposal flowed from the reluctance of private investors to invest in housing for low-income people without help from government. This is a clear example of market failure. In the period since the initial proposals for bonds proposed by the NHS there have been numerous proposals for schemes which would “bridge the difference between what investors would require by way of a rate of return on rental housing and the current level of rents that are affordable for target groups”

AHURI the major advisory group on housing policy undertaking research for state and commonwealth governments has examined the numerous schemes which would include:

- A marketable set of financial instruments for investors to acquire in order to finance affordable housing.
- An identified stream of social/affordable housing subsidy
- A mechanism for the delivery of this housing and

Subsidies could be in the form of cash outlays or taxation concessions by government. Risks facing potential investors could also be reduced by governments providing guarantees on returns or on capital values of the dwellings or by prescribing rules for investors to follow. Feasible policy packages would need to satisfy the criteria of equity, efficiency as well as the capacity to generate large volumes of private finance; and financial and political feasibility. (AHURI, 'Expanding the Supply of Affordable Housing in Australia', September 2002, AHURI Research and Policy Bulletin.)

AHURI as well as a number of other groups (Affordable Housing National Research Consortium, Affordable Housing in Australia: Pressing Need: Effective Solution, June 2001) have investigated various models, which essentially use some government money to leverage private sector funds for the purpose of building a larger supply of social housing.

AHURI while proposing models of their own suggest suitable criteria, which might be used to assess such models.

“Effective policy in this area need to recognise the requirement of large investors operating in given regulatory and taxation regimes, while ensuring that resulting private investment expands housing opportunities for targeted households currently experiencing or at risk of housing stress. For government the criteria for policy packages implemented should be that they:
are of sufficient scale to make a significant contribution to expanding the stock of affordable housing in the short to medium term
are cost effective (give maximum bang for the subsidy buck) and
minimise the cost blow out for government. (AHURI 2002)

Over a ten year period there have been clear signals from governments of their interest in private-public sector partnerships to expand investment in the supply of social housing. This housing would be for people who are at risk of poverty because of their inability to pay the price of appropriate housing without placing pressure on other necessities. There seems little doubt that this point that the problem that exists is serious. There also seems to be no lack of schemes, which might leverage private sector funds in support of affordable housing. What seems to be lacking is government will.

There is also keen interest in the business sector. The Committee for Economic Development of Australia (CEDA) and the BSL: recently organised a seminar to discuss their requirements to invest in affordable housing (February 12. 2003). It was attended by representatives from finance, housing and development industry as well as peak body for the social services. There was broad agreement at this seminar that:

There is a significant shortage of affordable rental housing in Australia and new stock is needed to satisfy the current demand.

This shortage of affordable housing affects households in the bottom 40 per cent of the income distribution, particularly those in capital-city markets.

This shortage, which has profound social and economic implications, is primarily the result of long-term structural economic change. Anticipated cyclic pressures will compound this shortage. This shortage needs to be addressed by a substantial increase in private sector investment in affordable housing, in partnership with government.

This is a significant capital problem, which demands a capital market response, supported by government.

One key role for government is to leverage private finance into affordable housing.

The Commonwealth government seems the most appropriate level of government to provide leadership on housing affordability.

Because of the gap between rental returns from affordable housing and the investment requirements of private debt or equity, some form of subsidy is essential.

(BSL-CEDA Communiqué 2003)

This seminar also heard presentations on various schemes that might be considered by government including targeted tax incentives, subsidies bonds, shared equity schemes and various forms of public-private partnerships.

Conclusion

What seems to be lacking in an adequate response to this crisis in housing in Australia today is leadership on the part of government. Leadership is required to provide clear policy directions, to recognise this housing crisis and its role in increasing poverty in Australia.

Housing related poverty should occupy an important place in any response by this committee given its terms of reference especially the second term of reference, which relates to changing industrial conditions. The older model of public housing worked in a society, which organised much of manufacturing work in industrial estates. The new economy distributes work in much less predictable ways. Thus the need for a huge increase in the supply of affordable housing firstly as infrastructure and secondly as part of an anti-poverty strategy, is essential.

There is an urgent need for the Commonwealth to restructure rent assistance to make this payment a genuine housing payment. An improved rent assistance payment would provide a basis to negotiate both with the states and the housing industry to achieve an overall reform that provided housing assistance where there is housing need. Further that there is affordable and appropriate housing located in proximity to areas where the labour market is strong.

HEALTH CARE

Term of reference 1(d)

This term of reference is concerned with the effectiveness of specific programs and supports concerned with the wellbeing of the poor.

Matters of principle

Health is a primary good, that is to say without it other goods, such as participation in the ordinary life of the community cannot be enjoyed. It has thus a particularly important place in the social fabric. As a matter of principle, in a democratic polity the only basis for the distribution of health care to individuals and to populations ought to be need. Health care is indeed the paradigm case of such a reason for just distribution. The consequence of this principle is that more or better healthcare should not be available to those who are able to pay more, either up-front or through insurance. Better healthcare should not be available to people on the basis that they have more knowledge and better contacts. These principles can be undermined in all sorts of ways by the nature of actual health care systems and when they are undermined the effects are almost always, but not exclusively, felt by the poor.

Systemic dysfunction in health care systems

Where health care systems do not meet the healthcare needs of the poor we should look beyond the surface for systemic dysfunction in the particular health care system. To take two extreme examples, in the system prevalent in the USA, uninsured patients, those who cannot afford private health insurance, are the recipients of a safety net style of minimal healthcare provision, in comparison with the excellent provision which is received by the well off fully insured. The quality of health care is not meant to be, nor is it a function of, need in this system.

In the command economies of the erstwhile communist system and to some extent in the remnant systems, which followed the collapse of communism, health care was in principle but not in practice, distributed on the basis of need. Corrupt practices in the form of cash payments to doctors and other providers were/are required to ensure the best available care and much could be achieved by the use of contacts and quid pro quo arrangements between individuals. Again the worst off receive/d the least good care.

Systemic dysfunction in the Australian system

Systemic dysfunction in the Australian health care system as elsewhere, works against the needs of the poor. The specific sources of dysfunction in the Australian system include the following:

- Influence of the medical profession, especially through the professional organization the AMA, in particular the traditional insistence on fee-for-service provision.
- Influence of the private medical insurance industry.
- The frequency of changes since the introduction of Medibank Mark I for political purposes.

- Funding complexities over two levels of government.
- Tradition and prevalence of targeting/means testing in other welfare state provisions, leading to the expectation that targeting is appropriate also in health care.

Consequence of dysfunction especially as it affects the poor in Australia

- Uneven geographical distributions of healthcare, especially primary care, but also specialist and ancillary care (as a consequence of health care workers preference, and funding complexities).
- Uneven geographical distribution and sharp overall reduction in availability of care without payment (as a consequence especially of primary doctor preference and AMA hostility to bulk billing).
- Overcrowded emergency facilities (as a consequence of the above).
- Rundown public hospitals (as a consequence of the funding diverted to the private system through the subsidy to private insurance and as a consequence of funding complexities with the States).
- Tendency by individual practitioners and policy makers to favour means testing of services without additional payments leading to a two-tier system (as a consequence of the otherwise widespread use of means testing and doctor preference expressed through the AMA).
- Unintended consequences of the necessity for payment for primary care from many practitioners possibly meaning that a medical certificate from a bulk billing practitioner sought out for that purpose, may not meet Centrelink requirements for ongoing care to provide exemption from Newstart obligations.

Bulk billing

The current discussion about the decline in bulk billing by local doctors is relevant here. It provides the most current example of the development of a two-tier system. The estimate for the decline for bulk billing in the period of this Government is approximately 10%, declining from 80% to 69.9% unevenly from State to State. Some practices do not offer bulk billing to any patients, even those with healthcare cards. These are likely to be in the minority.

Assuming that people with healthcare cards are bulk-billed the decline in bulk billing still has an effect on the working poor. Firstly, the availability of a no out-of-pocket visit to the doctor has declined; secondly where there is a visit to a doctor who does not bulk-bill the gap between the amount likely to have been charged by the doctor and the rebate continues to grow and becomes unaffordable.

Other effects include the likelihood that those doctors who do bulk-bill as a matter of course, will compensate for the difference between their income and the income of those who do not bulk-bill by rushed consultations in large numbers. All of these factors will have an effect on the health of the poor. In addition the traditional port of call of the poor for primary care at the local hospital emergency department will make the proper work of these more difficult.

Suggestions to achieve the best outcome for the poor

- Ideally the best outcomes would be achieved by addressing the various sources of dysfunction in the system as a whole. The following plan would maintain the principles of health care provisions especially for the poor and provide a less radical set of changes.
- **No payment for quality primary care should be available to all.**
- It needs to be recognised that that bulk billing in its current form is no longer viable as a means of achieving this policy objective. This is because doctors at the inception of Medibank in the 1970s were plagued with bad debts bulk billing offered an alternative. Bulk billing requires a similarly ingenious incentive in the days of the credit card and other forms of electronic transfer.
- Group practices where individual practitioners bulk bill should be encouraged. A new form of bulk billing at a higher rate of rebate to the health professional should be introduced. This rebate should only be available to health practitioners if they are part of a group practice including not only doctors but also nurses, physiotherapists, nutritionists and podiatrists etc. all of whom bulk bill. It may be possible to construct a form of bulk billing where the clinic is the bulk billing unit and individual providers are paid on a fee-for-service basis within the clinic.
- Such a system would pay for itself in the reduction of the need for acute admissions at the deterioration of chronic conditions such as diabetes, high blood pressure and arthritis to name a few. Further costs could be met by scrapping the Private Health Insurance Rebate, which is not available to the poor.
- Such a system while providing an incentive for health care professionals to provide bulk billed team based services, would both fulfill their demands for higher payments and their attachment to fee-for-service payment.
- Such a system would allow for co-operative initiatives as well as corporate ones, while allowing them to practice side by side and to compete in the quality of care provided.
- Regulations would have to be put in place to ensure minimum standards of quality of care, given the assured income stream in the form of bulk-billed payments.
- Additional incentives can be built into the funding structure for the establishment of such group practices in the country and other poorly serviced areas.

SINGLE PARENTS AND PAID WORK

Radical social changes in household formation over the past three decades have given rise to the single parent family. In spite of the level of public assistance, which is among the most generous in the OECD, research has shown that single parents (usually mothers) are among the most impoverished members of society. Recent legislation is moving toward mandating single parents off public assistance and into paid work in order for them to achieve more sustainable futures. In this paper we argue that this strategy is unlikely to succeed unless the particular needs of single parents are understood and addressed within a broader debate concerning women, care, and paid work. Family-friendly workplace practices, more extensive publicly funded childcare, and better opportunities for lifelong learning are some of the changes that are urgently needed to assist not only single parents but all who try to combine the dual roles of working and caring .

INTRODUCTION

The single parent family is a comparatively recent phenomenon in Australian society. Historians Shurlee Swain and Renate Howe (1995, 1996) have shown how, prior to the second wave feminist movement of the late 1960s, inadequate income support and social stigma forced single mothers into 'separate spaces' from the rest of society. In order to manage their own lives and those of their children they sought the strategies of adoption, having another family member help with their child(ren)'s upbringing, or placing them into charitable institutions. While the proportion of families headed by a sole parent has roughly doubled over the past 20 years, the stigma of single parenthood lingers on in discriminatory expectations regarding single motherhood, partnered motherhood, and paid work (Swain & Howe 1995: 198; Probert 1999: 6). One family in six is now headed by a single parent (usually mother) (Brotherhood of St Laurence 1999: 1; Shaver 1995: 153) but many still inhabit those 'separate spaces' of public censure, poverty or social exclusion. Single parents without recent labour force attachment, or with only part-time or low-wage employment, are particularly vulnerable to living below the poverty line (Howe and O'Donnell 1999: 4; see also Shaver, in Fincher & Nieuwenhuysen 1998: 282). While partnered women and many single mothers are successfully combining caring and working, the sole parent family still remains the most impoverished family type in Australia (Council of Single Mothers and Children 1999).

Over the past fifteen years Australian public policy has aimed at encouraging and aiding single mothers to combine their caring responsibilities with labour market participation. This policy has been based on the perception that labour market attachment is the surest way out of poverty for single mothers and their children (Cass et al 1983). Until recently, whether or not they take up this option has been left to the women themselves and has not been a condition of eligibility for social assistance. Current legislation however is moving toward mandating single mothers into work activity tests in order for them to retain their benefits. Welfare agencies have been quick to criticise these moves, pointing out the huge contribution single mothers make to society through parenting. They emphasise the present severe structural deterrents to sustainable labour market attachment, arguing that if labour market programs are effective in resulting in paid work, single mothers will happily use them. They also show how breaching of the new laws may result in penalties that can bring families below the poverty line (Anglicare Australia 1999; Brotherhood of St Laurence 1999; Council for Single Mothers and Children 1999; Good Shepherd Youth and Family Services 2002).

In this paper we argue first that the debate on single parents and paid work cannot take place outside a wider debate regarding women and paid work. For too long single mothers have suffered the stigma of living in real and metaphorical 'separate spaces'. We contend that the needs of sole parents are not categorically different from those of any other family who today tries to reconcile work and family responsibilities. The *particular* needs of sole parents should be fitted into this wider, more inclusive, setting. We then offer suggestions for policy changes which reflect this more integrated conceptual framework.

WOMEN AND PAID WORK

Over the last 30 years it has been possible to discern conflicting views regarding women and paid work. On the one hand the right for women, including mothers, to take part in the workforce has been both socially and politically sanctioned. On the other there is a widely held

view that primary caregivers should be able to stay home and care for their children (Eardley 2001:3). It is a currently held notion, and one favoured in the media, that full-time homemaking for mothers of children under 6 is the 'morally preferred option' of most Australians. If working is chosen then part-time work is preferred (Evans, quoted in Milburn 2002). However Belinda Probert asks some hard questions concerning these 'preferences':

To what extent are their preferences constrained by the availability of childcare, or the willingness of their husbands to share domestic responsibilities? And does this preference explain the prevalence of relatively short part-time working hours rather than longer ones? It is only by unpacking the hidden assumptions in much of this literature that the full range of strategic openings for women's employment policy can be elaborated on (Probert 1995: 5).

Debates on the nature of citizenship have become polarised contrasting the citizen/carer with the citizen/worker (Howe and Pidwell 2002; Kilkey 2000; McHugh & Millar 1996). The dominant discourse concerning working and caring has moved from 'difference' to 'sameness', from a gendered division of labour, with the 'carer's' role firmly located in the private sector, to a gender neutral citizen/worker model where everyone takes part in the labour force. Over time in Australia the dominant model for women has changed from the citizen/carer model to the citizen/worker model.

Women have become less likely to prefer the option of staying out of employment, and the community less likely to support it, but neither women, their families, nor the institutions of the community have adjusted fully to those historic changes (Jordan 1989: 120).

Whereas the citizen/worker model may suit educated middle class women who have achieved a strong attachment to the workforce it reflects neither the experience nor the needs of many others. This model, which is attainable for educated, two parent families as it is for many educated single mothers (CSMC 1999: 5) is now being imposed upon uneducated, unskilled, single mothers. Lower income groups have less choice in the carer/worker nexus. For instance,

in the Western suburbs (of Melbourne), especially among the migrant population, there is a more traditional attitude to women and workforce participation (Good Shepherd Case Worker 2002).

'The dichotomous treatment of lone mothers as either carers or workers does not fit the social reality of their situation' (Lewis 1998). We cannot profitably move forward with this dualistic conceptual framework; the reality of women's lives is much more nuanced and we urgently need policy packages which recognise the diversity of contexts and experiences, the complexity of the work/care nexus, and society's collective responsibility toward its children. 'There is no one-size-fits-all solution for all parents and all families, because no two families are the same' (Macklin 2002).

The plurality of women's mothering experiences has been demonstrated in a recent small qualitative research project by Belinda Probert and Fiona Macdonald (1998). The authors interviewed 32 young Melbourne women about the ways they planned and negotiated the places of work, education, and motherhood in their lives. They note that experiences of work and parenting have polarised along class and education lines. The rhetoric of 'choice' that currently frames public debates about work and mothering are constrained by the fact that conventional definitions of motherhood have remained relatively unchallenged. While young professional women often defer motherhood for their careers, they also believe they must make a choice between the two at some point later in life. 'For young women with fewer labour market credentials ... their 'choice' in favour of motherhood is not a real choice; it is deeply shaped by class and socio-economic status'. Nevertheless, for many, mothering is seen as a positive force in their lives, one that has given them both fulfillment and purpose, and the desire to find ways to combine both work and family. The authors conclude that

in the light of these outcomes, the traditional compromise of combining part-time paid work with mothering emerges as something more attractive ... [P]olicies will need to focus on supporting families in a much more constructive way than they currently do (Probert & Macdonald 1998: 29).

SOCIAL POLICY AND SINGLE MOTHERS

Australia has traditionally allowed single mothers freedom to work (or not to work) in ways that suited their individual needs with no activity tests for their benefits until the youngest child turns 16 (Brotherhood of St Laurence 2000: 5). This has been in marked contrast with other OECD countries most of whom expect some labour market participation from single mothers. For instance countries such as Sweden and Denmark expect single parents to be actively seeking work once a child is three years old or even younger . But they also provide substantial support to enter work, both in the form of municipal childcare, education and training and other employment assistance (Eardley 2001: 6).

The US is an example of a radical shift from one system to another. In that country, the federally funded 60 year old program Aid to Families with Dependent Children (AFDC) was abolished in 1996 and replaced with a states run program Temporary Assistance for Needy Families (TANF). The purpose of this program is that of providing assistance for needy families with children by providing opportunities for job preparation, work, and marriage. All members of the low-education, unskilled, working age population, many with young children, are required to work to secure TANF services, which have a five years lifetime time limit. While the country's welfare rolls have dramatically fallen, early reports on the success of the new legislation shows that those benefiting most from the TANF programs are older, better educated mothers who have taken up jobs in the service industries: fast food chains, retail outlets, hotels and domestic work. However, these jobs are often part-time or casual and do not provide benefits. Further childcare and transport costs can effectively cancel out the value of a wages cheque. Many have multiple employment barriers such as inadequate basic education and training, lack of prior work experience, problems with childcare, physical and mental health problems, or are members of a minority group. They are forced into work regardless. Many of these new workers are unable to keep their families above the poverty threshold (Howe and Pidwell 2002: 48).

As we intimated earlier, most Australian single mothers, over the past 15 years have chosen to combine the care of their children with paid work even if it is at a level much lower than other OECD countries. Eardley (2001, 4) contends that the proportion of sole parents receiving 90 per cent and more of their income from benefits dropped from 47 per cent in 1986 to less than 36 per cent in 1996 while the length of spells on income support received by sole parents has been decreasing since the mid-1980s. Recent research by Bob Gregory (2002) questions the widely held claim that single mothers spend relatively short periods (about 3 years) on income support (Parenting Payment Single). He argues that when most lone parents leave PPS they quickly return to welfare support either to Parenting Payment Partnered or to another welfare program. Gregory writes, 'Lone mothers as a group appear to be actively involved in part-time employment, seeking to form new relationships and to leave welfare support. The problem seems to be that individuals return very quickly'. Gregory's research shows clearly that most single mothers try to get work but many cannot negotiate a sustainable living under the present conditions of high marginal tax rates, poorly paid work, lack of available work in their area, and lack of transport and/or childcare. When they repartner it is often with someone who is only peripherally attached to the workforce and therefore also receiving income support.

The ambivalence of the Australian feminist movement over women's caring and labour market roles (see Baker & Tippin 1999: Ch 4) has been a strong reason for an incremental suite of policies introduced by the Hawke Government in the late 1980s and early 1990s aimed at parallel support for women at home and in the workforce. Policies such as the Child Support Scheme, the Family Assistance Scheme and the Parenting Payment Rebate have been important in giving single mothers the option of staying home to care for their children. The protective factor of indexed family benefits for low income families plus the sole parents pension being set at the same level as the single rate of age pension has been very important in reducing family poverty. The Jobs, Education, and Training (JET) scheme endeavoured to help mothers, on a voluntary basis, to enter the labour market with a view to their becoming self supporting. As the neo-liberal right has become more dominant the move to a labour market attachment model

for all citizens has become stronger and there is now an imperative for all single mothers whose youngest child has turned six to undertake activity tests in preparation for entry into the labour market. The 'social good' of parenting is being downplayed against the cost to the taxpayer of supporting welfare recipients (single mothers). A breaching of these work tests will result in reduction of benefits.

A complicating issue is the current tension between competing conservative and progressive ideologies. Linda Hancock (2001: 28) points out a contradiction discernible in recent legislation which has offered tax incentives for mothers to stay home and care for their children. Policy shifts are now marked by a 'conservative agenda contract that both encourages and assumes a woman's role as that of unpaid carer within a couple relationship'. Although tax initiatives have also increased the disposable income of non-employed single parents, these 'conservative' strategies are unlikely to lead single mothers to a sustainable economic future. The equivocal message coming through at the caring/paid work nexus seems to be that partnered mothers should stay home and care for their children but single mothers may only do so on sufferance and for as short a time as possible. This could be regarded as an indication of a residual stigmatisation of single mothers.

TOWARDS INTEGRATED WORK AND CARE POLICIES

Structural problems related to the labour market and the caring of children militate against successful labour market attachment for most women. Unemployment, casualisation, tax disincentives, lack of family-friendly work policies such as paid maternity leave, compassionate leave, school holiday leave, etc. all conspire to make the combination of working and caring a daunting, if not almost insurmountable task. It is in the person and life of the single mother, who does not have the option of a supportive partner and/or an additional wage packet, that the problems in the work/care nexus are most powerfully demonstrated.

It is crucial to move beyond thinking in a polarised way about working and caring. Most women and men at some point in their lives will experience one or more of life 'transitions' or 'stages' such as family breakdown, single or partnered parenthood, unemployment, as well as periods of (re)education and training. During these 'transitional' times the labour market alone, in its present form, does not offer security of income.

An alternative to the impasse of the polarised carer/worker discourse may be imagined in the provision of adequate support for caring work through paid parental leave and expansion of childcare services *but also* the modification of the organisation of paid work in ways that make it easier for everyone to combine paid employment with care activities. Instead of discrete periods of working and caring (for women), and working and the avoidance of caring (for most men), a blending of these and other 'stages' such as education and retirement, together with a commitment to 'shared care', would go a long way towards gender equity and the welfare of dependents (See Folbre 2002).

This idea of Folbre's has been formalised in the concept of Gunter Schmidt's Transitional Labour Markets (TLMs)(O'Reilly et al 2000). TLMs are the kind of institutional bridges -- laws, rules, systems -- that make it easier for people to change their employment status, to go from self-employment into permanent employment, or from paid work to parental leave, from working in the home to paid employment, and so on. For this to happen, society has to create an infrastructure that can cope with these 'transitions' so that individuals feel secure and at the same time companies are free to run their businesses in the best possible way. Schmidt's model is based around two central concepts: a shorter working week and lifelong learning.

The working week would be flexibly spread over a lifetime, averaging around thirty hours but considerably shorter while parents have young children. An emphasis on continuous skills development means that workers can keep up to date with the demands of the labour market and can progress in their respective professional fields (Wickstrom 2000).

The basic premise of TLM's is that labour market participation is a powerful, if not fundamental means of social integration.

... [A]t a minimum, TLMs prevent labour market movements – employment entries and exits, movements out of full-time standard hours – becoming an exclusionary path of segmented and precarious employment. More ambitiously, TLMs contribute to work-sharing by providing incentives for more people to move to and from transitional employment. The normative aspect of the theory is that this labour market arrangement is deemed preferable to the alternatives of either continuing high rates of long-term unemployment for labour market 'outsiders' found in many European societies or reduced social protection mimicking the US model of employment growth through the creation of very low-wage jobs (O'Reilly et al: 42).

O'Reilly et al (2000: 45) argue that where part-time work is an integrated rather than marginalised employment form and where there are family-friendly strategies such as reduction of working hours and parental leave for parents of young children then many of the defining characteristics of transitional labour markets are in place. Such an integrated approach to work and family care has been articulated in a British report on carer-friendly employment practices (Berry-Lound 1990). It advocates (1) formal career break schemes to allow for 'transitions' such as caring, educating and training, (2) flexible working conditions which include, part-time work and job sharing, annual hours contracts and term-time contracts, (3) part-time career paths and (4) re-entry and refresher training.

POLICY RECOMMENDATIONS

The needs of sole parents are not divorced from the wider needs relating to work and care. Most current work places and practices are incredibly family unfriendly; all carers face similar tensions as they try to meet competing demands (Probert 2002). Therefore the following policy suggestions do not quarantine single mothers from the wider category of carer/workers. Rather they recognise that they have many of the same needs as partnered mothers; they are merely at a different 'stage' of their life course.

Both public and private resources are required to recognise industry and workplace responsibilities. These include flexible work practices including family-friendly workplaces that are formalised within enterprise bargaining agreements, or under award systems. Permanent part-time work should be incorporated within the primary workforce for those who need it. Opportunities for promotion and training should be widely available to part-time workers (Office of Women's Policy 2000).

1. Entitlements and Supplements

Single mothers should be able to 'package income' through a combination of 'entitlements' and 'supplements' (Lewis 1998: 12). Entitlements, the 'right to benefits specified especially by law or contract' (Webster Collegiate Dictionary) are broadly linked to human/citizen rights and (in this case) more narrowly associated with the recognition of fulfilling caring responsibilities of children. A basic Commonwealth funded pension should be available as an entitlement to all single parents in recognition not only of their special needs (the absence of a partner and a wage cheque) but also of their considerable contribution to society, to allow them to withdraw from the workforce for periods of time when necessary. They should also have access to affordable housing, healthcare, childcare, and publicly funded maternity leave.

Everyone with caring responsibilities should also be able to claim the 'right to part-time work' (Schmidt 2001) in recognition of both their special contribution to society and their domestic needs. Decasualisation, and the integration of part-time work will be necessary to secure benefits such as sick and compassionate leave, superannuation etc.

Supplements should be available for work related issues -- employment advice and placement, workplace childcare provision and rebates, initial or ongoing education and training.

Following the old adage, 'It takes a village to bring up a child' we argue that in a civilised country childcare should be regarded as a citizen right as well as a responsibility. In other words the responsibility of childcare and education should rest on the whole community, not just in the privatised area of mother care. Children are a nation's primary asset; investment in their well-being on both humanitarian and economic grounds must be an imperative.

Access to lifelong learning (education and training) should also be available as a supplement for eligible participants. This is because after a period of withdrawal from the workforce, 'carers can "pay" as workers through loss of pay, status, career progression, human capital, employment opportunities, seniority and so on' (Murray 2001: 44). More resources are required for affordable government and corporate education and training programs aimed at helping such people maintain their work skills.

As both care and education (for pre school children) and lifelong learning opportunities (for parents) are crucial to a successful package for single mothers they warrant further discussion.

2. Childcare and education

An example of a 'mixed methods approach' which seeks to combine both public and private resources in order to provide high quality childcare and pre school education for all children is discussed by Robert Drago (2002) at a recent policy forum on childcare. In San Francisco, the Hotel Employees and Restaurant Employees Union developed innovative schemes in order to develop benefits for the families of its members. Both management and employees consulted with local and state governmental agencies as well as childcare providers in the communities to provide a flexible package that included:

- (1) \$100 per month in childcare subsidies for employees who have their children in home care
- (2) \$225 per month for employees whose children are in licensed premises
- (3) \$125 per month for new parents

- (4) \$400 per year for enrichment programs for members
- (5) Free college entrance examination preparation courses for members' children
- (6) \$150 per month for employees caring for elderly parents

Drago pointed out that no consultant could have guessed that college preparation courses for members' children would be a valued asset. 'However, given the large numbers of immigrants and mothers who work at these hotels, this benefit makes a great deal of sense. It took the involvement, the inclusion, of employees to achieve outcomes that made sense' (217).

Working to broaden the concept of childcare into child *education* in Australia, Peter McDonald (2002) calls for the free universal provision of early child education and care (ECEC) to 3 and 4 years old children for 20 hours per week. His model is the French Ecole Maternelle, a system that provides free early childhood education for 2 - 6 year olds between 8.30am and 4.30pm, 5 days a week. Although the system is expensive, the argument is that its cost is outweighed by its benefits such as effective use of the human capital of women, increased family income and its flow on effects to consumption and growth, the provision of a current and future labour supply, and a high fertility rate.

ECEC is not simply child minding. It is an important part of the education sector and thus has the potential of creating more security for workers, operators, and parents. To operate effectively the child care industry requires a more predictable and stable base than it currently exhibits. The universal provision of ECEC would provide such a base.

McDonald argues that as most parents use formal day care for fewer than 30 hours per week, this program of 20 hours a week is consistent with Australian social norms. Other services could 'hang off' this central service and be subject to a payment system similar to the Child Care benefit system.

3.Lifelong learning

The Jobs, Education, and Training Scheme (JET) was created by the Hawke government as part of its Social Security Review. It was designed to offer practical support to single mothers to help them into the labour market. The Review noted that Australian single mothers, who at that time had an employment rate of 35 per cent, lagged far behind other OECD countries such as France's 76 per Cent, West Germany's 59.5 per cent and Sweden's 87 per cent. However, the intention was to *encourage* single mothers to take up education and training opportunities but in no way to *require* participation (Jordan 1989).

A 1999 evaluation report (cited in CSMC 1999) of the JET program showed that single mothers had enthusiastically taken advantage of the JET program, citing that at time of review:

44% of sole parent recipients were JET participants

31% had income from earnings, 35% were looking for work

46% of JET participants completed a labour market program and found work within 3 months

45% of total SPP customers who canceled payments were JET participants

BUT it is noteworthy that the efforts of 55% of JET participants did not result in paid work:

Providing sensitive and effective interventions for many Centrelink clients who comply with labour market schemes yet still find there is not enough paid work for them, is the central challenge of welfare reform. Increasing compulsory activity, by threatening to cut payments for half a year -- as is the current policy for Newstart recipients who fail mutual obligation activity testing -- is not going to solve the shortage of paid work opportunities ... A wider responsibility for paid work creation is necessary (CSMC 1999).

The Brotherhood of St Laurence's submission to the Reference Group on Welfare Reform (2000) states that there is some (Government) concern that mothers who are particularly disadvantaged in the labour market do not access JET (BSL 2000: 22). This statement is corroborated by case managers at Good Shepherd Family Services (2002) whose experience is

that very few of their clients in the St Alban's area had accessed JET. The current Centrelink policy is to send letters to those PPS clients whose children are approaching the age of 6 and 13 respectively inviting them to a JET interview (JET adviser 2002). This data would suggest that as not all potential clients are currently invited to join the JET scheme, program design and/or funding may be at fault here. If the Department for Family and Community Services wants to make joining the JET scheme mandatory 'more resources need to be put into design[ing] program approaches which are demonstrably of assistance so that the group increases its access if that is needed (BSL 2000: 22).

CONCLUSION

Historically, the caring work undertaken by women has been undervalued, hidden in the separation of the public from the private spheres (Murray 2001), but it has taken the phenomenon of single parenthood over the past two decades to highlight this reality. 'Single parenthood' however should not be theorised as a category requiring specialised treatment. For too long Australian single mothers have been forced into the marginalised position of 'separate spaces'. It is now time to view single parenthood as a transitional life-course phase open to anyone in contemporary society. It is vital that women (or men) experiencing this life 'stage' or 'transition' should receive the 'entitlement' of a parenting benefit that is exempt from work or training tests in recognition of the special circumstances involved in caring for children alone. This strategy is already enshrined in existing legislation. It has become part of the 'Australian way'¹ and should be protected and celebrated.

In addition, Australian society needs to move on. We need social policies that protect and advance the dual imperatives of work and care such as can be found in some European countries. These include family-friendly workplaces, paid maternity leave, free universal

¹ We borrow this term directly from Smyth and Cass (1998).

childcare for a minimum of 20 hours per week for 3 and 4 year olds, more funding for lifelong learning schemes such as JET, as well as decasualisation and the integration of part-time work.

Such a combination of public transfers, labour market regulation, and new social norms that recognise, celebrate, and provide for the disparate needs of carers and workers will, when achieved, transform not only the lives of single mothers and their children but all who endeavour to integrate work and family responsibilities in an era of risk and change.

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