



Submission to: The Australian Government Department of Treasury, Social Policy Division

Re: Australia's Demographic Challenges

Date: 19th May 2004

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

Our aims are twofold

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

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

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We have read with great interest the Treasurer's paper released in February on Australia's Demographic Challenges. We find much that is concerning in the paper.

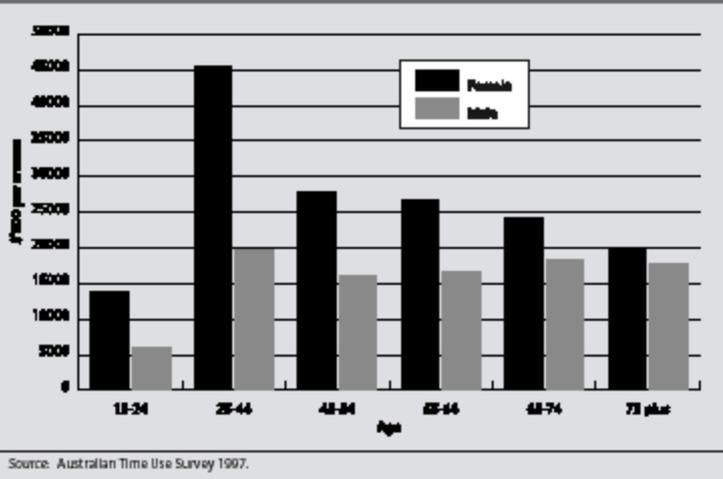
The paper identifies two root causes of the problem (challenge) - the depressed birthrate and the fact that Australians are living longer. We therefore find it strange that the paper did not address the matter of how to stimulate the birthrate.

We acknowledge the pressing need to have as many people as possible in the paid workforce in coming years. However we wish to draw attention to the amount of unpaid work that prime aged women (aged 25-45 years) contribute to our society and its economy and the degree to which it occupies them during this phase of life. There is a push, especially from within academic circles, to have women in these years identified as a major under-utilised labour force. We strongly reject this view and shall address it first.

The Australian Institute of Family Studies Research Paper No. 34 "***Measuring the value of unpaid household, caring and voluntary work of older Australians***" by David de Vaus, Matthew Gray and David Stanton¹ contains the following two charts. They show clearly that women in their prime years do by far the most unpaid work. That unpaid work is mainly mothering of young children. It is worth noting that men also do more unpaid work in that phase of their lives than at any other time, as they father children alongside their wives.

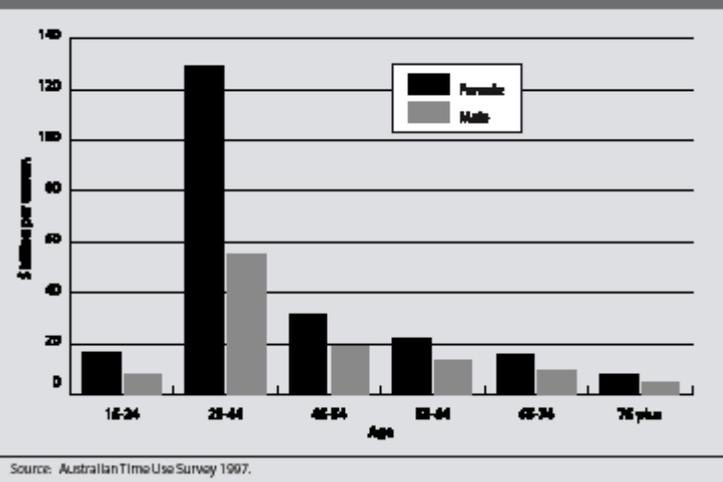
¹ *Australian Institute of Family Studies, October 2003, 24p. ISBN 0 642 395007 1 . ISSN 1446-9863 (Print); ISSN 1446-9871 (Online)*

Figure 1. Per capita value of unpaid work by gender and age (\$'000), Australia 1997 (1997 dollars)



Source: Australian Time Use Survey 1997.

Figure 2. Value of unpaid work by gender and age (\$ billion per annum), Australia 1997 (1997 dollars)



Source: Australian Time Use Survey 1997.

We have been prompted to make a submission on this matter due to our concern at detecting a developing attitude that full time mothers should be attracted into the paid workforce. We fear that the government is tending to view women who are undertaking full time mothering and other caring work as potential taxpayers rather than as the active economic contributors they are.

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

THE ECONOMIC CONTRIBUTION OF UNPAID WORK

Time Use Survey Data

Women by contributing their unpaid labour, while not paying tax, are saving the government massive outlays in childcare, elder care etc. The economic value of unpaid labour has been measured twice in Time Use surveys in 1992 and 1997 with startling results. These studies make visible the full contribution that people make to a nation's economy. In 1992 labour time spent on unpaid work was

valued at \$270 billion. By 1997 it was \$346 billion. i.e. an increase of 25% So unpaid workers contributed about 73% of GDP in 1992 and 70% in 1997.

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

We were concerned to read an article in The Age and the Sydney Morning Herald on September 8th, 2003 reporting a study by the Women's Economic Policy Analysis Unit at Curtin University of Technology in WA. The article said, "*Women in the prime of lifeare the key to Australia's looming labour shortage and retirement income crisis.*" It went on to say that women aged 25-54 are the biggest source of underutilised labour with large numbers not working or at least working relatively few hours."

Dr Iain Campbell, a Senior Research Fellow in the Centre for Applied Social Research at RMIT University, expressed a similar view in an article titled "More and better jobs" in the December 2003 edition of the House of Representatives magazine "About the House." The very inclusion of such an article in this magazine seems to suggest that the government gives credence to his view.

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

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

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

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

WHY THE FOCUS ON MOTHERS?

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

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

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

Do women need incentives to be in paid work?

Should we adopt policies that provide 'incentives' for paid work participation by mothers? No, there is more than enough incentive (pressure) for families to have two incomes applied by housing costs, HECS debts and ordinary living costs without the Government actively seeking other measures.

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

For that reason it is pleasing that both the Government and the Opposition have announced their intention to introduce an inclusive maternity payment rather than paid maternity leave.

Sole parent families

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

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

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

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

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

Women's Action Alliance believes that women should be entitled to the Parenting Payment Single while they have a dependent child attending school.

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

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

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

Many sole parent mothers live extremely complicated lives. Recent research discussed in the current issue of 'Family Matters', the magazine of the Australian Institute of Family Studies, points to the greater risk that they suffer of mental illness, physical ill health, substance abuse and domestic violence (physical and sexual) than the general population.² Overall the risk of lone mother recipients on welfare payments having a mental health barrier was almost three times the risk of other mothers. 13 per cent of lone mother recipients experienced anxiety and depressive disorders compared to 4 per cent of other mothers. Many of these women who cycle on and off welfare were also victims of childhood abuse themselves. (Salomon et al 1996)

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

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

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

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

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

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

² "Family Matters" Issue No. 64, Autumn 2003, pp 22-29 "Multiple and severe disadvantage among lone mothers receiving income support" Butterworth, P.

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

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

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

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

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

DISINCENTIVES TO PAID WORK FOR MOTHERS.

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

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

MATTERS IMPACTING ON THE BIRTHRATE

While the increases to family payments included in the recent Budget may help families to consider having more children we believe that if this is to be achieved there needs to be a multi faceted approach to this challenge and that one critical aspect of that approach is the need to raise the status mothering.

Governments in fact demean mothering in the following ways:

1. By failing to include a question about unpaid work in the National Census. When filling in the census form if one states that one has paid work there are nine more questions to be answered about one's occupation. For those who state that they do unpaid work only (e.g. full time mothers) there are no more questions at all about their occupation. This carries a strong message that the government has no interest in mothering and does not feel a need to measure it or assess it in any way. By contrast labour surveys are conducted on a monthly basis year after year.
2. The Australian Bureau of Statistics Time Use Survey, which is the only ABS measure of work performed within families, has been downgraded from a five yearly survey to a longer cycle - the ABS even indicating that it may be performed as infrequently as 12 yearly in future. Statistics that are 12 years old are all but useless in a fast moving world. Yet if we are to develop good policy in the area of work and family responsibilities we need reliable and up to date data about both areas – paid work and family work.

In December 2003 the Minister for Family and Community Services, Hon the Senator Kay Patterson said in a letter to Women's Action Alliance, *"I believe that Australia's unpaid workers, particularly our full-time carers, deserve as much recognition and appreciation as our paid workers for their hard work and commitment to our national future."* The Minister also said, *"The rich set of data provided by the Australian Bureau of Statistics Time Use survey provides a valuable resource, particularly highlighting the unpaid caring and household work performed by so many Australian mothers."*

There is the rhetoric. Where is the policy implementation to support it?

3. Both federal and state governments frequently publish booklets about women and their welfare without once mentioning the word 'mother.' How can this be when becoming the mother is the most life altering event in any woman's life – and one from which there is no going back?

MARRIAGE

In order to stimulate the birthrate we also need to

- Promote lifelong marriage
- Encourage marriage at an earlier age, particularly for women.
- Extend the provision and accessibility of pre marriage and marriage education as a way of helping couples to attain their aspirations for enduring happy marriages and relationships

EMPLOYMENT SECURITY

Secure employment and adequate wages are critical to family formation. Professor Bob Birrell of Monash University in his recent study "Men and women apart" has highlighted the impact on the fertility rate of young men of child bearing age who have low skills and education not being attractive marriage partners. Such men need to be assisted to access permanent work and adequate wages to enhance their marriage prospects.

RECOMMENDATIONS

Women's Action Alliance recommends that

1. **The Australian Bureau of Statistics Time Use survey be restored to a five yearly cycle to provide good data on which effective policy about paid/unpaid work participation can be formulated.**
2. **The Australian Bureau of Statistics include a question regarding unpaid work in the next National Census.**
3. **No additional pressure be brought to bear on mothers with dependent children and other women undertaking caring roles to be in paid work**
4. **Sole parents with resident children should be entitled to the Parenting Payment while they have a dependent child attending school. Failing this, as an absolute minimum, the current provision of the payment for those with a child under 16 years of age should remain. This is because these parents are performing a valuable work role in parenting children/teenagers in difficult circumstances.**
5. **Before a sole parent mother is required to take up employment or training, or even voluntary work, a personal adviser should examine her individual life circumstances and that of the children's father, and make recommendations re the capacity of each parent to participate or to participate further.**
6. **Pre marriage and marriage education be actively promoted. The pre marriage kit “Two Equals One” produced by the Department of Family & Community Services be actively promoted via marriage celebrants, by advertising in bridal magazines and at bridal fairs.**
7. **The HECS debt of women be frozen (not inflate with indexation) during periods out of paid work caring for dependants.**
8. **The retirement age be set at 65 years of age and superannuation draw down not be available until 60 years of age.**

The task at hand is indeed complex and challenging. We need to be fair while seeking to achieve increases in both the birth rate and participation in paid work. We wish the Treasurer and the Department of Treasury well in their deliberations on this important matter.

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