

The impact of welfare to work on parents and their children

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Abstract

When Welfare to Work activities for single parents were first introduced in the 2005 Commonwealth Budget, the primary claim was that these measures would increase individual wellbeing. A decade on, the veracity of this claim has yet to be comprehensively assessed. In this article, we systematically review the 41 Australian studies of income support recipients who were the primary carers of children, to examine the impacts of welfare-to-work on child and parent wellbeing. In line with the themes contained within these studies, we synthesized the findings related to three key areas of wellbeing: financial wellbeing; social connection and subjective wellbeing; and physical and psychological wellbeing. Academic research on the impact of Welfare to Work reforms on the wellbeing of single parents and their children presents an overwhelmingly negative picture whereby reforms have forced parents to participate in services that use 'work-first' and 'one size fits all', 'blanket' or 'rigid' approaches that do not help parents to meet their aspirations. Research also suggests that the reforms have decreased the financial wellbeing of single parents and their children, resulting in parents making the transition from welfare to work feeling less satisfied with their future security and standard of living, and higher poverty rates amongst the population of single parents with dependent children. However, there remain significant gaps in our understanding of how Welfare to Work affects parents and their children.

In announcing the 2005 Welfare to Work measures, the government (Commonwealth of Australia 2005, 5) claimed that:

Increased participation in work from all Australians capable of work, including welfare recipients, increases individual wellbeing and is needed to help improve our future standard of living.

Given that it is now a decade since these major Welfare to Work reforms were announced and well over a decade since Australian policy makers first applied compulsory activity requirements to primary carers of children in receipt of a Parenting Payment, it is timely to ask: what do we know about the impact of these reforms on the wellbeing of parents and their children?

This article reviews the literature that has assessed the impact that Australia's 'activation' or 'Welfare to Work' reforms have had on the wellbeing of parents and their children. It focuses specifically on literature published in the period 2000 to 2013. This timeframe spans the period during which a range of compulsory 'activation' or 'Welfare to Work' requirements were extended to income support recipients who were the primary carers of children. In line with the themes found within the literature, we organize our findings around three key topics:

1. families' financial wellbeing;
2. parents' subjective wellbeing, including their experiences while engaging with the welfare to work system, and social connection; and
3. parents' and children's physical and psychological wellbeing.

Our review finds little evidence that these reforms have had positive impacts on parents' and children's overall wellbeing, and suggestive evidence that they have had negative impacts on subjective and financial wellbeing. Contrary to policy expectations, the literature suggests that parents' experiences with the income support and employment services systems are commonly highly frustrating and negative, and frequently do not support their aspirations for increased economic participation. The review also finds evidence that primary carer parents receiving income support report high rates of poor psychological health. Furthermore, the literature suggests that parents' subjective wellbeing does not increase as they move into employment or increase their employment hours, and that the financial wellbeing of single parents has worsened as a result of the 2005 Welfare to Work reforms. Finally, we find that official evaluations of these reforms and government-funded research have devoted little attention to the impact of welfare reforms on the wellbeing of parents and their children. We therefore conclude that future policy research and evaluation should incorporate a focus on this important issue.

Introduction to welfare to work in Australia

Reform of the conditions attached to the Parenting Payment, including the single rate of Parenting Payment (PPS), and the partnered rate (PPP), that were announced in 2005 were largely modeled after reforms that had been implemented in the US a decade earlier. This represented a sharp shift in the assumptions underpinning Australian policy on income support for primary carers. As the following sections will demonstrate, Welfare to Work 2005 involved a rejection of the following key principles:

1. primary carer parents with school age children should get to choose whether or not they engage in paid work;
2. activity requirements imposed on primary carers should provide them with the flexibility to choose from a range of options including volunteering, paid work or education;
3. single parents have distinctive needs which require them to have access to specialist employment and education officers;
4. single parents with school age children should be entitled to significantly more generous income support payments than the unemployed.

To understand the significance of the 2005 Welfare to Work reforms, it is necessary to understand these four principles in more detail, and the institutional arrangements that buttressed them. From the 1940s to the late 1970s the provision of income support for mothers without a breadwinner was rationalized on the grounds that maternal employment had detrimental effects on children. The main policy change during this 30-year period was the progressive extension of support to new categories of single mothers including unmarried single mothers, and fathers.

Beginning in the mid-1980s, the idea that engaging in paid work was incompatible with a primary carer role came under challenge. Maternal employment rates were increasing rapidly, and policymakers suggested that given this social change it was no longer appropriate to allow primary carer parents in receipt of income support to indefinitely remain out of the labour market. Thus the mid-1980s the Social Security Review argued that reforms should focus on supporting single parents to actively plan a return to paid work, and to be more active in employment and education (Raymond

1987). This recommendation took the form of the voluntary Jobs, Education and Training program that provided single parents with access to highly subsidized childcare, and specialist education and employment planning advice.

Studies of the economic and social participation of Parenting Payment recipients, conducted just prior to the introduction of mandatory activity requirements, found that parents in receipt of income support participated in paid work, voluntary work and education at very high rates (Saunders 2002b; Pech and Landt 2001). Despite this, the idea that income support policy should restrict itself to supporting parents' voluntary participation in paid work was significantly challenged during the early 2000s by a new discourse of 'welfare dependency'. This discourse suggested that a welfare dependent mentality, rendering recipients unable or unwilling to look after themselves, was responsible for the significant growth in the number of people in receipt of income support, and for intergenerational transmission of welfare dependence (Newman 1999).

These ideas were concretely manifested in the 2001–02 Australians Working Together (AWT) budget package, which introduced new Mutual Obligation requirements for parents. Mutual Obligation had been introduced for the unemployed in the late 1990s in the form of compulsory interviews to develop *Preparing for Work Plans* and also additional activity requirements. For single parents with school age children, Mutual Obligation took the form of annual compulsory planning interviews with Personal Advisers. The new requirement for parents with high school children (aged 13–15) was to undertake an average of 6 hours of activity per week, such as paid work, voluntary work or education (Government of Australia 2001). The system of compulsory interviews had been piloted in 1999 and these were found to have higher attendance rates compared to voluntary interviews (Pearse 2000). Academic commentary was largely critical of the logic that underpinned these new measures (e.g. Harris 2000; Cass and Brennan 2002), though some academics, including those who had been on the reference group that recommended the reforms, were more supportive (Dawkins 2001). A second significant measure in AWT that affected parents was the Working Credit measure, which allowed individuals to earn credits when they had low labour market incomes, thereby enabling them to maintain some of their income support payment when they returned to paid work.¹

The 2005 Welfare to Work reforms then involved dismantling the Jobs, Education and Training and Personal Adviser programs; applying more stringent part-time work requirements to parents with a school age child;² and moving many primary carer parents to the lower-rate Newstart allowance. Specifically, the Jobs, Education and Training and Personal Adviser functions previously undertaken within Centrelink were outsourced to Job Services Australia,³ a mix of not-for-profit and for-profit employment service providers. Here, most services previously offered under the Jobs, Education and Training program were ceased, and parents were moved onto new programs offered by Job Services Australia. The new part-time work requirements involved requiring Parenting Payment recipients to seek 30 hours of employment per fortnight once their youngest child turned six years old. The movement of many parents to Newstart involved restricting PPS to single parents whose youngest child was aged less than eight

¹ See Apps (2002) for a critical review of working credit programs. See below for more details of the scheme that was implemented.

² Part-time requirements have been promoted on the grounds of parents' caring commitments but also the hypothesis (which has been supported by more recent academic research (Fok et al. 2012) that part-time work provides a stepping stone into full-time employment.

³ Formerly known as the Job Network.

years, and PPP to partnered principal carers of children who had a youngest child aged less than six years (as of 1 July 2006). The Welfare to Work legislation also included a ‘grandfathering’ provision that allowed parents who had claimed Parenting Payment on or before 1 July 2006 to remain on this payment until their youngest turned 16. However, these ‘grandfathering’ provisions were subsequently removed by 2013 legislative amendments introduced by the Labor government. These amendments, which came into effect at the beginning of 2014, affected an additional 65,000 single parents.

Methods

Three comprehensive social science bibliographic databases were searched for English language articles published between 1 January 2000 and 31 December 2013. These databases were:

- the RMIT University library search system (which includes the following databases: OneFile, Informit, Annual Reviews, ScienceDirect, MEDLINE, Taylor & Francis Online, LexisNexis, Web of Science);
- ProQuest; and
- EBSCOHost.

For each database, a standard list of search terms was used (and included keywords, subject headings, and in-text words as appropriate for each database) under two domains (Table 1). These two broad domains covered the scope of the project, which was to provide a comprehensive account of the impact of Australian welfare reform on parent and child wellbeing. The Boolean logic term ‘or’ was used between individual search terms, while ‘and’ was used to combine the two search domains.

Table 1 Search terms

Search domain	Search terms
Welfare reform	‘welfare-to-work’, ‘welfare to work’, ‘income support’, ‘welfare reform’
Australia	‘Australia’, ‘Centrelink’, ‘Commonwealth’

The broad scope of these terms was designed to provide an inclusive account of the literature in the first instance; one that was then narrowed through further selection processes. The initial search for each database yielded 680 articles that were then subject to inclusion criteria, performed by the two authors. Studies were only included in the review if they included:

1. Australian population or policies;
2. empirical data collection and analysis;
3. analysis on primary carer parents in receipt of income support, or their children;
4. analysis of the impact (or potential impact) of Welfare to Work or activation policies.

This process resulted in 13 articles selected for analysis. Most of the initial 680 articles were excluded because they did not include empirical data collection or analysis, Australian policies or participants, or insights into the impact (or potential impact) of Welfare to Work or activation policies. A smaller number were excluded because they did not include any analysis of primary carer parents in receipt of income

support or their children, or were duplicates.

These 13 studies then became the basis of further, targeted searches. First, Google Scholar was used to identify relevant articles citing these publications, identifying nine additional articles. Second, the reference list of each included study was searched, providing one new article. Finally, Google Scholar author and university biography searches were conducted for the lead author of each article, yielding a further nine articles. As a result, a total of 32 academic papers were analysed.

We then conducted a search for appropriate grey literature. We conducted hand searches on the following webpages (the total number of potentially relevant publications are listed in brackets):

- publications page on the Department of Social Services website [209]
- the Commonwealth Department of Employment [0]
- Good Shepherd [53]
- Australian Council of Social Services [122]
- Brotherhood of St Laurence [202]
- National Council of Single Mothers and their Children [164]

From these, only five publications met the inclusion criteria. Finally, we used our existing knowledge of the field to identify four additional reports. In total we reviewed 41 documents. Prior to conducting the review, we had determined that wellbeing included financial wellbeing, health, social connection, and parents' subjective experiences of welfare to work. The search and inclusion criteria allowed us to identify a) studies that provided insight into the potential impacts of Welfare to Work and activation policies on these areas, and b) literature in which these issues were tangential. Our review provides much more detail on those studies that specifically sought to examine the impact of Welfare to Work or activation policies on the wellbeing of parents and their children, and less on studies that provided insights into the potential impact on wellbeing or other kinds of impacts (such as impacts on government expenditure).

Based on the 41 studies identified, this review focuses on the impacts that Welfare to Work or activation reforms have had on parents' and children's wellbeing. Impact is broadly defined to include the effect on three key areas of wellbeing:

- financial wellbeing;
- social connection, and subjective wellbeing, including the effect that interactions with income support and the employment services system have on subjective wellbeing;
- self-reports of physical and psychological wellbeing.

Financial wellbeing

Since the 1980s, successive governments have claimed that one of the key ways to reduce poverty among single families is to increase single mothers' employment participation rates (Raymond 1987). One of the first empirical studies to examine whether or not paid work alone would address single parents' relatively poor material wellbeing was Walter (2002). Walter's study anticipated the direction that the government planned to take, and was conducted prior to the 2005 Welfare to Work reforms. Using survey data from the Negotiating the Life Course survey she

investigated the relationship between employment status, single motherhood and material wellbeing. Drawing on an analysis of responses from 143 single mothers and 440 married mothers, Walter measured material wellbeing in three ways:

1. respondents' earnings: annual earnings from employment (restricted only to the 63 percent of mothers who reported annual earnings).
2. Equivalent household income: 'Respondents' employment earnings; Social Security income; other income – rent, interest, dividends etc.; child support income; partner's income (where applicable); business income'. Equivalent income was obtained by dividing total household income by the square root of the total number of adults and children under 18 in the household.
3. equivalent full income: 'annual household income from all sources; value of non-cash benefit of Centrelink concession cards; value of non-employed parental time; and value of imputed rent from home ownership annual household income from all sources' (367). Equivalent income was obtained by dividing total full income by the square root of the total number of adults and children under 18 in the household.

She found that while single mothers reported higher earnings than married mothers from employment (\$19,639.01 compared with \$15,543.30), they reported lower means for equivalent household income (\$15,859.89 compared with \$27,399.27), and equivalent full income (\$31,610.75 compared with \$49,225.59). Walter concluded that single mothers' lower rates of material wellbeing in comparison to partnered mothers' was not due to lower levels of workforce participation, or due to personal characteristics such as lower levels of education. Instead Walters (2002, 376) explains:

Taking account of all of the variables in the model, sole [single] mother households are \$18,100 worse off in full income than those where the mother is partnered. This is independent of family background, educational level, no. and age of children, employment status and occupational status.

Studies both prior to AWT and subsequently have suggested that keeping income support recipients engaged in the labour market can help them return to financial independence in the longer term. For example, Saunders and Brown's (2004, 395) analysis of the General Customer Survey, which began in 2000, examined the factors that were associated with staying on income support and leaving income support. They concluded that 'There is also some weak support for the stepping stone hypothesis, in that participation in study or volunteer work are both positively associated with subsequent movement off the welfare system'. However, the evaluation of AWT, which involved the application of new compulsory activity requirements, found these measures did not have any significant impact on parents' incomes (Alexander et al. 2005, 18) or financial self-reliance (DEWR, 2005). Alexander and colleagues' (2005, 18) qualitative study concluded that this was because 'most of the parents undertaking paid work in this study had commenced working prior to signing their Participation Agreement', while the quantitative study concluded it was due to the voluntary nature of most of the requirements (DEWR 2005). The qualitative evaluation study found that some parents reported reduced incomes when they increased their engagement in work/education/voluntary work because they incurred additional costs, but some who took up new employment reported increased income (Alexander et al. 2005). These relatively mild financial impacts are not surprisingly given that the AWT requirements involved requiring parents with a child aged 13–15 to do an average of 6 hours per week of activity, which could be paid work, study or voluntary work, and the AWT measures provided very little additional assistance or support for parents seeking to obtain or

maintain employment.

Academic research undertaken over the last decade suggests that the impact of the subsequent Welfare to Work reforms has been to decrease the financial wellbeing of single parents, with the one exception being the Working Credit program, introduced in 2003 (Wilkins and Leigh 2012; Leigh et al. 2008). As one evaluation (Leigh et al. 2008, 4) of the Working Credit initiative explains:

working credits are accumulated during periods in which working age recipients have little or no earnings. These credits are used when they commence a job to allow the retention of income support benefits to temporarily supplement their earnings.

Leigh et al. (2008, 22) found that following the implementation of Working Credit there was a:

statistically significant improvement in labour market attachment for ...women on PPP and PPS, largely driven by the economic improvements that coincided with the policy's introduction. However, the largest improvements found in labour force attachment were amongst those who had been in receipt of payment the longest, suggesting that the general improvements in economic conditions were not solely responsible for the results uncovered in the 'before and after' Working Credits analysis.

In contrast to this finding, studies on other elements of Welfare to Work have revealed highly negative financial impacts. One of the first studies that sought to determine the financial impact of the 2005 Welfare to Work reforms was a modelling study conducted by Harding and colleagues (Harding et al. 2005a; Harding et al. 2005b; Harding et al. 2005c). The modelling was based on the government's initial budget statements about the structure of income support and NATSEM's projections regarding the income support payment rates (Harding et al. 2005a, 2–3). This meant that the models assumed parents would be transferred to Newstart Allowance when their youngest child turned six, although one summary article took into account the government's amendment which involved transferring single parents to Newstart when their youngest turned eight (Harding et al. 2005c). The results revealed that the disposable incomes of single parents moved to Newstart would be lower under the proposed system than the existing system. This would occur because: (1) the rate of Newstart Allowance was \$29 a week less than Parenting Payment; and (2) parents would lose more of any income they earned when in receipt of Newstart Allowance (Harding et al. 2005c, 5).

Parents who earned low amounts of income were estimated to be worse off in the new system. Before the Welfare to Work changes, single parents in receipt of Parenting Payment with weekly private incomes of \$31–76 experienced Effective Marginal Tax Rates (EMTRs) of zero, but after the changes EMTRs were estimated to increase to 65 percent for parents with incomes in this range (Harding et al. 2005b, 12). Single parents moved to Newstart who had higher private incomes would also be worse off. A single parent with one child and a private income of \$76–125 per week would face EMTRs of 65 percent under the new arrangements, whereas under the existing system they would face EMTRs of 40 percent (Harding et al. 2005a, 12). Those in the same situation but with a private income of \$125–171 per week would face EMTRs of 75 percent, compared to 40 percent in the existing system (Harding et al. 2005a, 13). It is also important to note that these EMTR figures do not take into account the additional costs of employment such as transport and childcare. On this basis the authors concluded that 'this means that the financial benefits from work [under the reforms] are very low for sole parents receiving NSA [Newstart]' (Harding et al. 2005a, 13).

Analysis from ACOSS shortly following the budget announcement also suggested

that parents would be financially worse off after the reforms were implemented. They used data on the current number of recipients and payment rates to estimate the potential financial impact of the reforms, and argued that almost 250,000 single parents would 'lose \$10 (almost 5 % of their Parenting Payment) after three years' (ACOSS 2005, 23).

The official evaluation of Welfare to Work focused only on parents affected by the measures during the first year following its implementation (DEEWR 2008). This included single parents who claimed Parenting Payment after 1 July 2006 whose youngest child was aged 8 to 15 years, and partnered parents who claimed Parenting Payment after 1 July 2006 whose youngest child was aged 6 to 15 years (DEEWR 2008). The evaluation focused on the impact of the reforms on the number of people receiving income support (and thus government expenditure) rather than the impact they had on parents' and children's wellbeing. The evaluation found that the monthly average number of principal carer parents in receipt of income support dropped from 610,000 (in 2005–06) to approximately 582,000 (in 06–07).⁴ It also found that some parents had reacted to the prospect of new activity requirements by seeking to claim Disability Support Pensions (DSP). Specifically, around the time that 'grandfathered' Parenting Payment participants were informed that their participation requirements would change, there was a small but 'clear change in trend' to move to the less demanding and more generous DSP and Carer Payments. Previous analysis has found the parents with a child over 15 years on DSP were less likely than other groups to exit this payment (Cai et al. 2007, 48). Given the short time-frame that the evaluation focused on, it is also not clear if the exits were more or less sustainable compared to exits under the previous system. This point is critical because analysis of exits over the period July 1995 to June 2002, which was based on administrative records of Australian income support (welfare) recipients, found that many recipients who exited income support returned to it again after a short period (Tseng et al. 2008).

A Brotherhood of St Laurence study also provided important insights into the financial impact of the 2005 Welfare to Work reforms (Bodsworth 2010, 49–50). Drawing on a qualitative study with 44 recipients of Parenting Payment or Newstart, which included 21 single parents, 3 partnered parents and 20 individuals with no dependent children in their care, Bosworth found that the financial impact of welfare-to-work on single parents varied depending on whether that parent had claimed Parenting Payment prior to 2006, and thus whether that parent had been moved to the lower rate of Newstart when their youngest child turned eight. Parents who had been required to move to Newstart reported that this move caused them significant financial problems because the costs of raising their children increased over time rather than decreased.

ACOSS' (2005) analysis suggested an additional financial impact: single parents subject to Welfare to Work requirements would be forced to use expensive care options due to a shortage of subsidized after school care places. It is unclear if these anticipated problems have eventuated as there has been no systematic research on the childcare problems faced by these parents since the implementation of Welfare to Work.

The financial impact of Welfare to Work reforms have been further compounded by changes to the child support system. In 2003 the Australian Government established a review into child support. Following this, a new formula for calculating liabilities came into effect on 1 July 2008. Summerfield et al's (2010a) study focused on the combined

⁴ Existing academic studies also suggest that these outcomes would have varied significantly between those located in major cities and those located in other regions with those located in the former achieving better employment outcomes than the latter (Feeny et al. 2011, 834).

impact of child support reforms on single parents' after-tax incomes, together with the Welfare to Work reforms, including the 'economic well-being of children in those households.' They examined the impact of the dual reforms for varying levels of private income and focused on two specific scenarios:

1. Where the non-resident parent's income is \$45,5050 per annum, reflecting annualised average weekly earnings at August 2007
2. Where the non-resident parent's income is \$30,241 per annum (reflecting the average child support income of non-resident parents) (Summerfield et al. 2010a, 71).

Summerfield et al. (2010a, 74) conclude that:

Resident parents of the type examined in our case studies are only advantaged by the [combined] reforms in our modelling if they earn more than the 'average employee'; that is, more than the 'all employees' total earnings of \$45,505, as at August 2007 (ABS, 2007b). This is an unlikely income level, given their carer responsibilities and likely educational and employment disadvantages.

Subsequent analysis of poverty rates among single parent families has concluded that the most likely impact of the Welfare to Work reforms has been to increase poverty rates. Drawing on 10 waves of data collected between 2001 and 2010 from a representative sample of Australians collected via the Household Income and Labour Dynamics in Australia (HILDA) survey, Wilkins (2013, 27) concludes that:

Up until 2005, the lone-parent poverty rate was around 19 per cent, but this jumped up to 23.9 per cent in 2007, most likely due to the July 2006 Welfare-to-Work reforms, which saw some lone parents placed on Newstart Allowance rather than the more generous Parenting Payment Single. The lone-parent poverty rate remained above 23 per cent in each year from 2007 to 2010, with the exception of 2009, when the poverty rate dropped to 20.0 per cent, which was a temporary effect of the bonus payments made as part of the 2008–09 fiscal stimulus package.

Conclusion

Given that the evaluation of the AWT reforms did not find any impact on parents' earned income or financial self-reliance (DEWR 2005; Alexander et al. 2005, 21); and also that modelling conducted prior to the introduction of Welfare to Work suggested net losses for parents who were to be affected by the reforms (Harding et al. 2005a, Harding et al. 2005b, Harding et al. 2005c, Harding et al. 2005d), it is perhaps not surprising that the government's predictions that Welfare to Work would increase labour force participation leading to increased individual prosperity did not eventuate (Australian Government 2005). Official evaluations have not systematically investigated the financial impact of the 2005 Welfare to Work reforms on these families. This absence is echoed in economic analysis, which has sought to identify further policy options for moving people from welfare to work and assessed these options against the criteria of 'redistributive, efficiency, and labour supply response effects' (Buddelmeyer et al. 2006, 273). Unlike analysis of the earlier 2000 reforms to the tax and transfer system (Gregory et al. 2008), Buddeleyer and colleagues' study ignored the potential impact on parents' financial wellbeing. In summary, the academic literature provides consistent evidence that the impact of welfare to work reforms on parents' and children's financial wellbeing has been negative, but there are significant gaps in our understanding about the magnitude of these impacts.

Impact on social connection and subjective wellbeing

A central claim of the 2005 Welfare to Work reforms is that employment increases the wellbeing of single parents and their children, an important dimension of which is subjective wellbeing. However, the literature suggests that while the AWT reforms had a neutral or slightly positive impact on parents' and children's wellbeing, the Welfare to Work reforms have had a significant *negative* impact on parents' subjective wellbeing.

Attitudes towards compulsory activity requirements for primary carer parents

Our contention is that parents' experiences of activation policies, and thus the subjective wellbeing impacts, will be shaped by the attitudes and perspectives of the broader public. Specifically, norms around single mothers' labour force participation will shape the degree to which participants feel that 'activation' or Mutual Obligation requirements are reasonable.

A group of studies conducted by the UNSW Social Policy Research Centre (SPRC) and The Social Research Centre in Melbourne in the late 1990s and early 2000s examined the level of public support for new Mutual Obligation requirements for primary carer parents (Saunders 2002a; Eardley et al. 2000; The Social Research Centre 2005a). Shortly following the Coalition government first signalling their intentions for Parenting Payment recipients, a slight majority of the general public (51.2 percent) did not feel that parents with young children (under 5 years) should be required to seek paid work, but just over half (51.3 percent) thought it reasonable to expect parents to seek part-time paid work once their youngest child started school (Eardley et al. 2000, 28).

Just before the announcement of the 2005 Welfare to Work measures, the Social Research Centre study revealed even lower levels of community support (25 percent) for work requirements for primary carer parents with young children (2005a, 18). Furthermore only 26 percent of community members believed that Parenting Payment recipients with a child aged 13 to 15 should do more than six hours a week of activity in order to remain on payments.

Before Welfare to Work, income support recipients' views regarding compulsory activity requirements were also largely aligned with those of the community. Only 27 percent of PPS and 22 percent of PPP recipients surveyed in 2004 agreed that people on these payments should be subject to compulsory activity requirements (The Social Research Centre 2005a, 26). At the same time, half of PPS and three quarters of PPS recipients who were not employed reported a preference to be in paid work (The Social Research Centre 2005a, 27), preferably part-time (60.3 percent of PPP recipients and 70 percent of PPS recipients) (The Social Research Centre 2005a, 27).

However, qualitative interviews conducted after the introduction of Welfare to Work revealed that around half of the 21 Parenting Payment recipients interviewed agreed with compulsory activity requirements due to concerns such as 'taxpayers' money' and 'bludgers'. However, a small number qualified their agreement by suggesting that parents should only be required to seek work within school hours, or that compulsory work requirements should start when children were in late primary or high school. Only two interviewees completely disagreed with any compulsory work requirements (Grahame and Marston 2012, 73). These levels of support for compulsory activity requirements shape primary carers' experiences of encounters with the income support and employment system, and subjective well-being and it is to these issues that we outline in the following section.

To summarise, the introduction of compulsory activity requirements for primary carers of children divides community sentiment regarding mandatory work requirements for parents of school aged children, and runs counter to the wishes of recipients themselves. However, at the same time, the majority of single and partnered income support recipients expressed a voluntary desire to work, and one community survey showed that a slight majority supported part-time employment for parents with school-aged children. Since the introduction of Welfare to Work, no statistical research has been conducted to examine whether the community's previously ambivalent sentiment towards (Eardley et al. 2000, The Social Research Centre 2005a) Mutual Obligation requirements for parents has "hardened", but recent qualitative research suggests there has been a strong internalization of Welfare to Work policy rhetoric by recipients themselves (Grahame and Marston 2012, 73). While these findings are not directly commensurate with recipients' wellbeing, they do provide the context from which benefit recipients' reports of experiencing a lack of respect, stigma and insult can be understood. This is the issue to which we now turn.

Impact of the income support and employment system on subjective wellbeing

The most immediate impact of welfare to work is that parents become subject to the obligation to seek paid work (Ferguson 2013). They are brought into a new system that is designed to monitor their compliance with these requirements and in some cases also assist them to find paid work. With the introduction of AWT, and subsequently Welfare to Work, parents became subject to more intensive monitoring from the income support system. This included more frequent compliance checks from Centrelink and, for those not already engaging in a minimum of 30 hours of paid work per fortnight, new compulsory interactions with Job Services Australia. A series of qualitative studies have provided insights into parents' wellbeing when engaging in voluntary and compulsory interactions with this system.

Research conducted around the time AWT was introduced (2002) focused on the experiences that the most disadvantaged jobseekers had with the 'mutual obligation regime'. The interviews included open and closed questions about disadvantaged jobseekers' experiences. The study concluded that while most participants who needed to seek 'exceptions' to the activity test were reasonably happy with how this process worked, the most disadvantaged active jobseekers were in general extremely frustrated with the system (Ziguras et al. 2003, v).⁵ This study included five people who lived with their children and no other adults (presumably single parents) and two people who were living with their partner and children. However, the presentation of findings did not separately identify the impact of the 'mutual obligation regime' on the wellbeing of primary carer parents or their children. Their finding regarding the most disadvantaged jobseekers (which was that these individuals 'were so engaged in meeting their [mutual obligation] requirements ... these seemed to have replaced actual job search activities') may have applied to parents' experiences but it is not possible to determine this (Ziguras et al. 2003, 43).

The official evaluation of AWT focused on the impact of the Personal Adviser 'measure' on moving parents towards paid work, and parents' overall perception of the interview and planning process (The Social Research Centre 2005c). Interviews were conducted in May and June 2004. The sample included 1653 Parenting Payment recipients (608 partnered; 1045 single), of which 629 had a youngest child aged 13 or

⁵ This study included parents but the analysis did not separately identify their experiences.

more (meaning they had an additional compulsory activity requirement). Some of the respondents had a child aged 0–5 and had attended the interview voluntarily while other respondents had been required to attend the interview. The presentation of findings did not enable the reader to separately identify these two groups.

Respondents most commonly reported that they were ‘really looking forward to the interview’ (38 percent PPP; 48 percent PPS) or ‘didn’t know what to expect’ (38 percent PPP; 31 percent PPS) (The Social Research Centre 2005b, 10). Most parents in the official evaluation study reported being very happy with the manner in which the interview was conducted, a finding that was also echoed in a qualitative academic study conducted by Blaxland (2013, 789, discussed below). However, parents were divided regarding the degree to which the interview actually helped them, with just over half (54 percent) agreeing that the interview made a real difference to their situation (The Social Research Centre 2005b). The evaluation also found that at the time of a follow-up survey, which was conducted six to seven months after the initial interview, 41 percent of Parenting Payment respondents had achieved the goals that they had outlined in their participation plan. Of the 20 percent of respondents who had achieved an employment goal, one third (34 percent) said the Personal Advisor played a role (The Social Research Centre 2005c, 17).

Blaxland’s qualitative study (2013) also revealed mixed perceptions among single parents regarding the compulsory Personal Adviser interviews. This study drew on multiple semi-structured interviews conducted in 2003 and 2005⁶ with 16 women who were subject to the AWT compulsory activity policy and had a youngest child aged 13–15. Blaxland (2013, 791) found that one group of women recognized themselves as needing assistance with planning for the future while a second group of women recognized that some Parenting Payment recipients needed this assistance but rejected the idea they were one of these parents and thus were ‘insulted’ by the interaction. Finally, a third group of women did not recognise or understand the logic of the compulsory interviews and activity agreements.

More recent qualitative studies have explored parents and single mothers’ experiences of encounters with the employment and income support system following the introduction of Welfare to Work reforms. Grahame and Marston (2012, 73) found that when interacting with the welfare bureaucracy mothers ‘experienced a lack of recognition of their identities as mothers, paid workers, and competent decision makers’. Drawing on an analytical framework that focused on factors that either promoted or negatively affected these women’s ‘self-worth and relational autonomy’ the authors assessed the degree to which interactions with Centrelink supported women’s autonomy (Grahame and Marston 2012, 80). Factors in their framework included ‘social recognition of one’s identity and being given options and trust in one’s capacity to choose how to manage ‘competing obligations’, ‘intrusion’, ‘feeling controlled/pressured’, and ‘talked down to’ (Grahame and Marston 2012, 80). Although some mothers gave positive accounts of friendly and supportive Centrelink and employment services staff, the majority of single parents’ narratives recounted negative experiences (Grahame and Marston 2012, 73). Mothers’ accounts revealed that within the general community they experienced a stigma associated with being in receipt of income support, and the unease caused by this was most pronounced when the women were actively engaging with Centrelink. Some women explained that they were made to feel like a ‘second class citizen’ when they came into contact with Centrelink and the

⁶ In total 33 interviews were conducted with the 16 women.

Job Network agencies. They largely felt that their identities ‘as both mothers and workers [were] rendered invisible in these interactions’, and suggested that services needed to work more on treating them as individuals (Grahame and Marston 2012, 82).

These findings are echoed in McArthur and colleagues’ (2013) study. Drawing on 48 in-depth interviews with single parents, they aimed to understand how parents experienced government and non-government services in the context of new Welfare to Work requirements (McArthur et al. 2013, 160). They revealed that single parents tended to experience negative encounters with Centrelink and related services. The prominent theme emerging from the narratives was the difficulty single parents faced when attempting to receive what they were entitled to. Reasons given by single parents for this difficulty were that they felt as if they were under constant surveillance by Centrelink, who saw them as largely ‘undeserving’, and felt they were consistently required to ‘prove’ their eligibility for support’ (McArthur et al. 2013, 160).

These two studies, together with a third study by the Brotherhood of Laurence (Bodsworth 2010, described below), found that many parents felt their individual circumstances were not taken into account by Centrelink due to its ‘work-first’, ‘one size fits all’, ‘blanket’ or ‘rigid’ approach (Grahame and Marston 2012, 80; McArthur et al. 2013, 163–5, Bodsworth 2010, 49). This lack of service responsiveness resulted in some parents who felt unable to return to paid work being pushed to do so (Grahame and Marston 2012) while other parents who wanted to return to paid work felt that the system was unwilling to provide them with the assistance they needed to realize this goal (McArthur et al. 2013). For example, parents whose children had significant health issues expressed their concern about being ‘pushed’ back into the workforce (Grahame and Marston 2012, 80) whilst parents who were eager to return the workforce reported being unable to access the skills training courses they needed in order to gain employment (McArthur et al. 2013, 164).

The qualitative study by the Brotherhood of Laurence (Bodsworth 2010, 49) involved 44 recipients of Parenting Payment or Newstart (and included 21 single parents, 3 partnered parents and 20 individuals with no dependent children in their care). This study also found that the application of work requirements for parents was extremely rigid and forced parents to engage in elaborate ‘work around’ schemes (Bodsworth 2010, 49). One parent reported experiencing difficulties because she was working 29 hours per fortnight rather than the required 30 hours. Another experienced difficulties when her employer wanted her to reduce her hours for a period of four weeks due to staffing challenges in the workplace. In both cases these parents had to make complicated agreements in order to keep their employment and meet Centrelink’s requirements (Bodsworth 2010, 49–50). This research also revealed instances where parents had to give up employment that averaged 30 hours per fortnight over the longer term but which was not predictably a minimum of 30 hours per fortnight.

All three studies of parents’ encounters with the service system draw similar conclusions about the negative impact on single parents’ wellbeing. They each conclude that these impacts are a result of service interactions that are largely based on intrusive and one size fits all mentalities and practices. McArthur et al. argue that these experiences often result in anger, disempowerment, alienation, and limited or no access to personal, formal, and informal supports (McArthur et al. 2013, 163). Bodsworth reports that many single mothers found the fortnightly reporting of their hours ‘demeaning’ and resented feeling like they ‘were “in trouble”’ if they worked less than 30 hours per fortnight due to their children being ill (Bodsworth 2010, 45–6). Very similarly, Grahame and Marston (2012, 83) conclude that ‘this lack of recognition diminishes wellbeing via damage to self-worth or self-esteem’.

Another impact of compulsory activity requirements is that it changes how parents can allocate their time. Ferguson's (2013) narrative study examined how 14 people on activity tested income support payments, including the Parenting Payment, experienced the Australians Working Together (AWT) system. This analysis did not separately distinguish respondents' experiences according to family or payment type, but it did refer to cases where parents who were subject to the activity test had to give up valued volunteering activities (Ferguson 2013). This theme is also consistent with the finding of Cook et al.'s (2009) qualitative study of single mothers' experiences of the Welfare to Work reforms. Drawing on semi-structured interviews conducted with 25 single parents who were required to increase their hours of paid work as a result of the Welfare to Work measures, they found that for some this meant giving up volunteering work (which provided them with autonomy and flexibility and which they valued highly) in order to take up work that was not stimulating or enjoyable, and that clashed with their caring commitments (Cook et al. 2009).

In summary, while the previous section's findings from qualitative and quantitative studies demonstrated parents' beliefs regarding the importance of paid work and the reasonableness of a compulsory activity requirement (The Social Research Centre 2005a, Grahame and Marston 2012), this section shows parents' experience of increasing bureaucratic and social pressure to engage in paid employment as compulsory activities were increased, or expanded to a wider group of recipients. While benefit recipients' data from the AWT evaluation (The Social Research Centre 2005b) and independent research (Blaxland 2013) showed that parents 'looked forward to' or were 'very happy' with Personal Advisor interviews under AWT, the experiences reported in research conducted after the introduction of Welfare to Work were overwhelmingly negative (Bodsworth 2010; Grahame and Marston 2012; McArthur et al. 2013). Beneficiaries' interactions with Centrelink or compulsory employment services had immediate negative impacts on their emotional wellbeing (Bodsworth 2010; Grahame and Marston 2012; McArthur et al. 2013). They also had long term impacts, as parents who have highly negative service experiences tended to withdraw from support services, possibly 'reinforcing their disadvantage' (McArthur et al. 2013, 159).

Impact of activity requirements on parents' subjective wellbeing

The AWT evaluation of the impact of activity requirements for Parenting Payment recipients on their children aged 13–15 years determined that the most commonly reported impact of the new activity requirements was changes in emotional well-being. Some of these impacts were positive while others were negative (Alexander et al. 2005). The evaluation findings were based on semi-structured interviews with 60 parents (26 PPS and 34 PPP) who had signed a Participation Agreement in February or March 2004 and their youngest child. The data were collected via two semi-structured interviews collected 18 months apart and conducted via phone. More than half the parents reported higher levels of stress since taking on AWT activities, but parents who took on new activities as a result of the requirements were more likely than parents who were already engaging in activities to report improvement in social connectedness and self-confidence (Alexander et al. 2005, 21). Parents who had additional caring responsibilities (such as an elderly parent) or an on-going health problem were particularly likely to report increases in stress or a decreased confidence in their own abilities (Alexander et al. 2005, 21). Parents and children were also asked to assess the overall impact of the parent's activities, and the majority (27) reported that this was positive.

Blaxland's (2009) study of the AWT intervention was more critical of the impact of these activity requirements on parents' subjective wellbeing. This study concluded that these reforms had little impact on parents' behaviour because most were already doing the kinds of activities that AWT made compulsory. Of the '15 mothers with activity agreements, seven signed agreements in which they committed to continuing in an activity they were already undertaking' and they were nearly all spending more than the required average of six hours per week on these activities (Blaxland 2009, 4–7). Blaxland (2009, 2, 8) concluded that the impact it did have was to 'reduce parents' autonomy to decide 'what activities to do when', quoting interviewees who felt they were pushed into committing to further activities, such as study, before they were ready.

A key rationalization for compulsory activity requirements has been the claim that long term receipt of income support results in claimants developing a welfare dependent mentality or disposition where they feel unable to ever support themselves financially (Wilson et al. 1999).⁷ However, there have been no systematic studies of this phenomenon in single parents. The closest that research has come to looking at this is the evaluation of AWT, which found that requiring parents to engage in activities as a condition of their payment did not change their attitudes towards 'receiving government benefits while raising a child' (Alexander et al. 2005, 51). As far as we are aware the only Australian research on welfare dependency is Barón et al. (2008), who found that youth who lived in a family dependent on income support tended to have an external locus of control (i.e. they tended to feel that they could not control events affecting them).

Only one academic study has attempted to systematically determine whether the 2005 Welfare to Work reforms increased single parents' subjective quality of life (Cook et al. 2009; Cook 2012; Cook and Noblet 2012). This study was conducted in the period immediately following the implementation of Welfare to Work, and focused on those single parents 'to which welfare to work requirements applied which required them to participate in the most recent welfare to work reform activities' (Cook 2012, 147). Data were collected via a mail-back questionnaire conducted in 2007 (which 353 people completed) and a follow-up questionnaire 18 months later, which was completed by 222 (62.9 percent) of the original participants. A series of articles were published from this study.

Firstly, the study reveals that the self-reported quality of life of the 334 single mother respondents to the initial survey was significantly lower than the general population (Cook et al. 2009). By comparing the sample subjective well-being (SWB) mean of the 334 single mothers⁸ to population norms, the authors found that single mothers making the compulsory transition from welfare to work reported significantly lower 'subjective wellbeing' (-27.10), satisfaction with their future security (-27.13), standard of living (-24.36), relationships (-23.89), and satisfaction with life as a whole (-23.87) (Cook et al. 2009, 484).

Secondly, analysis of the 155 single mothers who were employed at the time of the first survey revealed that they had significantly lower job satisfaction⁹ compared to the

⁷ See O'Connor (2001) for an analysis of the intellectual origins of this concept and Wilson and Turnbull (2001), Henman (2002), Henman and Perry (2002) for a critique of this concept.

⁸ The Personal Wellbeing Index includes the following eight items: a global evaluation of life as a whole, standard of living, health, achievements, relationships, safety, community connectedness, and future security. Each domain was measured using an 11-point scale (0 = completely dissatisfied, 10 = completely satisfied). Individual scores were multiplied by 10, before the seven domain scores excluding the global evaluation of life as a whole were then summed and averaged to provide a mean score of subjective wellbeing (Cook et al. 2009, 481).

⁹ Job satisfaction was measured using items from the Household Income and Labour Dynamics in Australia

broader population of employed Australian women (Cook and Noblet 2012). Specifically, single mothers' overall average job satisfaction was 6.3 on an 11-point scale compared to an average of 7.7 for all employed Australian women (Cook and Noblet 2012, 210), and the largest difference was in the domain of job security (5.19 versus 8.0) (Cook and Noblet 2012, 211). The rate of casual employment among the sample, which was twice the national rate for Australia women, was a strong predictor of job satisfaction. The authors concluded that the strong association between casual employment and job satisfaction was not particularly surprising given that casual jobs typically do not offer the kinds of conditions valued by parents with dependent children, including regular hours, sick leave and holiday pay. Parental distress¹⁰ was also negatively associated with mothers' satisfaction with job security, hours of work, and overall job satisfaction.

Finally, Cook (2012) found that single mothers who were required to increase their hours of employment from below 15 hours per week to 15 or more hours due to the new Welfare to Work activity requirements experienced a decrease in their SWB (again using the Personal Wellbeing Index). This finding was based on responses from survey respondents who were working less than the required fifteen hours per week at the baseline and who completed the follow-up survey.¹¹ Specifically, the analysis focused on three sub-groups:

1. those not working at the baseline or follow-up (not working control group; $n = 72$);
2. those not working at baseline, but working any hours at follow-up ($n = 27$);
3. those working less than 15 hours at baseline (required to increase work hours; $n = 36$).

For the 'moving from welfare to work' group their overall SWB decreased as their work hours increased after controlling for monthly income, a result that may be explained by the type of work that single parents typically find (that is, part-time, unstable, casual work) (Cook 2012, 151).

Further qualitative research that was undertaken with a sub-set of these survey participants provides further insights into why this group may have experienced a decrease in SWB after controlling for income. It found that single mothers subjected to Welfare to Work requirements were commonly forced to give up rewarding and flexible volunteer work in order to engage in unrewarding, poorly paid and unstable employment (Cook et al. 2009).

To summarise, the research demonstrates that there have been impacts on parents' subjective wellbeing as a result of compulsory activation measures designed to move them into employment. These impacts were anticipated, and monitored by the AWT evaluation (Alexander et al. 2005). The most positive assessments of AWT contend that there were mixed results, with some subjective burdens for those feeling pressured by work, and gains for those already undertaking (or most easily able to move to) eligible activities (Alexander et al. 2005). The most negative assessment of AWT regards it as an imposition on the autonomy of participants (Blaxland 2009, 4–7). However, research

(HILDA) survey. The domains were: 'total pay', 'job security', 'the work itself', 'hours worked', 'overall job satisfaction', and 'satisfaction with the flexibility to balance work and non-work commitments' (Cook and Noblet 2012, 207).

¹⁰Parenting stress was measured using the parenting stress index (PSI), which included three domains: 'parenting distress', 'parent dysfunctional interaction', and 'difficult child'.

¹¹As a result, 28 people who did not provide their work hours were excluded, as were a further 59 people who were working in excess of 15 hours at baseline and thus already meeting their employment participation requirements.

post-dating the more stringent and onerous Welfare to Work measures (Cook et al. 2009; Cook 2012; Cook and Noblet 2012) finds less positive results. The longitudinal analysis from Cook and Noblet (2012), which is most able to discern patterns of causality, found that a compulsory increase in work hours in order to meet activity requirements decreased single parents' subjective wellbeing. This result was posited to be associated with the poor job quality that participants reported at baseline. Taken together, these findings suggest the stress of onerous and mandatory work requirements has a detrimental impact on recipients' subjective wellbeing.

Conclusion

In this section, we reviewed community and recipient attitudes to mandatory work requirements for parents who are primary carers, and research reporting parents' experiences of increasing work expectations. We find that despite ambivalent community support for mandatory obligations for parents with school aged children, activity requirements have been progressively increased since 2000. As the requirements have become more onerous, the documented negative impacts have increased. Thus, while the AWT requirements resulted in mixed subjective wellbeing impacts, all studies on the impact of Welfare to Work have found that it had negative effects on subjective wellbeing.

Impact on mental and physical health

A key rationalization for compulsory activity requirements is the idea that long-term welfare receipt has negative effects on mental and physical health. As elaborated below, there is a significant body of research that shows that receipt of income payments is correlated with poorer mental and physical health, but the factors that generate this relationship – particularly for parents – are not well understood. In particular, it remains unclear the degree to which payment receipt itself or other factors, such as low income, generates these poorer health outcomes.

Currently there is a large body of research on the impact of income support receipt on physical and psychological wellbeing. While an evaluation of the new activity requirements implemented as part of Australians Working Together assessed the impact of these measures on parents' health (Alexander et al. 2005), the evaluation of the 2005 Welfare to Work measures did not assess these kinds of impacts. The evaluation of AWT determined that few parents reported that the new activity requirements had direct impacts on their health. Only two parents reported a reduction in health that was attributable to the requirements, and only one reported an increase that was directly attributable (Alexander et al. 2005, 20).

While there are no academic studies that have directly evaluated the impact of Welfare to Work reforms on parents' or children's health, a series of studies by Butterworth and his collaborators provide some evidence that these reforms may be having a negative effect on parents' psychological wellbeing. Derived from self-report data from large, representative national panel studies, their body of work has established three important things. Firstly, parents in receipt of income support have significantly poorer physical and mental health compared to the general population. Second, a substantial proportion of the association between income support receipt and poorer mental health is due to their experience of financial hardship. Third, regardless of financial or personal circumstances parents experience a decrease in mental health when they transition onto income support. We elaborate on these findings in the following.

Two studies used the Australian Bureau of Statistics 1997 *National Survey of Mental Health and Wellbeing* (which was collected prior to the implementation of AWT or Welfare to Work) to establish a high incidence of poor mental and physical health amongst parents in receipt of income support. In the first study Butterworth (2003) compared the physical and mental health of working aged welfare recipients to adults with other main sources of income, and examined five client groups: the unemployed, students, partnered women with children, un-partnered women with children, and those not in the labour force. He found that un-partnered women with children had significantly higher levels of physical and mental disability than non-recipients of income support, with 53.2 percent of un-partnered women with children reporting a mental disability (the highest score of all client types), and 45.2 percent reporting a physical disability. In comparison, 27.3 percent of non-recipients reported a mental disability and 29.7 percent reported a physical disability (Butterworth 2003, 445).

In a second study the authors used the same data and found that single parents in receipt of income support report 'significantly higher levels on all psychological measures related to demoralization with high rates of 'hopelessness' (16.8 percent), 'worthlessness' (12.3 percent), and 'no life satisfaction' (47.3 percent)'. Partnered mothers in receipt of income support also 'demonstrated higher rates than non-recipients on the hopelessness and worthlessness items' but their rates were much lower than for single parents (Butterworth et al. 2006, 650). Rates of suicidal ideation were also higher among single mothers in receipt of income support. They found that 2.5 percent of those not reliant on income support payments reported 'suicidal ideation in the past 12 months' whereas the rate among single mothers in receipt of an income support payment was '11.5 percent (increased odds of over 5)' (Butterworth et al. 2006, 650). Rates of suicidal ideation were not higher among partnered mothers who were in receipt of income support, however. Analysis revealed that socioeconomic factors largely explained the elevated rates of psychological distress amongst partnered mothers in receipt of income support, however they had 'consistently elevated levels of hopelessness' that were not explained by 'socioeconomic status, personal risk factors and psychiatric illness' (Butterworth et al. 2006, 654). Analysis also revealed that the higher rates of psychological distress amongst single mothers in receipt of income support were not explained by socioeconomic factors. However, a range of personal characteristics including number of children, 'physical health/disability, loneliness, experience of violence, psychiatric disorders' did account 'for the elevated rates of demoralization, hopelessness and suicidal behaviour within the lone [single] mother recipient group' (Butterworth et al. 2006, 652).

More recent analysis, which draws on the Australian Bureau of Statistics 2007 *National Survey of Mental Health and Wellbeing* (conducted one year following the implementation of Welfare to Work) did not find any significant changes in the mental health of single parents. While they did find significant increases in the rates of mental health problems amongst partnered parents the authors concluded this was due to changes in the data collection methodology rather than true changes in the population (Butterworth et al. 2011).

Finally, recent analysis which draws on the nine waves of HILDA (2001 to 2009) suggests that mothers who experienced a mental health problem were more likely to enter PPS but that this risk was in turn explained by financial hardship and household income (Kiely and Butterworth 2014, 351). They also found that a transition to PPS was associated with a decline in mental health (Kiely and Butterworth 2013b, 664). Subsequent analysis using the same data revealed that 21 percent of the increased risk of mental health problems for Newstart recipients and 16 percent of the increased risk of

such problems for Parenting Payment recipients ‘could be directly attributed to their experience of financial hardship’ (Kiely and Butterworth 2013a, 590). Kiely and Butterworth (2013a, 590) conclude that:

By detailing how financial hardship contributes to the association between receipt of unemployment payments and mental health, we show that payment adequacy is not only a matter of equity, but an important issue for health and well-being.

In summary, these studies which show that financial hardship is associated with poorer mental health suggest that Welfare to Work reforms, which have increased financial hardship amongst the single parent population, may have also contributed to increases in poorer mental health amongst primary carer parents by increasing rates of poverty amongst this group. However, current research does not enable us to determine whether this is the case. More needs to be done to determine the relationship between the reforms and parents’ mental and physical health.

Conclusion

Despite claims that a transition from ‘welfare’ to ‘work’ would improve wellbeing (Commonwealth of Australia 2005), and notwithstanding parents’ general support for compulsory activity requirements and the importance of paid work (The Social Research Centre 2005a; Grahame and Marston 2012), published research on single parents’ welfare-to-work transition has revealed key concerns across three areas: financial wellbeing; subjective wellbeing; and mental and physical health.

There has been relatively little study of the financial benefits of the Welfare to Work reform for parents and children, and no government evaluation of these outcomes. The evidence that does exist suggests a negative financial impact of welfare benefit eligibility changes accompanying Welfare to Work reform (Harding et al. 2005a; Harding et al. 2005b; Harding et al. 2005c; Harding et al. 2005d; Wilkins and Leigh 2012; Leigh et al. 2008; ACOSS 2005; Bodsworth 2010), with negative effects felt most keenly by single parent benefit recipients who are also in receipt of child support (Summerfield et al. 2010b). Research has found that, coinciding with Welfare to Work, the poverty rate of single parents – and their children – increased by over four percentage points (Wilkins 2013). The experience of heightened poverty, combined with the stress of monitoring and work requirements associated with Welfare to Work, then has a further wellbeing impact.

With respect to the impacts of activation policies and Welfare to Work on subjective wellbeing, while earlier research on the AWT reforms found mixed results, no studies conducted after the 2005 implementation of Welfare to Work have found positive effects. Instead, the most recent evidence reveals the emotional strain parents experience when engaging with the current income support and employment service system. This was found to damage parents’ self-worth, self-esteem and quality of life (Blaxland 2013; Bodsworth 2010, 49; Grahame and Marston 2012, 80; Cook and Noblet 2012; Cook 2012; McArthur et al. 2013). These strains have been contended to be associated with the poor quality of jobs that program participants hold, that make balancing working and caring responsibilities difficult in the context of inadequate resources (Cook and Noblet 2012). However, as the research on the financial impacts of Welfare to Work have found, the financial costs and benefits of work only exacerbate rather than alleviate these concerns. These relationships between poverty, stress and mental wellbeing are most succinctly summarised in the research by Butterworth and

colleagues (Butterworth 2003; Butterworth et al. 2006; Kiely 2014). They use nationally representative data to show the significantly poorer mental health of benefit recipients; that this ill health was associated with the experience of financial hardship; and that these mental health disparities were worsened by a transition onto income support.

No academic studies or government evaluations have directly examined the health impact of the Welfare to Work measures. However, given that the links between poor health, poverty and income support receipt have been reported in the literature since 2003; and given indicative evidence regarding the subjective and wellbeing implications of the less onerous AWT package, it is surprising that neither subjective, financial nor mental indicators were included in the evaluation of Welfare to Work.

Taken together, academic research on the impact of Welfare to Work reforms on the wellbeing of single parents and their children presents an overwhelmingly negative picture. Reforms have forced parents to participate in services that use ‘work-first’ and ‘one size fits all’, ‘blanket’ or ‘rigid’ approaches that do not help parents to meet their aspirations (Grahame and Marston 2012, 80; McArthur et al. 2013, 163–5; Bodsworth 2010, 49). Instead, the reforms overwhelmingly leave them feeling pressured, controlled and talked down to (Graham and Marston 2012, 80). Research also suggests that the reforms have decreased the financial wellbeing of single parents and their children (Harding et al. 2005a; Harding et al. 2005b; Harding et al. 2005c; Harding et al. 2005d; Wilkins 2013), resulting in parents making the transition from welfare to work feeling less satisfied with their future security and standard of living (Cook et al. 2009, 484).

However, there remain significant gaps in our understanding of how Welfare to Work affects parents and their children. In the US, government evaluations have focused on the impact of welfare to work reforms on parents’ earnings (Hamilton 2012; Greenberg et al. 2009), and on the wellbeing of children (Hamilton 2000) and families (Scott et al. 2001). However, Australian evaluations have largely ignored these issues, focusing instead on the impact of these reforms on rates of payment receipt (and thus government expenditure).

To date, research has provided very little insight into the impact of the Australian reforms on children’s wellbeing. Given the strong relationship between parental wellbeing and children’s wellbeing it appears likely that Welfare to Work has also had some negative effects on children’s wellbeing. Thus there is an urgent need to undertake research that investigates whether or not there have been impacts on children’s wellbeing including on their subjective wellbeing and their educational achievements and outcomes.

Another important knowledge gap is our understanding of the degree to which parents subject to Welfare to Work have been able to access affordable and high quality care. This is important from a wellbeing perspective because childcare affordability affects families’ financial wellbeing, while childcare quality affects children’s emotional and educational outcomes. Finally, there is almost no research on the impact of these reforms on parents with a disability (who are not eligible for the Disability Support Pension), on parents from minority ethnic groups, or on parents living in regional and remote areas. In sum, given the existing concerning evidence on the negative impacts of Welfare to Work on the wellbeing of parents and their children, there is a strong need for more systematic analysis of its impact on a diverse range of primary carer parents and their children.

Methodologically, this review provides some interesting insights. First, our systematic search strategy reveals the relative paucity of independent research on an issue that affects the lives of a significant proportion of the population. This finding in itself should urgently prompt further research, particularly large-scale, representative

studies of single parents' and their children's welfare to work experiences. Within each of the thematic areas reviewed here, we find examples of a thin evidence base, with numerous holes and omissions. Greater attention is needed to develop a comprehensive evidence base from which evidence based policy can be achieved. Second, we note the important role played by our analytical method. While we began with three areas of wellbeing to which we were attuned, namely families' financial wellbeing, parents' subjective wellbeing, and parents' and children's physical and psychological wellbeing, and within these categories we inductively coded the article content, paying particular attention to the constructs and categories employed by each study's original authors.

In this way, we were attuned to the experiences of the policy targets themselves, and were able to develop conclusions that can best reflect their lived experience. When viewed through the prism of 'evidence based policy' this inductive approach provides the best approach through which to de-centre the interests and policy claims of experts and interest groups and foreground the impact for those affected on the ground. As a result of this review, we hope that future rounds of welfare-to-work policy reform will acknowledge and then attend to the issues these data raise.

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