

‘It falls to our generation to make one of the biggest transformations in human history ...

Greater equality is the material foundation on which better social relations are built’

Wilkinson and Pickett*

AN INTRODUCTION TO THIS COLLECTION

Jo-anne Schofield

Equality Speaks looks at challenges for a fair society. It draws on a diverse group of researchers, writers and practitioners to highlight the nature and impact of inequality in today's Australia.

The stories and statistics in this report follow a boom decade for our economy. During this time, much of our political energy has celebrated the 'success' of the free market.

Equality Speaks tells the real story. It shows that a good life requires little — to start with a decent education, a secure and safe job, a stable home and access to affordable health and other services when we need them. Surprisingly these things are beyond the reach of many Australians.

The contributions in this report starkly demonstrate that inequality and disadvantage is often caused by more than one factor. Joined-up policies are vital.

As part of this report Catalyst commissioned new data on wealth equality in Australia from the National Centre for Social and Economic Modelling. This shows that those on the higher end of the income scale have reaped the benefits of Australia's economic growth, through ever increasing levels of personal wealth. This has been at the expense of those at the other end of the income scale, whose share of personal wealth has declined relative to those high-income earners.

Since late 2008 the near collapse of global financial system has exposed the fragility of the free market. This has resulted in a huge injection of taxpayer funds around the world to bail out our failing financial system. Governments have played a key role in stabilising world economies, and there is the possibility of

*Richard Wilkinson and Kate Pickett, *The Spirit Level: Why more equal societies almost always do better*, 2009

creating a *new deal* of direct government involvement in the economy.¹

WHAT SHOULD THIS NEW DEAL LOOK LIKE?

Potentially it signals an end to the 'small Government' approach that has captivated public policy for the past decade. As this collection demonstrates, this approach has been incapable of closing gaps in life expectancy or of providing everyone with access to the basic benefits of work, transport, housing or health services when needed.

A new deal would redefine the boundaries of political and community participation from the bottom up. It is encouraging that the Rudd Labor Government has set a bold agenda for social inclusion and we hope that this publication will inform that work. However an overriding theme in this collection is that policy makers need to do more than simply broaden the reach of existing ways of doing things — they need to create new approaches to inclusion that accord more closely with people's lives. In this, equity and opportunity are our guiding principles.

Above all, the contributions in this report make clear that if Australia is to be a fair and inclusive society then we can and must do better.

EXECUTIVE SUMMARY

TAX

The publication begins with a contribution by Julian Disney on Tax Reform. Tax provides the main source of money that governments use to promote economic and social opportunities for citizens. This includes opportunities to learn, work, to enjoy good health and relationships and to have affordable housing and transport — all of which are impacted by the design of the tax system.

The global financial crisis has sharply reduced government revenue and at the same time it has increased the amount that governments need to spend. The chapter argues that by addressing gaps and loopholes in the tax system, the Government can avoid losing vital revenue.

A priority for reform is to look at concessions and exemptions in the tax system that can influence particular economic types of 'inequitable' activity. For example the tax concessions for superannuation provide little to low income Australians and large concessions for people on high incomes. Another key area for reform is to close off the excessive scope for tax avoidance which increases pressures on other taxpayers, and erodes fairness and public confidence.

Disney observes that the tax system is increasingly used to provide benefits previously delivered through the social security system and this has weakened the central place of the social security system in preventing poverty.

INCOME SUPPORT AND POVERTY IN AUSTRALIA

The issue of poverty and social security is taken further by Gerard Thomas and Melissa Coad in *Income Support and Poverty in Australia*.

Although Australia is reported to have high levels of 'welfare dependency', the percentage of working age people who depend on income support in Australia is low compared with other countries. Australia's overall poverty rate is slightly higher than the Organisation for Economic Co-operation and Development (OECD) average. Poverty is especially high among older Australians — nearly one third of over 65-year-olds in Australia have an income below the poverty threshold, while nearly one in five people over 65 years of age are 'persistently poor'.

The Australian Government has recently responded to old age poverty and has increased the maximum rate of the age pension. The authors argue that these increases will exacerbate inequality in other parts of the system, for example between pensioners and the unemployed and single parents who are also doing it tough. They argue for a benchmark of 'sufficiency' so social security is equitably applied to all those in need.

EDUCATION

Education provides a path to future opportunity. Its importance in alleviating social and economic disadvantage is a strong theme across all contributions to this collection.

Lyndsay Connor begins her chapter by pointing out that while children should be valued equally, they are not all the same and the circumstances in which they are being educated vary widely. Thus, equity and fairness in education has to be applied to deal with these differences. Central to this is fair access to quality teaching so students can achieve their personal best.

Connors shows that \$30 billion is provided annually to schools by State and Commonwealth Governments, and most of this pays for the costs of teaching. Since 1974 there has been a shift of around 13 percentage points towards the private sector. But while students and teachers have shifted to the private sector *the salary bill for those teachers has been moving in the opposite direction — right back to Government and to the public purse*. This is greatly affecting equity of access to quality teaching. Connors highlights the need for policies to deal with the realities of our school system, and the fact that all but a small handful of schools share *a reliance on governments for financing the provision of their teaching staff*.

Market forces around the world are affecting the distribution of teachers and schools, with students from well-off families being best placed to attract teachers. The chapter concludes by stating that governments should not simply *yield to these forces*, and policy and funding frameworks must support equity in access and distribution of publicly funded teachers.

TRANSPORT

In their contribution Shannon O'Keeffe, Rod Pickette and Andrew Thomas explain that the urban sprawl of Australian cities has resulted in some of the longest commuter travel distances in the world. This has entrenched Australia as a very car dependent country, with 80 per cent of us using cars to get to work and only 14 per cent catching public transport. While houses are more affordable in urban fringe communities, the true cost of living there is masked by the additional high cost of car ownership and lack of transport alternatives. In these (usually lower

income) communities, a disproportionate share of household income is spent on cars, and recent fuel rises have been felt harshly.

The authors argue that there is an urgent social and environmental justice aspect to improving public transport for all.

INDIGENOUS PEOPLE

Australia's Indigenous people do worse than non-Indigenous people on every social and economic indicator. Larissa Behrendt looks at the challenges for Indigenous affairs, the foremost of which is closing the 18 year life expectancy gap between Indigenous and non-Indigenous Australians. Thirty years ago life expectancy rates for Indigenous peoples in Canada, New Zealand the United States of America were similar to Australia's, but we have not mirrored the significant gains made since then in those other countries.

Poverty is the overriding issue affecting the social and economic status of Indigenous people, which itself brings a number of health consequences. Lower education and dramatically higher unemployment rates for the Indigenous population compound poverty and disadvantage. And despite the 1991 *Royal Commission into Aboriginal Deaths in Custody* and recommendations, the number of Indigenous prisoners has increased over the last decade.

Behrendt acknowledges the commitment of the Federal Government to reaching benchmarks and to reporting on progress, but argues there are considerable barriers to achieving equality for Aboriginal people. These include a limited definition of closing the gap; funding focused on crisis and intervention, rather than on long-term solutions and building human capital and capacity; a lack of engagement with communities; an emphasis on remote populations; cost-shifting and a lack of co-operation between governments; and the continued influence of ideology over evidence-based approaches in Indigenous affairs.

CHILDREN AND CHILD POVERTY

Inclusion begins in childhood, as Zoe Morrison points out in her contribution *Children and Child Poverty*. In reviewing how Australian children are faring, she shows that child poverty rates have fallen by 1.7 per cent in the decade to 2005, but still one in seven children lived in poverty in Australia in 2005. Additionally there has been growing income polarisation between households with dependent children, and low income families have fallen behind in relative terms. Child poverty is greatly affected by household joblessness, lone parenthood and levels of wage inequality, so addressing the needs of jobless families is central to addressing child poverty.

However, Morrison considers it is important not to overlook the other jobs that parents do that contribute to children's equality and well-being. In this vein, child-care and early childhood education policy in the UK has been criticized for being too focused on the employment of a child's parents rather than the well-being of children. In Australia, plans to reduce family joblessness will need investment in quality child-care infrastructure, and to accommodate the best mix of waged work and caring for different family arrangements and for different children at different ages.

Policies like the recent parental leave scheme should form part of a coherent and realistic policy framework about parenting, caring and waged work. And increasing parental participation in waged work must balance care and waged work with the well-being of children and those who care for them at centres.

WOMEN

Gender issues are fully explored in the chapter by Rae Cooper and Marian Baird — *Australian Women — Getting to Equality?* In assessing the score-card on equality for women, Cooper and Baird look first at domestic violence, drawing on leading research that shows violence perpetrated by an intimate partner is the leading contributor to death, disability and illness in women aged between 15 and 44 years.

As well as addressing domestic violence, the equality agenda for women traverses education, employment, pay equity and balancing work and family. Cooper and Baird show that despite changes in the social mix, our key institutions continue to marginalise women.

Women are better educated than ever before and girls are more likely than boys to complete the Higher School Certificate. Fifty years ago one fifth of higher education students were female but by the early 2000s nearly one half were. But these improvements have not translated into equality in leadership positions, or in equal employment and wage outcomes for women.

In employment, women predominate in the 'bad' jobs — are more likely to be employed as casuals and low paid workers; and they are often susceptible to *capricious treatment from unscrupulous employers*. The gap between women and men's earnings has not changed since 1992 and remains 16 per cent. Women hold a mere 2 per cent of CEO positions in the top 200 Australian Stock Exchange listed companies.

Cooper and Baird point out that the boundaries between home, work and community for women are never fixed, but our public policy, wage fixing institutions and the practices of our employers have not kept pace with the reality of work and family. Workplace inflexibility and lack of child-care prevents many women from holding the same position they held before becoming mothers.

HOMELESSNESS

Homelessness is one of the starkest examples of inequality in Australia as Andrew Hollows and Tony Keenan show. Presently 105,000 people are counted as experiencing some form of homelessness — one third are children under the age of 18, and 16 per cent are sleeping rough on our streets. While *the narrative of homelessness* has largely been about its impact in Sydney and Melbourne, it is overwhelmingly a problem in rural and remote areas, with an especially high over-representation of Indigenous Australians.

As well as being a particular form of inequality, homelessness compounds others. It impacts on the education of children, on health, and on political participation. Hollows and Keenan applaud the 'joining up' of housing, law reform, education, policing and social security policies in the Australian Government's White Paper on Homelessness, making the obvious point that the key cause of homelessness is *the houses stupid*.

The collapse in expenditure in public housing alongside the growth in private rental demand and increased rental costs means that the degree of investment and policy reform needed to tackle homelessness is huge.

WORKERS

Just as a home is one of the foundations of social well-being, so too is a job. The chapter on work and employment by Brigid van Wanrooy highlights three dimensions to inequality in the labour market — earnings, hours and forms of employment.

On earnings, she points out that inequality can be problematic when there is no protection by a safety net, or *no ceiling to reign in exorbitant remuneration*. In the past decade both these scenarios have played out in Australia. Consequently the earnings of 51 CEOs of companies belonging to the Business Council of Australia grew by 564 per cent from 1990 to 2005. When compared to those of average workers, these CEOs' pay grew at a ratio 63:1.

Long working hours continue to be problematic for one in five workers who are working more than 50 hours a week, yet 13 per cent of people cannot access as much work as they would like. This long-working-hour culture reinforces the divide between men and women in the workplace, particularly women who have caring responsibilities. Van Wanrooy argues that the Government should follow the European example and specify how many hours are too long and detrimental to workers' well-being, instead of the New Employment Standards which provide no protection against long hours.

As well as disparities in earnings and hours, the growth in casual employment has set Australia apart from other countries. In all, despite recent steps in the right direction, there is much policy makers and practitioners can do to improve labour market equality.

WEALTH DISTRIBUTION

Catalyst commissioned the National Centre for Social and Economic modeling (NATSEM) to conduct a study of contemporary trends in wealth distribution. This data has been reviewed by Frank Stilwell with David Primrose in *Wealth distribution in Australia*, which builds on previous research in this area by Frank Stilwell and Kirrily Jordan.

The NATSEM data shows that wealth inequities remain entrenched. These distinctions are particularly stark between men and women, between people working in different occupations and between households of couples (with and without children) compared with single person households, sole parents, or couples under 25 years old.

Despite a recent economic boom, wealth has remained concentrated among a small proportion of the population who are high income earners. Six per cent of people who earn \$100,000 or above have an average wealth in the range of \$236,800 to \$534,400 while 60 per cent of the population who earn up to \$50,000 per annum have an average wealth of between \$67,800 and \$92,000.

REFUGEES

Australia is again holding children in detention, and there remains a 'yawning gap' between what we practice and what we accept as our international obligations for refugees, according to Dianne Hiles in the *Rudd Government's Report Card on Refugees: Can do better*.

Rather than *grasp the electoral nettle* and explain our responsibilities under international law, the Australian Government continues *duck and weave* — trying to do the decent thing while not invoking criticism of being *soft on asylum seekers*.

Deterrent exercises have cost taxpayers hugely — around \$1.5 billion dollars, but this expensive domestic policy has little impact on refugee movements. Hiles highlights that it costs \$56 a day to support asylum seekers in community detention, compared with minimum daily costs of \$1500 to detain someone on Christmas Island.

She concludes that Australia is missing the opportunity to act regionally — or to consider what we could do to prevent human rights abuses and ensure basic living standards in countries where currently many people are forced to flee.

HEALTH

Like education, health is a recurring theme in this report. The chapter *Inequality is bad for our health* shows that as the circumstances in which people live and work are more detrimental, health and mortality worsens. This not only adds to health costs, it has a profound social cost on families and communities, and leads to a loss of economically productive people to society.

Thus, treating the causes of health inequality is about more than treating illness. It's about tackling the social determinants of health — poverty, disability, poor social support and lack of education and skills. Evidence shows that community prevention programs mostly succeed among more advantaged groups, so there is a need for a new approach: more integrated holistic models of health delivery. New service models are explored in this chapter.

The chapter looks at the challenges for the health sector in meeting increased community demand for services. It argues that policy reform is complicated by jurisdictional, regulative and legislative barriers — along with a highly gendered division of labour and system of work organisation and control. At the same time, the cost of policy measures like the private health insurance rebate has continued to rise, but this has done little to improve equality in health.

ENDNOTE

- 1 Policy Network *Responses to the Global Crisis: charting a progressive path handbook of ideas, 2009* www.policy-network.net.

‘The design of the tax system greatly affects people’s ability to generate their own resources through work, saving and investment and to draw on those resources when needed. This obviously applies to the way in which wages are taxed but also includes, for example, tax rules concerning superannuation, housing, health insurance and child care. The design can create effects which greatly increase or reduce hardship and inequity.’

Disney

TAX REFORM: SOME PROBLEMS AND OPTIONS

Julian Disney

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KEY IMPACTS OF TAX POLICY

The main role of governments is to promote economic and social opportunities for all their citizens. This includes opportunities to learn and work, to enjoy good health and relationships, to have affordable housing and transport options, to raise children and pursue pastimes, to be treated fairly and to be helped when hardship strikes. Lack of these opportunities is the main cause, and also the main consequence, of hardship and injustice.

The tax system is the major source of money governments can use to promote these opportunities by, for example, funding education, health care, social security and transport. The funding may directly benefit individuals and families or it may assist them by promoting economic or community development which will provide them with work and income.

The system’s impacts on the availability of opportunity and help goes very much further, however, than just raising money. This is partly because it has increasingly been used as a vehicle for providing financial benefits of a kind that would previously have been delivered through the social security system or some other form of direct grant. Family Tax Benefits are obvious examples.

The design of the tax system also greatly affects people’s ability to generate their own resources through work, saving and investment and to draw on those resources when needed. This obviously applies to the way in which wages are taxed but also includes, for example, tax rules concerning superannuation, housing, health insurance and child care. The design can create effects which greatly increase or reduce hardship and inequity.

Some of the system's deepest impacts stem from tax concessions and exemptions for particular types of economic activity. They greatly influence key aspects of life such as the amount of work available and the income which it provides, the effect of work on health and family relationships, and the cost of accessing housing and transport. These influences arise, for example, from the current Capital Gains and Fringe Benefits Taxes.

Public discussion of taxation often focuses mainly on the personal income tax scales. But much greater impacts, whether beneficial or not, can result from other aspects such as the tax treatment of housing, savings, inheritances and fringe benefits. These impacts can affect when people are born and how they are educated, where they live and for how long, whether and how they raise a family, and even what they eat, drink and drive.

People who are substantially disadvantaged by lack of income or other difficulties are especially vulnerable if the tax system fails to treat them fairly. They may be less able to access benefits and incentives, or avoid barriers and disincentives, which have been designed without taking due account of their circumstances. They may be less able to mount pressure for reform to address these problems or get administrative discretion to be exercised in their favour.

SOME KEY PROBLEMS

Total tax revenue in Australia is very low by international standards. On the most recent available figures it would need to increase by 10–20% to reach the Organisation for Economic Co-operation and Development (OECD) average. Yet as a country with a relatively large area and rapidly growing population, Australia might be expected to require above average levels of public investment. Certainly, there are major unmet needs in areas like health, aged care, child care, disability services, education and transport.

The global economic crisis will sharply reduce government revenue while greatly increasing the needs for public expenditure. The same applies to the longer-term effects of our ageing population. Governments may often be justified in running budget deficits but should always seek to avoid unnecessary loss of revenue through gaps and loopholes in the tax system. Areas of current concern in this respect include the taxation of property, savings and international transactions.

It is also important to avoid distortions that provide unjustifiable tax advantages for some types of economic and social activity to the detriment of others. Our system gives excessive encouragement to borrowing while failing to provide an efficient or equitable regime of encouragement for saving, especially for lower-income people. It tends to favour speculation in land and financial markets rather than long-term investment in productive, job-creating enterprises.

Weaknesses in the tax system have also contributed substantially to inflation in house prices and rents, a serious housing shortage and yet also the under-utilisation of many houses. For example, the system encourages many older people to remain in large homes for much longer than they would otherwise have preferred. Weaknesses in the system have aggravated the time and cost of travel between home and work, especially for many people forced by excessive housing

costs to live a long way from their workplace. These impacts tend to be more severe for those people who have lower incomes and lesser opportunities.

The interaction of taxation with social security rules unduly discourages and penalises lower-income people trying to re-enter the workforce or increase their working hours. The pension income test is too harsh, and the superannuation system too generous, towards some people who need or want to continue working in their later years. These and the other failings I have mentioned tend to promote unfairness and divisive pressures in the community rather than equal opportunity and social inclusion.

Loopholes and distortions in the tax system have encouraged highly complex structures and activities to be adopted largely to take advantage of tax avoidance options. This not only reduces the productivity of investment but often involves waste of resources on expensive advice and financial manipulations. It is also unfair to other businesses and people who cannot, or do not wish to, engage in these strategies.

SOME MISCONCEPTIONS

On the other hand, some aspects of the current system are unduly criticised, often with the aid of distorted statistics and inexpert media. For example, contrary to some assertions, our corporate income tax rate is not especially high by international standards. Moreover, we have a very generous system of dividend imputation and our employers' compulsory contributions based on payrolls are lower than in many OECD countries.

Also, contrary to some assertions, Australia's general taxation of assets is not particularly stringent by comparison with other OECD countries, partly because almost all of them have a gift, death or wealth tax. Our tax rates on capital gains are not especially high by international standards and nor are our personal income tax rates for high-earners. Moreover, we have an unusually generous approach to so-called 'negative gearing'.

In any event, it is unwise to place too much emphasis on standard tax rates when focusing on economic competitiveness. The long-term investors we need will base their decisions on deeper assessments of competing tax systems and on factors such as a well-educated workforce and political stability. The current woes of Ireland and Iceland starkly illustrate the dangers of attracting speculative or ill-conceived investment through excessively low tax rates.

SOME PRIORITIES FOR REFORM

WORKERS AND FAMILIES

The economic crisis is increasing the need to avoid imposing high effective marginal tax rates on lower-income people, particularly those who can only find part-time or intermittent work. The main problems arise from the social security system and could be reduced by relaxing Newstart income tests to allow averaging over three months or even longer, cutting the withdrawal rate and raising the threshold at which it starts, at least during the current recession.

Some improvements could also be made in the tax system. At the very least, the Low-Income Tax Offset (LITO) should be indexed and its value could be passed on in full (rather than only at 50%) when calculating fortnightly Pay as You Earn

(PAYE) rates. There is also a good longer-term case for substantially increasing the LITO while abolishing or greatly reducing the tax-free threshold enjoyed by higher-earners, especially if their marginal rates are to be reduced.

Tax assistance for families is unnecessarily complex and poorly targeted. Family Tax Benefit B and the Baby Bonus should be subsumed in a stronger and better-directed form of Family Tax Benefit A. Support for child care could be made much more cost-effective and equitable by strengthening the Child Care Benefit and increasing grants to non-profit child-care providers, while also abolishing the Child Care Rebate and Fringe Benefit Tax concessions for workplace child care.

HOUSING AND TRANSPORT

House price inflation has severely damaged our economy by inflating debt, increasing pressures on interest rates and wages, fuelling excessive luxury consumption and eventually creating a collapse in the housing industry. The main enduring victims will be lower-income private renters and would-be homebuyers who do not have access to substantial family assistance.

It is futile to expect 'market forces' to fix the problem when they are so severely distorted by the unrestricted exemptions which owner-occupiers enjoy from capital gains tax, land tax and the pension assets test. A much better approach would be to limit the land tax and pension test exemptions, albeit at a very high level, and to reduce barriers to housing mobility by cutting stamp duty on all transfers below, say, the median value.

Inflation of prices, rents and debt has also been fuelled by excessive tax incentives for 'negative gearing'. As in the US, interest and other landlord expenses should be deductible only against income from the same source (eg, property investment, not an executive salary). The new National Rental Affordability Scheme (NRAS) neatly complements this approach by providing a transparent, capped and targeted incentive for investment in *low-rent* housing.

For many lower-income people, the time and expense of travelling to work has been aggravated by the provision of excessive tax incentives for motor vehicle use and none for travel by public transport. The current Fringe Benefit Tax concessions for allegedly work-related travel should be sharply restricted, if not abolished, using the savings to boost public investment in passenger rail services for outer suburbs and commuter towns.

SAVINGS

Tax concessions for superannuation can be a desirable way of encouraging saving and reducing hardship in retirement. The current system, however, provides little or no tax concessions for contributions by lower-income Australians and very large concessions for people on higher incomes. Yet lower-income people are more adversely affected by having to forego wages in order to make contributions, and most higher-income people did not need this added incentive to save.

A much more cost-effective and equitable approach would be to tax superannuation contributions in the same way as other remuneration, but then provide a tax credit or co-contribution which is more progressive and

less wasteful than the current concessions. For example, it could match a person's contributions at a decreasing rate per dollar up to a modest level which is very much lower than the concessions currently enjoyed by higher-income earners.

This approach would open the way to abolishing or greatly relaxing the pension income test in order to provide an overall system of retirement income which is not only more cost-effective and equitable, but also less complex and counter-productive in its impact on older people's decisions about retirement and investment. An integrated package of reforms could be designed to increase the relative support for lower-income people without increasing the budgetary cost.

Many lower-income people have special mid-life needs relating to parenting, unemployment, or other causes but have no tax-assisted way of saving for them. Yet those needs may be at least as pressing as those in retirement and, indeed, may have impacts which endure into retirement. Early access to some accrued superannuation should be allowed on a broader, fairer and more cost-effective basis, in place of the largesse now provided for the wealthy over-55s.

A broader reform would be to provide tax concessions for designated Lifelong Savings Accounts into which contributions up to a modest total can be made at any time. Withdrawals would also be permissible at any time, subject to age-related limits but preferably not to restrictions on the purpose for the withdrawal. As in the UK, governments, welfare organisations and other donors could make contributions on behalf of lower-income people.

OTHER REFORMS

The current system provides excessive scope for tax avoidance which increases the pressures on other taxpayers and government budgets as well as diverting investment and administrative resources away from more productive activities. It also erodes fairness, simplicity and public confidence. Priorities for action include tighter restrictions on tax avoidance through manipulation of private companies, trusts, 'golden handshakes' and offshore transactions.

Tax concessions for charities and religious bodies have become increasingly susceptible to exploitation and irrational distinctions. This is due partly to the ideological trend towards using non-government organisations to provide services previously delivered by governments. Greater reliance should be placed on direct and transparent subsidies which are based on the services being provided rather than, for example, tax breaks based on alleged spirituality.

CONCLUSION

Each of the changes which I have canvassed would make the tax system simpler, fairer and more cost-effective. Most would enhance productive economic development and none would retard it. Some could be politically or technically difficult to introduce quickly, especially in the current crisis. But their importance could be endorsed and time scales set for implementation, possibly as part of broad packages which provide a suitable balance of impacts.

JULIAN DISNEY, July 2, 2009. Julian is Director of the Social Justice Project at the University of NSW. He is also the National Convenor of TaxWatch and the Chair of the Community Tax Forum, but this article is written in an individual capacity.

KEEP IN TOUCH WITH THIS ISSUE

Further information and ideas on issues mentioned in this article is available on the website of the new community information service, TaxWatch (www.taxwatch.org.au). It includes a special section on the activities of the Community Tax Forum which is an alliance of the Australian Council of Trade Unions (ACTU), the Australian Council of Social Service (ACOSS), the Australian Conservation Foundation and the Consumers' Federation of Australia. The section includes presentations, issues papers and summaries relating to the two National Tax Reform Symposiums which were convened by the Forum earlier this year in Canberra and Sydney.

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INCOME SUPPORT AND POVERTY IN AUSTRALIA

Gerard Thomas
and Melissa Coad

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Australia has in place a number of safety nets aimed at reducing poverty. An independent Commission sets an annual minimum wage rate to protect low wage employees and there is a social security system to provide income support to job-seekers and people who cannot work due to caring responsibilities, age or disability.

This paper will look at the adequacy of the social security system in preventing poverty. Australia’s social security system is a highly targeted tax payer funded system. It is unlike contributory systems where people contribute throughout their working lives to a social insurance scheme which replaces a proportion of previous wage. While these more generous social insurance schemes can be time-limited, a number of countries also have social assistance schemes similar to our social security system.

The Australian system is intended to provide income support to those most in need, but is it currently an adequate source of support? And does it leave people reliant on social security in the long term in poverty?

SOME INTERNATIONAL COMPARISONS

Our social security system has been described when compared to those of other wealthy countries as ‘lean and mean.’¹ Payments are relatively low when compared to other Organisation for Economic Co-operation and Development (OECD) nations, and are subject to stringent income and assets tests.

Australia is often reported to have high levels of ‘welfare dependency’ necessitating restrictions in spending on social security payments. This is not however the case. When compared with other wealthy countries, Australia has a comparatively low percentage of people of working age reliant on social security (18%).²

By a number of measures Australia's 'lean and mean' social security system has not succeeded in alleviating poverty, particularly among children and the elderly. OECD measurements put Australia's overall poverty rate (based on 50% of the median income threshold in per cent) at 12.4%, compared with the OECD average of just over 10%. Australia's overall child poverty rates are also at 12% which is the OECD average. However child poverty in non-working lone parent families, who will therefore be overwhelmingly reliant on social security, is 68% compared with the OECD average of 54%³.

Nearly 27% of the over-65s in Australia have an income below the OECD poverty threshold (half of the median household income). Only Ireland, Korea and Mexico of the 30 OECD countries have higher old-age poverty rates.

The high risk of old-age poverty in Australia is mainly due to the relatively low level of the Age Pension payment rate. Relative payment rates under equivalent schemes in other OECD countries are 25% higher (when compared with national average earnings) than the Age Pension in Australia. New Zealand's basic pension, for example, is 80% higher than Australia's when compared to average earnings.⁴

Research from within Australia using the HILDA data puts poverty rates (by type of household) at 19.4% for lone parents, 19.5% for a non-elderly lone person, 29.4% for an elderly couple and a staggering 53.2% for an elderly lone person. The highest rates per age group for people who are persistently poor is among 0–24-year-olds (35.5%), however this reduces substantially for the 25 to 34 age group. The percentage of those who are persistently poor at age 65 and over is almost 20%.⁵

Academic research and public opinion polls show general acceptance that the Age Pension is not a sufficient livelihood as a sole source of income. To this end the Australian Government recently increased by some \$30 per week the maximum rate of the Age Pension.

So if aged pensioners are doing it tough, what about those receiving other social security payments?

DISPARITIES BETWEEN PAYMENT TYPES

	Weekly total income support (maximum rate including rent assistance)	Henderson Poverty Line (HPL)	% below HPL
Single – Newstart Allowance	\$289.85	\$415.06	- 31%
Single – parent with 2 children	\$541.94	\$566.46	- 5%
Single Age Pension	\$336.15	\$336.56	0%
Couple – Newstart Allowance	\$457.30	\$555.24	- 18%
Couple – parents with 2 children	\$643.11	\$779.61	- 18%
Couple – Age Pension	\$508.70	\$476.73	+ 6%

The table above sets out payment rates for age pensioners, parents and people on unemployment payment (Newstart Allowance). The table then compares the payments to the Henderson Poverty Line.

As can be seen from the table, people receiving the Age Pension fare better

when compared to the Henderson Poverty Line than parents and those receiving unemployment payment.

This discrepancy will be further exacerbated when the increase to the Age Pension commences in September 2009. After this time, a single aged pensioner will receive some \$110 more per week than an unemployed person on NSA and some \$50 a week more than a single parent.

UNEMPLOYMENT PAYMENT

The disparity between rates paid to pensioners and unemployed people will continue to widen each year because Newstart Allowance is subject to less favourable indexation compared to age (and related) pensions.

Pensions are currently indexed twice a year in line with the CPI and are also indexed to wages growth through the Male Total Average Weekly Earnings (MTAWE). This benchmark will be increased from 25% to 27.7% of MTAWE (plus a new pensioner and beneficiary cost-of-living index), whichever results in the higher increase. Newstart Allowance is indexed twice a year in line with the six month CPI increase only. Indexation arrangements for young people and those studying are even worse than for adult unemployed people.⁶

Inconsistent indexation arrangements compound the poverty experienced by allowees. According to the Government's own data, in the last decade pension rates have increased by 20% in real terms and in that same time the real increase of a single allowee has been a fraction of this, with an increase of just 0.5%.

In 30 years, the single rate of Newstart Allowance will be worth just half that of the Age Pension, according to projections by the Department of Families, Housing, Community Services and Indigenous Affairs.⁷ The effect of positive measures for pensioners in the recent Budget — the new benchmark of 27.7% of average earnings (as opposed to the current 25%,) and an increase in the base rate (plus supplements) by \$32.49 a week, will mean that the already large gap between allowances and pensions will widen at a much faster rate than anticipated.

A further difficulty for unemployed people is that the amount that a person can earn is less than half of that available to pensioners. The weekly amount that an unemployed person can earn is only \$31 — and this amount has been increased by just \$1 in the last 30 years. The pension 'income free area' is currently \$69 a week for singles and is indexed annually to the CPI, so it continues to increase. Income over these threshold amounts reduces allowances at a faster rate than pensions, allowing pensioners to earn substantially more additional income before losing their payment.

SINGLE PARENTS

Traditionally, the income support payment for single parents (called Parenting Payment Single) has been paid at the same rate as the Age Pension and other pensions. In September 2009 when the rate of the Age Pension is increased by some \$30 a week, single parent pensioners will miss out. The impacts upon parents and their 600,000 children will be devastating: the Parenting Payment Single will be \$50 a week less than the pension rate.

Single parent families are already doing it tough. As a result of the recession single parents face job losses and reduced work hours. Although around 38% of

single parents work (either part-time or full-time,) unemployment rates amongst sole parents are over 10%. A significant majority of single parents have never completed Year 10,⁸ further reducing their employment prospects.

Recent research from the Australian Council of Social Service (ACOSS) found that single parents stood out as being twice as likely as the general community to go without essential items that the rest of the community takes for granted. While the average level of multiple deprivations in the general community was 19%, almost 50% of single parents experienced multiple deprivations. Key findings were that 45% lacked a decent and secure home, 57% were unable to pay utility bills, 56% could not access \$500 in an emergency, 24% could not afford to update school books and clothes for their children and 28% could not afford a gift for family or friends.⁹

OTHER INCONSISTENCIES

SPECIAL BENEFIT

Special Benefit can be paid to certain people whose circumstances are so desperate that they have no 'sufficient livelihood' and they do not qualify for another income support payment. The existence of Special Benefit as a last resort safety net payment recognises that from time to time there are special circumstances under which a person should be paid income support despite not meeting residential or certain other requirements. It is in the nation's best interests to have such a payment, but over the years we have gradually pared back eligibility. Special benefit needs to have tight eligibility criteria, but should nevertheless be the least complicated payment to access, whereas it is now arguably the most complex and difficult.

Access to Special Benefit is so severely restricted by both legislation and policy that many people and their families, who are in dire need, are left at great risk. We no longer accept our responsibility to provide income support for families with no income and no sufficient livelihood.

In addition, where Special Benefit is paid, its income test creates poverty traps which operate to worsen poverty and create disincentives to work.¹⁰

ACCESS TO SPECIAL BENEFIT FOR NEW ZEALANDERS

New Zealand residents migrating to Australia are generally no longer able to access social security payments without first becoming Australian permanent residents, despite having the right to reside and work in Australia permanently. New Zealand citizens are not automatically granted Australian permanent residency and must meet strict residency criteria. The current policy approach is punitive and fails to recognise the economic contribution New Zealanders make to the Australian economy through the payment of taxes over many years.

WAITING PERIODS

Before people can receive social security payments, many face complex, unreasonably harsh and punitive waiting periods that must be served before they can access income support.

Depending on a person's situation, a waiting period can range in duration from one to 104 weeks. The various waiting periods can overlap and are imposed in tandem with income and assets testing.

These waiting periods add a significant layer of complexity to the social security system and unfairly penalise people who have been able to accumulate a modest level of resources during periods of employment. The waiting periods fail to take into account the close-to-Poverty-Line, residual nature of the Australian system. Long waiting periods can leave pensioners and allowees with little capacity to meet unexpected, emergency or infrastructure costs.

In an environment when it is predicted that hundreds of thousands of people will newly enter the queues of the unemployed, the punishing effects of the waiting periods upon the modest savings of unemployed people will become more and more evident.

ENTRENCHED INADEQUACY

It appears then that our social security system as it currently exists is not sufficient to reduce poverty, particularly among those reliant on the system for long periods of time. Furthermore there are inequities built into the system such that among the recipients of social security there are those who are far worse off than others, despite sometimes greater need. Once increases to pensions are in place later in 2009 this will exacerbate inadequacy and inconsistency within the system, putting the rate of the Single Pension some \$110 higher per week than the payment rate for unemployed people, \$50 higher a week than that for single parents and almost \$150 higher than payments available to students. If even the highest rates of payments are not sufficient to live on, how can we justify the inequities of a system that can entrench the poverty of those most in need?

GERARD THOMAS and MELISSA COAD, July 2, 2009. Gerard is the Media and Policy Officer at the Welfare Rights Centre, Sydney, and Melissa Coad is the Political Strategist at the Australian Liquor, Hospitality and Miscellaneous Workers' Union, LHMU).

KEEP IN TOUCH WITH THIS TOPIC

Australian Council of Social Service www.acoss.org.au

National Welfare Rights Network www.welfarerights.org.au

Social policy research centre www.sprc.unsw.edu.au

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'If we believe that all our children are to be equally valued that means that they are equally entitled to assistance from their schools to achieve their personal best; and ... to teachers who can engage them in learning that has personal significance for them and that is valued in the wider society.' Connors

EDUCATION: INVESTING MORE IN HIGH QUALITY TEACHING AND LESS ON RESTRICTING ACCESS TO IT

Lyndsay Connors

3

INTRODUCTION

If governments around Australia were to enter a national compact to take the concerted action necessary to guarantee an adequate supply of high quality teachers in schools for all our children and young people — that would justify the rhetoric of 'an education revolution.'

A previous Federal minister for education, in the recent past, liked to refer to teachers as 'a precious national resource.' Such rhetoric is well-grounded in evidence.¹ Of those factors susceptible to policy action, the one most likely to assist an individual student to do his or her best at school is the amount of time spent there on tasks with an able teacher.²

Concepts such as the Rudd Government's 'twin pillars' of *quality* and *equity* will gain real significance when they are applied to those elements of schooling that really matter most. Giving all students a fair go to succeed at schools requires fair access to quality teaching. If we believe that all our children are to be equally valued, that means that they are equally entitled to assistance from their schools to achieve their personal best; and therefore to teachers who can engage them in learning that has personal significance for them and that is valued in the wider society.

While we should value all our children equally, we know that they are not all the same; and we know that the circumstances in which they are being educated vary widely. Principles of equity need to be applied to address these differences. Fairness, for example, requires that personal and social circumstances that are beyond the control or influence of students should not be obstacles to their achieving their potential. Inclusion requires that decent basic minimum provisions conducive to learning should apply to all.³

FUNDING

Informed debate about schools funding has become the preserve of a few aficionados, owing partly to the complexities produced by dysfunctional splits between the Commonwealth, States and private school authorities in Australia's federal system for the planning, funding and operation of schools and of teacher education — and our serious case of the fiscal disease known as 'vertical fiscal imbalance.'

Because the politics of schools funding are persistently contentious and divisive, its technicalities and complexities can be exploited by governments, politicians and interest groups for their own purposes, to obscure funding facts and trends and to thwart informed discussion.

One way to cut through a miasma of statistics and to overcome the paralysis induced by a focus on dollar billions is to turn those billions into measures that have real educational significance and that can be readily understood. Referencing recurrent funding for schools back, for example, to average teacher salaries and thence to numbers of real teachers, replaces a policy discourse grounded in politics and money with one based on teaching and learning. It informs rational debate about teacher supply and demand; about who pays for teachers and who decides which students get them.

PROGRAM INITIATIVES

Governments regularly set forth their commitment to education in terms of an itemised list of their own specific initiatives. A significant recent example concerning schools is a National Partnership between the Commonwealth and the States and Territories to improve Quality Teaching, which will see a \$550 million investment over five years for attracting, retaining and developing quality teachers and leaders. This will include, in turn, a new *Teach for Australia* scheme, funded by the Australian Government, to attract high performing graduates in areas like commerce, law and science to undertake an intensive teacher training course and to teach for a minimum of two years before taking up the option of a position in the business sector.

Such programs (and there is a plethora across the country) deliver important discretionary resources to systems and schools with the potential to provide the catalyst for improvements in teaching and learning.

EXTENT OF GOVERNMENT FUNDING

These initiatives are, however, minor adjuncts to the huge, underlying public investment that provides the vital educational infrastructure for schools — some \$30 billion provided annually by State and Commonwealth Governments, the majority of which pays for the costs of teaching. Responsibility for the supply of qualified teachers for the whole school system in Australia, public and private schools, and for their remuneration, now rests almost entirely with governments. This includes responsibility for initial teacher education and ongoing professional development.

FUNDING OF PRIVATE SCHOOLS

The market forces endemic to schooling, and the policy responses to them have produced significant shifts over recent decades. In 1974, the Commonwealth

became a partner in recurrent funding of schools and, as time went by, of non-government schools in particular. Since then, there has been a significant shift of around 13 percentage points of the total school population in the balance of student enrolments towards the private sector, expanding the previously small proportion of non-systemic, independent schools. This enrolment shift has, in turn, been accompanied by an increase in the proportion of teachers in the non-government school sector. However, while students and teachers have been shifting into the private sector, the salary bill for those teachers has been moving in the opposite direction — right back to the Government and to the public purse. By 2006, the total of \$6.8 billion provided in the form of public recurrent funding to the non-government schools sector exceeded the total teaching staff salaries and related expenditure in that sector of some \$6.6 billion; and the excess had grown by 2007, when public funding rose to \$7.5 billion against an expenditure of almost \$7 billion.⁴

This raises the question of how these trends might affect, or are already affecting, equity of access to quality teaching.

From a social and educational standpoint, we need to understand that a growing proportion of the publicly-funded teachers in Australia now works in the schools where students' access to their services is restricted by upfront parental fees and other privately set admission criteria. At the same time, an increasing proportion of parents in Australia is now paying privately towards the cost of their children's schooling. What they are paying varies widely in scale and as a proportion of their disposable incomes. As a larger percentage of parents pay varying fees for their children's schooling, how will this affect their willingness to commit to the principles of the 'fair go' and the 'fair share' regarding the distribution of teachers among schools and between the sectors?

This question cannot be airbrushed away with the claim that since all schools have a mix of public and private funding, this means that the public-private divide is no longer a meaningful distinction. It means no such thing. It means that the distinction is far more complex than previously and that more care is required to achieve rational and sustainable policy.

We now need policies to deal in a rational and prudent way with the realities of our school system. The fact is that all but a small handful of Australia's schools (in the higher-fee end of the independent school sector) share a common reliance on governments for financing their teachers' salaries.

THE SUPPLY OF TEACHERS

In relation to teacher supply, Australia faces the challenge of replacing an exodus of retiring teachers — which is occurring internationally; on top of persisting forms of teacher shortage.

Predicting whether we will have enough teachers for our schools is far harder than it seems. Think about predicting fertility rates, immigration fluctuations, the uneven spread of the school population, changes to retention rates and class sizes. Changes in the broader economy and labour market, superannuation policies, modes of initial teacher education, applications of ICT to teaching and learning...these all affect teacher supply and demand.

Even if the ill wind of the global financial crash blows qualified teachers back into schools and increases the attractiveness of the profession to new entrants, we would still be wise to err on the side of caution and to put increased effort into teacher recruitment. Recruitment is only the start. We then need to make a commitment to systematic investment in the conditions that we know, from experience and research, make teaching an attractive and rewarding career. There is a wealth of evidence as to what these conditions are, ranging from remuneration and prospects of advancement through to the intrinsic rewards of seeing students progress.⁵

These challenges, which are not unique to Australia, are compounded by factors which are. The dysfunctional distribution of responsibilities between the governments in our federal system and the private school authorities is fostering countervailing tendencies within schools' funding policies. Efforts to achieve greater equity are being undermined by the use of public funding to work in the opposite direction.

For example, under the Howard Government scheme for the general recurrent funding of private schools, inherited and maintained by the Rudd Government, huge increases to some of the best-funded private schools represent a lost opportunity to invest more in teaching in schools where students are under-achieving.

It could also be argued that spending over \$1 billion a year on the recruitment, professional development and remuneration of quality teachers would bring more direct educational benefits than the same amount committed from 2008 to an Education Tax Refund.

Despite huge disparities in need among schools, the Rudd Government has avoided targeting its public investment in computers or in trade centres offering opportunities for vocational education and training and for improved facilities. The most startling example has been its distribution of unprecedented levels of public investment in school buildings and facilities among schools, largely irrespective of need or of educational priority.

An adequate supply of teachers and measures for guaranteeing the quality of teaching are pre-conditions for equity.⁶ Firstly, there is cold comfort in achieving a fair distribution if this results in every school having inadequate resources for the work expected of it. Secondly, the political reality is that, in circumstances of overall shortage, some school communities are better able to protect their own interests, even at the expense of others.

DISTRIBUTION AND QUALITY OF TEACHERS

Around the world, deep-seated market forces affect the distribution of teachers among schools. Broadly, schools with students from relatively well-off families are the best placed to attract teachers. In areas where few professionals choose to live, schools tend to be harder to staff.

Governments do not simply yield to these forces. They respond through their various policy and funding frameworks. These are now elastic enough, however, to accommodate contradictory values and principles and to legitimise contrary practices.

This is made the more unconscionable when we consider that almost all the teachers in the country are either provided directly by governments or through the public funding equivalent.

Developing teacher quality starts with initial pre-service teacher education. This includes periods of practice teaching, and relies on schools and practicing teachers being willing to work with universities and teacher educators. There are signs, however, (certainly from data available in NSW) that the public school system may be taking responsibility for pre-service professional experience at a level well beyond its sector share. There have also been anecdotal reports over years of independent schools inviting promising trainee teachers to come back to them only after spending a few years in public schools to gain experience; as well as evidence of higher fee independent schools using their superior financial muscle to recruit experienced and accomplished teachers at the expense of other schools.

The non-government sector as a whole is spending less of its total expenditure (45% compared with 56%) on teacher salaries and more of it on capital — buildings and facilities — (15% compared with 6%) than the public sector. This raises the question of whether the fact that governments are now picking up the salary tab for almost all teachers in Australian schools means that some private school authorities have used this as an opportunity to move more of their own private income into higher quality capital resources, to improve their marketability to parents.

CONCLUSION

Governments have now largely taken over responsibility for the supply, quality and remuneration of school teachers. Yet they have no coherent, regulatory framework for discharging this responsibility in a rational and fair way. This situation is untenable. Providing high quality teaching for all our children and young people, the key to successful schooling, is surely too great an enterprise to be given over to political convenience and opportunism or relegated to market forces.

What is now needed is a policy framework in which competing forces are held in a proper balance. Clearly the primary concern of governments must be the entitlement of all students to be well taught. This is obviously also a matter of public interest. It must be held in balance with the aspirations of parents in individual schools serving vastly different communities; the desires of principals (especially those in better-off areas) for freedom to staff their own domains to advantage; and the legitimate professional, employment and career interests of teachers.

Schools' funding arrangements need to be brought into a closer and more explicit alignment with agreed educational goals and priorities. A primary purpose of schools' funding arrangements must be to sustain the supply and quality of our teaching force and to distribute publicly funded teachers and the public funds for the employment of teachers on the basis of resource standards grounded in the best available evidence. Unless this happens, we will not reach national goals, nor reap the full benefits of the effort being invested in early childhood education, in national curriculum, in access to computer technology, or the reform of higher education.

LYNDSAY CONNORS, June 22, 2009. Lyndsay was a member of the former Commonwealth Schools Commission; Chair of the Schools Council of the former National Board of Employment, Education and Training; and Deputy Chair of the Board of the ABC. She has headed reviews in Victoria and the ACT, and held senior education posts in NSW, including chair of the former NSW Public Education Council.

KEEP IN TOUCH WITH THIS TOPIC

Public education for our future campaign www.forourfuture.org.au

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‘For most people mobility, through either public or private transport, is linked to increased social, employment and education participation. Having limited or no transport significantly reduces your ability to participate fully in everyday life. It is also important for accessing health care and for maintaining a sense of independence. A number of studies have shown that the links between social disadvantage and a lack of transport are particularly significant in urban Australia compared to other countries.’

O’Keeffe, Pickette and Thomas

TRANSPORT

Shannon O’Keeffe,
Rod Pickette and
Andrew Thomas

4

In the last few years, there have been a number of rankings released on the most liveable cities in the world. This year in the Monocle Index,¹ Sydney lost out to Melbourne (13th place compared to 9th) based in part on its reliance on cars. Cities in Italy on the other hand did not even make it on the list, for the third year running, because of the country’s chaotic transport system and traffic congestion. The inference being that a liveable city is not just one that offers a rich cultural life, but one where people can get around to enjoy it.

At the same time there is a growing interest from policy makers in the role of public transport in creating environmentally, economically and socially sustainable cities that mitigate the effects of social exclusion. This approach recognises the role of an accessible, safe and affordable public transport system in reducing inequality and disadvantage by improving health, economic and social opportunities and outcomes. In doing so, it also acknowledges that where access to public transport is poor or non-existent, it can compound other forms of disadvantage, in particular low workforce participation, and therefore income inequality.

Across all income groups, reducing reliance on cars and increasing the use of public transport can improve environmental outcomes and help address climate change. Transport, and specifically public transport, whether operated directly by the State or by private companies, therefore plays a crucial role in shaping our social, economic and physical environment.

BUILT-IN DISADVANTAGE IN THE GROWTH OF AUSTRALIAN CITIES

Over the last 50 years, Australian cities have grown through more affordable low density housing developments at the cities’ fringes accessed by new roads and

motorways. Because of this urban sprawl, Australian cities have some of the longest commuter travel distances in the world.² This pattern of development has entrenched Australia as a very car dependant country with 80% of Australians using cars to get to work and only 14% using public transport.³

Communities on the urban fringe of Australian cities tend to have the least developed public transport systems and those without private car access are marginalised by this spatial disadvantage. It follows then that the design of Australian cities compounds social disadvantage because they are highly car dependant, the focus of infrastructure in new urban developments being on road construction rather than public transport services.

This leads to the contradiction that where homes are most affordable because of their location, the true cost of living there for low-income households is masked because of the high cost of car ownership and the lack of transport alternatives. New research in this area suggests that while car ownership may increase spatial mobility for those on the urban fringe, it may do little to reduce overall transport disadvantage.

This is because car ownership, especially where there is more than one car, is expensive and represents a disproportionate share of household income for those on lower incomes.⁴ When you live in an area where there are limited transport alternatives, recent rises in fuel prices are also felt especially harshly. This can compound transport disadvantage if it further reduces the affordability of car usage by increasing the proportion of household income spent on running a car.

The arguments used to justify the public provision of quality health and education services could equally be applied to public transport because of the links between social exclusion and mobility. This means that even when people choose to live in outer urban areas, they should not have to accept low levels of public transport.⁵

SOCIAL JUSTICE AND PUBLIC TRANSPORT

For most people mobility, through either public or private transport, is linked to increased social, employment and education participation. Having limited or no transport significantly reduces your ability to participate fully in everyday life. It is also important for accessing health care and for maintaining a sense of independence. A number of studies have shown that the links between social disadvantage and a lack of transport are particularly significant in urban Australia compared to other countries.⁶

There is a growing body of literature to support the link between social disadvantage and low car access, not least because those without a car actually travel less and this disproportionately affects those already at risk of disadvantage, for example young people, older people and those with a disability. For those with little or no car access the absence of a safe, reliable, efficient and accessible public transport system means that the notion of equality becomes so much harder. The policy solution here should not be increasing car ownership but better access to public transport.

For the unemployed and under-employed it can act as a barrier to job seeking and thereby limits their economic and employment opportunities. A recent survey in Melbourne found that about 14% of the long-term unemployed from the outer suburbs cited a lack of transport as a major factor accounting for their unemployment, compared to only 4% in the inner suburbs.⁷

The impact of a lack of access to public transport can be especially harsh on young people, as it affects their social and economic opportunities. When young people are below the legal driving age, do not have a licence or the use of a car, they are dependant on others for their mobility. Where transport options are limited, not surprisingly this results in lower employment and education participation rates, especially in urban fringe areas.

For those older Australians no longer able to drive, the loss of a licence can have damaging effects on their independence and their access to medical care. This is especially true of those with restrictions on their physical mobility who do not have alternative forms of transport available to them. With an ageing population these issues are likely to become more acute.

These social justice and transport issues are being addressed in the United Kingdom where local governments responsible for accessibility are planning for the links between social exclusion and transport and must deliver area-based plans to address the identified problems. This means that the special needs of minority groups who may not be using available transport because of safety concerns for example, can be addressed and there can be a better integration between social policy intent and actual land use.⁸

ENVIRONMENTAL JUSTICE AND PUBLIC TRANSPORT

This reliance on cars as the primary form of transport in Australia does not come without significant social and environmental costs. Those living on the urban fringes, on both low and high incomes, tend to have the longest commutes to work and because of this spend more time sitting in traffic.

Traffic volumes in Australian cities have increased with total traffic in urban areas growing 10-fold over the past 60 years. Private vehicles, mostly with only one occupant, now account for around 90% of the total urban passenger task.⁹ This has resulted in increased traffic congestion in all Australian cities and longer commuting times.

Commuting by car has been found to take a toll on at least three dimensions of Australian life: people's psychological, emotional, and physiological well-being, their relationships and interactions with their families, neighbourhoods, communities, and workplaces, and the physical and social environment. When commutes to work are long, unpredictable and congested these impacts are worst. Those with longer commuting times to work show greater levels of stress and suffer from physical pain and tension, resulting in poorer performance and satisfaction at work. Not surprisingly, the more time that is spent travelling to and from paid work the less time is available for family and community activities such as playing and interacting with children, socialising, participating in sport and other informal social interactions.¹⁰

CLIMATE CHANGE AND CARS

Climate change is now one of the most pressing issues facing the global community and this reliance on private transportation has significant impacts on the environment. Emissions from private motor vehicles account for 54% of all transport greenhouse gas emissions.¹¹ Road pollution is also a general public health issue although it has particular significance for older people, young children, those suffering from respiratory illness such as asthma, and those living along traffic corridors. More cars on the road also means that roads are less safe and this reduces the incentive for people to walk or cycle.

Together with climate change and congestion, fossil fuel depletion has become a serious issue. A public transport system which provides a genuine alternative can play a part in reducing our dependence on fossil fuels and in the light of recent petrol increases, reduce the financial impact of constraints in fuel supply on those who can least afford it.

Ironically while public transport use for commuting remains extremely low, Australians have embraced waste recycling with only less than one per cent not recycling or re-using their waste at all.¹² This suggests that education around the environmental benefits of public transport could be effective in increasing its use.

CONCLUSION

In the light of these concerns, the provision of quality and accessible public transport is an issue of both social and environmental justice. Achieving the twin goals of a socially just and environmentally sustainable system of transport should not only be desirable but also possible. To achieve this, the experience from the UK suggests that co-ordinated land use and social policy is required, focused not only on removing the barriers to non-car-based travel and providing viable alternatives that give people better transport choices, but also on measures which would change travel behaviour, including our dependence on cars.¹³

SHANNON O'KEEFFE, ROD PICKETTE and ANDREW THOMAS, 2 July 2009.

Shannon, Rod and Andrew, Australian Transport Unions Federation. The three ATUF unions are committed to reducing inequality by improving the access to and quality of public transport services across Australia.

KEEP IN TOUCH WITH THIS TOPIC

South Australia's Social Inclusion Initiative <http://www.socialinclusion.sa.gov.au/>

National Social Inclusion Programme, United Kingdom

<http://www.socialinclusion.org.uk>

Social Exclusion Task Force

http://www.cabinetoffice.gov.uk/social_exclusion_task_force.aspx

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‘Indigenous policy is always targeted at intervention, at emergency. It rarely seeks to look at the underlying issues. Addressing disadvantage requires long term solutions, not just interventions. Rather than always reacting to a crisis, a long-term sustained approach requires addressing the underlying causes of disadvantage.’ Behrendt

INDIGENOUS PEOPLE

Larissa Behrendt

5

The Indigenous affairs portfolio is one in which the challenges are great. It concerns the poorest socio-economic group in Australia with a distinct cultural identity who have been dispossessed and historically marginalised and who assert a unique cultural and political identity. Socio-economic data provides the clearest picture of the disparity between the life chances of Aboriginal people and all other Australians. This occurs across all of the key indicators: health; education; income and employment; and criminal justice statistics.

HEALTH

Despite some significant health gains being made by Indigenous peoples in the 1970s and 1980s, health inequality with the non-Indigenous population appears to have remained static.

Under the new life expectation formula adopted by the ABS in 2003, Indigenous males' life expectation was estimated to be 59.4 years over 1996–2001, while female life expectation was estimated to be 64.8 years. A life expectation inequality gap of approximately 18 years was identified, a reduction of approximately three years on estimates produced in 2001 under a now superseded formula. This is well below the 82.0 years and 76.6 years for total females and males respectively, for the 1998–2000 period.

Approximately thirty years ago, life expectancy rates for Indigenous peoples in Canada, New Zealand and the United States of America were similar to the rates for Indigenous peoples in Australia. However, significant gains in life expectancy have been made in the past two decades in the Indigenous populations in Canada, New Zealand and the United States of America. Comparable mortality rates for Aborigines and Torres

Strait Islanders in 1990–1994 were at or above the rates observed 20 years ago in Maori and Native Americans, being 1.9 times the rate in Maori, 2.4 times the rate in Native Americans, and 3.2 times the rate for all Australians.

Approximately twice as many low birth-weight infants were born to Indigenous women compared to those born to non-Indigenous women over 1998–2000. The ABS reported in 2005 that since 1991 there appears to be no change in both the rates of low birth-weight infants being born to Indigenous women and the mean birth weights of those infants.¹

Research has demonstrated associations between an individual's social and economic status and their health. Poverty is clearly associated with poor health. For example:

- Poor education and literacy are linked to poor health status, and affect the people's ability to use health information;
- Poorer income reduces the accessibility of health care services and medicines;
- Overcrowded and run-down housing is associated with poverty and contributes to the spread of communicable disease;
- Poor infant diet is associated with poverty and chronic diseases later in life; and
- Smoking and high-risk behaviour is associated with lower socio-economic status.²

Research has also demonstrated that poorer people also have less financial and other forms of control over their lives. The perception of control, or lack of control, can be influenced by:

- Factors like racism, and other forms of discrimination.
- Addiction in the community: this undermines resilience, social support and communities. It has been mostly closely observed in relation to alcoholism.
- Particular traumas: accidents, violence, natural disasters etc.³

EDUCATION

Indigenous people have lower levels of education than non-Indigenous Australians. 49.9% of non-Indigenous Australians had no non-school qualification compared with 71% of Indigenous Australians.

Highest level of schooling completed, 2002	<i>Indigenous (%)</i>	<i>Non-Indigenous (%)</i>
Year 9 or below	33.4	15.8
Year 10 or 11	26.9	18.8
Year 12	10.7	15.3
No non-school qualification	71.0	49.9

Source: Australian Bureau of Statistics

Indigenous peoples are also less likely to have a post-graduate degree, bachelor degree, advanced diploma or diploma than the non-Indigenous population.

Highest non-school qualification, Percentage of persons aged 18 years and over, 2002	<i>Indigenous peoples (%)</i>	<i>Non-Indigenous population (%)</i>
Bachelor degree	3.7	16.9
Certificate or Diploma	24.1	32.7
Total with non-school qualification	29.0	50.1

Source: Australian Bureau of Statistics

GETTING ABORIGINAL CHILDREN INTO SCHOOLS – PROVEN STRATEGIES

The parents of Aboriginal children who do not attend school will have their welfare payments quarantined, yet there is evidence to suggest that the imposition of such punitive measures in an already dysfunctional situation will exacerbate the stress in a household. The evidence shows that what works in getting Aboriginal children into schools are the following: breakfast and lunch programs; programs that bring the Aboriginal community, especially Elders, into the schools; Aboriginal teachers' aides and Aboriginal teachers; Curriculum that engages Aboriginal children; and programs such as that developed by Aboriginal educationalist Chris Sarra that marry programs promoting self-esteem and confidence through engaging with culture, with programs that focus on academic excellence.

These effective programs and strategies show the importance of building a relationship between Aboriginal families and the school in order to target issues like school attendance. It also shows that there is much that the schools can do to engage children with schooling. It suggests that, rather than simply punishing parents for their children's non-attendance, the Government should be providing schools and teachers that meet the needs of the Aboriginal community. It cost \$88 million to make the initial administrative changes in Centrelink to facilitate welfare quarantining but not one dollar was spent in the intervention on any of the types of programs that have been proven to engage Aboriginal children in schools. Here is a clear example of a policy that has been rolled out that lies completely in contradiction to what the evidence shows works in getting children to school.

INCOME AND EMPLOYMENT

Unemployment rates are higher amongst the Aboriginal and Torres Strait Islander populations than for the rest of Australia. In the 2001 census, the unemployment rate for Indigenous peoples was 20%. The rate in 1996 was 23%. This is approximately three times higher than the rate for the non-Indigenous population.⁴ The further away that Indigenous people are from the major cities, the higher the unemployment rates.

Unemployment rates, by remoteness, 2001	Indigenous persons	Non-Indigenous persons
Major cities	20.1	6.9
Inner Regional	25.0	8.1
Outer regional	23.1	7.4
Remote	19.2	4.9
Very remote	8.3	3.5

Source: Australian Human Rights Commission

Indigenous people have, on average, a lower income than other Australians. In the 2001 census, the mean household income for Indigenous persons was \$364 per week, or 62% of the rate for non-Indigenous persons (\$585 per week).

CRIMINAL JUSTICE STATISTICS

The *Royal Commission into Aboriginal Deaths in Custody* (RCIADIC) reported in 1991 and found that Aboriginal people made up 14% of the total prison population. This meant that they were up to 15 times more likely to be in prison than non-Aboriginal people. Despite the Royal Commission and its recommendations, the number of Indigenous prisoners increased over the last decade: Indigenous people represented 22% of the total prisoner population as at 30 June 2005.⁵

A 2003 study by the NSW Bureau of Crime Statistics and Research showed the level of contact of Indigenous people with criminal justice processes in New South Wales.⁶ Between 1997 and 2001, a total of 25,000 Aboriginal people appeared in a NSW Court charged with a criminal offence. This constitutes 28.6% of the total NSW Aboriginal population. In the year 2001 alone, nearly one in five Indigenous males in NSW appeared in Court charged with a criminal offence. For Indigenous males aged 20–24 years, this rate increased to over 40%.

Incarceration rates for women generally have increased more rapidly than for men and the increase in imprisonment of Indigenous women has been much greater over the period compared with non-Indigenous women.

The Rudd Government repositioned itself, symbolically at least on Indigenous issues by delivering an apology to the stolen generations on 13 February 2008. Howard had refused to do so, despite the recommendations of the *Bringing them Home* report and the Council for Aboriginal Reconciliation. During the historic apology speech Kevin Rudd made a commitment to deliver a yearly report card on Indigenous disadvantage.

It is a significant step forward that a Federal Government commits to benchmarks and reporting on progress on reducing socio-economic disparity. But there are some concerns about the Government's ability to reach its commitment to, using the Government's adopted phrase, 'close the gap.'

It might be instructive to take a closer look at some of those barriers to achieving equality for Aboriginal people and the strategies that have been used to address them.

AN EVALUATION OF GOVERNMENT POLICIES

THE LIMITED DEFINITION OF 'CLOSING THE GAP'

The areas targeted by the Government in its report card are narrow. Australians for Native Title and Reconciliation (ANTaR) have pointed out that there are serious flaws in the broader strategy. In particular, overlooking evidence of what works, including key determinants of health inequality and disadvantage critical to achieving 'closing the gap' targets; and furthermore not working in partnership with Indigenous people to develop or implement the 'closing the gap' strategy.

FUNDING INTERVENTIONS NOT UNDERLYING ISSUES

Indigenous policy is always targeted at intervention, at emergency. It rarely seeks to look at the underlying issues. Addressing disadvantage requires long-term solutions, not just interventions. Rather than always reacting to a crisis, a long-term sustained approach requires addressing the underlying causes of disadvantage. This means resourcing adequate standards of essential services, adequate provision of infrastructure and investment in human capital so that communities are developing the capacity to deal with their own issues and problems and have the skill sets necessary to ensure their own well-being. There are no short-cuts, quick fixes or panaceas. Whatever the perceptions of the electorate, the fact is that there is not enough money spent on Aboriginal housing, education and health. The pot is too small. No government will fix the problems while all they do is engage in trying to redirect the scarce resources to one pressing need at the expense of others.

FOCUS ON REMOTE COMMUNITIES

Much of Indigenous policy is targeted at remote communities — resources too. Look at where the previous government and the current government are directing resources for social housing and you will see it is primarily focused on remote communities. Yet the largest Aboriginal communities do not live in remote areas. They live in cities. The largest is in western Sydney. Over 14,000 Aboriginal people live in the Mount Druitt area alone. And on the recent Australian Bureau of Statistics figures it is one of the most socio-economically disadvantaged communities in the country, more disadvantaged than many of the Aboriginal communities being targeted by the Federal Government.

LACK OF INVESTMENT IN HUMAN CAPITAL AND CAPACITY BUILDING

What is needed for Aboriginal communities is a commitment to something that policy makers often overlook: the need to invest in human capital. If participation by Indigenous people is a central factor in creating better policy, program and service delivery outcomes, there needs to be more to build up the capacity for that kind of engagement. This would include:

- rebuilding an interface between the Government and the Aboriginal community through representative structures so that governments can more effectively consult with and work with Aboriginal people.
- focusing on the provision of training and education in ways that improve the capacity of Aboriginal communities. This means moving away from simple solutions of removing children into boarding schools. It looks at a range of

strategies that build the skill sets and capacities of adults, as well as those of younger people who need to retain contact with their families if they do leave for better schooling opportunities;

- increasing the number of Aboriginal people in the Public Service and especially those who are engaged with developing and delivering Aboriginal policies and programs; and,
- looking at flexible employment arrangements such as work-for-the-dole schemes that understand that in many Indigenous communities there is no viable workforce, or there are barriers to entering the workforce. Such schemes can assist with the provision of services and infrastructure in the community at the same time as they build capacity and skills within the community itself.

LACK OF ENGAGEMENT OF ABORIGINAL COMMUNITIES

Policy makers continue to overlook and dismiss the knowledge that Aboriginal people have about solving their own problems. The research in Australia and in Indigenous communities in North America shows consistently that the best way to lessen the disparity between Indigenous and non-Indigenous people is to include Indigenous people in the development of policy and the design and delivery of programs into their communities. Apart from sounding like common sense, the research shows that this engagement makes those policies and programs appropriate and effective, whilst it ensures community engagement with them, therefore better guaranteeing their success.

IDEOLOGY OVER EVIDENCE-BASED APPROACHES

Indigenous affairs is full of ideologies. These include the ideologies of assimilation and mainstreaming, the newer ideologies of mutual obligation and shared responsibility, and the ideology that communally held land is bad — if it is held by Aboriginal people — and should be unlocked so that non-Aboriginal people can access it. An example mentioned earlier of the implementation of an ideological approach to policy is where the parents of Aboriginal children who do not attend school will have their welfare payments quarantined. There is no evidence that shows that linking welfare to behaviour reforms is effective.

CLASSIC COST-SHIFTING

A chronic problem is classic cost-shifting between the Federal and State/Territory Governments. Since the 1967 referendum delivered to the Federal Government the power to make laws in relation to Aboriginal people — but left the States and Territories with residual powers — there has been an increase of areas where responsibility is shared between those two tiers of government, including across key areas such as health, housing, education and heritage protection. But instead of working in a co-operative spirit to ensure targeted policies, programs and resources, we see either the unnecessary duplication of services or the under-investment in key areas as these two levels of government seek to shift the blame for policy failure, and the responsibility for resourcing to each other. The end result is that we see an under-funding on basic Aboriginal health, housing and education.

CONCLUSION

As we have seen, policy-makers need to consult Aboriginal communities and involve them more, to be sure of developing relevant and effective policies.

Urban Aboriginal people are habitually overlooked in favour of funding programs for remote communities, although they are by far the largest percentage of Indigenous populations and suffer similar levels of disadvantage.

More resources are needed to provide adequate essential services, to address the health and education needs, and the housing problems of Aboriginal and Torres Strait Islander people. There are proven programs for increasing school attendance in Aboriginal families, they are simply not being adequately funded or funded at all. Investment in education and training, not only for young people but for adults too, is an investment in human capital and a better future. Flexible government-funded employment arrangements could help re-build lives and self-respect in Indigenous communities.

A serious commitment to equality will require integrated, long-term strategies. There are better solutions to the chronic disadvantage and poverty suffered by Aboriginal people than making lunges at emergency interventions. We are far from achieving equality when Aboriginal people still make up 22% of the total prison population, and life expectancy for Indigenous Australians is approximately 18 years less than that of non-Indigenous Australians.

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KEEP IN TOUCH WITH THIS TOPIC

Jumbunna Indigenous House of Learning www.jumbunna.uts.edu.au/

Centre for Aboriginal Economic Policy Research www.caepr.anu.edu.au

National Indigenous Times www.nit.com.au

Human Rights and Equal Opportunity Commission Aboriginal and Torres Strait Islander Social Justice www.hreoc.gov.au/social_justice

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- 1 Australian Bureau of Statistics and Australian Institute of Health and Welfare, *The Health and Welfare of Australia's Aboriginal and Torres Strait Islander Peoples*, 2005, op.cit., p80.
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‘Australia ranked 13th out of 24 OECD countries in percentage of children living in relative income poverty Overall 14.7% or one in seven children were living in poverty in Australia in 2005 ...

We will ensure a greater chance of reducing child poverty if we see a greater investment in effective universal services for children, from child-care and primary education upwards.’ Morrison

CHILDREN AND CHILD POVERTY

Dr Zoë Morrison

6

Children are central to the Australian Government's social inclusion agenda, and the significance of early childhood development has been recognised as fundamental to human capital investment. As Gillard & Wong (2007) stated when launching the social inclusion agenda, 'perhaps the most significant aspect of [the] agenda is the commitment to universal preschool for all four-year-old children.' This is just part of the new National Early Childhood Reform Agenda, which also involves the roll-out of 260 early learning and child-care centres. It stands alongside a raft of other measures and plans to address the inequality of children, including a commitment to halve the mortality gap for Indigenous children under five within a decade, and the development of a National Child Protection Framework. So with such measures in place, to what extent is Australia getting to equality when it comes to children and child poverty?

To begin with, let's look at how Australian children fare internationally. Australia ranked 13th out of 24 OECD countries in relation to the percentage of children living in relative income poverty in 1999 (the Australian Institute of Health and Welfare, [AIHW] 2008). In 2005, the child poverty rate had fallen 1.7% from the previous decade. Households where the eldest child was aged 0–4 years were less likely to be low-income in 2005–6 than in 1996–7, although there was no significant change for households with older children and dependent youth. Overall, 14.7% or one in seven children were living in poverty in Australia in 2005.

Despite a fall in child poverty in recent years, there has been growing income polarisation amongst the various kinds of households with dependent children. In 2005–6, the mean equivalised income of low-income households with dependent children (\$346 per week) was \$269 less than the average for all households with dependent children, and while the income of low-income households with

dependent children has grown 27% over the last decade, other household incomes with dependent children have grown by 37% (AIHW, 2008).

HOMELESSNESS

The deprivation of some of Australia's children is particularly marked when the homeless population is considered. Children and adolescents constitute one-third of the homeless population in Australia, and Indigenous children account for over a quarter of all accompanied homeless children under-18. Between 2001 and 2006, the proportion of children within the homeless population in Australia increased by 22%. Furthermore, more than 400 young people aged under-20 years have their request for Supported Accommodation and Assistance Program (SAAP) accommodation unmet every day. Domestic and family violence and family breakdown are the major drivers of children and families seeking assistance for homelessness in Australia.

REPERCUSSIONS FOR HEALTH AND MORTALITY

Naturally, the poverty, well-being and inequality of Australian children is not measured by income and housing alone. High rates of infant and child mortality are strongly associated with social and economic disadvantage. While Australia's overall death rate compares well to other Organisation for Economic Co-operation and Development (OECD) countries, ranking third lowest out of 25 countries in 2003, Australia's under-five mortality rate remains in the worst third of OECD countries, ranking at number 24 out of 30 countries. This is despite the fact that child mortality rates have fallen significantly in Australia by around a third between 1997–2006. (Since 2006 they have remained comparatively stable). Mortality rates are particularly high for Indigenous children and youth. Indigenous Australian babies have the lowest birth weight in the OECD, and Indigenous children and young people between the ages of 1–19 are twice as likely to die as non-Indigenous children and young people (AIHW, 2008). Indigenous children are also 30% more likely to be hospitalised for injuries than other children, and 2–3 times more likely to suffer from a variety of chronic health conditions (diabetes, asthma, and mental and behavioural disorders).

INEQUALITIES FOR INDIGENOUS CHILDREN

Other inequalities between Indigenous and non-Indigenous Australian children are just as stark. While most Year Five students in Australia met national literacy and numeracy benchmarks, there is a significant gap between Indigenous students and the national average for literacy and numeracy, and this is not limited to Indigenous students living in remote areas of Australia. Data comparing Indigenous and non-Indigenous children's relative income poverty is not available, but the number of books in the home, which is linked to poor educational achievement, is used as a proxy by the Australian Research Alliance for Children and Youth (ARACY). On this measure, only Mexico and Turkey had worst levels of reported deprivation than Indigenous Australians: 19% of Indigenous children had fewer than 11 books in their home compared to 7% of non-Indigenous Australians. Of course, as Hunter (1999) points out, in relation to measuring Indigenous poverty, 'poverty, like economic status, is a value-laden concept that reflects mainstream society's priorities.' Indeed, this comment is also useful when considering the policy solutions to child poverty and disadvantage in Australia.

'JOBLESS' HOUSEHOLDS

The figure that has received perhaps the most attention recently in relation to children and child poverty in Australia is the proportion of children living in 'jobless' households. Australia has one of the highest levels of 'joblessness' among families with children of all rich countries. In 2000, it had the second highest percentage of working age jobless families out of 24 OECD countries. Currently, around 70% of poor children live in jobless families in Australia, and while there have been decreases in the proportion of children living in jobless households in recent years, (for example, between 2001 and 2005 there was a fall from around 18% to 14%,) in the current economic climate this statistic looks likely to rise.

Joblessness has become more concentrated within some households in Australia, with an increased polarisation of 'two job' and 'one job' families (Gregory, 1999). In particular there are more Australian families headed by lone parents without waged work, with households headed by a single mother, father or person with a disability having the highest 'jobless' rates. Whiteford (2009) argues that 'joblessness of parents [is] the main cause of relative low income in childhood' in Australia, and that 'the high level of family joblessness means that Australia has rates of child poverty that are about twice as high as the best performing countries.' Addressing the incidence and needs of jobless families is an early and central priority for the social inclusion agenda. This reflects a broader social inclusion agenda 'underpinned by investment in human capital' (Gillard & Wong, 2007), rather than the direct provision of economic maintenance.

All countries with very low child poverty rates (less than 5%) combine low levels of family joblessness with effective redistribution (tax and transfer) policies (Social Inclusion Unit, 2009). Australia's own tax and transfer system is particularly well-targeted when it comes to child poverty. While Australia spends below the OECD average, because it targets the expenditure so effectively, it ranks third on the OECD list of percentage point reductions in child poverty. Bradbury (2003) and others conclude that Australia's relatively high rate of child poverty stems from 'high levels of lone parenthood and joblessness together with medium levels of wage inequality and social expenditure.' The Social Inclusion Unit concludes that 'Australia is one of a number of countries where reforms to reducing joblessness among families with children should be a priority.' Whiteford and Adema (2008) state that, at current wage levels, 'lone parent families could fairly easily escape poverty...through additional work in Australia.'

CHILD-CARE ISSUES

The problem with such rhetoric is that it risks not adequately recognising in policy the other 'jobs' parents do, apart from waged work, which also contribute to children's equality and well-being. Lister (2006) critiqued an approach to social inclusion in the UK that saw child-care and early childhood education become more about employment, particularly of a child's parents, rather than the well-being of children themselves. At the most basic level, lifting a family out of income poverty through paid work entails a decrease in parental time spent caring for children, particularly for lone parents, and there is a high and increasingly unmet demand for child-care in Australia. Lack of available places (current services being

booked out) was the main reason for unmet childcare demand in 2005 (rather than cost barriers, for example). Furthermore unmet child-care demand has doubled since 1999 (AIHW, 2008). Clearly, any plans to reduce family joblessness will need to involve a much greater investment in quality child-care infrastructure.

It could be argued that the assumption that greater parental participation in waged work will always ensure the greater well-being of all children, both at the economic level of increasing the family income, and at the behavioural or indeed moral level of modelling participation in waged work, remains a relatively un-nuanced concept in Australian policy. The analysis of jobless families tends to be performed by economists and, on their own admission, such analysis 'concentrates on the financial aspects of child poverty' (Whiteford and Adema, 2008), rather than the more complex mix of income, care, equality and well-being. Policy discussions about the effectiveness of child poverty strategies are 'predominantly based on changes in the number of children in families with incomes below defined poverty lines' (ibid). Thus, issues such as what sort of mix of waged work and caring in the home works best for different family arrangements, various children at different ages, and different parents, and how these are best expressed and facilitated through policy, remain relatively unexplored.

THE VALUE OF CARING WORK

Such issues speak not only to matters of individual preference, but to broader social questions about what sort of activities are valued. There is an implicit assumption, for example, that caring work is replaceable and can be easily commodified. But research from the UN suggests that for a variety of complex reasons, full commodification is not possible (Giullari & Lewis, 2005). What this means for getting jobless parents into the labour force, particularly mothers, who still currently perform the overwhelming majority of caring and domestic tasks, is not yet articulated. If waged work results in dramatically decreased time for parents to invest in other socially necessary activities, then better outcomes for children are not ensured. Clearly, flexible waged work arrangements for jobless parents, that value and support the other activities parents can do — preparing healthy meals, involvement in a child's education, voluntary activities at a child's school, facilitating children's extra-curricular and social endeavors, and so on — will need to be part of the solution. Australian children already report weaker family relationships than the best international results, however the results for Indigenous children compare well with the Australian average: a slightly greater percentage of Australian Indigenous children report that parents spend time 'just talking to them' than non-Indigenous (ARACY, 2008).

Whilst the Australian government has recently introduced a minimum parental leave scheme, this needs to form part of a coherent and realistic policy framework about parenting, caring and waged work. Many countries in Europe, such as Sweden and Denmark, have formed a clear position upon which all relevant policies are hung. They are predicated on the idea of parental return to and participation in work, but not necessarily full-time work, and with adequate parental leave and care arrangements embedded.

Overall, while Australia is highly efficient at the targeting and spending on children via taxes and transfers, the actual level of investment is still below average.

The Brotherhood's Social Barometer: Monitoring Children's Chances (Scutella & Smyth, 2005) pointed out that many Australian government initiatives were promising, however they involved a much smaller investment per capita than comparative programs in the UK. We will ensure a greater chance of equality for children and reducing child poverty if we see a greater investment in effective universal services for children, from child-care and primary education upwards. An obvious place for greater investment includes new not-for-profit community child-care models that provide the best quality care. Naturally, in order to have better services, there needs to be a reliable and sustainable funding source. But efforts to increase parental participation in waged work must go hand-in-hand with efforts to better grapple with the complex issues of ensuring complementarity between care and waged work, with the well-being of children and those who care for them at the centre.

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KEEP IN TOUCH WITH THIS TOPIC:

Brotherhood of St Laurence www.bsl.org.au

Australian Research Alliance for Children & Youth www.aracy.org.au

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‘For many years, feminist scholars and other observers of the labour market have pointed to the ‘glass ceiling’ (women find it difficult to move into the most senior positions in organisations) and ‘glass walls’ (women work in highly feminised industries and occupations). But the sticky floor has received less attention. Women predominate in low paid jobs with little or no career path.’
Cooper and Baird

AUSTRALIAN WOMEN: GETTING TO EQUALITY?

Rae Cooper and
Marian Baird¹

7

Next year, 2010, marks the fortieth anniversary of the publication of Germaine Greer's *The Female Eunuch*. This important book challenged the traditional role of women in families and their treatment in schools, workplaces and in civil society generally. The book helped to provide an intellectual framework for the women's liberation movement that was emerging at the time, but how far have Australian women come since the publication of Greer's treatise? Have we 'got to equal'? The task of surveying the position of women in Australian society takes us beyond our usual focus on women's workplace and labour market participation and experience.

In the limited space available to us here, we have chosen to concentrate on the position of women in what we believe are four critical and overlapping social and economic 'spaces': women and violence, women and education, women in the workplace and women as leaders. We conclude that there is an urgent need for change across all four domains before Australian women claim equality with male colleagues, male family members and fellow male citizens.

WOMEN AND VIOLENCE

We begin our review with a brief discussion of an issue and practice which has serious implications for all aspects of women's lives, and is a critical issue for our broader society. We refer to the issue of violence against women, which is an insidious and enduring challenge for all Australian citizens. Ending violence against women has been a rallying point for the women's movement since its inception and, in 2009, it is a fundamental prerequisite for building equality for women.

However, not discounting the work of the largely female army of professionals working in women's services, the statistics on violence against women remain very troubling and we believe that it is worth presenting some of those figures here.

According to the ABS, of women aged over 15, one in three (33 per cent) have experienced physical violence at some stage and one in five women (19 per cent) have experienced sexual violence at some stage.² Much of this violence is perpetrated by family members, and most often by male intimate partners. Just over a third (34 per cent) of women who had ever had an intimate partner reported experiencing at least one form of violence during their lifetime from that partner.³ Sometimes, violence committed in the home leads to very serious injury or to murder; and violence perpetrated by an intimate partner is the leading contributor to death, disability and illness in women aged between 15 and 44.⁴ Intimate partner homicides account for about one in five homicides nationally.⁵

The consequences of violence against women as citizens and workers manifest in many ways, such as reduced self-esteem and interruptions to working life. Living free from conflict, violence and abuse is fundamental to women's equality of health opportunity and social participation. But of course it does not stop there, for most of the care carried out in our society is provided by women, and therefore those dependent on women, such as their children, become indirect victims of violence. Violence which occurs between partners in a home may affect the children who also live in the home and the ABS suggests that close to half (49 per cent) of the individuals who experienced violence by a 'current partner' had children in their care.⁶

If social and equity concerns are not enough to convince people of the need to stop violence against women, then perhaps the economic implications will. In 2004, Access Economics found that the annual cost of domestic violence to the Australian economy in the previous financial year had totalled \$8.1 billion.⁷

WOMEN AND EDUCATION

It is worth noting before we move on, that in some places in the world today, girls are prevented from learning to read because it is regarded as unseemly to have them learn.⁸ By contrast, Australian women, in general, are better educated than ever before, and there is some evidence that their attainment in key areas is much greater than their male peers. Two issues in relation to women and education are: the increasing participation of women in school and post-school education; and the educational attainment of girls and women.

Participation rates in educational institutions have grown significantly and with this we have seen a gender reconfiguration within education. Girls are now more likely than boys to be in for the 'long haul' in education. For instance, girls are more likely to complete the Higher School Certificate than boys.⁹ This is a point to which we will return. Tracking girls out of school and into higher education, we also note a considerable change in the numbers of students who progress to university and the gender mix of the participating population. Fifty years ago, only one fifth of students were female, by the early 2000s, more than half of all university students were women.¹⁰

There is considerable evidence that girls are 'doing better' than boys at school. For instance, girls perform better in terms of basic skills tests in Years Three and Five than boys, and their average marks in final exams are, on average, better.¹¹ There remains a significant impact according to the socio-economic

status of the student body though, and an observable attainment impact by region and by ethnic background.¹² However, girls' out-performance of boys has led to considerable public debate and, among other things, a federal enquiry to investigate the 'problem'. Much of the media about this 'problem' cited as causes male teacher shortages, sole parent (read sole mother) households, and feminism.¹³ It is curious that girls' achievement in education is approached in such a pejorative and tabloid fashion.

While participation in higher education is associated with better outcomes for the individual regarding employment prospects and salaries,¹⁴ unhappily, employment prospects are the bleakest and salaries are the lowest in the areas where women are most predominant.¹⁵ In 2007, full-time employment prospects were least favourable for graduates in the fields of study where there is a high concentration of female graduates such as teaching and nursing and in the visual and performing arts. In 2007, the median starting salary for female graduates was \$42,000, that is, 93.3 per cent of male graduate earnings.¹⁶ So begins the gender pay gap.

Women comprise nearly 72 per cent of teachers in Australia (69 per cent in NSW). It is a feminised profession by any measure, and even more feminised in some sectors: while 57 per cent of Secondary School teachers are women, in Primary, the figure is 82 per cent. But the higher up the 'ranks' one looks, the less feminised teaching becomes. Nationally just 44 per cent of principals in both Primary and Secondary Schools are women.¹⁷ There have been significant advances in the representation of women as employees in higher education institutions and women now make up around half of all university staff. In 1985, 20 per cent of academics were women, now the figure is closer to 40 per cent. There are now more women in senior positions of leadership, but there remains a distinct segregation of women within the sector toward the lower classification levels. Men dominate in the professoriate¹⁸ and the majority of lower level administrative and support roles within universities are undertaken by women.

Women are — like their women students — congregated around particular subject and disciplinary areas. More women are in the social sciences, and health (mostly nursing) and this is also where more women make it into senior roles. Education and social work promote the most women to the professorial class.

WOMEN IN THE WORKPLACE

When women leave education and enter the workforce, what sort of experience do they have? Here we briefly overview women's pay and entitlements gap, and the clash between women's broader lives, public policy and employer practice.¹⁹

The first thing to note about women's labour market experience is that it is women who predominate in 'bad' jobs. For many years, feminist scholars and other observers of the labour market have pointed to the 'glass ceilings' (women find it very difficult to move into the most senior positions in organisations) and 'glass walls' (in our highly sex-segregated labour market, most women work in highly feminised industries and occupations,) which characterise women's careers and labour market participation. But the 'sticky floor' has received less attention. Women predominate in low-paid jobs with little or no career path.

Research we have undertaken suggests that women's jobs in the low-pay sector have a number of other negative features: they are often dangerous, they are precarious and the women who occupy them are susceptible to capricious treatment from unscrupulous employers.²⁰ For the women who occupy these jobs, the minimum standards provided by awards or industrial laws are usually (at best) the *actual* standards of pay and conditions they receive. Women in this sector, because of the nature of their work, their low levels of unionisation and the intransigence of their employers, have traditionally been locked out of bargaining to achieve higher wages and conditions.²¹ Thus they are highly vulnerable to reductions in minimum standards, as was demonstrated in the *Work Choices* era. The 'bad' treatment of women in low-pay jobs occurs in spite of the socially and economically vital nature of their work in areas including child-care, aged care, and cleaning.

Australian women began campaigning for equal pay over 80 years ago, holding rallies and marches in the major cities on International Women's Day in support of the cause. Since that time, some inroads have been made, via Test Cases and through collective action, but pay inequality continues to plague Australian women.

The gender pay gap in Australia is persistent and has remained at around 16 per cent since 1992, although there are differences between States and industry sectors.²² This year, 2009, we began teaching young women and men embarking on their university studies, who were born in 1992. We are dismayed that we have made no progress on women's pay equity since these children, now young adults, were born. The implications of such a large pay gap are significant for women's economic security. It is obvious at the time of earning — but it affects their entire life span and, among other things, has a significant impact upon women's superannuation, retirement savings and total incomes.²³ The causes of such a large gender-based pay differential are complex and multi-faceted, including occupational segregation, reduced bargaining power and outright discrimination. It is clear that legislation against 'discrimination' introduced over twenty years ago has not remedied the situation. More recent thinking by the leading Australian campaigners for pay equality suggests that remedial action requires a new way of thinking about the content of jobs and, in line with this, new legislative mechanisms for promoting the proper 'valuation' of women's skills and jobs as championed in the equal remuneration principles of the Queensland and NSW industrial relations commissions.²⁴

The gender gap in reward for work is not limited to pay. It appears that a significant 'benefits and entitlements gap' also exists in Australia. By this we mean that there is a significant difference between the non-wage benefits, such as superannuation, long service leave, paid annual leave and sick leave enjoyed by male and female employees. Gendered access to entitlements is a result of four interlocking factors. Firstly, there is women's employment status, they are often casuals or low-paid workers, and secondly, they therefore have lower bargaining power. Thirdly, entitlements were developed in a context of mainly male full-time unionised employment when entitlements for women's work and family needs were not part of the basket of 'standard entitlements.' Finally, where entitlement access is dependent upon continuous service (such as long service leave) women are disadvantaged by forced career breaks for child-bearing and rearing.²⁵

PAID MATERNITY LEAVE AND SOCIAL CHANGE

On Mother's Day, 10 May 2009, the Federal Treasurer Wayne Swann announced that a publicly-funded paid maternity leave scheme would be introduced by the Rudd government.²⁶ This followed a vociferous campaign (over 30 years) by women's groups, unions and feminist academics for the introduction of such a scheme. Until the policy is effective, in 2011, Australia will remain an international 'outlier' in this policy arena; being one of only two Organisation for Economic Co-operation and Development (OECD) countries that have not introduced a national paid maternity leave scheme.

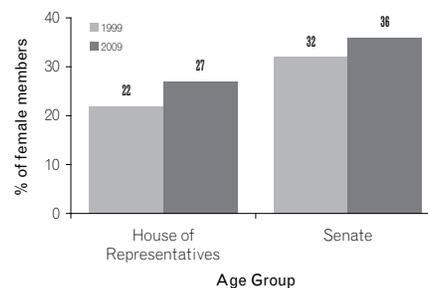
For many years feminists have argued that the institutional architecture of wage-fixing in our industrial relations system is more generally based on the assumptions of the male breadwinner, female home-maker ideal, reflecting a 'Harvester Man' mentality — (the model of family income and labour market participation in existence at the time of Justice Higgins' 'Harvester Judgement' over a century ago in 1907).²⁷ But Mr and Mrs Harvester are no longer the dominant form; they have been replaced by the 'one-plus' earner couple or the double, full-time worker couple.

The presumption that women don't work or that if they do, it is only until they are married or have children, after which they quietly 'fade away', is definitely outdated and misguided. But our public policy and the practices of our employers have not kept adequate pace with the reality of work and family. For many women, the reality is that inflexibility of workplaces and the inadequacy of child-care prevents them from holding the same position they held prior to becoming mothers.

WOMEN AS LEADERS

In the week of writing there was something of a furore over a female member of the Senate being ordered by the President of that house to remove her toddler from the chamber,²⁸ highlighting the clash of work and family cultures even for the most privileged women. To what extent are women represented in senior and strategic decision-making positions in the Government and in the private sector? This section of our paper reports in brief on women's representation in these spheres, drawing upon data on the representation of women in the Federal Parliament and on women in executive management and board positions in the top publicly listed Australian companies.

FIGURE 1: WOMEN'S REPRESENTATION IN THE FEDERAL PARLIAMENT (HOUSE OF REPS AND SENATE) 1999–2009



Source: ABS, *Measures of Australia's Progress: Summary Indicators, 2009*, Catalogue No. 1383.0.55.001, ABS, Canberra, 2006.

Data released after the 2007 federal election suggests that women hold just over a quarter (27 per cent or 40 out of 150) of all seats in the House of Representatives, and just over a third (36 per cent or 27 out of 76) of positions in the Senate. This is obviously far from equal representation of the women citizens of the country, but there has been some progress made in the level of female representation in both houses during the past decade, with the Senate moving from a higher initial base (as represented in Figure 1).

If we turn to the representation of women by the party they represent, as in Table 1 below, the Greens do best (60 per cent female [f]), although their total numbers (5, 2 male [m] 3 f) are tiny compared to the other parties, followed by the Australian Labor Party (ALP) (35.7 per cent f), Liberal Party (24.1 per cent f) and The Nationals (15.4 per cent f). The evidence confirms that there is considerably more room for improvement in Government.

The seeds of change may be here. We have, for the first time in Australian history, a woman Deputy Prime Minister, Julia Gillard, who is also the Minister for the strategic portfolio areas of Industrial Relations and Education and Training. She has recently been 'anointed' by Prime Minister Rudd as his successor.²⁹ The Governor General, Quentin Bryce, is also a proud feminist.

TABLE 1: COMPOSITION OF AUSTRALIAN PARLIAMENT BY PARTY & GENDER

	Male	Female	Total	% Female
ALP	74	41	115	35.7
LP	66	21	87	24.1
NATS	11	2	13	15.4
CLP	1		1	0
GRN	2	3	5	60
FFP	1		1	0
INP	1		1	0
IND	3		3	0
Total	159	67	226	29.6

Source: J Wilson, Composition of Australian Parliaments by Gender, Politics and Public Administration Section, Commonwealth Parliamentary Library, Canberra, 6 April 2009, viewed 7 April 2009 <<http://www.aph.gov.au/library/intguide/pol/currentwomen.pdf>>.

If women's participation in Parliament is disappointing, the situation is even worse in the corporate sector. Data released by the Equal Opportunity for Women in the Workplace Agency (EOWA) from the 2008 annual *Census of Women in Leadership* shows that of the top 200 publicly listed ASX companies, women chaired only four boards.³⁰ Women held only 8.3 per cent of board directorships, and this was down from 8.7 per cent in 2006. In terms of executive management, the situation is not much better. Here women held four Chief Executive Officer positions and only 10.7 per cent of executive management positions were held by women in 2008, compared to 12 per cent in 2006. See Table 2.

TABLE 2: WOMEN ON BOARD AND AS EXECUTIVE MANAGERS IN THE TOP 200 ASX COMPANIES

Gender Data	Number of women	Total Number	% of Women
Chairs	4	200	2.0%
CEOs	4	201	2.0%
Board Directors	125	1504	8.3%
Line Executive Management Positions	72	1215	5.9%
Support (Staff) Executive Management Positions	110	485	22.7%
Executive Managers	182	1700	10.7%

Reference: Equal Opportunity for Women in the Workplace Agency (EOWA), *EOWA 2008: Australian Census of Women in Leadership*, EOWA, Sydney, 2008. pp. 21.

CONCLUSION

How far have Australian women come in the past thirty years? How close are we to equal? The evidence presented here suggests that despite the struggle of women in so many spheres of their lives, and not discounting their many achievements, there is clearly still a long way to go.

Firstly, the figures on violence against women are alarming and unacceptable. Violence ruins women's and children's lives and it has enormous social and economic implications.

In terms of education, women are showing greater interest, they are participating at a higher rate than ever before and in many instances their participation outstrips men; as does their performance. But they study in female ghettos which are not necessarily linked to strong career prospects or to solid well-paid life-long earnings. Their teachers in school — particularly in the early years — are most likely to be women, but their teachers' bosses are much more likely to be men. If they go on to university, they congregate in large numbers in particular areas of study. These areas are not well-paid and not well rewarded in other respects.

At university they are very likely to be taught by women — especially if they are studying in some of the highly feminised areas — but again — the most senior people within their institutions — the best paid and those in the highest status jobs — will be men.

Once they finish school or higher study, women enter a labour market which does not allow them to combine their careers with their family commitments. They are more likely than their brothers to be employed in 'bad' jobs. Even in 'good' jobs, the gender pay gap persists as does an entitlements gap. If they look for women in leadership positions they will find some in the Parliaments, and an increasing number of them, but despite some obvious and welcome exceptions to the rule, they will not see young women entering parliamentary careers in anything like the

numbers of men. Even fewer women run large corporations or take up the role of directors of the boards of the top companies in the country. In fact progress in this area has not only stalled, it has gone backwards.

The boundaries for women between home, work and community life are never impermeable or fixed and what occurs in one, invariably affects the others. As Greer noted four decades ago, there is always a need to challenge the dominance of men in all these fields.

RAE COOPER and MARIAN BAIRD, July 2, 2009. Marian Baird is Associate Professor in the faculty of Economics and Business at Sydney University. She is a researcher in the fields of women, work and family and industrial relations Marian convenes the Women Work Research Group which brings together scholars and PhD students who are researching women and work. The group has strong links with business, unions and policy makers.

Dr Rae Cooper is senior lecturer in Economics and Business at the University of Sydney. She has published extensively on union recognition, bargaining frameworks, gender and work and industrial relations more generally. In 2007 — with colleagues at USyd — she undertook a major project on the implications of national regulatory change for low-paid women. Dr Cooper is a member of the board of the NSW Rural Assistance Authority, is a member of the NSW Premier's Council for Women and has previously served as the Chair of the NSW Working Women's Centre.

Thanks to Anthony Samson for research assistance.

KEEP IN TOUCH WITH THIS TOPIC

WEBSITES

Women and Work Research Group www.wwrg.econ.usyd.edu.au
 Australian Domestic & Family Violence Clearinghouse
www.austdvclearinghouse.unsw.edu.au
 National Foundation for Australian Women www.nfaw.org.au
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‘To state the obvious, the main reason people are homeless is because they don’t have a house. Rates of housing affordability and availability have dropped to alarmingly low levels, with public housing becoming a safety net option only available for those with the most complex needs. The number of applicants on the waiting list for public housing was 176,321 in 2007.’ Hollows and Keenan

HOMELESSNESS

Dr Andrew Hollows
and Tony Keenan

8

Arguably, there is no starker example of inequality in Australia than the persistence of homelessness. Thankfully, ordinary Australians are still shocked when they reflect that despite an unprecedented period of economic growth it seems that homelessness still remains a feature of social and economic disadvantage. Presently, 105,000 individuals are officially counted through the 2006 Census as experiencing some form of homelessness, of whom 33% are children under the age of 18.

This article aims to provide a critical description of homelessness, the inequalities it represents and those it compounds, such as educational disadvantage; and to briefly highlight some of the steps required to ‘move those experiencing homelessness to equality’.

CRITICAL DESCRIPTION OF HOMELESSNESS

Homelessness refers to a range of experiences and includes primary homelessness (sleeping rough), secondary homelessness (in homeless services or couch surfing) and tertiary homelessness (boarding houses without access to own kitchen or bathroom). Those staying in caravan parks are not included in the count.

But the extent of the inequality that these different types of homelessness typify is more evident if we explore the nuances of these figures. Based on the 2006 census count we know that 105,000 individuals (and nearly 75,000 households) are reported as homeless. Of these individuals we know that nearly half are staying temporarily with relatives and friends; 20% are living in boarding houses and other temporary accommodation; 16% are sleeping rough on the streets and in improvised dwellings, and 19% find a bed in the homeless service system.¹

The narrative of homelessness in Australia has largely been focused on the two large cities, Melbourne and Sydney and this has driven policy, programs and funding. However, if we look at the most extreme form of homelessness, rough sleeping, this is overwhelmingly a problem in rural and remote areas (75% of those experiencing primary homelessness) with a huge over-representation of Indigenous Australians.

Further, Indigenous Australians are over-represented in the homeless population in general, comprising 9% of the total homeless population and 18% of Supported Accommodation and Assistance Program (SAAP)² clients, when Indigenous Australians comprise only approximately 2% of the total population.

The actual measure of homelessness at any one point-in-time is a small proportion of the number of those households living in 'housing stress'.³ Of the estimated 1.1 million Australian households in housing stress (a sound but not the sole indicator of risk of homelessness), no more than 9–10% actually experience homelessness at any one time (based on the 2006 census count).⁴

Accordingly, the distribution of homelessness across the general population is asymmetrical (disproportionate) with some population groups more likely to be at risk of experiencing it than others.⁵

PREVALENCE OF HOMELESSNESS OVER TIME

Another way of understanding the incidence of homelessness is to look at the prevalence of different states of homelessness over time rather than a point-in-time count (such as the Census). A focus on prevalence rates illuminates both the risk of, and movements into and out of homelessness.

It has been noted that: 'Choosing between point-in-time counts and period-prevalence counts has significant implications for understanding the magnitude and dynamics of homelessness. The high turnover in the homeless population suggests that many more people experience homelessness than previously thought and that most of these people do not remain homeless.'⁶ Accordingly research is required to determine the distribution of the risk of homelessness (for different groups,) through an examination of both point-in-time and prevalence data (typically 12-month, five-year and lifetime prevalence). For instance, what is the likely risk or prevalence next year, or in 10 years? And do some individuals and households have a higher risk of, or propensity to homelessness?

While work in this area in Australia is currently underdeveloped, an 'over-time' measure of homelessness is likely to show that a far greater proportion of the Australian community have experienced some form of homelessness over the past 12 months than a simple point-in-time prevalence measure suggests. Consider the following data. We know that only 19% of those counted as homeless in the Census are receiving services from an SAAP funded agency; in other words 81% of homeless people on that night are not accessing SAAP services. However, over a year SAAP funded services provide support for 125,600 clients.

It is surmised that the numbers of those experiencing homelessness would increase even further if we use a longer time period of say five years. The benefit of this prevalence measure of homelessness is to show that many people cycle in and out of insecure or precarious housing.

INEQUALITIES COMPOUNDED BY HOMELESSNESS

The inequality of homelessness gets played out in a number of ways.

EDUCATION

The first associated inequality is the adverse affect the experience of homelessness has on the education of children and young people. Fully 65% of school-aged SAAP clients *were not* in school prior to commencing SAAP support and following this period of support, that figure actually *increased* to 66%. The second national Census of homeless school students provides insight into the education circumstances of young homeless people. In 2001, there were about 12,230 homeless secondary school students in the Census week, with about 2,890 students in Victoria, representing 10 cases for every 1,000 students in the Victorian school population.

From the research we know that children experiencing homelessness have poor educational outcomes. This includes lower school attendance, a higher prevalence of early school leaving and lower levels of educational attainment, including post-compulsory schooling. This, in turn, leads to longer-term costs in unemployment, lost productivity to the economy and reduced life opportunities for these children.

HEALTH OUTCOMES

A second example of the associated inequality of homelessness is the effect on health outcomes. Access to adequate and affordable housing is a key positive determinant of health,⁷ but a chronic undersupply of affordable housing stock in Australia across all tenures has resulted in the ongoing prevalence of homelessness, or people residing in accommodation that is over-crowded, insecure or unaffordable. A number of recent studies have contributed to the evidence base, for example Garner⁸ notes how 'poor health is directly linked to poor housing and housing infrastructure.' Waters⁹ confirms a health divide between owning and renting with people in rental accommodation being more likely than homeowners to report fair or poor health and to visit the doctor more often. Hulse and Saugeres¹⁰ find that lack of access to appropriate and affordable housing is clearly related to poor physical and mental health outcomes. Similarly, Baker and Bentley¹¹ found that poor housing affordability is significantly associated with a negative change in mental health.

HUMAN RIGHTS

Homelessness also results in a reduction in basic civil and political human rights. Research conducted by Hanover Welfare Services indicates that such rights are frequently denied for those experiencing homelessness. The ability to vote and participate in the democratic process is a fundamental human right. Previous research by Hanover Welfare Services shows that the level of participation among those who experience homelessness is generally much lower than in the broader community. Following the last Federal election, held on November 24th 2007, Hanover conducted a census to determine the level of voter participation by clients. The census found that of the 132 Hanover clients eligible to vote, 43% did not. The most common reason for not voting was due to not being enrolled (60%, n=34).

Hanover is also aware of breaches of civil rights, particularly the right to safety, for people experiencing homelessness. It is often acknowledged that physical and

sexual assault can help trigger an incidence of homelessness. However, there is also concern about the persistence of physical and sexual assault once someone is actually homeless. A review of the research literature conducted by Hanover¹² found that the threat and experience of violence are greater in homeless than in non-homeless populations. Of particular concern, in the context of human rights, is the use of government funding to house people in accommodation which places them at risk of violence, sexual assault and intimidation. This occurs regularly because of the lack of housing options available.

THE STEPS FROM HOMELESSNESS TO EQUALITY

The Road Home, the Australian Government's White Paper on Homelessness has signaled a positive and significant shift in policy responses to homelessness. The White Paper has established targets to reduce different types of homelessness, with an overall aim of halving the total number of Australians experiencing homelessness by 2020.

This approach will see the necessary 'joining up' of housing, support, law reform, policing, health, education and social security policies and programs to deliver on this ambitious goal.

IT'S THE HOUSES, STUPID

To state the obvious, the main reason people are homeless is because they don't have a house! Rates of housing affordability and availability have dropped to alarmingly low levels, with public housing becoming a safety net option only available for those with the most complex needs. The number of applicants on the waiting list for public housing was 176,321 in 2007¹³ and has continued to grow. Since 2006, vacancy rates for private rental in Melbourne have hovered at or below 1%¹⁴ while average rental prices have increased by over 10% annually. Given this we now see record numbers of Australians living in housing stress¹⁵ and a 21% increase in family homelessness from 2001 to 2006.

After years of neglect, the level of investment and policy reform required to turn around this problem is huge. The Federal Government has invested massively in public and social housing through the economic stimulus package, representing a significant first step. The National Rental Affordability Scheme (NRAS) will also give a substantial boost to housing for low income people. However, ongoing public investment is needed as well as policy reform in order to lever the necessary private investment into social housing.

LINK HOUSING WITH APPROPRIATE SUPPORT

The inability to co-ordinate support programs with housing has resulted in bizarre and wasteful outcomes for people experiencing homelessness. Crisis services are funded to provide six weeks of accommodation and support, where clients become stabilised, start to get their lives on track and are then exited to dangerous sub-standard rooming houses as their only housing option. Families in crisis are forced to move four or five times and then we are surprised to see that 65% of school aged homeless children are not in school. Homeless youth are offered support while at the same time being housed in rooming houses or accommodation with dominant cultures of drug use and violence. We need to develop safe, secure

housing that not only maximises people's prospects of housing, but also of employment and education. Youth foyers which offer support and accommodation for young people to re-engage with education or employment need to become the predominant response to youth homelessness. We also need to recognise that for people with serious mental illness or acquired brain injuries, housing models along the lines of Common Ground need to be developed which give ongoing access to support and services.

PREVENTING HOMELESSNESS

Prevention of homelessness will become a key feature of the Australian response to homelessness. Family violence is the single biggest cause of family homelessness, which would indicate that law reform and changes to policing practice are extremely important measures for reducing homelessness. Active measures to increase school participation by homeless children will be another important driver in preventing and reducing the problem. Similarly reforming how children in care transition to adulthood, or how those in juvenile justice exit the system will also be central to reducing the overall level of homelessness.

CONCLUSION

While the general risk of homelessness can vary considerably across the broad population — which makes it outside the average or 'normal' experience of most — its 'outcome' when it does occur is devastating. This fact alone warrants our attention and our collective responsibility as a community to ensure much better outcomes.

DR ANDREW HOLLOWES and **TONY KEENAN**, July 2, 2009. Andrew is the General Manager — Research and Organisational Development at Hanover Welfare Services, as well as Adjunct Professor with RMIT University. Tony is the CEO of Hanover Welfare Services, which is a leading provider of homeless services in Melbourne and undertakes research and advocacy nationally to achieve policy change.

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Hanover Welfare Services www.hanover.org.au

Australian Housing and Urban Research Institute (AHURI) www.ahuri.edu.au/

National Peak — Homelessness Australia
www.homelessnessaustralia.org.au/site/index.php

Australian Institute of Health and Welfare — Homelessness
www.aihw.gov.au/housing/sacs/index.cfm

National Homelessness Information Clearing House www.homelessnessinfo.net.au/
Council to Homeless Persons www.chp.org.au/

ENDNOTES

- 1 The distribution by household rather than by individuals.
- 2 SAAP is the nationally funded homeless support services program.
- 3 This figure is stated in the White Paper and derives from research by AHURI into housing stress, which is defined as the bottom 40 per cent of households paying more than 30 per cent of their income on rent or mortgage.
- 4 Coincidentally, a figure not too dissimilar that to the US — Almost 10% of people living in poverty experience homelessness annually — M. R. Burt, L.Y. Aron, E. Lee, & J. Valente, (2001). *Helping America's homeless: Emergency shelter or affordable housing?* Washington, DC: The Urban Institute Press.
- 5 The traditional (Gaussian) way of looking at the world — that is assuming social reality occurs based on a normal distribution or bell curve — begins by focusing on the 'ordinary,' and then deals with 'exceptions' or so-called outliers as ancillaries. But there is also a second way, which takes the exceptional as a starting point and deals with the ordinary in a subordinate manner — simply because that 'ordinary' is less consequential.
See: <http://cchps.columbia.edu/HomelessnessasBadLuckppt03.pdf.pdf>
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- 14 Office of Housing, *Rental Report: December 2008 Quarter*, Victorian Department of Human Service, 2009.
- 15 See endnote (3) above for a definition of housing stress.

‘The growth in casual employment has really set Australia apart from other developed countries. This has been attributed to the award system recognising casual work as another valid form of employment but without any restrictions or safeguards. Once the casual loading has been accounted for, casual employees earn less than their permanent counterparts.’ *van Wanrooy*

WORK AND EMPLOYMENT

Brigid van Wanrooy

9

For the main part of this decade the Australian economy and labour market has been abundant with opportunities and success stories. But has everyone reaped the benefits? There are groups for whom the booming economy has been particularly beneficial; namely, executives with their bulging pay packets, those with skills in high demand or working in certain booming industries such as mining. However, at the same time there are some unnerving signs of inequality. In the decade up to 2005 the gender wage gap had widened by two per cent and among full-time employees women currently earn on average 16 per cent less than men. The introduction of *Work Choices* increased the vulnerability of certain groups by reducing minimum statutory labour standards. And long working hours continue to be a problem in Australia where one in five workers are working more than 50 hours a week, yet at the same time, labour under-utilisation is rising and currently accounts for 13 per cent of the workforce.¹

During the many years of economic growth one of the biggest 'shake-ups' the Australian labour market experienced in recent years would have to be the *Work Choices* legislation. The premise of these laws was that individual bargaining would increase labour market flexibilities and result in economic growth. However, the introduction of individual bargaining to all sectors of the workforce enabled employers to capitalise on disparities in bargaining power, which produced unequal outcomes for many workers. Thereby, it was pushing an agenda of economic growth based on deepening inequality. As the economy now faces a downturn and the Government implements new employment laws, it is an opportune time to examine how a framework that will provide an equal footing for all labour market participants can be put in place. To understand the state of inequality in the Australian labour market there are three key dimensions we can analyse: earnings, hours and forms of employment.

EARNINGS

Inequality in the distribution of earnings within the labour market can become problematic either when workers' earnings are not protected with a safety net floor or when at the other end of the labour market, there is no ceiling to reign in exorbitant remuneration. During this decade, we have seen both scenarios play out in Australia.

The advent of *Work Choices* saw the safety net of labour standards reduced to five very basic minima, and while the minimum wage was still in place, employers could avoid the minimum rates contained in occupation and industry awards by implementing statutory individual agreements (ie Australian Workplace Agreements [AWAs]). Earnings were further reduced by removing allowances, loadings, overtime rates, penalties, incentive payments and bonuses.² It was clear that this put vulnerable workers at greater risk. Australia at Work data showed that more than half of these agreements were not negotiated and were commonly found among low-skilled and young workers.³ The *Fair Work Act 2009* which now replaces *Work Choices* has made significant steps towards bolstering the safety net by introducing the 10 National Employment Standards (NES) and reasserting the role of awards (although not as we previously knew them).

The area to watch will be Individual Flexibility Agreements (IFAs), which must be provided for in all awards and enterprise agreements. These individual arrangements will not be registered or formally monitored and will potentially allow for individual negotiation of conditions such as allowances, leave loadings, overtime rates and penalties.

EXECUTIVES' PAY

At the other end of the labour market, we have seen executives profit from the booming economy. A survey of the pay of 51 Chief Executive Officers (CEOs,) belonging to the Business Council of Australia (BCA), showed that their pay had risen by 564 per cent from 1990 to 2005.⁴ Chief executives have attributed this to globalisation and competition with the US for the best personnel. However, critics point out that performance pay often doesn't distinguish between high performance and the luck of the market. And it is difficult to see the link between performance and executives' pay when the massive payouts continued through the recent economic downturn. It becomes clear that this trend is contributing to widening income inequality when we compare CEO earnings to those of the average employee. Earnings of the BCA CEOs grew at more than three times the rate of employees, resulting in a ratio of 63:1 in 2005.⁵ While the Rudd Government has threatened to take measures to reign in executive salaries, any evidence of real action is scarce. Instead, shareholders have been urged to hold their executives to account.

THE GENDER GAP

As well as what happens to earnings at the top and bottom of the labour market, what happens within it is cause for concern, particularly among men and women. It is inexcusable that the gender pay gap widened in the last decade. And it is particularly surprising given the continuing increase in labour force participation and education levels among women. Professor Mark Wooden attributes this to

the fact that women work fewer hours than men and suggests that women should work more hours to close the gap.⁶ However, this is an unsustainable solution and would only add to the working time problem we have in Australia. Instead, we should be assisting long-hours workers to reduce their hours of work to align with the working hours 'standard'. The issue of working hours distribution is addressed in the next section.

But it's not just the hours that women work that set them apart from men; women are over-represented in low-paid jobs. And arguably, the female-dominated sectors of the workforce, particularly 'caring' jobs such as child and aged care, are undervalued. The new labour laws provide for multi-employer bargaining across low-paid sectors. Again, it is unclear how this will impact on workers, and exactly which low-paid sectors will be involved.

The continuity of earnings — and therefore the quantity of earnings over a lifetime — is also an important aspect in working towards income and gender equality. The first tentative step in bolstering the reliability of women's earnings has been made by the Government promising the provision of paid parental leave in 2011. Furthermore, a parent of a child under school age now has the 'right to request' flexible working arrangements, under the NES. Although this is just a procedural right rather than a right to flexible arrangements, again, it is another small step towards more equal opportunities within the workforce.

WORKING HOURS

It has been established that there is a long working hours problem among many full-time workers in Australia.⁷ Long working hours have detrimental impacts on a person's health and well-being, their relationships and more broadly on community life.⁸ However, an aspect that gets little attention is how long working hours cultures can reinforce the divide between men and women in the workplace, particularly for women who have caring responsibilities. As work has become increasingly specialised and knowledge-based it is difficult for managers to be able to judge performance and instead more obvious measures are used such as the time a person spends at the workplace. Many full-time jobs, particularly in the managerial and professional ranks do not comply with the 'standard' working week of 38 hours. Thus, anyone desiring or needing to work standard hours, is excluded from these jobs. This approach is not promoting productivity as the most efficient person may not always be rewarded, and it prevents many workers who have responsibilities outside of work from attaining the positions they deserve. The way women are locked out of these often highly paid long-hours jobs is likely to be among the factors contributing to the gender pay gap.

BEHIND THE STATISTICS

The distribution of working hours in Australia is diverse and potentially problematic. Approximately one-third of the workforce work part-time, another third work 'standard' hours of 35 to 40 hours per week, and the remainder work more than this. In fact, an average working week of 44 hours suggests full-time employees are a substantial way off from working the prescribed 'standard' of 38 hours per week. This diversity in hours presents opportunities for employees to achieve their desired hours. However, this does not appear to be the case — nearly

one-third of workers want to change their hours of work. Many of these workers are full-timers wanting to reduce their long hours, while some are part-timers wishing to work more.

This 'mismatch' of hours becomes more problematic when we step inside the household. Our long-hours culture, along with limited rights for working parents and a lack of affordable child-care, makes a couple's desire to both hold down full-time jobs almost unreachable. Instead, the most common household in Australia is where the female works part-time (often because she earns a lower income) and the male works full-time, often long hours. It is possible that women are trading down, and prioritising hours over earnings or promotion.⁹ This further ingrains gender inequalities in the labour market and results in an inefficient allocation of labour and an economic waste.

While some households have too much work, others suffer from not enough. During periods of economic downturn and high unemployment children are more susceptible to growing up in households with no-one in paid employment.

While an equal distribution of working hours is not the desired outcome, workers do need help to achieve their desired hours whether they be part-time or 'standard' full-time hours. Long working hours also present serious health and safety risks, lead to lower productivity and are detrimental to relationships and community life. The new labour laws provide no protection against long hours of work. The 'maximum weekly hours' NES is misleading in that it does not limit working hours, instead prescribing a 'standard' of 38 hours which an employee can be required to work in excess of. To promote a better distribution of hours, the Government needs to take the lead of the European Union and specify how many hours are too long and detrimental to workers' well-being.

FORMS OF EMPLOYMENT: CASUAL WORK IN AUSTRALIA

Casual work as we know it in Australia does not exist in other developed labour markets. In Australia casual work encompasses irregular and occasional work defined as 'temporary' in other countries; but, uniquely, it also includes long-term and regular work that is deprived of standard employment benefits.¹⁰ Casual work is also much more prevalent in Australia — accounting for 54 per cent of part-time jobs and 11 per cent of full-time jobs.¹¹ The growth in casuals has 'extended well beyond the group of workers who might be regarded as "true casuals" such as day labourers in agriculture or construction.'¹²

In Australia, people employed in casual jobs have to endure second class conditions of employment. Casuals have no guarantee of returning to the same paid job on another day, and are not entitled to the benefits of continuous employment such as annual leave and leave loading, sick leave, long service leave, parental leave, bereavement leave and severance pay. Casuals also have only limited protection against unfair dismissal. This precarious employment position means that many casual employees are hesitant to take leave from work, fearful they may not have a job when they return. On a more personal level, it has been discovered that a loss of respect and workplace citizenship are very important issues for casual workers.¹³ This has a damaging impact

on their voice and inclusion in the workplace, and on their opportunities for training and promotion.

The growth in casual employment has really set Australia apart from other developed countries. This has been attributed to the award system recognising casual work as another valid form of employment, but without any restrictions or safeguards. For a relatively low casual loading (of somewhere around 15 to 20 per cent), casual employees lose their right to many benefits and protections enjoyed by permanent employees. In fact, once the casual loading has been accounted for, casual employees earn less than their permanent counterparts.¹⁴

Casual work is unequally distributed among the workforce. Women are more likely to be casual, particularly long-term casuals. Casual employees are more likely to be young (under 25 years), in low-qualified and low-paid jobs, and under-employed. Casuals have less involvement in workplace bargaining and limited knowledge of their enforceable rights.¹⁵

In many cases, casual employment is a case of employers avoiding their obligations to a certain group of employees, thereby increasing the inequalities in the labour market. The absence of protections for a certain form of employment has enabled the emergence and growth of second class citizens in the Australian labour market.

LABOUR STANDARDS FOR ALL

Work Choices aimed to distribute the gains from labour according to bargaining power, leaving the low-skilled and low-paid vulnerable to the whims of the market, and at risk, particularly in times of economic downturn. At first glance, the *Fair Work Act*, of which collective bargaining is the centrepiece, is promising. It seems particularly so when considering the findings of the 2006 Organisation for Economic Co-operation and Development (OECD) that found countries with the lowest income inequality also have the highest level of collective bargaining. But while the *Act* provides a safety net for the low-paid, there are surprisingly few universal rights for all employees. Income thresholds exclude employees from unfair dismissal protections and award conditions, and Individual Flexibility Agreements can exclude employees from the conditions in the award or a collectively negotiated agreement. That is, individual agreement-making is still alive and well in the system.

While significant steps are being made in the right direction, such as paid parental leave, rights to request, and bargaining provisions for the low-paid, there is still much that policy makers, politicians and practitioners can do. Major steps to improve equality in the Australian labour market would be made by restricting the terms under which employees can be employed casually, addressing the unfair distribution of working hours, and addressing earnings dispersion both at the top and bottom of the market, and between men and women.

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Australia at Work research: www.australiaatwork.org.au

Human Rights and Equal Opportunity Commission: www.hreoc.gov.au

Government information service: www.workplace.gov.au

Workplace Research Centre: www.wrc.org.au

Australian Council of Trade Unions www.actu.asn.au

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‘Economic inequality causes social stress. There is now mounting evidence linking inequality to ill health, crime, greater stresses on social services and lower levels of overall happiness in society.’
Stilwell and Primrose

THE DISTRIBUTION OF WEALTH IN AUSTRALIA

Frank Stilwell and
David Primrose

10

INTRODUCTION

The National Centre for Social and Economic Modelling (NATSEM) was commissioned by Catalyst Australia to conduct a study of the distribution of wealth in Australia. The NATSEM data supplements previous sources and gives us an up-to-date picture of who is wealthy in Australia and who is not.

What is particularly interesting about the new data is the disaggregated analysis of wealth distribution, classified according to a number of overlapping social categories: age, income, gender, occupation, industry and household composition. This supplements a previous NATSEM analysis (Kelly 2002) that showed that the richest fifth of Australian households each have, on average, forty times more wealth than the poorest fifth of the population.

Analysis of the new NATSEM data confirms that wealth in Australia remains concentrated in the hands of a wealthy few. The minority sitting at the higher end of the income scale have reaped the benefits of the economic growth in recent decades by disproportionately increasing their personal wealth. This has been at the expense of the majority at the other end of the income scale, whose share of personal wealth has declined relative to those high-income earners. Large wealth disparities also exist between different occupational and industry groupings. (Please see the Appendix for a definition of the terms used in this article.)

The NATSEM data also highlights the persistence of disparities in the wealth of Australian men and women. Average levels of wealth for men and women remain highly unequal across the categories of age, income, occupation and industry. Even when women and men appear to be relatively equal according to some measurements, there are other gendered dimensions of economic inequality.

For example, while the wealth levels of those working in high-status occupations are not dissimilar on average, there are many fewer women within those occupations. Such discrepancies often translate into relative poverty for women during retirement, as well as increased reliance on government support and pensions.

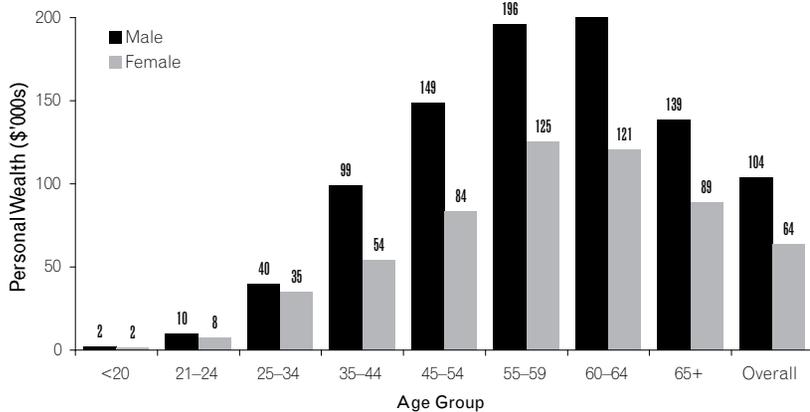
These persistent economic inequalities run counter to the ethos of 'a fair go' often assumed as a fundamental characteristic of Australian society. Comprehending the complex dimensions of this problem is therefore an essential first step in remedying the situation and promoting more effective egalitarian social policies.

WEALTH AND THE LIFE CYCLE

Wealth is typically accumulated over the life cycle. However, people's capacity to get wealthier over time varies according to their socio-economic position, good fortune (such as receiving inherited wealth), thrift, and a host of other factors. Personal wealth is also commonly run down in old age. These patterns are confirmed by the NATSEM data.

As shown in Figure 1 below, average household wealth increases with the age of the principal household reference person until 55–64 years of age, after which it declines. This decline is particularly rapid in the case of men, falling from an average wealth of \$205 500 at 60–64 years to \$138 800 after the age of 65 is reached. A slightly less marked decline occurs in the case of women, falling from around \$125 300 for 55–59-year-olds to \$89 000 for women over 65. Overall, men aged 25–64 and women in the 25–59 range possess the greatest average wealth, while those under 25 years and retirees own the least wealth.

FIGURE 1: WEALTH AND AGE



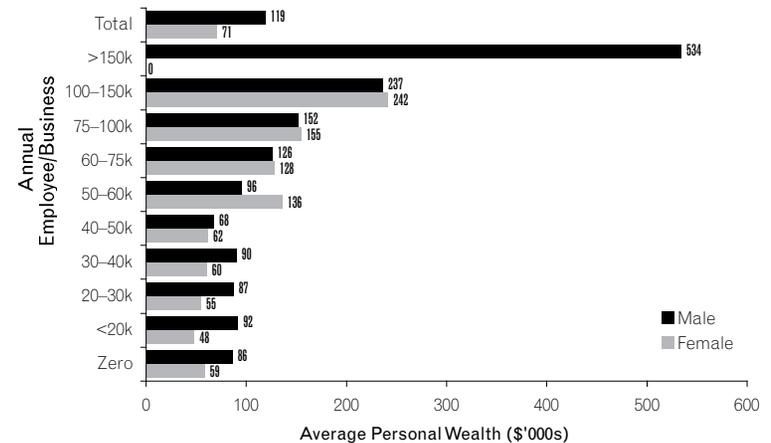
WEALTH AND INCOME

Not surprisingly, flows of income correlate strongly with stocks of wealth. Households with high incomes can more readily accumulate valuable assets, and those assets then commonly generate more incomes. Meanwhile, households with low incomes are less able to accumulate wealth and tend to be locked into a more disadvantaged position, sometimes into a vicious cycle of poverty.

Figure 2 below shows the relationships between wealth and income for both men and women. Men aged 25–64 years who earn \$50 000 or less annually have an average wealth in the range \$67 800 to \$92 000. Fifty-eight per cent of all men are in this category. By contrast, men who earn \$100 000 or more annually have average wealth in the range of \$236 800 to \$534 400. Only 6.1% of surveyed men aged 25–64 years earn this amount.

The strong link between income and wealth applies also to women. Those annually earning \$50 000 or below have an average wealth ranging from \$45 500 to \$61 700, which is less than men's wealth at the same income level. This applies to 85% of women. Women with an annual personal income of \$100 000 or above have average wealth in the range of \$242 100 to \$492 500. While women in these higher income categories possess only slightly less average wealth than men at the same income level, a very small proportion of women fit into this income category (1.3% of all women).

FIGURE 2: AVERAGE INCOME AND WEALTH (PERSONS AGED 25–64)



Overall, these figures suggest that wealth is concentrated among a small proportion of the population with high incomes. There evidently exists an intimate relationship between who owns what and who gets what. This confirms earlier studies of the distribution of wealth in Australia (for example: Stilwell and Jordan 2007).

GENDER AND WEALTH

In addition to the inequalities among men and among women, as outlined above, large disparities in average wealth between the genders are demonstrated by the NATSEM study. Table 1 shows that for people with annual incomes up to \$50 000, particularly large disparities exist between the average wealth of women and men, despite the former being more numerous in all but one of the income groups. Surprisingly, for those earning between \$50 000 and \$150 000 annually, women have slightly more average wealth than men. However, in the highest income category of over \$150 000 per annum, there are virtually no female representatives at all.

Overall, the average wealth for all women surveyed is about \$70 000 compared with \$119 000 for men. In percentage terms, women have only 59% of the average wealth of men.

THE WEALTH PEAK FOR WOMEN AND MEN

Gender disparity continues over the work-life course. In all age groups there exists a large disparity of wealth between men and women. This disparity accelerates markedly between the ages of 25–64, during which time the average wealth of men swells from \$39 500 to \$205 500. The corresponding figures for women are from \$35 200 to a peak of \$125 300 in the 55–59 age bracket, before declining slightly to around \$120 500 among 60–64-year-olds.

This suggests that men usually accumulate wealth over the course of their working life, while women's accumulation peaks earlier and then declines. The typical peak wealth of women is a little more than half of the peak wealth of men.

GENDER GAP: WEALTH INEQUALITIES IN DIFFERENT JOBS

The gap between the average wealth of men and women also varies according to the occupations and industries in which they are engaged.

According to occupation, the greatest disparity between the average wealth of men and women is amongst elementary clerical, sales and service workers (\$110 400 versus \$19 900). Jobs that fall within this category include sales assistants, security guards and laundry workers. The smallest relative wealth gap can be seen in advanced clerical and service workers (\$91 600 versus \$83 500). Jobs in this occupational category include book-keepers, personal assistants and secretaries.

Turning from occupation to industry, other significant disparities are revealed. The largest gap in personal wealth between men and women is within the finance and insurance sector (\$330 600 versus \$88 500) where many women work. By contrast, there exists only a small differential in the construction industry (\$63 500 versus \$62 700) where few women work. In other industries where many women work, there are large wealth gaps: for example, in health and community services (\$174 000 versus \$68 000) and retail trade (\$84 000 versus \$34 000).

The correlation between levels of income and gender inequalities in average wealth is also interesting. As Figure 2 above suggests, women in each of the income categories between \$50–150 000 possess greater average wealth than men. However, as shown in Table 1 below, there are fewer women in each of the higher income and wealth categories. So, although the difference between average levels of wealth is not large for men and women in the higher income groupings, there are far fewer women with those high levels of income and wealth.

TABLE 1: NUMBER OF PERSONS AGED 25–64 IN INCOME CATEGORIES (IN NATSEM SAMPLE)

	Income Category	Number of Persons	
		Men	Women
25–64 Years	Zero Income	952	2186
	<20 000	363	954
	20–30 000	469	807
	30–40 000	829	854
	40–50 000	718	500
	50–60 000	657	395
	60–75 000	707	298
	75–100 000	523	159
	100–150 000	336	60
	>150 000	158	14
	All	5712	6227

WORK AND WEALTH

The global reorganisation of production by transnational corporations, coupled with changes in technology and the increasing prevalence of precarious work, has significantly affected both the volume and range of employment opportunities available. This is reflected in the NATSEM survey which shows that the increased dualism in the labour market has been matched by a dualism of personal wealth holders, those with a great deal and those with very little wealth.

FIGURE 3: WEALTH BY OCCUPATION



Figure 3 above shows inequalities between occupations. Predictably, average personal wealth is highest for managers and administrators (\$250 000 for men and \$183 300 for women) and for professionals (\$173 800 and \$99 700). More surprisingly, male elementary clerical, sales and service workers also have quite high personal wealth — \$110 400 on average. Women in this category on average own only \$19 900 though.

Also surprising is that male elementary clerical, sales and service workers have more wealth than males in the intermediate and advanced categories of these occupations. The lowest average personal wealth is held by the intermediate production and transport workers (\$55 400) and labourers (\$39 700). The corresponding low wealth occupations for women are labourers (\$27 300) and elementary clerical, sales and service workers (\$19 900).

Tradespersons, both men and women, also seem to fare relatively poorly. Their average wealth is the third lowest of all the occupational groups — \$35 000 and \$60 000 for women and men respectively. This may reflect the way many tradespeople have registered as businesses in recent years. They have done so for tax reasons or to get work from employers trying to undercut the legally required standards for employees' pay and work conditions. The wealth held by such individuals — registered in the name of the business rather than their own name — may not be accurately reflected in the NATSEM figures which relate to personal wealth.

FIGURE 4: WEALTH BY INDUSTRY

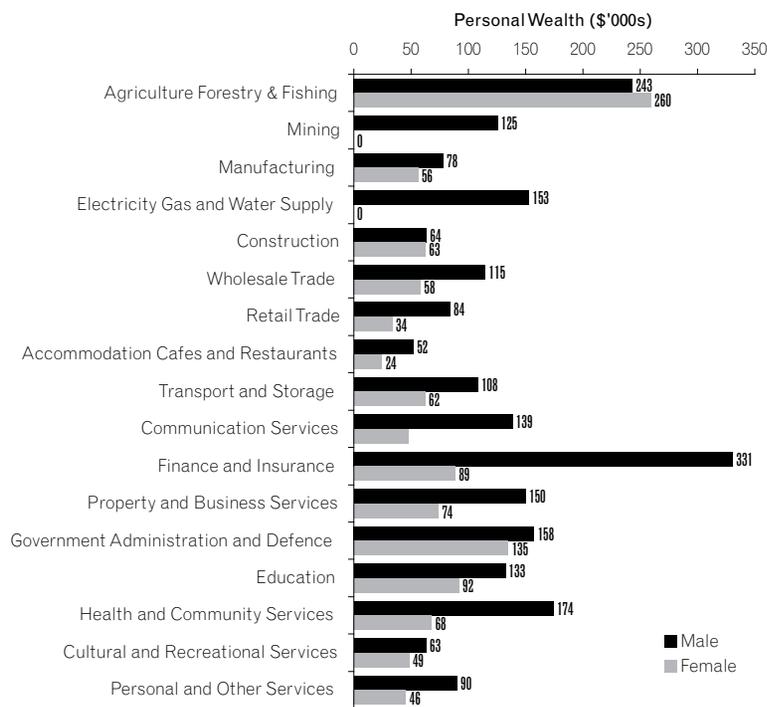


Figure 4 shows the average wealth for men and women working in different sectors of Australian industry. Sectors that have become increasingly casualised in recent decades show relatively low levels of personal wealth. Thus, both women and men employed in the retail trade (averaging \$33 600 and \$84 000 wealth respectively) and in accommodation, restaurants and cafes (\$24 400 and \$51 900) have relatively low personal wealth. Men in the construction sector and working in cultural and recreational services also have relatively low average wealth, while women in cultural and recreational services and in personal and other services have low levels of accumulated wealth.

Gender inequalities evidently pervade these occupational and industry differences. Both women and men who are managers and administrators have relatively high average levels of personal wealth, yet there are twice as many men as women working in these areas. A similar situation applies to men and women engaged in agriculture, forestry and fishing.

In other industries such as finance and insurance, where there are more women than men employed, the women have conspicuously lower average wealth — 57 per cent and 27 per cent respectively of men's average personal wealth. The distinction in wealth accumulation between men and women working in the finance sector is especially striking and reflects deep levels of occupational segregation² — see for example Cooper and Baird's chapter on women: *Australian women: getting*

to equality? in this report. Social and cultural attitudes and employment power differentials greatly influence these gendered inequalities of wealth.

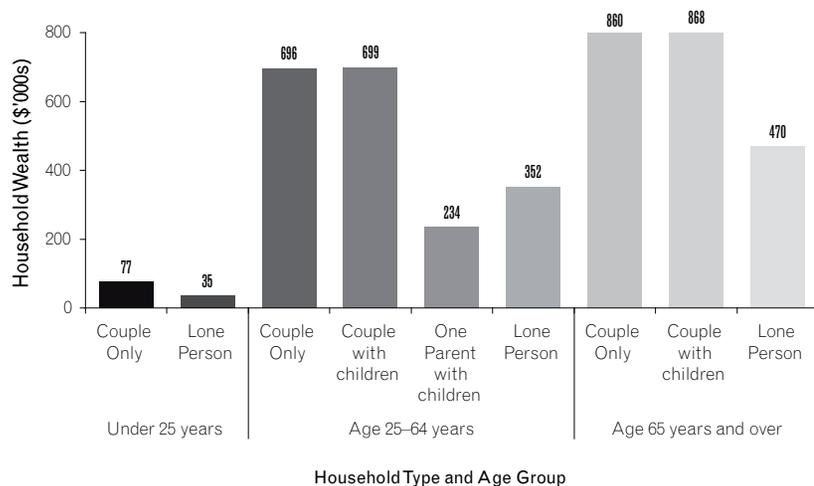
DIFFERENT TYPES OF HOUSEHOLDS AND THEIR WEALTH

There is also an uneven distribution of wealth according to household composition. The data in Figure 5 indicates that couples — both with and without children — have tended to accumulate more wealth than households comprising a single person or sole parent.

In households where the principal reference person is between 25–64 years of age, couples without children average slightly less than double the wealth of single persons. Couples with children typically have around three times the wealth of families comprising one parent with children.

Those with the lowest average wealth are single people and couples aged under 25 years; and sole parent households in the 25–64 age grouping, averaging \$35 300, \$76 900 and \$234 300 respectively. These sole parent households are predominantly headed by women. By contrast, the wealthiest households on average are those containing couples with children and also those with no dependent children, where the principal reference person is aged 65 and over, accumulating an average wealth of \$868 400 and \$859 600 respectively.

FIGURE 5: WEALTH AND HOUSEHOLD COMPOSITION



CONCLUSION

The new information from NATSEM draws attention to important dimensions of wealth inequality in Australia. Analysis of the disaggregated yet overlapping categories — age, income, gender, occupation, industry and household composition — shows that wealth inequality exists at a number of levels. A political-economic analysis that recognises the interconnections between political, social, cultural and economic factors is necessary to show how wealth inequalities are structured and reproduced.

Do these inequalities matter? For a society that has historically sought some degree of fairness in economic outcomes, issues of equity are always important. The superficial egalitarian ethos in Australian society sits awkwardly beside the entrenched wealth inequalities that exist in practice. Economic inequality also creates social stresses. There is now mounting evidence linking inequality to ill health, crime, greater stresses on social services and lower levels of overall happiness in society (Wilkinson 2005; Stilwell and Jordan 2007; Pickett and Wilkinson 2009).

A strikingly uneven distribution of wealth is a huge issue to tackle. Market processes left to themselves will not generate greater equality; concerted action by governments and strong pressure by the labour movement is necessary. In order to bring about progressive political economic change, it is first necessary to understand the sources and dimensions of the economic inequalities. The NATSEM wealth distribution data signal some important dimensions of this challenge.

FRANK STILWELL and DAVID PRIMROSE, August 20, 2009. Frank Stilwell is Professor of Political Economy at the University of Sydney and is a well-known critic of neoliberal economics and an advocate of policies that emphasise sustainability and social justice. He is the author of 11 books the co-editor of four others, and co-ordinating editor of the *Journal of Australian Political Economy*. His latest book (co-authored with Kirrily Jordan) is *Who Gets What? Analysing Economic Inequality in Australia* (Cambridge University Press, 2007).

David Primrose is research assistant to Professor Frank Stilwell and a tutor in the Department of Political Economy at the University of Sydney.

KEEP IN TOUCH WITH THIS TOPIC

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ENDNOTES

- 1 Figure 2 does not include all age groups. For people aged 65 years and above, the correlation between income and wealth levels becomes less clear-cut, with wealth inequalities within age groups tending to decline. For both men and women under 25 years old, nearly 95 per cent have annual incomes below \$50 000, while less than 0.5 per cent received over \$100 000.
- 2 For example, see the recent UK report, H. Metcalf and H. Rolfe, (2009) 'Earnings In the Finance Sector: A Gender Analysis.' Report prepared by the National Institute of Economic and Social Research for the Equality and Human Rights Commission. Accessed online @ http://www.equalityhumanrights.com/uploaded_files/download__finance_gender_analysis_research.pdf 17 August 2009.

APPENDIX: SOURCES AND DEFINITIONS

The NATSEM study uses descriptive statistical methods to present basic features of wealth distribution data through simple summaries of the sample. It constructs a series of tables based on a confidentialised unit record file of the Australia Bureau of Statistics (ABS) *2005–06 Survey of Income and Housing*. The tables present personal and household income and wealth figures valued in 2006 dollars. They relate to ABS survey respondents living in a private residence and aged 15 years and over, with the exception of households comprising more than one family and/or groups. Each household is categorised according to the principal reference person living there. The presentation of the data in this report has converted the NATSEM tables to bar charts to make interpretation easier.

'HOUSEHOLD WEALTH' AS OPPOSED TO 'PERSONAL WEALTH'

Throughout the survey, several conceptual distinctions are established as markers of the patterns analysed. The distinction between *household wealth* and *personal wealth* is significant. While the former comprises the total net worth of households — their assets less their current debt — the latter constitutes only those assets recorded against an individual. Equally, while *household income* includes the total income received by all members of the household from all income sources (before income tax and the Medicare levy have been deducted), *personal income* is defined as income received by each individual from wages and salaries (before the Medicare and income tax deductions). Finally, it is noteworthy that definitions at the household level are broader than those at the individual level. Thus, while household income comprises income from any source including government benefits, personal income includes only income earned as an employee or from business.

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‘There is a growing recognition that those who arrive on our shores seeking our protection should be treated humanely, but there are yawning gaps between what we practice and what we accepted as our obligations when we signed such international treaties as the Refugee Convention, the Convention Against Torture, the Convention on the Rights of the Child and the International Convention on Civil and Political Rights.’ Hiles

RUDD GOVERNMENT’S REPORT CARD ON REFUGEES: CAN DO BETTER

Dianne Hiles

11

Against a backdrop of tensions in Sri Lanka, Afghanistan, Pakistan, Iran, Iraq, Myanmar, the Horn of Africa, and the Democratic Republic of the Congo, the United Nations High Commission for Refugees (UNHCR) has monitored a global rise in refugees and displaced people. While Australia has an off-shore humanitarian program that is second to none, accepting in 2007–8 10,800 refugees for humanitarian resettlement, policies dealing with on-shore asylum seekers continue to be highly politicised.

INTERNATIONAL LAW AND AUSTRALIAN POLICIES

There is a growing recognition that those who arrive on our shores seeking our protection should be treated humanely, but there are yawning gaps between what we practice and what we accepted as our obligations when we signed such international treaties as the Refugee Convention, the Convention Against Torture, the Convention on the Rights of the Child and the International Convention on Civil and Political Rights.

The Rudd Government moved quickly to close down the Pacific Solution in December 2007 and dismantled the Temporary Protection Visa (TPV) framework in the 2008 Budget. Furthermore, in July 2008, Immigration Minister Senator Chris Evans announced New Directions in Detention, the introduction of more humane *policies*, using risk-based assessments to determine if people should be detained or not. This did not amount to a change in the law. A future government can easily reinstate laws and policies that breach fundamental human rights.

Entirely in proportion with global trends, the number of boat arrivals has increased recently. The handful of hundreds of unauthorised arrivals they carry

are being hyped by the media and Opposition as a surge in 'illegal immigrants;' as if we need to be terrified by a spike in the number of potential terrorists reaching our shores. According to the Opposition, this Government cannot be trusted to maintain border security and protect us from... what exactly?

Rather than grasp the electoral nettle and explain once and for all our responsibilities under International Law, this Government continues to duck and weave; trying to do the decent thing without being seen to be doing so, for fear of invoking the clarion calls of 'being soft on asylum seekers' or 'giving the green light to people smugglers.' The fact is that domestic policy has very little impact on refugee movements. Desperate people take desperate measures to remove themselves from desperate situations.

AUSTRALIA'S 'SOLUTIONS'

Bizarrely, we seek to punish those most desperate for the means of their arrival, meting out to the 4% of asylum seekers who arrive by sea unconscionably different processing arrangements from those applied to the 96% who arrive by air.

We still maintain the farce of excising chunks of Australia from the immigration regime and have transferred the Pacific Solution to the Indian Ocean, with the cumbersome effect of all 'boat people' asylum seeker claim processing being conducted on an island 2,500 kilometres away from the mainland.

According to Amnesty International as at 2 June 2009, 86 children, 69 of them unaccompanied, were being held in totally unacceptable conditions on Christmas Island. At 'A Just Australia' (AJA), we estimate it costs \$56 dollars a day to support asylum seekers in community detention, whereas the minimum daily costs per person on Christmas Island must be \$1,500. In conjunction with Oxfam, AJA produced a report, *A Price Too High* which assessed the combined cost of the Pacific Solution and the naval interdiction deterrent exercises as \$1 billion. Add on another \$500 million to commission and operate the 'Indian Ocean' solution, and then consider the impact \$1.5 billion could have had on the UNHCR improving conditions for refugees, or contributing to recommendations Elizabeth Evatt presciently suggested in her *Relaxed and Dumbing Down* paper (2004). She wrote:

'if we truly wanted to stem the flow of asylum seekers, should we not think globally? Should we not think about what Australia could do to prevent human rights abuses in the countries of origin and how we could do more to ensure basic standards of living in those countries? If we were to do that, we might understand that the world needs to work towards an effective and meaningful international system of human rights and that this must be necessarily linked to a fair and equitable global economic and financial system.'

Instead we pull up the drawbridge on Fortress Australia.

REGIONAL RESPONSIBILITIES

As well as not providing strong moral leadership domestically on this issue, the Government is missing the opportunity to do so regionally. Rather than setting the example that 'we-have-signed-the-Refugee-Convention-but-really-wish-we-hadn't — watch us wriggle out of our responsibilities,' we need to encourage our

northern neighbours to join us in signing it too. Persuading them also to provide resettlement options to refugees would significantly generate other bastions of hope between the Middle East and Australia. Wouldn't \$1.5 billion be better spent addressing the refugee problem this way, rather than assuaging the paranoia that we need protecting from leaky boats?

Apart from grave disquiet about the ongoing detention of children, activists continue to have many concerns about the lack of time limits on, or any independent review of immigration detention; the arrangements for community-based asylum seekers; the imposition of detention debts; and the potential harms of 'Deported to Danger' scenarios as exposed by Phil Glendinning from the Edmond Rice Centre. The roots of many of these problems lie with policies instigated by the Howard Government. The Rudd Government has rolled back some of the excesses but has not changed anything fundamentally to reflect our position as a rich country that respects human rights. We should be prepared to shoulder our share of the international burden and encourage other countries in our region to do likewise through example and diplomacy.

TIME TO CHANGE COMMUNITY ATTITUDES

The simple mechanism of de-linking refugee and asylum seeker processing from immigration and border security management (Department of Immigration and Citizenship [DIAC]) and placing it with development and aid (Department of Foreign Affairs and Trade [DFAT]) would reframe community perceptions of our responsibilities. Our leadership must demonstrate by word and deed that demonisation and politicisation of those most vulnerable people who call upon us for protection is unacceptable in a tolerant, pluralistic society.

THE DETENTION OF CHILDREN

As Australia deliberates the desirability of a Human Rights Charter the legal situation relating to the indefinite, mandatory detention of thousands of children in the harsh conditions of remote high security facilities, in breach of our obligations under the Convention of the Rights of the Child, is cited as one that would not have occurred had some form of human rights charter been in existence.

Through our collective wish to persecute those fleeing persecution, we are once more allowing the detention of children in remote high security facilities.

DIANNE HILES, July 2, 2009. Dianne is a founding member of 'ChilOut, Children Out of Detention' and Chair of 'A Just Australia' .

KEEP IN TOUCH WITH THIS TOPIC

A Just Australia www.ajustaustralia.com.

Refugee Council of Australia www.refugeecouncil.org.au

Edmund Rice Centre www.erc.org.au

‘Building communities where resilience and opportunity can flourish is central to tackling inequality in health. Prevention will have little impact if the social determinants of health are not considered, including factors which result in social exclusion. Key among these is tackling poverty, disability, poor social support and lack of education and skills.’ Schofield

INEQUALITY IS BAD FOR OUR HEALTH

Jo-anne Schofield

12

‘Health is clearly one of the most significant ingredients of social inequity, both within societies.... and between societies...’¹

Despite having a universal health system that is the envy of the world, where you are born in Australia, the sort of work you do, where you live, and whether you’re Indigenous or male or female will impact on how long you live and the quality of your health during your life.

If you are well off and in a reasonably advantaged position in society you can expect to live longer and be less likely to end up in hospital for illnesses like asthma, diabetes, high blood pressure, heart disease and lung cancer.²

If you are poor, you are less likely to survive cancer than if you are rich. And if you are one of the 2.5% of Indigenous Australians, then on any given day you are ‘roughly twice as likely to die as a non-Indigenous person of the same age and gender’.³

Just as disadvantage contributes to poor health and high mortality, poor health itself can compound social disadvantage. Few people have the resilience to break the cycle of unemployment or poverty when they are unwell. It is usually healthy people who move up the social ladder while the less healthy experience downward social mobility.⁴

This chapter looks at recent research establishing the link between socio-economic disadvantage and poor health. It shows that people’s health and well-being is greatly influenced by factors that can contribute to inequality, such as age, sex, geographical area and disability. Some dimensions of inequality are ‘unavoidable’ (such as age), while others are due to differences in material

resources including access to education, safe working conditions and healthy living conditions in childhood. As most of these are amenable to intervention, they should be avoidable.⁵

INEQUALITY AND PREVENTABLE DEATHS

In Australia the link between higher rates of death and disadvantage has persisted even though our overall health status has improved. The proportion of overall public spending on health has increased from 7.5% of the gross domestic product in 1995–06 to 9.0% of the gross domestic product in 2005–06 (totalling \$86,879 million,⁶ but this has not closed the gap in health inequality.

For Indigenous Australians the gap in life expectancy has widened. And across the board the impact of social disadvantage on higher mortality rates has worsened for men, and not improved for women in the decade to 1998–2000.

Tens of thousands of preventable deaths are caused by disadvantage. In 1998–2000 this involved: 1,197 deaths of infants under one year old, 1,491 deaths among 0–14-year-olds, 1,550 deaths among those aged 15–24 years and 18,999 deaths among working age adults (25 to 64 years).⁷

Significantly mortality rates increase commensurate with the level of disadvantage. That is, as ‘the circumstances in which people live and work are more detrimental’, this leads to greater health risks and worsening health outcomes, including higher mortality.⁸

This not only adds to health costs, it has a profound social cost on families and communities, as well as a loss of economically productive people to society.⁹

EQUAL ACCESS TO HEALTH SERVICES FOR RURAL COMMUNITIES

Inequality in health outcomes is yet to traverse the great divide between urban and regional Australians. People in rural and regional areas generally have shorter lives and more illness than their city counterparts.¹⁰

Rural and remote families face a higher rate of maternal death, rural women have significantly higher rates of neonatal deaths and remote women have higher rates of foetal deaths.¹¹

Workforce shortages impact directly on people's access to early intervention and treatment in rural and remote communities. The number of doctors per person in the city is estimated at two to one compared to those in rural areas.¹² The Australian Nursing Federation (ANF) have calculated a shortage of 5,400 nurses and 600 midwives required to meet the demand in remote locations, out of a total nursing workforce shortage of 19,000.¹³

According to the ANF, nurses and midwives ‘hold the fort’ in rural and remote health care; and creating a funding system that recognises this role would alleviate some of the health delivery problems, as would measures to improve nurse retention and professional development, such as scholarships, access to further education and locum support.¹⁴

THE IMPACT OF MANUAL WORK ON HEALTH

A number of Australian studies have shown that death rates for most conditions are higher for people employed in manual blue collar jobs than for those employed in managerial, administrative and professional occupations.¹⁵

Blue collar male workers had a 55% higher death rate from all forms of cancers, compared with managers, administrators and professionals, and both male and female blue collar workers had a much higher rate of death due to diseases of the circulatory, respiratory or digestive system. This trend continues for other causes of death, such as accident, injury and suicide.¹⁶

In all, if death rates of blue collar workers were the same as those for managers, administrators and professional groups, then 5,642 deaths would have been avoided from 1998–2000.¹⁷

OUR MENTAL ILLNESS RATES ARE INCREASING

The 2007 National Survey of Health and Wellbeing found that nearly half of all Australian people (7.3 million) had experienced anxiety, affective or substance use disorder at some stage in their lifetime.

The survey did not draw strong conclusions about the impact of social and demographic characteristics on mental health, but it did find that factors such as not being married or in a de-facto relationship, not being in the labour force, and low education all contributed to poorer mental health outcomes.

Certain groups appear more prone to particular mental health problems. Women were more likely to experience anxiety disorder, and for this to last for a period of 12 months; while men had twice the rate of substance abuse disorders that women had. Young females had a higher prevalence of suicidal thoughts than other groups, while homeless people were two and a half times more likely to experience mental disorders than the general population¹⁸ (see Hollows and Keenan's chapter ‘Homelessness’ in this report).

The worsening state of our mental health has seen a steep rise in disability benefit receipt for mental illness — with almost 30% of new recipients of disability benefits in Australia reporting that they have a mental illness.

The Organisation for Economic Co-operation and Development (OECD) found that working can improve mental health, but the ‘mental-health payoff from employment’ depends on working conditions and the type of employment contract. There was an improvement in mental health among men who returned to work, only when returning to a very secure job after sickness. There is no evidence that returning to work has a negative impact on mental health for either men or women.¹⁹

THE HEALTH OF OUR HEALTH CARE SYSTEM

Our expectations of our health system are high and support for improved funding for health services remains strong. Countless polls have shown that people would prefer to forego personal tax cuts so that funds can be channeled into increased funding for health services along with education.

Demand for services has been fuelled by an ageing population while per person expenditure has grown by an average of 3.8% per year in the decade to 2005–06. Australia now spends around \$4,226 per person on average on health.²⁰

Increased costs have brought about an emphasis on new forms of care such as home care and assisted living supported by on-going basic medical services and medication.²¹

GROWTH OF THE HEALTH AND COMMUNITY SECTOR

The workforce has experienced rapid growth with one in ten people now employed in the health and community sector. In the last five years, 163,700 additional jobs have been created in health and community services, with the largest area of growth in hospitals and nursing homes (46,900 new jobs). At the same time the demand for health services has risen dramatically with presentations to public and private hospitals increasing.

Demand will only continue to grow as our population ages and the need for workers in health will rise in the next five years. Currently 46 per cent of all employees in health and community services are aged 45 years and over.²² Between now and 2020 around 90,000 nurses will leave work as their age and the physical demands of their occupations reach a point where they can no longer perform their roles.²³

Health remains a vital area of the economy for women's employment and 79 per cent of the industry workforce is female. This brings with it associated gender workforce and work organisation characteristics, a high part-time workforce, high turnover and under-valuation of skills — all of which is symptomatic of the low status of care in our economy (see Cooper and Baird's chapter 'Women' in this report).

Australia's ability to tackle inequitable health outcomes is greatly hampered by a complex health delivery system traversing Federal and State jurisdictions and private and public health services. In all there are nine departments of health in Australia for just 20 million people.²⁴

PRIVATE HEALTH INSURANCE

The Federal Government refunds 30 per cent of the cost of private health insurance. The costs of this scheme have increased from \$2 billion a year in 1998 to around \$3 billion today, but according to health consultant Mark Ragg there has only been a small increase of people in private insurance in this period (from 43 to 45 per cent). This scheme is funded from general revenue and so the cost is borne by everyone — not just those who have insurance.

Ragg shows that health funds are spending less per member than they were ten years ago, even though the funds have increased their financial reserves. Moreover, increased spending on private insurance hasn't improved pressure on the public system for elective surgery waiting times.²⁵

AN INTEGRATED SERVICE MODEL

Health experts, such as Professor John Dwyer have highlighted the effect of jurisdictional inefficiency on the public system and have called for an integrated service model that is created and owned by both the States and the

Commonwealth. Such a model would leave the States to address the social determinants of health.²⁶

Practitioners and policy makers alike have long recognised the contribution of social, economic and ecological factors to poor health outcomes and are committed to exploring new models of funding, service delivery and care to target disadvantage.

The nursing workforce makes up 55% of the total workforce in health — and has a vital role in delivering new models of services to tackle social exclusion.²⁷ This requires the removal of legislative, funding and regulatory barriers to nurses working to the full scope of their practice. According to the ANF nursing roles in primary health care are 'fragmented and under-utilised', and there are immense opportunities to integrate current roles across nursing and with other health professionals. An increase in the number of nurse practitioners will improve access to care, boost health outcomes, and assist in retention and job satisfaction among nurses.²⁸

LIFESTYLE INTERVENTIONS: PREVENTATIVE PROGRAMS

A large swag of health prevention policy over the past decade has targeted individual behaviour or has blamed 'lifestyle' choices such as poor diet, obesity, smoking and alcohol use for the consequent poor health outcomes among disadvantaged groups.

Evidence shows that community prevention programs and targeted interventions mostly succeed among more advantaged groups and have often failed to reach the most at risk groups who may make less use of preventative services. This suggests the need for a different approach.²⁹

THE PRIMARY HEALTH CARE MODEL

In New Zealand the model of Primary Health Organisations brings together doctors, nurses, allied health professions, counsellors, psychologists and dieticians to provide holistic, patient-centred care. There are now 81 PHOs and the minimum requirements for funding specify that PHOs give communities the opportunity to have a say about the services that are provided.³⁰ A similar model in Australia is the Aboriginal Community Controlled Health Centre, which provides comprehensive care with community governance. Another is the Community Health Centre model in Victoria — a multi-disciplinary patient care approach that involves several health professionals.³¹

Health stakeholders have concluded that prevention will have 'little impact if the social determinants of health are not considered, including factors which result in social exclusion'. Key among these are tackling poverty, disability, poor social support and lack of education and skills.³²

Building communities where resilience and opportunity can flourish is central in tackling inequality in health. Thus, treating the causes of health inequality is about more than improving the treatment of illness. It's about making sure all Australians can lead healthy lives, irrespective of where they live, the work they do, their income, wealth, or their cultural background.

JO-ANNE SCHOFIELD, July 2, 2009. Jo-anne is Executive Director of Catalyst Australia Inc., a position she took up in November 2007.

KEEP IN TOUCH WITH THIS TOPIC

Australian Health Care Reform Alliance www.healthreform.org.au

Australian Institute of Health and Welfare www.aihw.org.au

Australian Nursing Federation www.anf.org.au

M. Ragg *Fine, but not fair: A report on Australia's health and health care system.*

Sydney: Ragg Ahmed . 2009 www.raggahmed.com

Just released... *Healthy, wealthy and wise? The relationship between health, employment and earnings in Australia*, Binod Nepal, Alicia Payne, Laurie Brown, AMP and National Centre for Social and Economic Modelling (NATSEM), July 2009

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- 2 M. Ragg *Fine, but not fair: A report on Australia's health and health care system.* Sydney: Ragg Ahmed . 2009
- 3 M. Ragg op cit, pages 18–19. Ragg points out that Indigenous people make up about 2.5 per cent of Australia's total population, but account for about 20 per cent of the deaths in babies under the age of one, and about 15 per cent of deaths up to the age of 45.
- 4 G. Draper, G. Turell & B. Oldenbury *Health Inequalities in Australia: Mortality*. Health Inequalities Monitoring Services No. 1. AHIW Cat PHE 55 Canberra, Queensland University of Technology and Australian Institute of Health and Welfare page 127, 2004
- 5 Australian Institute of Health and Welfare (AIHW), *Australia's Health 2008*, Canberra, Cat. no. AUS 99, page 63–64, 2008.
- 6 *ibid* page 396. Over the decade, real growth in health expenditure has increased an average of 5.1% a year after accounting for the effects of inflation.
- 7 G. Draper et al, page 94.
- 8 G. Draper et al. pages 91–94. The death rates in the most disadvantaged areas were 14% higher than the least disadvantaged areas in 1985–87 and were 17% higher in 1998–2000. See also M. De Looper and G. Lafortune *Measuring Disparities in Health Status and in Access and Use of Health Care in OECD Countries*, OECD Health Working Papers No. 43, 9 March 2009.
- 9 *Ibid*, Chapter 5, page 94
- 10 AIHW, op cit 62.
- 11 Department of Health (2009), *Improving maternity services in Australia*, February 2009 www.health.gov.au. The review report found that Australia was one of the safest countries to give birth but maternity services were not meeting the needs of many women.
- 12 M. Ragg, op cit.
- 13 Australian Nursing Federation (ANF), *Scholarships for a Competitive Future: Expansion of the Commonwealth Scholarships Program*, May 2008 page 3. The ANF says that around 30% of the 285,620 strong nursing profession works in rural and regional areas.
- 14 ANF 'Submission to the National Health and Hospitals Reform Commission,' June 2008.

- 15 G. Draper et al. op cit, Chapter 6. Conditions include all cancers, diseases of the circulatory, respiratory or digestive system, accidents and injury, suicide.
- 16 *Ibid*, page 99. There are some distinctions between managers, administrators and professionals and other white collar workers, but these are not as significant as those mentioned.
- 17 *Ibid*, page 104. It is noted that estimates in the report are likely to be smaller than the true magnitude of occupational differences in mortality. Socio-economic factors, such as education and income may also impact along with occupation.
- 18 Australian Bureau of Statistics *National Survey of Mental Health and Wellbeing: Summary of Results*, Cat 4326.0; Department of Health, *National Survey of Health and Wellbeing, An Overview of Mental Disorders in Australia*, Chapter 2 'The Mental Health of Australians 2', 2007. The survey covers affective disorders (mild, moderate and severe depression, dysthymia, and bipolar affective disorder); anxiety disorders (panic disorder, agoraphobia, social phobia, generalised anxiety disorder, obsessive-compulsive disorder and post-traumatic stress disorder); and substance use disorders (abuse or harmful use and dependence on alcohol, cannabis, opioids, sedatives and stimulants).
- 19 OECD *Are all jobs good for your health? The impact of work status and working conditions on mental health*, Chapter 4, and OECD Economic Outlook 2008 *How does your country compare? — Australia* www.oecd.org.au
- 20 AIHW, op cit, page 404. Note per person expenditure is funded by Government, by non-Government organisations such as private health insurance funds, and by individuals through out-of-pocket expenses.
- 21 R. Fujisawa and F. Colombo, 'The Long-Term Care Workforce: Overview and Strategies to Adapt Supply to a Growing Demand,' OECD *Health Working Papers No. 44*, 19 March 2009, page 14.
- 22 Department of Education, Employment and Workplace Relations *Australian Jobs 2008* www.workplace.gov.au. 2008. Note that growth figures include community service occupations such as child-care.
- 23 Kronos Incorporated *Research Confirms Australian Nurses on Endangered Species List*, 22nd October, 2008
- 24 Professor J. Dwyer, 'Address to Crunch time: Australia's Policy Future conference,' Sydney April 2009 www.crunchtime.org.au
- 25 M Ragg., op cit pp 15–19.
- 26 Professor J. Dwyer, op cit.
- 27 ANF Submission to the National Preventative Health Taskforce Discussion Paper,' January 2009
- 28 ANF, May 2008 op cit
- 29 See J. Furler and D. Young op cit and G. Draper et al, pp 127–129
- 30 ANF June 2008 and New Zealand Ministry of Health, *Primary Health Care and PHOs* www.moh.govt.nz/primaryhealthcare
- 31 ANF June 2008; ANF Response to the National Health and Hospital Reform Commission's Interim Report: 'A Healthier future for all Australians' March 2009
- 32 ANF January 2009 op cit.