Towards climate-proofing
A national energy efficiency program for low-income households

In partnership with KPMG and Ecos Corporation, the Brotherhood of St Laurence has proposed a major new national home visit and retrofit program to assist low-income households to cope with rising energy prices associated with Australia’s emissions trading scheme, the Carbon Pollution Reduction Scheme (CPRS). The proposal is detailed in a new report A national energy efficiency program to assist low income households (KPMG 2008). It comes at a critical time as the Australian Government finalises its White Paper on the CPRS which is due for release in December.

KPMG modelling in the report shows that low-income households will face increased expenses of between about $390 and $500 per year at a $20 per tonne carbon price under the CPRS. As the price of carbon rises, so too will the cost to households. This impact will be regressive, as low-income households spend a higher proportion of their income on energy than higher income households. These results confirm earlier research commissioned by the Brotherhood (NIEIR 2007).

To ensure an equitable CPRS, the report provides a roadmap of how to close the gap created by rising energy prices and meet the government’s stated commitment to assist low-income households. In presenting such a map we recognise that these price impacts must not be an excuse for inaction on climate change. Rather they highlight the need for assistance to low-income households, both in the form of energy efficiency and as direct financial compensation.

Practical steps
Central to the Brotherhood and KPMG proposal is a home visit by a trained worker to determine the most appropriate set of energy efficiency measures for each household. The measures available would include compact fluorescent light bulbs, weather sealing, efficient shower roses, curtains, ceiling insulation, and an efficient refrigerator. The home visit was included in the proposal after consultation with practitioners who emphasised the importance of directly engaging with householders to ensure the success of energy efficiency measures.

The report outlines two indicative packages of measures which would be available to eligible households. The standard package would include energy efficiency improvements up to the value of $2000 and could save households between $290 and $470 per year. Households who need additional support because of their special circumstances would be eligible for improvements valued at up to $6000, which would save them up to $700 per year.

KPMG and the Brotherhood propose the program should target 3.5 million low-income households (about 40% of all households) over the next seven years. Eligible households will be those on federal concession cards (including the Pensioner Concession Card, Commonwealth Seniors Health Card and the Health Care Card). Those eligible for the premium package would include households which have no access to gas, households with sustained high energy usage and households in which a person has a health issue or a disability which results in higher energy usage.

Costs and benefits
The national energy efficiency program (NEEP) would cost around $1.75 billion annually for seven years. Over the period 2010–11

Continued page 2
to 2021–22, the estimated savings that would accrue to households are some $14 billion (in net present value terms), representing a total benefit to the community of $5.3 billion. Energy efficiency makes economic sense because it continues to benefit households for many years after the measures are implemented.

Not only would the NEEP program protect low-income households from further financial stress, but also it would:

- boost jobs by up to 40,000 in the area of supply of energy efficiency products
- reduce CPRS costs for all households by reducing the greenhouse gas emissions burden by about 45 million tonnes of lifetime CO₂ equivalent
- provide economic benefits and benefits to all households from the unit cost savings created from the unprecedented roll-out of energy efficiency measures, making them more accessible to all Australians.

The NEEP proposal is the culmination of a significant period of research and advocacy by the Brotherhood on low-income households, the CPRS and energy efficiency. Central to our position is the need to support the uptake of energy efficiency in low-income households in addition to the direct financial compensation to which the government is already committed. Over the medium to long term, the NEEP program is likely to provide a hedge against the need to continually increase the base rate of pensions and benefits to counter electricity price rises connected to the CPRS. Automatic indexation to CPI or average male weekly earnings will continue to cover some of the price impacts.

The Hon. John Thwaites, chair of the NEEP project steering committee, has led our influencing agenda on the NEEP program. Initial consultations with ministerial offices and government departments suggest a high level of interest in the program. In the lead-up to the White Paper we will work closely with government and other stakeholders to develop a more detailed implementation plan for the NEEP program for release in late December.

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**References:**


Continued from page 1

Research publications on equity and climate change

KPMG, Brotherhood of St Laurence and Ecos Corporation
A national energy efficiency program to assist low-income households

Enabling low-income households in the private rental market to respond to climate change: recommendations and report

Carbon use in poor Victorian households by local government area

These reports may be downloaded from the Brotherhood’s website.

Brotherhood Comment is published three times a year by the Research and Policy Centre of the Brotherhood of St Laurence.

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 by providing a wide range of services and activities for families, the unemployed and the aged. It also researches the causes of poverty, undertakes community education and lobbies government for a better deal for people on low incomes.
From the General Manager

We may all be social inclusionists now, but how will this agenda develop? Australian social policy research is already showing a new sense of direction as all sorts of agencies and government departments position themselves in the new policy space. We believe three emerging issues will be critical: one relates to policy content, another to policy capacity and the third to policy context.

There has been considerable confusion over the relationship of social inclusion to economic policy. Some, taking their cues from the early phase social inclusion policies in the United Kingdom, think social policy should have nothing to do with the economy (it’s all about redistribution and ‘social rights’); while others believe that real welfare equals a paid job and social inclusion is nothing more than a new pathway to ‘welfare dependency’. In this issue, our new Senior Manager Zoe Morrison calls for a more integrated understanding of inclusion.

Policy capacity was raised at a recent Brotherhood seminar by Irish researchers, Chris McInerney and Maura Adshead. They noted that in spite of the Irish Government’s high-sounding social inclusion rhetoric, the actual achievements have been thin. They believed a key factor was limited policy capacity: lack of social policy training among public servants; a community sector with few research and policy resources; and a social policy development process that involved the community sector in a tokenistic way compared with the economic area, Zoë Morrison’s expertise on gender issues will add to our thinking on the social dimension of inclusion. The review of the Cottage, a former Brotherhood service for disadvantaged children and families, provides valuable evidence and direction for future integrated community-based services (see page 12). Early findings from the national HIPPY evaluation suggest that this program also attracts children from low-income families and diverse cultural backgrounds (page 14).

Welcoming the renewed policy interest in youth, this issue highlights the need to reach young people at risk. The Brotherhood argues for targets and cross-departmental commitments to ensure that lofty aims are realised (see Nina Gee’s analysis of the final Blueprint from the Department of Education and Early Childhood Development). Janet Taylor links the thinking behind the Blueprint to her interviews with early school leavers for the Life Chances study. Work is also well advanced on our project for DEECD on appropriate communication methods to engage better with disadvantaged parents about their children’s education.

From the working years transition, Lauren Tyrrell presents early data from surveys of disadvantaged job seekers about their desire for work and their understanding of ‘advancement’. This is part of our ARC Linkage research project being conducted by Rosanna Scutella and Daniel Perkins in partnership with the Melbourne Institute.

Reflecting our concern about housing affordability is an article by Benjamin Soderlund, who completed an undergraduate placement in the Centre as a Henderson scholar. He shares his findings from modelling potential changes to negative gearing and capital gains tax.

National compact

Finally, the federal government’s deliberations regarding a national compact with the voluntary sector have been the occasion for considerable reflection on the future role of our sector. Coincidentally, Paul Smyth has been invited to present a paper at an international conference in London in November, honouring William Beveridge's work. Paul's comments in this issue reflect perspectives to be developed in his paper.

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The baby, the bathwater, and the social–economic conundrum
On gender, social inclusion and the early years

A key issue for the social inclusion agenda is the relationship between economic and social priorities (Smyth 2008). Many would argue this is no longer a debate about which is more important, but rather, how we ensure the best marriage of the two. How do we build a social inclusion agenda that marries progressive macro-economic policy with a visionary social agenda? How are we to ensure a society that has enough resources, fairly distributed, that celebrates diversity, and that ensures dignity and respect for all? These are longstanding puzzles for those interested in social change, and it’s no surprise they cut across many current social inclusion issues, including jobs, homelessness and tax. They are also salient to social inclusion and the early years, when considered through the lenses of parents’ and children’s lives, and paid and unpaid work.

According to Gillard and Wong (2007):

Labor believes that work, along with family and community, gives meaning to life.
Workforce participation is a foundation of social inclusion; it creates opportunities for financial independence and personal fulfilment.

From the perspectives of gender and children, however, the relationship between workforce participation and social inclusion becomes more complex. Firstly, women are over-represented among low-wage workers, and ‘at all levels of the occupational hierarchy, women are predominantly located at the lower end of the wages spectrum’ (ACTU 2004). Thus, many women experience relative exclusion and disadvantage when inside, as well as outside, paid work. Secondly, it is still mostly women who combine paid work with caring responsibilities, and they are concentrated in part-time and casual work, which constitutes almost half of all the paid work undertaken by women. Overall, women’s income, entitlements and savings for retirement are significantly compromised: for example, of all women in 2004 contemplating retirement by 2010, 10 per cent will have accumulated less than $27,300 in retirement savings (Senate Community Affairs References Committee 2004). Thus, for many women, particularly those on low incomes with children, even if they are (or have been) in the paid workforce, their vulnerability to poverty is heightened.

From an economic perspective, then, doing the unpaid work of caring for others, including one’s children, has significant negative effects on earnings and labour force participation. From this perspective, it’s not much of a stretch to argue that this unpaid care work becomes a nuisance, frankly, to a person’s own welfare, and the nation’s productivity aims. It’s not just one paid job foregone, but at least two, for if one carer accepts paid work, another (or several others) can be employed to do the care work in their place. Social reproduction should be translated into economic production, and the inclusive society is achieved, right?

Within the Council of Australian Governments (COAG), the Productivity Agenda Working Group oversees the Early Childhood Development Subgroup. The new National Early Childhood Reform Agenda includes commitments to universal access to preschool for four-year-olds, and the roll-out of 260 early learning and care centres in areas with unmet child-care demand. The child-care component is to be financially viable without additional financial support from the Australian Government (although there will be an increased Child Care Tax Rebate). These commitments have big workforce implications. Key challenges for building the early childhood workforce include high staff turnover, that these workers ‘tend to be undervalued by the community’, and that preschool teachers are ‘not attracted to childcare settings’ (COAG 2008). However, the rhetoric remains clear: investing in the early years matters, because it remains the best way of ensuring social inclusion, and meeting our country’s future workforce and economic growth needs (thriving young children = thriving future workforce).

Yet, as most of us would readily acknowledge, every child has significance far beyond their future workforce capacity and the nation’s economic prosperity needs. As Lister (2006) argued in a critique of the UK’s social inclusion agenda, children matter as small human beings in their own right. Parenthood, of course, means far more than ‘financial penalties’ and impediments to ‘workforce participation’, regardless of parents’ preferences for combining paid and unpaid care work.

Indeed, it’s worth noting that the preferences of women with children are diverse. Cross-national studies have found that some women with children want to work full-time, some don’t want to do paid work at all, and some want to do both. This last group (who want to do both), are where the majority lie (with some variations depending on a country’s policy regime), but the other two groups are also sizeable. (We are yet to have a cross-national study that examines the work preferences of men with children in this way). Given these diverse preferences, as Manne (2005) states, there will never be a ‘one-size-fits-all family policy’.

From the perspectives of gender and children, however, the relationship between workforce participation and social inclusion becomes more complex.
As a society, our default position is that parents ‘get to choose’. But if we really believe this, then the choices must be real. Pushing for all adults’ greater workforce participation, regardless, is not the answer, nor what all people want. Ensuring equal access to a basket of high quality public services for children and families, including child-care and early learning programs, is fundamental. But to my mind, this constitutes only part of the answer. Policies that just fit children’s early years into a productivity agenda, and around the current ideal-worker norm, just tinker with the edges of the status quo, if not enforce it.

We should consider a fundamental recognition and revaluing of those worlds outside the paid workforce, where people care for others (children, also the elderly, and those with a disability), often the most vulnerable, without (yet) being paid. Penalising those who do unpaid work (traditionally demarcated as ‘women’s work’) perpetuates its invisible, disrespected status. Yet no-one is entirely independent from this care, and neither is the economy (at last estimate, unpaid work in the home was valued at 48–65% of the GDP (in Manne 2005). Valuing such activities shouldn’t glorify or romanticise them, but neither should we glorify or romanticise the reality of many paid jobs. We need to recognise, respect and bring appropriate dignity to the world of unpaid as well as paid work, in ways that mean both are open to both women and men, to the degrees that they prefer.

The male breadwinner – female home-maker model is, in social policy thinking, a thing of the past, but the actual shape of the 9-to-5 paid working day has not really changed. Women workers take on the pattern of the male-breadwinner ideal-worker norm, or are financially penalised. Ultimately, we will need to radically reshape the world of paid work away from this traditional male-breadwinner worker social norm (outdated anyway, we all seem to agree) to something quite different, which far more happily accommodates different family and community worlds.

Finally, these issues go beyond how we structure work. They go to the heart of our social and moral values, to how we create community, the substance of our democracy, and whose voices and priorities are heard. They suggest different ways of relating to each other, different ways of viewing the relationships between people both inside and outside the home, and a different set of ethics and values, from individual achievement and gain, to collective or group fairness and prosperity.

We’re beyond the arguments, we think, of which is more important—the social or the economic. Yet we have become adept at making certain sorts of ‘the social’ very economic indeed. Children are ‘capital’, and we provide economic analyses of a myriad of social issues to prove they’re worth policy attention. Certainly, investing in human capital is smart, responsible economics, but it’s not the whole story. Have we done enough to socialise the economic? Or, rather, perhaps we need a different, updated sort of socialisation of the economic. For example, what would the world of paid work look like if it was shaped around children’s wants and needs, in a way that advantaged parents, rather than disadvantaged them?

As the global markets fall around our ears, and our own Prime Minister questions the very logic of hypercapitalism, perhaps the time has arrived for different ways of doing gender, work, caring, inclusion—and the social-economic.

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Education reform in Victoria
Brotherhood reflections on the Blueprint

The Brotherhood welcomed the April release by the Department of Education and Early Childhood (DEECD) of an overview and two discussion papers proposing reforms to the early childhood and school systems in Victoria. In response we made a number of policy proposals (BSL 2008). The final Blueprint for education and early childhood development has now been released (DEECD 2008). While we support its overall thrust, this article draws attention to some limitations in the detail.

Missing indicators
The overview paper listed a number of indicators to measure progress over the next five years. The Brotherhood endorsed a broad range of indicators with targets to ensure a more inclusive approach to education and learning. It is therefore disappointing to see that the great majority of the original indicators and targets have been omitted from the final Blueprint. If the Victorian Government is serious about lifting the participation and attainment levels of children from disadvantaged circumstances, then it is imperative that targets are set to drive performance in key areas. Aspirational goals, for example, ‘to strengthen public confidence in a world-class education system’ (DEECD 2008, p.14), will be inadequate without measurable indicators for closing the gaps in the performance of the education system, while taking into full account families’ social context.

Partnerships with parents and communities
The Brotherhood argued for information and services to be delivered to parents in community languages to promote inclusiveness and improve program quality. The Blueprint states that information ‘must be provided in ways that are most useful to parents, including in a range of community languages’ (p.29). However it makes no mention of service delivery.

We argued that developing web-based information about child-care services could worsen the digital divide for disadvantaged families. While the Blueprint declares the department will assist all families to access its Ultranet, a website displaying DEECD material, it does not state how or pledge extra resources to this.

It is pleasing to read that the Blueprint incorporates a multidimensional view of social disadvantage and how it can impact on educational participation. Under the action of community hubs, it asserts ‘we will devote particular effort to identifying and assisting families who are experiencing difficulties such as homelessness, postnatal depression, mental health concerns, drug and alcohol problems and family violence’ (p.30).

System improvement
The final Blueprint makes a new mention of ‘greater expectations for accountability placed on schools to support their students to meaningful post-school pathways, and schools will be supported in this by Local Learning and Employment Networks’ (p.21). The Brotherhood strongly supports the priority given to quickly and effectively supporting students who fall behind.

Unfortunately, the Blueprint does not name the policy levers that will turn this aspiration into real outcomes. Specifically, it does not respond to our call to increase the Education Maintenance Allowance. Despite pledging more student and teacher support, the Blueprint lacks a focus on students at risk of early school leaving, or on the significant barrier of financial hardship.

Workforce reform
The Brotherhood called for minimum early childhood education and care qualifications to be set at Certificate III in Children’s Services. While the Blueprint states that ‘an important aim will be to increase qualification levels among early childhood education and care staff’ (p.33), it makes no mention of minimum training requirements.

We recommended skilling schoolteachers to meet the particular demands of socially disadvantaged young people. While the Blueprint does commit to developing incentives to encourage effective school teachers and leaders to work in areas of high need and low performance (p.34), this is inadequate. A broader strategy is needed to equip all teachers through professional development to engage and support students with special needs.

The Brotherhood welcomes the Blueprint as a document promising much needed educational reforms. Its broad directions are to be supported. However, we are disappointed that the final Blueprint does not include targets to drive resources and integrated interventions for a more inclusive learning system.

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Typically they left school because of negative experiences at school, rather than because they had an inviting job or training course to go to.

The Victorian Government’s new Blueprint for Education and Early Childhood Development (see page 6) lists as one of its priorities improving outcomes for disadvantaged young Victorians and as one of its focuses youth transitions for those 16 and over. Actions outlined in the Blueprint to achieve these priorities include:

- developing a Differentiated Support Framework to guide teachers in responding to the range of student abilities and backgrounds they will find in any classroom
- greater monitoring by schools of young people’s pathways until they complete year 12 or equivalent, and support for their students to find meaningful post-school pathways.

The Brotherhood of St Laurence’s study New stories of early school leaving (Taylor forthcoming), which looked at the detailed experiences of recent school leavers, highlights the importance of effective and timely action in these areas.

Eight early leavers

Eight young people (five male and three female) who left school between the ages of 14 and 16 were interviewed in depth. They were not randomly selected but were all those who had left school by age 16 from the Brotherhood of St Laurence’s longitudinal Life Chances Study.

They came from a variety of family backgrounds, some, but not all, very disadvantaged. They included refugee and Indigenous families. Some had longstanding learning difficulties. By age 17, two were no longer living with their parents.

The young people’s pathways since leaving school were diverse and complex, including experiences of trying to return to school, attempting TAFE and other post-school training, of trying to find work and of using employment services and other support agencies. For some individuals, their pathways also included running away, violence and pregnancy.

Reasons for leaving

The young people gave multiple reasons for leaving school. Typically they left school because of negative experiences at school, rather than because they had an inviting job or training course to go to. One left primarily for family reasons. They talked of difficulties with schoolwork such as being overwhelmed with the work or struggling to catch up after missing school, of poor relationships with teachers, and of other students being bullies or snobs. For example:

I left school in the middle of the year, last year. I hated it there. I hated the kids. The kids were all snobs. And the teachers, they didn’t really listen to what I was saying at all. They just couldn’t be bothered.

While school may not be for everyone, the young people’s stories suggest schools could help retain students like themselves by providing better support for those with learning and behaviour difficulties, ensuring a safe environment, and providing active support for students returning to school or moving to new schools.

Post-school pathways

Some early school leavers in this study were keen to undertake some vocational training, while others, especially those who had learning difficulties at school, were clear that they wanted a job not a course. Some had commenced but not completed vocational courses which were too hard or not appropriate. Others were pleased with their courses and with the assistance provided:

[VCAL at TAFE] It’s really good there actually. They’re not really strict on you. It was a bit far from here, but I’ve managed it. And because it’s a smaller class, like sometimes there’d only be four people in the class, or maximum 10 to 12 kids. There was always a lot of help. We did all different things.

For early school leavers such as these it is important to be able to plan pathways to training and employment with help from a knowledgeable caseworker or career counsellor.

Implications

The eight stories highlight the importance of schools recognising young people’s diverse needs for support and encouragement, both within and beyond the classroom. While the aims of the Blueprint for young people are admirable, generous resourcing and appropriate professional development for schools will be essential to achieve these aims.

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Note:
The report of this research, the latest of the Life Chances Study publications, will soon be available on the Brotherhood’s website, or as a printed copy for $12 (plus p&p).
Towards effective communication
How to better engage low-income parents in their children’s education

Low-income parents face a number of communication and economic barriers both in accessing information from, and engaging with, early childhood programs, schools, and related support. In July 2008, the Victorian Department of Education and Early Childhood Development (DEECD) commissioned the Brotherhood of St Laurence to undertake research to identify the information needs and information-seeking behaviours and channels of parents and carers from low socioeconomic backgrounds. The objective of the research is to advise the department on more effective ways of providing information and engaging low-income parents in their children’s education.

This article presents some findings from the preliminary literature review for this research which will also include focus groups and interviews with parents.

Barriers to information
Education and literacy levels affect people’s ability and willingness to engage with services and print material. Access to information can be significantly compromised by differences in reading ability, understanding of service delivery jargon and English language proficiency (Mendoza 2003).

Additionally, parents on low incomes may experience difficulty in communicating with their children’s teachers due to a perceived hierarchy that can prevent a mutually supportive relationship between parent and school from forming (McDermott & Rothenberg 2001).

Parents’ employment can further affect their involvement in their child’s education. Parents who are time-poor, who lack paid leave or flexibility and control over working hours, may struggle to find time to meet with teachers to address their child’s needs (Heymann & Earle 2000).

The digital divide is an important and relatively new barrier for low-income families, who often lack access to relevant information technologies (Bond & Horn 2008) as well as confidence in using the internet due to low levels of computing skills (Cullen 2001). Ironically, while governments and other organisations are increasingly communicating electronically, the biggest users of Australian government services are least likely to be connected to the internet (Dugdale et al. 2005).

Information-seeking behaviours
Research emphasises that the information-seeking behaviours and channels of low-income parents can be shaped by such barriers. A US study investigating the information environment, needs and searching patterns of low-income African-American households found that participants’ information-seeking focused on their family and neighbours, and information needs were ‘place-based’, relating primarily to the challenges of daily life (Spink & Cole 2001). External channels such as print or web media and public libraries were significantly underutilised, with the resources and information necessary to improve education and employment prospects seen as remote from participants’ day-to-day existence. The research of Cullen (2001) and Fisher et al. (2004) supports this, suggesting that people on low-incomes utilise personal networks and interpersonal sources rather than electronic media to acquire information.

It is critical that we ensure effective communication and stronger relationships between parents and schools to keep disadvantaged children engaged in learning. The Brotherhood’s research will strengthen DEECD’s parental engagement strategy and in this way contribute to the national social inclusion agenda of improving the participation of all students.

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Tracking employment progress
The Employment Retention and Advancement Project

Evidence suggests that particularly vulnerable groups of job seekers find it difficult to retain employment, and cycle between joblessness and precarious employment (Dunlop 2002; Perkins & Scutella 2007; Productivity Commission 2006). The four-year ARC-funded study involving the Melbourne Institute of Applied Economic and Social Research and the Brotherhood of St Laurence will investigate whether the types of jobs that disadvantaged jobseekers are encouraged to enter provide the basis for a successful transition into the labour market. At the very least, a successful transition would consist of retaining employment. Ideally, it would then lead to career advancement and wage progression (Perkins & Scutella 2007).

The ERA project includes a longitudinal study of the employment experiences of select groups of job seekers who gain work through employment services run by Mission Australia, Job Futures and CRS Australia. A key area of investigation is the extent to which participants are able to find sustained employment and achieve career progression that provides skill and wage gains, improves other life outcomes and prevents poverty and social exclusion. Here we summarise preliminary findings of the first wave of the survey.

Participants
In July 2008, surveys were sent to 500 Intensive Support Customised Assistance (ISCA) clients of Job Futures who had been placed in employment in the preceding 3 months. These clients were either highly disadvantaged, as assessed by the Job Seeker Classification Index, or had been unemployed for at least 12 months. By October 104 surveys had been returned, a response rate of 20%. In addition ten clients (4 men and 6 women of varying ages) have been interviewed individually about their employment experiences. Another 7000 surveys were to be mailed out in September–October 2008.

Thirty-seven males and 67 females aged 18–65 have so far responded to the survey. Five per cent of respondents had no previous work history at all; another 36% had been unemployed for over a year; 46% had previously worked in low-skilled jobs. A third of the survey sample (34%) had already become unemployed by the time they responded, supporting claims of high rates of job churning among disadvantaged job seekers (Dunlop 2002).

Attitudes towards work
Individual attitudes towards work and advancement were explored. The majority of the survey sample (60%) reported feeling ‘very ready’ to do paid work. However, while 83% regarded job security as either ‘very important’ (64%) or ‘quite important’ (19%), there was an even spread between those who felt that advancement was ‘very important’ (35%), ‘quite important’ (24%) and ‘neither important nor unimportant’ (29%).

Attitudes may be associated with changes in the life course: among respondents with dependent children, flexibility to balance work and non-work commitments was considered more important than opportunities for advancement or promotion or a high level of responsibility.

These issues were explored in more depth with the 10 interviewees. Positive attitudes to work emerged, with all interviewees reporting a strong desire to be working. They were also unanimous in their desire to advance in work, but of the seven who were working at the time of the interview, only three felt they had opportunities to advance in their current roles. Perceptions of opportunities for advancement in a role appeared to depend on how respondents defined ‘advancement’.

Appropriate assistance
The diverse aspirations and perspectives of participants in employment programs make it difficult to provide suitable assistance. Views will be obtained about the adequacy of current employment assistance and the types of support that would be most beneficial in supporting retention and advancement.

A particular focus will be on determining the requirements for ongoing personal and vocational support after employment entry, and whether they vary between groups. Findings will be used to inform the improvement of employment assistance in Australia, especially for disadvantaged jobseekers.

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Immediate assistance as well as structural reform required for a fair pension scheme

The adequacy of pensions has been much discussed in recent months. The Brotherhood has been actively involved and recently made a submission to the Harmer Review which focused on age, disability and carer pensions (BSL 2008). The government’s subsequently announced bonus payments (Macklin 2008) provide welcome immediate relief; however they do not address broader concerns about adequate income support for all Australians in the longer term.

The Senate Standing Committee on Community Affairs (2007) found that older people on low incomes were disproportionately affected by rising costs of petrol, food, medical care and rent. It also found the full pension could be insufficient to maintain a ‘basic acceptable’ standard of living, and that those most at risk of financial stress were single pensioners living in private rental accommodation. The Pension Review Background Paper (FaHCSIA 2008) illustrated the extraordinary complexity of the current provisions and the inequity of concessions and savings incentives.

The Brotherhood’s work with older Australians confirms the need for increased assistance, particularly for single pensioners and those renting privately. Our experience also indicates that there are other income support recipients facing hardship, including single parents, young people on Youth Allowance and people on Newstart Allowance. While there is strong community and political support for assisting pensioners, fairness requires that they should not benefit at the expense of other low-income groups.

Comprehensive review
There are strong grounds to believe that the welcome bonuses ($1400 for single older people, $2100 for older couples and $1000 for carers) will not be sufficient to overcome financial disadvantage. The Henry Review will need to take a much broader approach to reform of the taxation and income transfer system. A fair and sustainable solution will require additional public expenditure, as well as system-wide review of the inequity of various tax concessions and benefits.

Energy and housing costs
Climate change and measures to mitigate it will significantly affect living costs for older people, carers and people with a disability, particularly those on low incomes. The Brotherhood welcomes the Australian Government’s 2008 commitment to energy efficiency assistance and direct financial compensation to insulate such households from the price impacts of the Carbon Pollution Reduction Scheme. The distributional impact of the CPRS on different groups requires further careful analysis as soon as the cap and gateways are determined.

Research has shown that people on low incomes who pay more than 30 per cent of their income in private rent are experiencing financial stress and related social exclusion (Morris 2007; Temple 2008). Since 2007, quarterly changes in rents have been 3.5 to 4 per cent above changes in the CPI (All Groups) (ABS 2008). This means that Commonwealth Rent Assistance (indexed to the CPI) has not kept pace with actual rent increases. We estimated that a single pensioner receiving maximum rent assistance in September 2008 was $67 a week worse off than a single home-owning pensioner (BSL 2008). Housing policy and rent assistance both need to be examined so that housing becomes more affordable for those currently paying too much of their pension in rent.

Social inclusion
The Brotherhood believes that reform of pensions and allowances should be consistent with an approach to social inclusion that involves building personal capacities and material resources, in order to fulfil each person’s potential for economic and social participation, and thereby a life of common dignity.

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Taxing questions about housing affordability
Exploring modifications to negative gearing

Are elements of our tax system contributing to the decline in housing affordability? The question attracts heavy debate. For example, take the difference of opinion that exists about the influence of the Commonwealth Government’s negative gearing and 50% Capital Gains Tax (CGT) discount policies on house purchase and rental affordability. Depending on whom you ask, these policies either push up the price of real estate by fuelling investment demand, or are a crucial part of boosting the supply of rental properties, dampening growth in rental prices.

One way to shed some light on the issue is to simulate the interaction of Australia’s housing market and income tax system with an economic model. While completing an internship at the Brotherhood, I created such a model (Soderlund 2007) based on the work of MIT economist James Poterba (1984). A standard neoclassical model of the aggregate housing market was used to examine how a number of tax policy changes might influence long-run stock levels and housing prices.

Trade-off between real estate and rental prices
Removing negative gearing and the CGT concession for investors involves a trade-off between higher real estate prices and higher rents. Holding all other factors constant, the modelling suggests that reducing concessions to investors would indeed result in a real, long-run reduction in the price of real estate. The removal increases the cost of owning real estate for investors, reducing the overall demand and hence, over time, prices. However the removal also reduces the construction of new housing stock, which over time results in a reduction of the level of investor-owned rental housing, driving up the real price of rents. Abolishing these concessions would help people on the cusp of home ownership, but it would also hurt those who remain in the rental market and face higher rents.

Modifying tax arrangements
An alternative scenario that was simulated was the modification of the current negative gearing policy into a 10-year concession only available for investment in new housing stock. Holding all other factors constant, the result is a drop in real, long-run real estate prices. However, in contrast to abolition, modifying negative gearing in this way has a near negligible impact on rents. This is because it encourages investment in new housing stock, maintaining the rate of housing construction in the model’s economy.

The results suggest that altering elements of the income tax system into subsidies for new housing may be an attractive policy instrument to improve the affordability of real estate, without the negative side effect of increasing rents. Accompanying a mix of well-targeted policies aimed at improving rental affordability, the modification of negative gearing or CGT in a manner comparable to the one simulated could be a good way for governments to make housing more affordable.

Boosting supply
As the Senate Select Committee on Housing Affordability (2008) recently recommended, negative gearing and the CGT discount need to be reviewed. But these tax concessions are deeply entrenched politically, and only a very courageous government would consider abolishing them. In contrast, modifying the concessions to encourage investment into new housing stock could be much more palatable. The major benefit of transforming policies that boost housing demand into mechanisms that boost housing supply is that the growth of both real estate and rental prices will be slowed, helping everybody in the housing market.

The current negotiation of the National Affordable Housing Agreement and the forthcoming Henry taxation review provide both federal and state governments with a timely chance to consider reworking their tax systems to boost Australia’s supply of housing. With some creative policy thinking, it may be possible to make our taxation system work for the benefit of investors as well as for those presently being left behind in the housing market.

Benjamin Soderlund

Benjamin was a Ronald Henderson Research Foundation intern at the Brotherhood in 2006, while completing his honours degree in economics at Deakin University.

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Select Committee on Housing Affordability in Australia 2008, A good house is hard to find: housing affordability in Australia, Parliament House, Canberra.


1 It is assumed that the housing market is in equilibrium. For other assumptions see thesis (Soderlund 2007).

2 While a ceteris paribus change results in a long-run drop in real estate prices, in the real world, there would be a one-off reduction in price growth rates as the economy moved to a new equilibrium over a number of years. Also it must be noted that the ‘long run’ in the housing market is indeed a very long time, and more likely measured in decades than years.
Effective services for children and families
Learning from the Cottage

The Cottage Centre for Families and Children was a child and family resource centre in Fitzroy, which operated till 2005, funded by the Brotherhood of St Laurence. An evaluation of the services offered (Boese et al. 2008) documents the importance of recognising the linked, multiple problems families may face and the benefits of working with parents alongside children, and working together with other services. It is hoped that such insights will inform developments such as the new Australian Government’s policy platform for the early years.

Method and analytical framework
The study included interviews (with parents, Cottage staff and specialist service providers) and a review of case records and monthly reports.

Research tells us that child wellbeing depends on the satisfaction of material, physical, affective and psychological needs (Prilleltensky & Nelson 2000). Strong, healthy attachments and age-appropriate competencies (Cowen 1996) develop through a complex and dynamic interaction between the child and significant others. Thus, the family’s wellbeing and their ability to provide a context which fosters the child’s development is very important (Prilleltensky & Nelson 2000).

Based on early childhood theory, we drew up frameworks of good practice and outcome indicators for services for families with complex needs. The concept of complex needs emphasises the multiple interlocking problems in a person’s life. An effective service response is holistic and based on an ecological perspective which considers the context of the individual, the micro-system (family), the meso-system (community) and the macro-system (society) (Prilleltensky & Nelson 2000; Belsky 1993).

Service model
The Cottage provided interventions for the child, the family and the community: a child development program, programs for children and parents individually and in groups, outreach in homes, and facilitation of a playgroup and toy library.

Critical service components included:
- a whole-of-family approach
- a case management model
- building trusting, respectful relationships with parents, viewing them as partners in the care and education of their children (Davis, Day & Bidmead 2002)
- open-ended, long-term commitment
- advocacy and assistance with integration into other services.

A staff member of another service commented on the integrated service delivery:

We’ve worked very hard to work with the Cottage staff. So that we’re not working in conflict but we’re working together. We work on the early intervention stuff but there’s a lot of crossover between what we do and what they do. So we’ve had regular meetings.

Improved child and family wellbeing
Reports from parents, staff and other specialists, together with information in case files, suggested positive outcomes for all families who attended.

Children showed improvements in cognitive, social, emotional, physical and language skills which were a precondition for moving into mainstream services such as kindergarten or primary school.

Positive outcomes for parents included increased confidence and trust, a positive outlook and improved parenting skills. These in turn led to better parent–children relationships, decreased social isolation of families, and improved access to other resources—all essential for long-term wellbeing and eventual independence.

One parent described the change:

You know when I first came here, I wouldn’t have dressed properly at all, I would have looked bloody ragged. And now I am up in the morning and I care about the whole day … I don’t ignore the whole day now. Not just because I’ve got things to do, but because I’m interacting with people I actually care about.

In sum, the review demonstrates a very effective model of assisting multiply disadvantaged families and thereby shows how a social inclusion agenda can be applied in an early childhood setting.

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References
The national Compact and social inclusion
A new role for the community sector

Given the rather mixed success of compacts in the Australian states and overseas, one would not want to set too much store in the forthcoming Compact between the Australian Government and the voluntary sector (Edgar 2008; Gallois 2008). Nevertheless the current consultation suggests we are at a major turning point, one which may open the way to a far more fruitful partnership than that of the last decade.

Jo Barraket’s (2008) important collection, Strategic issues for the not-for-profit sector, is evidence of a weighty consensus that the competitively tendered contract approach to the partnership is a failed model. McGregor-Lowndes (in Barraket 2008) neatly summarises the discontents: inappropriate and costly performance measurement; loss of trust within the sector as well as between the sector and government; undemocratic restrictions on advocacy; decline of collaborative, professional relationships between government and community service personnel; and an unwanted shift of risk by government to community organisations.

With the opportunity of a fresh start, it is incumbent on the community sector to be clear where we think things should go from here. At the Brotherhood we would say first that the contract state model was not an entire failure. For example, it consolidated an enlarged service delivery role for non-government organisations which had been in train since the 1970s; and, with that, led to a professionalisation of sector capacities which has to be a plus.

However we also think that the sector has been in some danger of losing other capacities which make it stand out among welfare providers. For some time now the Brotherhood has eschewed the ‘grow the business’ strategy evident in some other not-for-profits. Our thinking has been that large-scale service delivery on behalf of the government can too easily deflect us from our mission. With this in mind the Brotherhood strategy has been concerned rather with developing those aspects of our work which are a distinctive contribution to the welfare sphere.

A different sector profile
Smyth’s review (in Barraket 2008) of the Brotherhood’s history emphasised aspects such as: innovation or pioneering to meet otherwise unmet needs; adding diversity to service provision; countering excessive centralism and connecting governments into local places and groups; giving volunteers scope to contribute to a better world; developing social enterprises to create economic opportunity; and adding value to policy development through giving voice to otherwise voiceless clients. These might look pretty innocuous features, but together they create a very different sector profile from the industry model evoked by McGregor-Lowndes’ review. It is a profile which assumes our sector will create value that others do not. It is completely at odds with the ‘governments steer while not-for-profits row’ estimate of sector capacity which underpinned the relationship during the contract state.

A new partnership
Several factors encourage the view that the national Compact may well accomplish a new, more balanced partnership between the state and the community sector.

Good. A premium will be placed on the kind of community engagement which is the forte of our sector.

Second, the new federalism associated with the agenda of the Council of Australian Governments suggests governance procedures that will devolve decision-making powers to the local level wherever possible, in keeping with the principle of subsidiarity (Gallois 2008). This will require partnerships which engage the excluded in genuinely inclusive, participatory and deliberative forms of governance at the local and sectoral levels. It challenges us to aspire to what Skidmore and Craig (2005) have described as an ‘integrated public realm’.

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References
Meet the families
Characteristics of parents and children taking part in HIPPY

This article provides a snapshot of families involved in Australia in the Home Interaction Program for Parents and Youngsters (HIPPY), a home-based early childhood enrichment program targeting families in disadvantaged communities, drawing data from the national evaluation being conducted by Monash University in partnership with the Brotherhood of St Laurence. This research is especially timely given the Australian Government’s decision to fund a national roll-out of the program to 50 sites by 2011.

In the first stage of the evaluation, interviews were conducted with more than 90 families who joined the program this year, at six of the nine existing HIPPY sites: Geelong, Mooney Valley, Fitzroy and Fawkner in Victoria; and Burnie and Smithton in Tasmania.

Parents and caregivers currently involved in HIPPY
The interviews with parents and caregivers show that HIPPY involves families from diverse cultural backgrounds: 4 continents, 19 countries of birth and 14 languages were represented. The largest group was born in Australia (51%), followed by various African countries (36%). Forty-two per cent spoke English as a second language: of these 27% reported having a fair level of English, while 13% reported having poor or very poor English.

HIPPY aims to maximise children’s success at school by teaching parents how to help their children develop the skills they need. Preliminary findings show that mothers are far more likely than fathers to be involved in HIPPY: 86 mothers but only 2 fathers did HIPPY activities with their child. In four cases grandparents, and in one case a nanny, did the activities with the child.

Participating parents and caregivers were between 21 and 63 years old, with more than 63% aged between 30 and 39. About three-quarters of participants were living in couple families. The average household size was 4.6 people and the average number of children per household was 2.8.

Families involved in HIPPY typically experience multiple disadvantages. More than three-quarters of the parents sampled qualified for a Health Care Card, 41% were living in public housing, and for 51% government benefits were their main source of income. In addition, 30% had no post-school education and more than three-quarters were unemployed.

Children involved in HIPPY
Children normally begin HIPPY at age 4, in the year before primary school, and participate in the program for 2 years. However, some deviations from this standard recruitment criterion were made at some sites to involve children beyond this age group, so children in the sample were between 3.5 and 7 years old, with an average of 5.25 years. In addition, despite the fact that HIPPY is not a program designed for children with developmental problems, some children (13) joined the program for remediation purposes. In such cases, the two main issues were emotional or behavioural problems and speech or language impairment.

Both children participating and not participating in a centre-based preschool program are involved in HIPPY. Some 60% of the children in the sample were in formal care, 6.5% in informal care and 19% in both. Eight per cent were in parental-only care, and 4% had already started school. Thirteen per cent of participating children had older siblings who had already completed HIPPY.

Reasons for joining the program
Parents’ most common reasons for joining HIPPY were to help their child get ready for school and to give their child a head start at school. Many also saw it as a way to prepare themselves for their child’s school entry, and to get used to school requirements. Most parents had heard good things about HIPPY from other people, or seen it benefit children of friends or relatives. A few joined because their child was not going to kindergarten and they perceived HIPPY as a replacement, and others saw a chance to expand on what their child was already learning at kindergarten.

Preliminary findings from this demographic data show that HIPPY is attracting its targeted population. In fact, the program is extending beyond its original target, through involving children with some developmental delay and children aged under the original HIPPY requirement. Further research will need to examine whether adequate adaptations have been made to the program to address these issues, and how the program has impacted parents and children in these new groups.

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The interviews with parents and caregivers show that HIPPY involves families from diverse cultural backgrounds: 4 continents, 19 countries of birth and 14 languages were represented.
New information on poverty, social inclusion and critical social issues

Following is a selection of the recent acquisitions of the Brotherhood Library. Contact the library staff for more information about the collection (phone and email details below):

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**ENERGY POLICY**

**FAMILY**


**FINANCIAL INCLUSION**


**HEALTH**
Lewis, A & Doyle, D (eds) 2008, Proving the practice: evidencing the effects of community arts programs on mental health, Disability in the Arts Disadvantage in the Arts (DADAA), Fremantle, WA.

**HOUSING**

Marks, A 2008, Residents at risk: stories of ‘last resort’ caravan park residency in NSW, St Vincent de Paul Society, NSW.

**MIGRATION ISSUES**

**OLDER PEOPLE**

**POVERTY**

**SOCIAL POLICY**


**SOCIAL WELFARE**
Hughes, C 2008, Caught in the safety net: the costs of Centrelink debt recovery and prosecution, Anglicare Tasmania, Hobart.

**VOLUNTARY WORK**

**YOUTH**

Information services for the public
The Brotherhood of St Laurence library offers a specialist focus on issues such as 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, 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>.

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Recent submissions
Submissions or statements made by the Brotherhood of St Laurence in the last year include:

- Sustainable outcomes for disadvantaged job seekers: submission to the Australian Government on the future of employment assistance, February 2008
- Response to Australian Government’s First Home Saver Account initiative, March 2008
- Response to ANZ Indigenous home ownership paper, March 2008
- Submission by Brotherhood of St Laurence to the National Health and Hospitals Reform Commission regarding transitions between hospital and aged care, May 2008
- Sustainable outcomes for disadvantaged job seekers: submission to the Australian Government on the future of employment assistance, May 2008
- Submission to the Review of the Australian Textile Clothing and Footwear Industries, May 2008
- An inclusive system of parental support: submission to the Productivity Commission inquiry into paid maternity, paternity and parental leave, June 2008
- Submission to the Victorian Government on skills reform, June 2008
- Submission to House of Representatives inquiry into better support for carers, July 2008
- Submission to the House of Representatives inquiry into competition in the banking and non-banking sectors, July 2008
- Response to the Review of the Adult Migrant English Program discussion paper, August 2008
- Submission in response to A Climate of Opportunity Submission Paper, to the Office of Climate Change, Victorian Department of Premier and Cabinet, August 2008
- Pension reform for all: submission to the Pension Review of measures to strengthen the financial security of seniors, carers and people with a disability, September 2008
- Submission to the Victorian Parliamentarian Inquiry into the Provision of Supported Accommodation for Victorians with a Disability or Mental Illness, October 2008
- Towards a progressive tax system: submission to the review of Australia’s future tax system, October 2008
- Submission to the MCEETYA consultation on the National Declaration on Educational Goals for Young Australians, October 2008.

News
Making a difference: children’s perspectives on economic adversity

The Brotherhood of St Laurence is a partner in a new study of children and young people’s experience of disadvantage and exclusion across three states. Funded by a three-year Australian Research Council Linkage grant, the study Making a Difference: Building on Children’s Perspectives on Economic Adversity (aka Talking With Young People About Being Included) is based at the Social Policy Research Centre, University of New South Wales. Chief investigators are Peter Saunders, Bettina Cass and Gerry Redmond. Partner investigators include Tess Ridge (University of Bath), Janet Taylor (Brotherhood of St Laurence) and Anne Hampshire (Mission Australia).

This project will explore the perceptions of children who experience economic adversity in order to understand what it means to them, how they experience social exclusion in the family, at school, and in the communities where they live, and what services can make a difference. The research will provide a platform for developing more effective policies. Interviews with some 90 children aged 11 to 17 and their parents, and with teachers and service providers, will be analysed to explore implications for the design and delivery of social, educational and other services. Young people in contact with support agencies in Sydney, Melbourne and Adelaide will be recruited and will be asked about their experiences of inclusion.

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