The long awaited ‘welfare reform’ legislation is now being considered by the Senate Community Affairs References Committee, which is due to report back by 13 September 2002.

The Family and Community Services Legislation Amendment (Australians Working Together and other 2001 Budget Measures) Bill 2002 includes several initiatives as part of the Australians Working Together package.

The most contentious is the introduction of a compulsory ‘participation agreement’ as a condition of eligibility for parenting payment for parents with their youngest child aged between 13 and 15 years. Parents will have to complete up to 150 hours of approved activities over a six-month period. The only exemptions are for those with a profoundly disabled child or with two or more children with disabilities requiring equivalent care. Parents with their youngest child between 6 and 12 years will have to complete a yearly agreement but do not face compulsory participation.

Opportunity or imposition?
The government’s stated aim is to assist parents to return to work. Governments have an important role in expanding opportunities available to people who wish to find work, including the provision of programs aimed at increasing ‘employability’ (for example, training, work experience, career planning). These programs are most likely to be taken up if they are recognised as congruent with a person’s own goals, rather than simply being imposed on someone who is felt to need them.

It may be helpful to assist some parents in developing goals, and finding resources to support them in achieving them. To this end, the participation agreement could be useful. However, the compulsory nature of the agreement and participation activities may make some parents feel that it is simply a bureaucratic requirement imposed on them, rather than reflecting their own aspirations.

If requirements are increased, some other issues will need to be considered. More exemptions will need to be incorporated into the legislation for those for whom extra requirements would be unreasonable. These include parents who have separated in the past 12 months, have a major health problem, have teenage children with behavioural, health or learning problems, or are victims of domestic violence.

The Jobs, Education and Training Program (JET) has been shown to be an effective and popular program for parents, but with the current resources, it cannot meet demand. Feedback from some clients indicates that waiting times for an appointment with a JET adviser may be two or three months.

Previous evaluations of JET indicated that voluntary take-up among some groups, notably parents with a Newstart partner and those on benefits for a long time, was low. Indeed this has been the rationale for the introduction of compulsory interviews and activity testing for parents. The Parenting Payment Intervention Pilot showed that compulsory interviews would pick up many clients who were eligible for JET (Pearse 2000). While not all of these may need to use the program, many could be expected to do so. The 1997 evaluation of the JET program showed that 20 per cent of people eligible did not participate due only to lack of knowledge of the program (Department of Social Security 1997). The introduction of requirements for parents could therefore be expected to lead to an increase in demand for JET of at least 20 per cent. Substantial additional resources will be required for the JET program to remain effective.

continued on page 2
Problems of breach penalties

Breaches will apply to parents who do not meet their participation requirements. Some aspects of the proposed breaching system represent an improvement on that which applies to Newstart recipients. For example, if a person is breached for failing to meet a requirement, but then complies within 13 weeks, the breach penalty will be waived (but not the breach itself).

The absence of this consideration from the reform of parenting payment is curious, since it appears to be at odds with other areas of social security policy. Family Tax Benefit Part B, for example, is available to families where one or both parents are not in the workforce. There is no means test on the income of the working parent, so that even relatively well-off families can receive some payments. This policy appears to reflect a belief that the state should support parenting as an activity in its own right. There is certainly no talk of forcing parents from families with one partner working to develop agreements and participate in state-mandated activities!

While the breaching system for unemployment payments is in such disarray, it would be highly unwise to extend activity testing and breaching to those on parenting payment. The problems with breaching need to be fixed—notably by reducing the penalties (see article page 3)—before any consideration is given to extending these provisions to new groups.

Parenting undervalued

The current welfare reform debate has focused almost exclusively on how to get those on parent payment into work, to the unfortunate exclusion of the caring role of parents.

However, the experience of breaching of unemployed people has shown that breaching has had, whatever the policy intention, a severely detrimental effect on some of the most disadvantaged people in our community.

The United States experience also provides some unsettling news relating to children. A considerable body of research suggests that welfare reform has increased employment among sole parents, but has had little effect on rates of poverty and may have had a detrimental effect for teenage children (Gennetian et al. 2002). While both the policy and social settings differ quite substantially from Australia, these results warn of the possible harmful effects of forcing parents away from caring for their children.

Finally, some initiatives missing from the debate are probably more important for increasing workforce opportunities. The introduction of after-school care for teenagers, reduction of high effective marginal tax rates, better public transport and family-friendly practices in workplaces would all contribute much more than the proposed amendments to social security legislation. A broader perspective in the welfare reform debate would also have allowed us to consider how policies should support parents to live above the poverty line while caring for their children as well as providing support to them when they want to enter the workforce.

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The Brotherhood of St Laurence works for the well-being of Australians on low incomes to improve their economic, social and personal circumstances. It does this through direct aid and support, and by providing a wide range of services and activities for families, the unemployed and the aged.

The Brotherhood also researches the causes of poverty, undertakes community education and lobbies government for a better deal for people on low incomes.
Breach penalties and public opinion

Research by the Brotherhood of St Laurence indicates that the current high penalties imposed on unemployed people for breaches (failing to meet one of their activity or administrative requirements) are not supported by the general community.

The number of breaches in the social security system has escalated dramatically since 1997 (ACOSS 2001). Penalties are falling most heavily on the most disadvantaged job seekers—the homeless and people with substance abuse and mental health problems. This has resulted in greatly increased hardship, including some people being made homeless, and others turning to crime to survive.

Scale of penalties

The current penalties are extremely high. For an unemployed single adult in June 2002, receiving $185 per week, these amount to reductions of:

- $863 for the first breach (18 per cent reduction of base payment for 26 weeks)
- $1,151 for the second breach (24 per cent reduction for 26 weeks)
- $1,476 for the third (no payment for 8 weeks).

The Independent Review of Breaches and Penalties in the Social Security System recommended that, amongst other reforms, the rate and duration of breach penalties should be decreased to reduce the overall level of financial penalty (Pearce, Disney & Ridout 2002). While the federal government agreed to implement some recommendations, it baulked at reducing penalty levels. The Minister for Family and Community Services, Senator Amanda Vanstone, argued that:

Such a softening of the penalty regime does not reflect the wider community's expectations. The current breach regime, which was extensively debated and passed in Parliament, is a proper reflection of the community’s expectations…The penalty levels are designed to balance the need to provide a disincentive to non-compliance with the need to avoid putting people into undue hardship (Vanstone 2002, p.2).

Community expectations

These comments from the Minister raise the question, ‘What are the attitudes of the Australian public to the levels of penalties for a breach?’ Although there have been several studies investigating attitudes of the Australian public toward requirements for job-seekers, none has examined attitudes to the level of penalties. The Brotherhood of St Laurence decided to investigate whether Australians think the current levels of penalties for breaching are fair or not and what they think the penalties should be. To place this in context, we also explored public knowledge of levels of unemployment payments.

A telephone survey of a stratified random sample (1,200) weighted to the Australian population was conducted by Newspoll. People were asked what they thought the current level of unemployment payments was for a single adult, how much someone should be penalised for a breach, and whether the current penalties were fair.

The results clearly showed that a majority did not think the current penalties were fair. In detail, once ‘don’t know’ responses were excluded:

- Almost two-thirds of people believed that the current penalties for a first breach were unfair.
- Around 95 per cent of respondents proposed penalties lower than the current level for all breaches.
- The median total penalties proposed were $20 for a first breach, $50 for a second breach and $75 for a third.
- One in four people thought there should be no penalty whatsoever for a first breach.

This survey further suggests that the public would support a reduction in breach penalties. Given that the current system imposes ‘unnecessary and unjustifiable hardship’ (Pearce, Disney & Ridout 2002, p.13) on the most disadvantaged job seekers, there is a strong case for substantially reducing the current level and duration of breach penalties as the Independent Review suggested.

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References


The full report The community expects: Public opinion about breach penalties for unemployed people is available at <www.bsl.org.au> or may be ordered from Publications, phone (03) 9483 1386.
Values and civic behaviour in Australia

Regular Brotherhood Comment readers will have been following the development of the Brotherhood’s National Engagement Project. Our way forward with this concept was to undertake a research trial that would provide us with insights into the feasibility of a ‘national engagement’ with the Australian public on their values and vision. The resulting research is now entitled *Values and civic behaviour in Australia*. The research had four objectives:

- provide insight as to whether there are in fact common Australian values, or a diverse range of different value sets in different parts of the population
- determine whether, and if so how, people’s personal aspirations are different from their aspirations for the nation
- review the types of policies that people believe are needed to achieve their aspirations for the nation
- point to ways of framing questions that will effectively identify Australians’ value and policy positions.

**Australians and values**

- The focus group discussions and in-depth interviews did not provide evidence of distinctive values sets associated with Australians with different socio-economic, educational or family characteristics. Though individuals often struggled to name their values, there were, in their examples of what they liked or wanted in Australia, recurrent underlying themes—for example, democracy, freedom, justice and care for others—which appeared to cut across age-groups, income groups and urban/rural settings. These findings are largely consistent with other research which points towards values which are widely shared rather than clusters of different values.
- The emphasis placed on various values and how these values impact on specific opinions and behaviours differed from participant to participant. For instance, many referred to family as a value priority, but some expressed this much more strongly than others.

**Participants could not see how achieving or failing to achieve one’s personal aspirations related to achieving one’s aspirations for society**

It was envisaged that the trial would explore the potential for a broader conversation with Australians about values in relation to society and future directions for Australia.

A three-part research program was undertaken in 2001-2002. A background paper exploring current knowledge of the concept of ‘values’ was developed concurrently with 16 in-depth interviews that explored values and personal and social aspirations. Following the paper and in-depth interviews, 14 focus group discussions were undertaken to investigate civic behaviour and engagement.

This article presents key findings of the research, as the project report is being completed. The final research summary report and related documents will be on the Brotherhood’s website <www.bsl.org.au>.

- People had difficulty discussing ‘values’ at a personal level. This was partly because they had rarely reflected on the concept and how it related to them, partly because of differing interpretations of ‘values’ and partly because of different words used in the discussions. The evidence suggests that there are considerable barriers to effective conversations convened around the issue of values.
- The research suggests that many Australians are influenced by an individualised and materialistic society. Compassion for others, participation in the community, assisting others and, to a slightly lesser extent, civic contribution in a political sense are considered socially desirable but this view does not necessarily translate into personal action for these Australians.
- Personal aspirations and aspirations for the nation appeared to be largely unrelated. Specifically, participants could not see how achieving or failing to achieve one’s personal aspirations related to achieving one’s aspirations for society.

**Effective communications**

This project pointed to ways of maximising the prospects that a message will be heard and will encourage action. The biggest barrier to involvement with social issues was the tendency to manage (that is, control) one’s emotional reactions to a problem rather than respond to the problem itself.

It is also vital that messages help Australians to see for themselves that poverty exists in or close to their own communities. People need to be offered achievable solutions, to avoid being overwhelmed by the problem.
Potential for National Engagement

While people acknowledged in general terms that “values” in relation to society are important, the trial did not suggest widespread readiness of individuals to engage with other Australians in exploration of these values and how they might shape Australian society in future.

It may be more timely and productive to explore ways to contribute to cultural change so that discussion of values becomes more acceptable. For example, in view of the importance attached to family by many participants, initiatives involving young families may be worth exploring. Another avenue might be action-oriented projects in schools.

Conclusion

This trial has offered some interesting insights into the lives of some Australians, their wishes and ambitions and how personal aspirations relate to social aspirations and involvement in Australian society. The general disconnection between the personal and the social has been a key message from this research. It links to the findings that people are aware, to greater or lesser degree, that they manage, or control, their reactions to social issues so they can maintain a comfortable and self-focused life. These insights are significant pointers for agencies eager to create community mobilisation and engagement about social issues.

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Values and strategic directions

The findings of the National Engagement trial relate closely to the strategic directions work that the Brotherhood of St Laurence has undertaken in the past twelve months.

The BSL’s vision of ‘an Australia free of poverty’ is bold. To achieve it, the BSL acknowledges that a complexity of analysis and action, including an understanding of values, is required. No single formula or narrow reliance on one sector such as the social or the economic, will enable the delivery of our bold vision. The diagram below identifies the key elements which need to be engaged in a process of change.

This research indicates that although there were underlying themes of what people liked or wanted in Australia, individuals struggled with a way of translating these values into action.

The BSL will continue to focus on its values of
• an inclusive society in which everyone is treated with dignity and respect
• a compassionate and just society which challenges inequity
• connected communities in which we share responsibility for each other
• a sustainable society for our generation and future generations.

In the next 12 months the BSL will concentrate on the policy areas of:
• employment and jobs creation
• welfare reform
• housing policy
• refugees.

Campaigns focusing on these four areas and based on the research will be delivered locally and nationally in partnership with organisations across the social, environmental and commercial sectors.

This research has important learnings for the BSL and for many organisations committed to social change in Australia.

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The early years: meeting the challenges

The Brotherhood of St Laurence commissioned the Centre for Community Child Health to produce a comprehensive review of the international literature and current Australian practice of programs which address the needs of vulnerable, disadvantaged young children. The final report of The Early Years project (Rogers & Martin, forthcoming) identified specific challenges and gaps in service provision for this target group. They include:

- **Prevalence of behaviour problems in young children.** These problems are increasingly noticed at preschool, child care and other services for young children. Support is needed for workers and for parents.

- **Reduction in services for less delayed children.** The necessity for public specialist children's services and early intervention services to prioritise referrals has meant that children with less severe but still problematic delays and disabilities miss out. Disadvantaged parents are unable to afford the alternative of private services.

- **Inadequate parenting support that targets both children and parents.** This applies particularly to parents with very young children.

The Cottage Centre for Families and Children is a preventive developmental service which aims to increase the resilience of children, families and the community. The Centre offers a range of programs and interventions to children and families to enhance children's social, emotional and cognitive development and to encourage their inclusion in universal children's services.

The Cottage accepts as a fundamental premise of its work that children living in low-income families are at risk of lower levels of school achievement, lower language and learning skills and behavioural and emotional problems. By promoting early intervention and prevention, Cottage practice accords with current research and practice wisdom which attests to the efficacy of addressing problems early in a child's life, within the context of family.

**Meeting diverse needs**

In contrast to some other services which have narrowly defined target groups, the Cottage aims to be inclusive and to respond to the diverse needs of children from low-income households in the City of Yarra. The focus is on meeting the needs of families and children, rather than offering them a predetermined service focused on particular types of interventions. A family may have been referred by the Department for Human Services because of protective concerns, or by the Maternal and Child Health Service because of a mother's severe depression or because a child is demonstrating marked delay. An important result is that utilisation of the service carries no stigma.

Records from the past four years indicate that there is no 'typical' family that uses the Cottage service. Some common threads can however be observed.

**Current research and practice wisdom attests to the efficacy of addressing problems early in a child’s life, within the context of family**

- **Insufficient parenting support services for families at risk of child neglect or abuse.** Programs offered should be preventative, be skills-based and use modelling strategies.

- **Too few opportunities for culturally and linguistically diverse (CALD) families.** These families need to understand and learn parenting practices which they feel are culturally appropriate in the Australian context.

The Cottage: meeting an important need

These service gaps are being addressed at the Cottage Centre for Families and Children in Fitzroy. The Cottage was established in its present form in February 1997, following a decision by the Brotherhood of St Laurence to move from providing long day child care for local families to offering an integrated family service.

The concerns identified at the point of first contact with the Cottage service most often relate to behaviour problems (usually aggressive behaviour) or to developmental delay (most often speech delay). Delays in social and emotional development are also common. Often these coexist. The problems may be sub-clinical, making the children ineligible for tertiary treatment services.

Services offered through the Cottage include:

- a child development program, an integrated program for children and parents provided in a child care setting. Children take part in core and remedial play, and parents are supported through case management, including counselling and advocacy.

- an early intervention service, in partnership with Melbourne Citymission. The Cottage provides a base for early intervention services in speech pathology, special education and physiotherapy.
• playgroup, a structured play session for socially isolated parents and children.

• a toy library, with an impressive range of educational toys and equipment available for families to borrow to enhance their children’s experience at play.

• group work for parents and for children, according to need and demand. Current groups include a support group for parents of children with a disability and a music group for children and parents.

Filling the gap
A review of the Cottage conducted in 2001 concluded that the service’s particular strengths included:

• its ability to provide for and retain non-English speaking families

• its ability to retain families who have withdrawn from other agencies—a result attributed largely to the quality of the relationships developed between staff and families

• successful integration of services, locating them at the one point and making it easier for parents and children to accept interventions

• successful partnership with families and a collaborative approach to casework.

• effective partnerships with other agencies (e.g. Melbourne Citymission, the community paediatrician, schools and community services in housing, employment and training) to provide comprehensive services to families and children

• its broad eligibility criteria, enabling participation by children from diverse backgrounds and for diverse reasons.

For many families in the area, the cost of mainstream services, of child care and pre-school, is prohibitive. The Cottage provides a valued service to families and children who would otherwise slip through the early intervention net.

Together, the Early Years report and the Cottage review affirm the value of the service and provide impetus for further consolidation and development.

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Listening to the community: Changing faces in Craigieburn and Roxburgh Park

The Brotherhood of St Laurence’s recent consultation in Craigieburn and Roxburgh Park, two neighbourhoods on the north-western metropolitan fringe of Melbourne, has shown that community members recognise a number of community strengths, but also identify significant risks of social isolation and marginalisation, signalled by Taylor and Jope (2001). The title of the consultation report, Changing faces in Craigieburn and Roxburgh Park, refers not only to the changing demography of the two communities but also to the need for local agencies and residents to work together to address those changes.

Community members recognise a number of community strengths, but also identify significant risks of social isolation and marginalisation

Community profile

Craigieburn and Roxburgh Park are rapidly growing areas of low to middle income earners, with a high proportion of families in the process of buying their own homes. There are increasing numbers of residents with languages other than English, and of Indigenous Australians.

Community members spoke of a range of positive features of the local community. People in Roxburgh Park appreciate their pleasant physical environment with its parks and lakes, peace and quiet. People in Craigieburn attest to community spirit and resourcefulness—partly linked to the shared experience of working together to ‘build’ a new suburb and partly linked to the area’s rural community heritage. People in both neighbourhoods refer to the community strengths of ethnic diversity and of lots of young families with high aspirations for their children.

On the other hand, the research confirmed a serious risk of social isolation and marginalisation, especially in newer areas and for groups such as youth, the elderly and parents of young children—the groups most disadvantaged by inadequate public transport. Although there are lower than average unemployment rates, many families face considerable financial pressures because of mortgage repayments and modest incomes; and employment insecurity in sectors like manufacturing is likely to add to their vulnerability and stress levels. There is some evidence of increasing numbers of one-parent and blended families, as a result of family breakdown.

Pressures and service gaps

Many community members drew attention to the lack of recreational facilities for youth, resulting in alienation of young people from their neighbourhood. Some people were concerned about problems of under-age drinking and illegal drug use. Perceptions of high rates of vandalism, violence and crime were expressed, though not supported by available police statistics.

Some respondents also identified elderly people as a group with unmet needs, some of which relate to restricted mobility. Residents’ lack of information about existing services also appears to be a contributing factor.

While ethnic diversity is regarded as a strength, people from non-English speaking backgrounds moving into the area do have particular needs which appear not to be adequately addressed. This presents an added challenge because the people belong to a wide range of language and cultural groups, so members of a single group may be very isolated. With a reported rise in harassment of visibly different ethnic groups, there is also a need to build greater understanding and community links including new ethnic groups.

With a growing number of young families in both neighbourhoods, services such as child care, preschools and playgroups do not have enough places to meet needs. Families are also affected by inadequate public transport and medical services: the need to own a second car adds to heavy financial commitments.

Although the Hume City Council has recognised important social planning areas in its Social Justice Charter, it appears that the Council and other levels of government have been unable to deliver all the required services for the present population. With the projected rapid rise in population over the next ten years the problem of service gaps is likely to increase.

Serving the community

Against this background, the researchers also asked staff, service users, and other community organisations about services currently provided through the Brotherhood’s Centre in Hothlyn Drive, built in 1996.

The Family Dare Care program in particular is highly regarded by parents, care providers and external organisations, for its flexibility and quality of care and its effective administration. It currently serves 493 children from 321 families, and has a waiting list of more than 50 families. The family day care providers themselves reflect the increasing diversity of the local community: more than half are from non-English-speaking backgrounds. A continuing challenge is to recruit additional care providers, to meet the existing and steadily growing demand.

Not only does the family day care program address an acute need of young families in the community, but also it offers a potential base for further community linking, community development and advocacy.

Other current BSL services based at the Centre—a no interest loans scheme, a counselling service, and community care packages enabling frail older people to remain in their own homes—are more limited in scale. Credit, financial counselling, family counselling and other group work opportunities may need to be addressed as part of a community development approach, including linking with other services and advocacy for families on low incomes.

BrotherhoodComment
Community members and staff of local organisations made a variety of suggestions for future development of the Craigieburn Centre. Many people proposed that more services should be supplied. Others suggested more integration and linking with other services, and possibly the development of ‘satellite’ operations (e.g. family day care at Roxburgh Park’s Homestead Centre). Some people proposed the Centre make space available for activities (e.g. community newsletter, art displays) serving the general community. Finally there were suggestions that the Centre should adopt a community development focus, moving away from direct service provision to community linking and action.

The way forward
The aim of the consultation was to ensure that the Centre is able to best meet the emerging needs and potential of the local community. It resulted in several recommendations:

1. That the Brotherhood of St Laurence retain a program in Craigieburn and Roxburgh Park, building upon its knowledge of poverty and the strengths and experience of the community, to ensure a program which is targeted at meeting the needs of marginalised and vulnerable people across the two neighbourhoods and beyond.

2. That the Brotherhood of St Laurence Centre be more widely advertised across the community, encouraging increasing access and use of the Centre.

3. That the Brotherhood of St Laurence consider redeveloping its program at the Centre, to place a greater emphasis upon community development and advocacy for more effective social planning.

4. That the Brotherhood of St Laurence program take a ‘whole of community’ approach, with a special focus upon families with young children and people from non-English speaking backgrounds.

5. That a plan be developed for the long-term future of the Brotherhood of St Laurence Centre, with consideration given to greater enterprise and sustainability within the service, consistent with the Brotherhood’s strategic directions.

6. That the Brotherhood of St Laurence develop a process for regular consultation with the community about the program of the Craigieburn Centre, with clear time frames and using mechanisms which are accessible and empowering for both parties.

The next steps are for the Brotherhood of St Laurence to identify available resources, explore the report’s recommendations, develop a process for continuing community consultation, and consider how Craigieburn and Roxburgh Park might be the location for future initiatives.

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Reference

A 4-page summary of the report Changing faces in Craigieburn and Roxburgh Park: Brotherhood of St Laurence community consultation can be found on the BSL’s web site at <www.bsl.org.au>.

The Wednesday family day care playgroup represents diversity, both obvious and hidden. Photo by Paul Stewart
Pursuing corporate responsibility in China

Serena Lillywhite, Ethical Business Project Manager at the BSL, was recently invited to attend a roundtable meeting at the OECD in Paris. This article summarises key themes of her presentation.

When the Brotherhood of St Laurence acquired Mod-Style, a small importer and wholesaler of optical frames, in 2001, it undertook to investigate the ethical implications of owning a company which sourced goods from China and elsewhere. This involved mapping the supply chain, exploring working conditions in factories, understanding the barriers to improvements in these conditions and seeking creative responses to these issues.

Factories vary in their conditions for workers, compliance with local laws and managerial style

Lessons from the BSL’s experience can inform the wider discussion of how enterprises working across national borders can pursue corporate responsibility in their operations.

Mapping the supply chain

Mod-Style has 13 supply factories in China, varying in size from 150 to 4500 workers. The largest Chinese supplier has a monthly production capacity of 1.1 million optical frames; but Mod-Style’s business accounts for less than two per cent of this factory’s annual production, so it has limited consumer influence.

The final customers of the optical factories include some of the large global brands such as Gucci and Timberland, as well as smaller importers like Mod-Style. However, many customers deal with the factories through complex indirect arrangements. For example, many contract with the three or four trading houses with offices in Hong Kong, which have considerable control over the global optical industry.

Other sub-contracting arrangements in the industry are also complex. Raw materials and components are imported from other countries (for example, metal and acetate [plastic] come from Italy; Germany and Japan). The smaller factories often outsource production processes such as electroplating and injection moulding.

Understanding labour and environmental conditions

The majority of optical factory workers are young women aged 17-25 years who are in a vulnerable position because of their ‘temporary’ residential and employment status, as well as generally limited education.

Merely arranging and conducting visits to seven of these suppliers was a complex undertaking: such direct involvement might be difficult for many small or medium enterprises. The BSL’s research showed that factories vary in their conditions for workers, compliance with local laws, and managerial style. Some factories meet their obligations and provide social security contributions on behalf of workers, but have a heavy security presence and an arbitrary system of fines and deductions. Other factories provide state of the art facilities and architect-designed plants, yet expect excessive overtime without appropriate remuneration. Some factories have a commitment to occupational health and safety, while others place restrictions on water usage and toilet breaks.

Breaches of Chinese labour law were evident, particularly with regard to wages, hours, and social security entitlements. Freedom of association is not possible, and there was no evidence of collective bargaining. In these issues individual firms have little or no capacity to bring about change in China.

These factories exist in a complex regulatory environment. In addition to Chinese national laws, some overseas customers impose corporate codes of conduct or certification requirements such as SA 8000. In our experience, however, codes of conduct without engagement are not a simple solution to protect workers’ rights or promote worker empowerment.

Barriers to positive change

The investigation has identified a number of barriers to change:

Enterprise capacity

One key problem for the individual firm lies in the nature of International Labour Organization (ILO) core labour standards themselves, which are statements of principle, policy and practice addressed to States, not firms. They require informed adaptation to be applied at enterprise level.

Conceptual and ethical complexity

For enterprises keen to encourage improved working conditions among their suppliers, some decisions about applying principles to supply chain relationships are difficult. For example,

• Do we only deal with factories that are open to our approach of continuous improvement and withdraw from dealing with the others?

• To what extent can we accept willingness to improve as a basis for an ongoing relationship with a supplier, irrespective of the time frames for achieving real change?

• How do we honour the ILO principles to which we are committed, when they are simply impossible in the non-complying State?

• In which areas should we concentrate our efforts for improved compliance—wages, hours, social security entitlements or the less threatening area of occupational health and safety—and who should make this decision?
Complex law and ineffective regulation
The Chinese legal system and culture do not provide strong institutional support for compliance with domestic law, and the local department of labour is often unable to assist with interpretation of the law. These weaknesses also mean that workers who have moved from rural areas are reluctant to take steps to secure their legal entitlements.

Opportunities for enterprises
Despite the difficulties, opportunities do exist for enterprises to contribute to improvement of worker conditions, which is best achieved through incremental and pragmatic steps.

The Brotherhood of St Laurence has developed a Model of Engagement to promote a dynamic process of continuous dialogue and has adopted a non-confrontational approach in discussion with management and workers in supply factories. The proposal for an occupational health and safety needs assessment has been chosen to enable engagement with the workers in some way that benefits them and is also acceptable to local management.

Role of governments
Much of the work of attaining, for example, the ILO core labour standards, must fall to governments, though there is a role for experienced enterprises and non-government organisations (NGOs) in advocating appropriate action. Governments can work to improve compliance with national law and support better regulation. The OECD, or its member states, could conduct a study of possible models and best practice and disseminate this information widely.

Improvement of worker conditions is best achieved through incremental and pragmatic steps

Financial costs
Improved compliance means increased operating costs, and factory managers fear losing customers to less compliant factories or even other countries such as Vietnam and Indonesia.

Customer leverage
While smaller enterprises have limited influence as single customers, it is difficult to navigate the maze of global licensing arrangements to identify larger, brand name customers. Even when such information is uncovered, attempts to collaborate have received a lukewarm response.

Governments can also assist firms by ensuring they understand the realities of corporate responsibility amongst supply chains in non-adhering countries. The OECD, through the National Contact Points (NCPs) designated by each country to implement and promote the OECD Guidelines for Multinational Enterprises, could undertake research into best practice in transnational supply chain governance.

Governments, working through stakeholder alliances and the NCP network, can promote corporate responsibility and the importance of labour and human rights in a properly functioning economic system. This includes providing information and training to assist with marketing and management systems that promote ethical business practices and corporate responsibility as a competitive advantage.

Conclusion
The BSL experience with the optical frame industry in China highlights the challenges of improving labour and environmental practices in transnational supply chains. It has brought into focus the importance of engaging with all stakeholders and the role that enterprises and governments have to play in achieving better conditions for all workers and responsible corporate practices.

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Listening to children: Some impressions from the Life Chances study

Life Chances is a longitudinal study commenced by the Brotherhood in 1990 to explore the impact of low family income for children over time. The sixth stage of the study is now in progress and 142 families have been interviewed. The study provides an opportunity to hear what children are saying about issues affecting their lives.

The children, now aged 11 and 12, are facing the transition from primary to secondary school. Transition has been recognised as an important issue in previous research (for example, Fouracre 1993, Kirkpatrick 2002). A recent Australian study found that students in the final years of primary school are generally optimistic about starting secondary school, regardless of whether or not they enjoyed primary school (Kirkpatrick 2002). However, according to research from the US, many children become less interested in school after moving to secondary school (American Psychological Association 1996).

Transition is a time of potential risk of alienation from school and needs to be a smooth process so that children’s future academic performance and opportunities are not detrimentally affected. This is especially the case for children from low-income families who may receive less educational support at home than those from more advantaged families.

This article draws on interviews with children whose families had experienced low incomes. Thirty-five were in Year 6 (the final year of primary school in Victoria), and six in Year 7 (the first year of secondary school). It provides a glimpse into the children’s views of the transition from primary to secondary school.

Facing change
Overall, the children in Year 6 had mixed feelings about the transition to secondary school. Some were excited and others were more apprehensive:

The bigger kids might boss you around a little bit … Going to be a preppie of the school again.

I feel scared because it might be really hard to do work and stuff, and I’ll get lots of homework.

Oh it’s pretty exciting … I really want to get to high school because primary school, it’s like, it’s getting old, except my friends are telling me that once you leave you’re going to miss it, so I’m kind of regretting leaving but I want to go as well.

Many felt sad at losing their friends from primary school; some, however, saw the change as an opportunity to make new friends:

I don’t think I’ll go to the high school that most of my friends are. I don’t really care because I want to make new friends at the new high school, but like I don’t want to because they’re so nice and stuff [at my primary school].

Others anticipated other differences between primary and secondary schools, including bigger school grounds, and changing classrooms and teachers for each subject.

Counting costs
Many of the children from low-income backgrounds were aware of the costs related to secondary school, including fees, uniforms, books and excursions. Some also realised that they would not be able to attend the secondary school of their choice because of costs. One child who was already in Year 7 said the move to secondary school was ‘very different and hard’:

Because I had to get [a] new uniform it was very expensive for my mum and dad. And I had to get all these books for different subjects.

Another child from a disadvantaged background said school costs influenced which government secondary school she went to:

[My mum] said go to a school that you don’t need to wear a uniform.

To ensure that the transition to secondary school is a positive experience, it is important that children from low-income families do not feel excluded because of the costs associated with secondary education. The Life Chances study will also provide information about the issue of school choices and parents’ perspectives on school expenses.

The Brotherhood currently provides services to assist children making the transition to primary school (HIPPY, Home Instruction for Parents of Preschool Youngsters), and from secondary school to work (Transitions, working with students considering leaving school or who have already left). The Brotherhood is planning a new project to assist families with the transition from primary to secondary school.

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References


Making credit affordable

For low-income earners, peaks in their cash flow needs—such as the cost of a new refrigerator—are often beyond their own resources and require credit. However, unlike other segments of the community, low-income earners often cannot access affordable credit. Whilst this is not a new situation and some measures have been introduced to counter this, BSL is currently considering this dilemma and investigating a new way to address it.

Limited access to mainstream options

Mainstream credit such as personal loans and credit cards are often unavailable or unsuitable for low-income earners’ needs.

Personal loans often cannot be accessed due to the size of the loan (smallest loan size available from mainstream banks is $3,000) or the structure of the loan (in standard income/expense calculations often used by banks, benefit income is not sufficient to meet eligibility requirements).

Similarly, many low-income earners are unable to pass the eligibility criteria for credit cards. When they do meet these requirements, the credit cards may quickly turn into debt traps. Increased credit limits may be offered without proper assessment of the customers’ financial circumstances. In some cases this has even resulted in consumers being offered credit limits above their annual income (Doherty 2001).

Credit unions and co-ops often have similar restrictions, making many low-income earners ineligible for personal loans. Whilst some (e.g. Fitzroy and Carlton Community Credit Co-Op), have more flexible lending guidelines and provide loans to low-income earners, these are not common.

The alternatives

Alternative sources of credit outside mainstream banks tend to fall into two categories—those that are affordable but are limited and those that have a high interest rate.

Affordable but limited sources of credit include loans from friends and family, Centrelink advances for those on income support (who may be allowed one advance payment per year of up to $500 at no interest (Centrelink 2002)) and no-interest finance provided by community organisations. Many no-interest finance schemes have been based on the

No Interest Loan Scheme founded by Good Shepherd Youth and Family Service in Victoria. Often these programs have made significant contributions to low-income earners; their reach is limited, however, by their ability to attract funding. New loans cannot be given until funds have been recycled and default costs deplete the capital base over time. In addition, an adequate sustainable source of funding to cover administrative costs is yet to be found.

Where these options cannot be accessed, people may have no choice but to turn to pawnbrokers or payday lenders. The consumer credit code has recently been tightened, but actual interest rates remain high, with pawnbroker rates of 240 per cent per annum (Cafarella 2002) and payday lender rates of 300 per cent per annum still being experienced (personal inquiry 2002).

Providing another option

In our work with low-income earners and in the operation of two no-interest finance programs, the Brotherhood of St Laurence regularly encounters low-income earners unable to access affordable credit. Through our no-interest finance programs, we have seen that low-income earners can be a good credit risk. We do however also recognise that our no-interest programs cannot meet the needs of all low-income households and are keen to design a scheme that links low-income earners into the mainstream banking system.

To do this, the BSL is investigating a micro-credit initiative, in which loans would have an interest rate that is reasonable for the customer and ensures that the initiative is sustainable. We are currently in the process of designing a business model and are working with a bank and a white goods manufacturer to partner with us in a pilot of this program.

BSL hopes that a successful pilot and extension of the program will add to the credit choices for low-income earners so that a spectrum of options (from no interest loans to mainstream commercial loans) is available. In addition to our own pilot, we and the Consumer Law Centre Victoria are holding a national forum with other community groups and consumer advocates to discuss affordable credit for low-income earners. Through practical efforts and advocacy, we hope that credit (and credit options) will finally be provided where credit is due.
Unemployed youth and Preparing For Work Agreements

The requirements of unemployed people receiving income support payments have expanded over the last ten years, under both Labour and Coalition governments. These requirements are negotiated and documented in ‘Preparing For Work Agreements’ (PFWAs). The aim of PFWAs is to assist jobseekers to identify activities that could improve chances of gaining paid employment. PFWAs also serve as a contract to be complied with to receive income support.

Anecdotal evidence suggests that the potential labour market focus of PFWAs may be confused when the agreements are developed during the same process in which eligibility to income support is determined. Little is known about how young job seekers (18-21 years) receiving Youth Allowance regard the PFWA or how they regard interaction with Centrelink staff.

If PFWAs are to serve as key tools to accurately assess job seekers’ needs, and to ensure appropriate referrals to employment services, then they must be individually tailored. It is important to note that young people have specific needs related to their developmental position between dependence and independence.

To assess the effectiveness of PFWA for young job seekers, the Brotherhood of St Laurence will undertake a research project in partnership with Centrelink Youth and Student Business Unit. This study aims to:

- document Youth Allowees’ experiences of completing a PFWA
- assess the extent to which young people regard the PFWA as helping or hindering their chances of getting a job
- document the experiences of community-based, youth-focused agencies that assist young people in their dealings with Centrelink
- document the experiences of Centrelink staff who develop PFWAs for young people
- assess the extent to which the current Centrelink administration ensures that PFWAs reflect the specific needs and aspirations of individual young people
- based on these findings, make recommendations to Centrelink about the administration of the PFWA for young unemployed people aged 18-21 years.

This study is a small-scale project to be carried out in four Customer Service Centres (CSCs) in Victoria. The CSCs will include one rural centre and three metropolitan Melbourne centres, including inner and outer urban.

Recent submissions

The Brotherhood puts forward its views when it believes that it can make a considered contribution to a better understanding of the needs of low-income Australians based on its research or policy analysis or its experience in providing services.

Significant submissions or statements released in 2001-02 include:

- Submission to the Centrelink Rules Simplification Taskforce, April 2001
- Towards a fairer future: Brotherhood of St Laurence call to the parties for the 2001 federal election, October 2001
- Submission to the Commonwealth Advisory Committee on Homelessness: Response to National Homelessness Strategy Consultation Paper, November 2001
- Pain and penny-pinching: how charging fees for podiatry and physiotherapy services affects older women, Changing Pressures, no. 9, November 2001
- State Budget 2002-03 priorities: submission to the Victorian State Government, December 2001
- Brotherhood of St Laurence response to FaCS Briefing on Australians Working Together [welfare reform] package, February 2002
- Submission to the Senate Community Affairs References Committee Inquiry into participation requirements and penalties, July 2002

In addition, Brotherhood staff contributed as members of the Victorian Association of Health & Extended Care (VAHEC) to VAHEC’s Issues Paper, The Homeless Elderly in Residential Care, August 2001.
New information on poverty, unemployment and social justice

The following are among the latest significant acquisitions of the Brotherhood Library:

Aboriginals, Australian

Aged

Community
Kenny, Susan, Melville, Roselyn, & Wilkins, Margaret (eds) 2001, Third sector and state partnerships: proceedings of the conference held at Deakin University 13-14 December 2000, Deakin University, Geelong.

Community development

Economics
O’Connor, Kevin, Stimson, Robert, & Daly, Maurice 2001, Australia’s changing economic geography: a society dividing, Oxford University Press, South Melbourne.

Education
Buckingham, Jennifer 2000, Boy troubles: understanding rising suicide, rising crime and educational failure, Centre for Independent Studies, St Leonards, N.S.W.

Education, preschool

Employment/unemployment
Jordan, Alan 2001, Jobs in a new labour market: changes in type and distribution, Department of Family and Community Services, Canberra, A.C.T.

Global economy

Health
Smith, Julie 2001, How fair is health spending?: the distribution of tax subsidies for health in Australia, The Australia Institute, Canberra, A.C.T.

Housing
Kenneth, Penelope 2001 (unpub.), National social housing survey: public housing: final report.
Mudd, William, Testagiorghis, Habitamarian & Bray, J Rob 2001, Some issues in home ownership, Department of Family and Community Services, Canberra, A.C.T.

Immigration
Minas, I H & Hayes, C I (eds) 1994, Migration and mental health: responsibilities and opportunities, Victorian Transcultural Psychiatry Unit, Fitzroy, Vic.

Management

Social action

Social entrepreneurship

Social research

Social welfare
Kukoc, Kruno & Zmijewski, Norbert 2001, Cost-benefit analysis of portability policy, Department of Family and Community Services, Canberra, A.C.T.
Tseng, Yi-Ping & Wilkins, Roger 2002, Reliance on income support in Australia: prevalence and persistence, University of Melbourne, Melbourne.

Sustainable development
Suzuki, David & Dressel, Holly 2002, Good news for a change: hope for a troubled planet, Allen & Unwin, St Leonards, N.S.W.

Youth
Department of Family and Community Services (FaCS) 2002, Youth allowance evaluation: final report, FaCS, Canberra, A.C.T.


Social exclusion

Information services for the public

The Brotherhood of St Laurence library offers a specialist focus on the issues of poverty, unemployment, aged care, social policy and welfare, taxation and housing. It can also provide, for the cost of copying and mailing, up-to-date information sheets on poverty and unemployment as well as information on the Brotherhood, its services and its publications.

The library is open to students, community groups and members of the public from 9am to 5pm, Tuesday to Thursday. Books can be borrowed by the public through the inter-library loan system (enquire at your regular library).

To find out whether we can help you with the information you require, ring the Library on (03) 9483 1387 or (03) 9483 1388, or e-mail library@bsl.org.au. Further information can be found at <www.bsl.org.au>
In this issue

This Comment features several articles relating to welfare reform, as well as learnings from Brotherhood services for children and families, and updates on research in progress.

Stephen Ziguras outlines the impact of the government’s welfare changes on people receiving parenting payment, and the results of a survey of community views of penalties for breaches.

Charne Flowers and Stephen Gianni report key findings of the National Engagement project trial, which provides insights into Australian values and civic behaviour.

Some challenges of outer suburban living have been highlighted by the Brotherhood’s community consultation in Craigieburn. Rennie Gay describes how The Cottage in Fitzroy is able to provide early and flexible intervention services which are vital to assist children and parents with special needs in low-income families.

Corporate responsibility in doing business internationally is the subject of Serena Lillywhite’s article.

Work in progress includes Life Chances interviews with children facing the move from primary to secondary school; a micro-credit initiative to assist low-income families; and research with unemployed youth and Centrelink concerning Preparing For Work Agreements.

Forthcoming important events are the 2002 Sambell Oration on 17 October, and the BSL’s Annual General Meeting on 26 November (see details below).

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Diary dates

Thursday 17 October
Sambell Oration, held on the International Day for the Eradication of Poverty
Speaker: Fr Nic Frances, Executive Director, Brotherhood of St Laurence
Venue: Rydges Carlton, 701 Swanston Street, Carlton South 3053
Time: 6.00 - 7.30pm
Supper will be served
RSVP by 10 October phone (03) 9483 1170.

Tuesday 26 November
Brotherhood of St Laurence Annual General Meeting
Includes a showcase of Brotherhood achievements 2001-02 and future projects
Venue: Dallas Brooks Centre, 300 Albert Street, East Melbourne 3002
Time: 6.00 - 7.30pm
Supper will be served
RSVP by 19 November phone (03) 9483 1170.

New information sheets

Four popular BSL information sheets on poverty, the poverty line, income support and unemployment have recently been updated. Designed for a wide general audience including students, they provide useful facts, figures and answers to frequently asked questions.

The two-page sheets can be downloaded from the web site <www.bsl.org.au>, or copies obtained by calling Library and Information Services (03) 9483 1388.

Social policy and research on-line

A convenient source of links to recent material is Australian Policy Online at <http://www.apo.org.au>

This site is maintained by the Institute for Social Research at Swinburne University of Technology (Melbourne). It provides access to the latest reports, also sorted by topic, from over 50 research centres (mainly in universities) around Australia, as well as links to the corresponding social policy networks in the US and the UK.

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August 2002