

DEPARTMENT FOR COMMUNITIES
OFFICE FOR WOMEN'S POLICY DISCUSSION PAPER SERIES

**WELFARE TO WORK CHANGES:
IMPACT ON SOLE PARENT WOMEN**

1. Introduction

In July 2006 the previous Federal Government's Welfare to Work changes took effect. The changes have far-reaching implications for the daily lives of sole parents dependent on welfare payments, the majority of whom are women. It is estimated that 12,600 sole parents in Western Australia may be affected by the changes and consequently, over 21,000 dependent children.¹

This paper discusses the impact of the Welfare to Work changes on a range of outcomes for sole parents and their dependent children, who are among the most socially and economically disadvantaged Australians. While there is some general consideration of the implications for all sole parents, the following discussion primarily focuses on sole parent women.

The Welfare to Work changes made income support less accessible and more conditional, and involved coercive measures and harsh penalties to force sole parents into the work force, rather than providing sufficient incentives, services and support. The changes do not adequately address the barriers many sole parents face in finding employment, including general lower levels of educational achievement and workplace skills and experience.

The Welfare to Work changes combined with the previous Government's industrial relations legislation (WorkChoices) had negative implications for sole parents' employment prospects under the existing system. Research proposes that WorkChoices encouraged non-standard, part-time jobs offering low wages and reduced career prospects, which welfare recipients were compelled to accept or lose welfare benefits.² In effect, the Welfare to Work changes create a new reserve pool of low skilled and variable labour. The abolition of WorkChoices and the anticipated review of Welfare to Work by the current Federal Government will have a positive impact in the lives of sole parent women.

1.1. Rationale for legislative changes

Framed against projected slower rates of labour force growth and the increasing reliance of individuals on welfare benefits and pensions, the key aim of the previous Federal Government's welfare reforms was to increase labour force participation rates among welfare recipients and reduce the

reliance of individuals and families, particularly sole parent families, on income support.³

Leading researchers in industrial relations and labour market issues identify four critical labour market challenges facing Australia.⁴ These include: labour and skill shortages exacerbated by an ageing population; the productivity slow-down; work-family tensions; and the growth of low paid, precarious employment.

While there is a strong consensus that paid employment is the best route out of poverty for many welfare recipients, there is much agreement that the previous Federal Government's approach in implementing the Welfare to Work changes was limited as a result of its emphasis on a 'work first' approach⁵ and failure to provide adequate financial incentives, support and services. This paper argues that the net effect of these changes prompted inequality and further marginalise individuals and groups already disadvantaged in the Australian labour market.

1.2. The Welfare to Work changes

The previous Federal Government's Welfare to Work changes include:

- The movement of new applicants for pension-level payments (Disability Support Pension and Parenting Payment) to lower payments (Newstart Allowance and Austudy).
- Sole parents applying for Parenting Payment after 1 July 2006 are only eligible while their youngest child is below 6 years of age. Applicants with a child aged six years and over are eligible for New Start Allowance, or transferred to that allowance once the youngest child reaches six years.
- New participation requirements have been applied to people with disabilities, sole parents, very long term unemployed people, people on personal support programs and mature age unemployed people. The participation requirements for sole parents who are principal carers involve:
 - actively seeking/undertaking 15-25 hours of paid work per week,
 - entering an 'activity agreement' through participation in an employment service, and
 - an annual completion of a 'Mutual Obligation' activity, comprising 150 hours over 6 months (activities may include paid work, study, training or voluntary work).
- The implementation of a new compliance and penalty regime system which compels job seekers to accept any suitable job offer and meet job search and other participation requirements. The system includes a maximum eight week no payment penalty, applied after three participation failures or after 'one strike' for failing to take a job or failing to participate in full time Work for the Dole programs.
- Additional investment in employment assistance and child care services.

1.3. Outline

The paper begins by dispelling many of the myths about sole parents' through the provision of statistics around sole parents' lives, experiences and workforce participation.

Section two discusses the potential impact of the changes on sole parent women, as they represent the overwhelmingly majority of recipients of sole parent income support benefits. The key areas covered include: lower incomes, financial and workforce participation disincentives, impact on family caring responsibilities, housing affordability issues, family and domestic violence, mental health issues, quality of jobs and barriers to employment.

Section three discusses the potential implications for state government policies and programs and agencies delivering emergency/crisis care services. It is anticipated that there will be an increase in demand for these services as a result of the Welfare to Work changes, with cost shifting implications for states and territory governments.

1.4. A profile of sole parents

- In WA in 2005, one in five families with children aged under 15 years were sole parent families.⁶ Of those sole parent families, over 90% were headed by a female sole parent.
- 70% of sole parent families are formed through marriage breakdown rather than births outside marriage (excluding de facto relationships). Almost 18% of sole parent are widows.⁷
- For many sole parents, the transition to sole parent households has been marked by increased poverty, changes in housing, schools, neighbourhoods and escaping violence.⁸ Survey results reveal that in the previous 12 months, 34% of sole parents had been a victim of physical or threatened violence, or actual or attempted break in, compared with 18% of all adults.⁹
- Sole parent families are over-represented among users of homelessness services, reflecting the fact that sole parents often contend with many causes and effects of disadvantage, including higher levels of housing mobility, discrimination, unemployment, poverty and family violence.¹⁰
- The proportion of sole parent families with the parent employed generally increases as the age of the youngest dependant increases. More sole parent mothers tend to have younger children living with them than sole parent fathers. In 2001, 22% of sole parent mothers had at least one child aged 0-4 years living with them, compared with 9% of sole parent fathers.¹¹ In 56% of male sole parent families the children present were all aged 15 years or over, compared with 39% of female sole parent families.

- In 2002, more sole parents aged 18 years and over (52%) relied on government pensions and allowances as their principal source of income. As such, sole parents were over-represented in the lower income groups, with 43% in the bottom income quintile¹ and 30% in the second lowest quintile, compared with 20% and 19% of all adults.
- Almost half (45%) of sole parent recipients of Parenting Payments (single) have a mental health problem such as anxiety or depression.¹²
- In 2001 in WA, 53% of sole parent families rented their home and among those sole parents, almost one in four were renting from a State or Territory Housing Authority.¹³
- Sole parents are already the most economically active of all welfare recipients, with over 70% involved in either study or paid work.¹⁴ Over half of sole parents with children under 15 years of age are employed (53%).
- Research reveals that most sole parents want to work but have difficulties finding work that meets family caring responsibilities. Sole parents face work barriers such as affordable quality childcare, family-friendly work places, high effective marginal tax rates, and higher education debt repayments. Sole parents also have to struggle with the emotional and physical stress of relationship breakdown, juggling family responsibilities and work.¹⁵
- Sole parents generally have lower levels of educational attainment than coupled mothers.¹⁶
- Sole parents tend to be geographically concentrated in poorer outer suburban metropolitan locations, and inland and coastal regional centres; areas which are often characterised by poorer quality housing, lower levels of economic activity (ie fewer job prospects) and more limited access to services compared to wealthier areas.¹⁷

¹ Equivalised household income.

2. Impact of Welfare to Work changes on sole parent mothers

Table 1 shows the changes in eligibility for welfare payments for sole parents following the introduction of the changes on 1 July 2006.

Table 1

Age of youngest child	Payment Type	Participation Requirements Commence
Recipient before 1.7.06		
0-15 years	Parenting Payment Single	1.7.07 or when youngest child turns 7 (whichever is later)
16+ years	Newstart Allowance	Policy unchanged
Recipient on or after 1.7.06		
0-8 years	Parenting Payment Single	Once youngest child turns 6
8-15 years	Newstart Allowance (Principal Carer)	Immediate unless eligible for exemption
16+ years	Newstart Allowance	Policy Unchanged

Source: National Council of Single Mothers and Their Children, Welfare to Work Fact Sheet 1 (2006).

The table shows that sole parent claimants of Parenting Payment Single prior to 1 July 2006 were 'preserved' which entitles the claimants to stay on the pension until their youngest child turns 16 years of age, as long as they remain eligible. If they leave income support (as a result of entering paid employment or reconciling with their former partner) for more than 12 consecutive weeks they are transferred to Newstart Allowance.

New applicants for Parenting Payment after 1 July 2006 are only eligible for the lower payment of Newstart Allowance and must meet participation requirements depending on the age of their youngest dependent.

2.1. Lower Incomes Under Newstart Allowance

The table below shows that sole parents who apply for income support after 1 July 2007 are significantly financially disadvantaged as a result of only being eligible for Newstart Allowance.

Table 2

	Type of Payment	
	Parenting Single	Newstart Allowance (with child)
Current Payment Amount	Up to \$512.10 per fortnight	\$455.30 per fortnight
Income Test (amount received before payment is reduced)	\$152.60 + \$24.60 each additional child per fortnight	\$62.00 per fortnight
Taper Rate (percentage government takes from earnings or effective marginal tax rate ²)	40 cents in the dollar	Over \$62 - \$250 (50 cents in the dollar) Over \$250 (60 cents)
Cut Out Point (for single parent with one child)	\$1447.35	\$852.17 per fortnight
Indexation	Average Weekly Earnings	Consumer Price Index
Tax Offset (amount you can earn before tax is payable)	Allows private earnings of \$288 p/fortnight	Allows private earnings of \$62 per fortnight

Source: National Council of Single Mothers and Their Children, *Welfare to Work Fact Sheet 1 (2006)*.

* (Figures were correct at November 2006)

Sole parents applying for Newstart Allowance or transferring to the new payment immediately face lower disposable incomes. If sole parents with dependents remain jobless they receive \$56.80 less per fortnight on Newstart Allowance than they would on Parenting Payment.

Research consistently points to the higher incidence of poverty among sole parents.¹⁸ Poverty diminishes the quality of life of sole parents and lifetime opportunities. Household poverty is also connected to intergenerational cycles of poverty. A reduction in income through lower payments under Newstart Allowance will put more sole parents at risk of living in poverty. When sole parent women on low incomes return to the work force in predominantly low paid jobs the costs associated with working (ie childcare and transport) mean that many remain in poverty.

Substantial inequities also arise from having two cohorts of recipients on welfare payments (existing claimants whose Parenting Payments are preserved and new claimants eligible only for Newstart Allowance). The inequities arise from the differences in the levels of social security payments and the effective marginal tax rates (EMTRs) on part time earnings.

² Effective Marginal Tax Rates (EMTRs) measures how much of an additional dollar of earnings sole parents actually keep, after taking account of the various income tests associated with social security and family payments, the payment of income tax and the receipt of various tax allowances and rebates. An EMTR of 70% means that the 'disposable' income or 'take home' income of a sole parent will increase by only 30 cents when earnings increase by an additional \$1.

A key future consideration is that the value of income payments relative to average weekly earnings will decrease over time. Parenting Payment Single is indexed to movements in average weekly earnings, while Newstart Allowance is indexed to the Consumer Price Index, which is generally lower. As such, in future years the gap between Parenting Payment Single and Newstart Allowance is expected to increase further with the prospect that an increasing proportion of welfare recipients will be at risk of living in poverty.

2.2. Disincentives

Incentives may be compromised by high EMTRs and associated costs of employment (ie child care and transport costs). As a result of welfare payments being means tested, recipients are faced with high EMTRs when their welfare payments are gradually withdrawn as earned income increases.

As table 2 shows, the rate of withdrawal of benefits as private income increases is faster for Newstart Allowance than for the Parenting Payment Single. Under Newstart Allowance EMTRs are sharply increased over a wide range of earned income. The National Centre for Social and Economic Modelling (NATSEM) estimated that the net financial rewards from work are low for sole parent recipients of Newstart Allowance with one child aged six years and over who undertake 15 hours of paid work. Based on 2005 data, NATSEM estimated that:

- A sole parent on minimum wages of \$13.00 per hour working 15 hours a week will receive \$195 in pay.
- Of that \$195, the Australian Government takes \$114 in earnings via a reduced Newstart Allowance and increased income tax revenue.
- The sole parent receives a weekly increase in take home pay of \$81, leaving the Australian Government as the major financial beneficiary.
- When the costs of working are taken into account (transport, clothing and other) estimated to be around \$30 per week, then the net returns from working are reduced to \$51 per week.
- There may also be further losses resulting from increased pay when welfare benefit recipients are claiming other income tested benefits and programs such as public housing assistance and the loss of health care concessions. This is a likely scenario given many sole parents are reliant on rental accommodation and housing subsidies. These issues are discussed further below.

Disincentives to enter paid employment also arise for sole parents who remain on Parenting Payment, including those with children under six years of age and those on the preserved payment. Sole parents' labour force participation is often intermittent due to family needs and insecure work options. Research shows a large proportion of sole parents move on and off benefits over a five year period.¹⁹ If these sole parents leave the payment for

12 weeks to undertake paid work they return to the lower payment of Newstart Allowance. Similarly, if a sole parent attempts to reconcile with their partner and their efforts fail, they also return to the lower payment.

2.3. Loss of pension related benefits

Disincentives to increase paid employment also arise through loss of access to other supplementary concessions, such as Pensioner Concession Cards and Health Care Cards. Pensioner Concession Cards in particular attract many price concessions from a range of organisations and government agencies, such as property and water rates, transport, energy, telephone, car registration and recreation services. The loss of the concessions increases EMTRs and results in further disincentives to undertake paid employment or increase hours of work.

Recipients of Parenting Payment Single are automatically entitled to a Pensioner Concession Card as are sole parents on Newstart Allowance. However, eligibility for Newstart Allowance stops at a much lower level of private income than the Parenting Payment. Therefore when earnings exceed the allowable amount under the Parenting Payment income test, the card may only be retained for a further 3 to 6 months. NATSEM estimate that the loss of such supplementary concessions could reduce the income of sole parents by \$12 a fortnight.

2.4. Housing affordability, access and security issues

Adequate and affordable housing is an important component of individual and family wellbeing. Recent reports highlight that housing affordability is at its lowest level in more than 20 years and that Perth is the least affordable capital city.²⁰ Strong house price growth represents a significant financial hurdle for sole parents wishing to purchase their own homes. In 2003/04, sole parent families (with dependent children) had the lowest home ownership rates, with 39% reporting that they owned/were purchasing their home, compared to 78% of couple families with dependent children.

Sole parents, have a very high reliance upon private and public rental sectors to meet their housing needs. Sole parents represented the highest proportions of renters (58%). In 2003/04, 17% of all sole parent families were renting from a state/territory housing authority and 38% were renting privately.²¹ This compares with 1.5% of couple families with dependent children renting from a state/territory housing authority and 16% renting privately.

Of the 21,900 private rental households in Australia, 60% access Commonwealth Rent Assistance to assist in meeting rent costs. The majority of the recipient households (85%) are either single persons or sole parents.²² Sole parent households are the most vulnerable to housing stress (ie high housing costs).²³ The interplay between income support, family tax benefits and the housing system are complex and may often be difficult for sole parents to comprehend and navigate. Financial disincentives to enter or

increase paid employment exist for those sole parents in subsidised housing in the form of high EMTRs and the subsequent loss of subsidies as private income increases as a result of the interaction of benefit taper rates. Sole parent welfare recipients who rely on housing rent rebates will face further loss in earnings through increases in the rent they pay when their private income increases. In some cases, sole parents may no longer qualify for public housing when they return to work and they may be forced to seek private rental accommodation, which has the potential to compound housing stress.

NATSEM estimate using the previous example that where this is the case the sole parent in public housing could lose a further \$20 a week in their disposable income through higher rent due. This would mean that the net gain from working in the example cited above would fall to \$31 per week, resulting in a net hourly return from working of \$2.10 per hour.

Welfare groups suggest that the complex interactions between the welfare and housing rebate system may lead to a greater incidence of housing crises and homelessness among some disadvantaged groups.²⁴ A family which becomes homeless as a result of loss of payment will not only lose a base from which to support their work efforts, but the flow on effects impact on the lives of their dependents, schooling and health. Research shows that parents and children experiencing family violence, families with mental and/or physical health problems, and families with poor education or language skills are most at risk.²⁵

2.5. Special circumstances of sole parents

For many sole parents the transition to sole parenthood is often marked by stress caused by relationship breakdown, reductions in income leading to increased poverty, changes in housing and new schools for dependents. These circumstances are not recognised in the Welfare to Work measures and activity requirements commence immediately, unless there are family and domestic violence issues.

When a mother becomes a sole parent as a result of leaving a partner who is the perpetrator of family and domestic violence, she requires time to recover from the experience and may need to change home, school and neighbourhood. Sole parents who are seeking time to recover from family and domestic violence may apply for an exemption period of up to 16 weeks provided that the violence occurred in the last 26 weeks. Applying for the exemption is likely to cause some stress to the applicant as they are required to report the violence to a Centrelink official to have the exemption approved.

Furthermore, given levels of underreporting of family violence in the community this is unlikely to be the most effective approach. The Welfare to Work changes for these sole parents fails to appreciate the issues sole parent survivors of family and domestic violence experience and the longer-term impacts of family violence on family health.²⁶

A further issue discussed in the literature is the possibility that women may feel forced to remain in unsatisfactory relationships to avoid having to participate in the new employment climate and welfare system.²⁷

2.6. Impact on family caring responsibilities

Time use research shows that sole parent women carry a much greater burden for child care than partnered women. As sole parent women spend more time than partnered women supervising their children, this limits their opportunities to engage in paid work. Without a partner to help care for their children, sole parent women cannot allocate as much time as partnered mothers to paid work.²⁸

The introduction of the Welfare to Work is occurring against a background of inferior provisions for balancing work and family in Australia, particularly when compared to many other industrialised nations.²⁹

The success of the Welfare to Work changes depend on the availability and affordability of child care for sole parents. While the Australian Government has responded to child care issues in recent budgets it is unlikely that these changes are adequate to resolve the access and affordability problems.³⁰

Given the barriers to employment, such as lower levels of educational achievement and skill acquisition, employer resistance to employing welfare recipients and poorer health, sole parent women will have the least bargaining power and will be most adversely affected by WorkChoices and Welfare to Work legislative.

The coercive nature of the Welfare to Work changes initiated by the previous Federal Government may result in sole parent women being compelled to accept any sort of paid work, be it insecure, part time and low paid, or work unsociable hours (weekends and evenings) or lose their welfare payments.

It should be noted however, that sole parents do not have to accept a job offer if the job is deemed 'unsuitable'. An 'unsuitable' job is one where:

- there is no suitable child care;
- travel time to the job exceeds 60 minutes or associated cost is greater than 10% of gross pay;
- the returns from working are less than \$25; and
- an existing illness, injury or disability would be aggravated by undertaking the job.

Research shows that welfare recipients often do not understand the administrative processes, activity requirements and rules³¹. It is evident that many sole parents are unaware of the above mentioned factors and are accepting jobs which are deemed to be unsuitable, with resulting negative effects on their employment experience, returns from working and caring responsibilities³².

A further omitted consideration is the impact of the Welfare to Work changes on the children of sole parents, who will have less contact time with their mother. The key areas where children will feel the impact are:

- reduced access to parental care;
- forced placements in child care services;
- reduced household income;
- increased parental and child stress;
- less unstructured ‘home time’; and
- less parental supervision.³³

Christmas school holidays could be particularly problematic for sole parents subject to participation requirements, as they will be expected to continue to look for work or undertake work for at least 15 hours per week.

2.7. Meaningful, sustainable and quality work?

As already discussed, the previous Federal Government’s Welfare to Work changes created a new source of low wage labour. WorkChoices, which is being dismantled by the new Federal Government, further reduces working conditions and encourages non-standard, part-time, low paid jobs, which welfare recipients, subject to participation requirements, are compelled to accept or lose welfare benefit.³⁴ These jobs are often intermittent and insecure, with reduced career prospects and unsociable hours.

There is a growing body of research which outlines the adverse affects of poor quality jobs on employees’ health and well being and on their families. The research shows that poor quality jobs can have a worse impact on some aspects of health than no jobs at all and that the conditions under which parents are employed can negatively impact on the welfare of children.³⁵ In addition, the Welfare to Work changes make it more difficult for employed workers to leave unsatisfactory jobs or, if retrenched, to reject lower-paid jobs.

2.8. Barriers to employment

There are a number of vocational and non-vocational barriers to employment for sole parent women and these do not appear to be adequately recognised or addressed through the provision of support and services.

2.8.1. Vocational barriers to employment

Sole parents typically have lower levels of educational achievement and workforce experience and skill acquisition than coupled mothers. Of sole parents currently on Parenting Payment, 60% have not completed education beyond year 10. A 2002 study shows that 25% of sole parents have a post-

secondary school qualification, compared with 34% of coupled mothers. Compelling women to enter the labour market without significant investment in education or training could have negative impacts on individual women, their families and their children.³⁶

Compounding the vocational barriers to employment for sole parents are the Welfare to Work restrictions on the ability of parents to undertake further studies to improve their long term employment prospects. Recipients of Newstart Allowance are only eligible to undertake short courses of study or training which do not exceed 12 months in duration. Prior to 1 July 2006, recipients of the Parenting Payment and Disability Support Pension could complete a degree at university or undertake longer courses of study or training at TAFE.

Changes to the Jobs, Education and Training (JET) Child Care scheme are also adversely impacting on sole parents wishing to study. Since July 2007, the support offered through JET Child Care has been upgraded to 12 months of full-time (or part time equivalent) study or training, regardless of the duration of the course. Prior to this, it was only available for courses under 12 months in duration. This is a positive step. However, the need for child care fee assistance needs to be extended further to support sole parent women throughout the duration of the courses they may take up. This issue has resulted in a number of sole parent students being unable to complete their university studies or having to continue under significant financial stress for their families.³⁷ By severely limiting the ability of sole parents to attain higher level qualifications at university or TAFE, these measures confine sole parents to menial, low skilled and low paid jobs.

Balga Senior High School in Western Australia has a number of sole parent mothers reliant on the JET scheme for child care to complete their secondary education. However, once completed, these young mothers options for undertaking further post secondary education will be constrained by the 12 month rule. Given current skill shortages it is incomprehensible and unjust that such a disadvantaged and vulnerable group of Australians are not provided with adequate support and services to undertake studies which will provide sustainable and rewarding careers.

The Human Rights and Equal Opportunity Commission highlights that it is important to ensure women are provided with opportunities to establish themselves in a career path. Instead the Welfare to Work measures place significant disincentives for people to obtain the education and training they need for sustainable employment.³⁸ Sole parents are one of the most disadvantaged groups in Australia and opportunities to obtain adequate skills and training for the workforce are limited. Given current skills shortages, denying sole parent mothers higher education opportunities is a very short sighted approach.

2.8.2. Other non-vocational barriers to employment

The Welfare to Work changes do not adequately take into account how the prevalence of mental health conditions act as barriers to employment. Research shows that income support recipients are more likely to report adverse psychological outcomes and suicidal behaviours than non-recipients, with measures highest for sole parent mothers.³⁹ Almost half (45%) of sole parents receiving income support have a mental health problem such as anxiety or depression.⁴⁰

There are potentially adverse effects of Newstart provisions on people with mental health problems, especially those whose conditions are frequently not stable. The pressure to look for and accept work could exacerbate a person's medical condition. Many people manage their episodic mental illness by identifying when they can and cannot work. Being on Newstart Allowance takes away the person's capacity to self-manage. It also requires the person to disclose their medical condition to a Job Network officer. Once the condition has been disclosed it may lead to a person's illness being disclosed to prospective employers. Further, it is likely to be hard to find employers willing to offer positions with flexible working conditions to people with episodic illnesses.

For Indigenous sole parents the barriers to employment are compounded. Of unemployed Indigenous women, 29% reported that the most common difficulties they had finding work were insufficient education, training or skills. Transport/distance problems and lack of jobs in the local area were also commonly reported difficulties.⁴¹ For Indigenous women living in remote communities the proportions experiencing such difficulties are higher.⁴² Indigenous women also generally have higher rates of fertility and caring responsibilities than non-Indigenous women. Indigenous Australians are over represented among those reliant on state authority housing and experience higher levels of housing stress.⁴³

Combined, these factors leave Indigenous women particularly disadvantaged under the Welfare to Work changes and vulnerable to threats of suspension for not meeting workforce activity requirements. It is understood that of the 170 individuals losing benefits through suspension in Western Australia in the last three months, 50 (or 29%) were Indigenous Australians.

3. Implications for State Government polices and programs and other non government welfare services

The Welfare to Work changes will compound the stress experienced by vulnerable sole parent families. The consequences will be distributed across states and territories and many of the costs borne by state governments, welfare organisations and crisis service providers.

Exposure to suspended payments or an 8 week penalty will put sole parent families at risk of poverty and losing their homes, with increased demands on

shelter beds and the Supported Accommodation Assisted Program (SAAP) and the public housing sector.

Other crisis services may also experience increased demand, such as fire and emergency services. When families are unable to pay utility bills they may resort to alternative energy sources to light and heat their homes, exposing the household to fire risks.

When individuals cannot afford to pay General Practitioners fees they present in emergency wards with illness and injuries that could have been prevented or avoided and the associated costs are higher and incurred by state governments.

Demand for mental health services may increase as a result of the increased stress of meeting activity and participation requirements or negative experiences in employment. Similarly, for drug and alcohol services and disability services.

4. Conclusion

The previous Government's Welfare to Work changes have far-reaching implications for the daily lives of 12,600 sole parents in Western Australia and their dependent children. The changes make income support less accessible and more conditional and involve coercive measures and harsh penalties to force sole parents into mainly low paid jobs, rather than providing sufficient incentives and support services.

The areas where sole parents are likely to be impacted include: lower incomes leading to increased risk of poverty traps; financial and workforce participation disincentives; negative impact on family caring responsibilities; increased housing affordability issues; experience adverse affects from being employed in low paid, low skilled, insecure jobs; family and domestic violence and mental health issues; and barriers to employment.

Under the previous Government, the Department of Employment and Workplace Relations (DEWR) planned to undertake a four year monitoring and evaluation program to assess the success of the Welfare to Work changes. However, the key performance indicators outlined in the evaluation package reflect the overarching long term objectives of the Welfare to Work changes, which is to reduce the reliance of sole parents on income support through increased participation in the labour force. While DEWR claim the evaluation program is 'comprehensive', it clearly does not consider the full impact of the changes on many aspects of sole parents' lives and their dependents.

The previous Government's Welfare to Work changes fail to acknowledge that sole parents are the most active workforce participants of all income support recipients, with almost half of sole parents already supplementing their income support through paid employment. This paper does not suggest that

sole parents should be exempt from Welfare to Work changes, but the approach should be more cognisant with the lived experiences of sole parents and their caring responsibilities.

Feedback and comments on the paper are welcome and may be forwarded to:

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