6

Paying for care in Australia's 'wage earners' welfare state': The case of child endowment

Julie Smith

Australia's social protection regime, implemented during the 20th century through wage, taxation and social security systems, has been both an enemy and a friend of gender equality. Social protection in Australia was underpinned from 1907 by a 'wage earners' welfare state'—a wage regulatory system that mandated a basic wage for employed men, single or married (Castles 1985). State and federal wage tribunals set these wage standard at levels sufficient to support a family at a reasonable standard of living. However, these 'family wage' fixing arrangements allowed female employees to be paid just half the male rate. Gender wage inequality thus lowered employer costs and made the 'family wage' more economically feasible, but also institutionalised women's economic dependence on a male breadwinner, and reinforced gender roles in unpaid household work and care. The family wage system disempowered and created vulnerabilities for women, particularly those caring for young children, as their entitlement was indirect through a husband. Reinforcing this gender inequality, income taxation—based on the individual unit with progressive marginal rates—allowed deductions for (mostly high-income male) taxpayers with dependants. Even aside from debates on whether the legislated wage was indeed sufficient for a couple and at least one child, the 'family wage' system created an obvious need for alternative provision for females unsupported by a male breadwinner, including widows, deserted wives and single mothers.

An important counterbalance to the gender inequality of its 'family wage' was the Australian social security system, initiated in 1909 with the introduction of the federal aged pension. The aged pension, maternity allowances, child endowment and widow's pension—payments that particularly addressed the needs of women—were advocated and adopted in Australia during the next half century. Unlike other countries, in Australia these payments were financed from progressive taxation such as new land and income taxes, rather than social insurance levies on earnings, and payments were flat-rate rather than based on individual wage replacement. An individual's entitlement was not based on prior financial contributions. The design of Australia's 20th-century social security system thus acknowledged women as productive citizens who were contributing to building the country's capital (Lake 2012; Sawer 2012). As Marian Sawer observes (Sawer 2015, p. 25), there was at this time:

> clear recognition that old-age pensions needed to be non-contributory in order to give equal recognition to the paid and unpaid work performed by citizens. The advocates of old-age pensions insisted that the unpaid work performed by women in caring for others should not condemn them to the workhouse or to poverty in old age. A contributory basis for pensions would make a mockery of the work of married women.

Notably, in 1924, Australia's national statistician made calculations of the value of the nation's human capital, which encompassed women's non-market household production (Treadgold 2000). The report prepared by Commonwealth Statistician Wickens highlighted that the value of the country's human capital, at £6,211 million, was three times higher than its 'material capital' assets, such as factories, mines and railroads. Estimating that the cost of producing a 15-year-old child required 'capital outlay' of around £436, which was more than repaid by the future productivity of adults, Wickens' report concluded that:

> there can be no worse policy in any community than that under which the health of the citizens is sacrificed to the increase of material goods, particularly when that sacrifice occurs, as in the past it has frequently occurred, amongst the children (Wickens 1924, p. 554 cited in Treadgold 2000, p. 46).

Taxation and transfer systems may seem to treat men and women equally. However, men have higher wages, earnings and wealth than women, and spend less time meeting unpaid care responsibilities for children or adults. Men are less likely to experience poverty or financial deprivation, and their expenditure patterns are different (Grown and Valodia 2010). Fiscal systems that levy taxes on wages, incomes, consumption and wealth therefore affect men and women differently.

This chapter presents a gender analysis of the evolution of Australia's somewhat distinctive 'wage earners' welfare state' and its social protection 'twin', the tax-transfer system. It focuses on the origin and evolution of child endowment and later family payments, within a feminist economic framework that incorporates non-market household production, particularly care of children. Such a framework draws attention both to the contribution of the household economy to economic productivity and growth, and to the declining visibility of the unpaid care economy in Australian fiscal policy discussions. Though the contemporary loss of policy interest in gender equality has been linked to a diminished concern for redistribution issues (Sawer 2015), this paper emphasises the economic efficiency consequences. Connecting social science research on comparative welfare regimes with studies of women's time investments in young children, it draws on evidence from medical and health sciences to identify the health and labour productivity implications arising from fiscal and wage policies, which neglect the unpaid care economy and gender equity. Notwithstanding a shift from a male breadwinner model to a focus on 'women and work' and 'early childhood investment', it shows how gender biased perspectives on what counts as 'productive' presently stand in the way of fiscal and labour market strategies, which improve national productivity, as well as protect and encourage greater gender equality.

The chapter proposes that the erosion of the value and universality of child endowment illustrates one of two key ways that the goal of improving gender equality has been 'lost in translation' (Jenson 2009) during the 'incomplete transformation' of Australia's welfare state in response to women's changing roles (Esping-Andersen 2009).

First, and the focus of this chapter, is the dismantling of Australia's unique family wage system and the 'dual earner' model promoted as achieving gender equality, pursued without attention to the preconditions for wellbeing of women and children. This wellbeing is set by the limited resources of the unpaid care economy (Folbre 2002; Pocock 2006) and the interactions with gendered labour market institutions (Hakim 2000; Esping-Andersen and Billari 2015).

Second is the gradual marginalisation of the tax-financed public aged pension by policies that have since the 1990s compelled wage contributions to private superannuation, and provided substantial tax privileges to those making voluntary contributions (Smith 2004b). In this regime transition, the economic costs of taking time out to care for children during their lifetime has differentially adverse implications for women, especially low-wage earners throughout the life course. Parental time investments in children during the life course count for nothing in this publicly underwritten, market-focused system (Smith 2007).

During the 1990s, comparative political science scholarship on welfare state regimes identified three regime types describing how a country's social policies protect families from dependence on the vagaries of the labour market for survival: liberal-conservative, corporatist and social democratic (Esping-Andersen 1990). These 'three worlds of welfare capitalism', inhabited approximately by Anglo-Saxon, European and Nordic countries, tackled household income inequality and insecurity by 'decommodifying' labour—creating social entitlements which to varying degrees reduced workers' dependence on markets for subsistence.

More recently, responding to feminist critiques of 'the three worlds of welfare capitalism' and to concerns at declining birth rates and child development disadvantage, the extension of this welfare framework has highlighted its widening gaps and inequalities in societal support for social reproduction (Esping-Andersen 2005, 2008, 2011). Welfare regime scholars have identified that appropriate policy responses to the changing role of women are crucial for adapting and rebalancing the welfare state, but this is an 'incomplete revolution' (Esping-Andersen 1999). This new way of thinking about country's welfare regimes highlights that deep-seated gender bias in the design of 'welfare capitalism' threatens countries' capacity to compete in a global knowledge economy, which relies on high-quality human capital. Remedying this requires attention to the household economy.

Feminist scholars have challenged conventional conceptualisations of the welfare capitalism, arguing that its evolution during the 20th century was directed at 'decommodification' of wage labour. This crosses all three 'worlds of welfare capitalism' because of the design focus on a male breadwinner. It results in contemporary welfare regimes being poorly equipped to address gender inequality, and even recreating or entrenching it (O'Connor 1993; Orloff 1993, 1996). Because women are mainly held responsible for care work, their economic vulnerability lies particularly within the family and its care responsibilities.

The centrepiece of tax and welfare reform strategies and policies in Organisation for Economic Co-operation and Development (OECD) countries since the 1990s has been on boosting women's employment participation. Although recognising that women's economic independence may be supported through labour market participation, Orloff proposed that evaluation of welfare regimes also consider the contribution of benefits to women's empowerment vis-à-vis men within marriages and families (Orloff 1996). The implication is that female labour market integration has been overemphasised as the route to gender equality. Gender equitable regimes would enhance women's capacity to survive and support their children without having to marry to gain access to a breadwinner's income. As Lohmann and Zagel remind us, at the time of its emergence in the 1990s, the concept of 'defamilization' captured 'not only economic independence and the independence from care responsibility but also the freedom to choose who cares' (Lohmann and Zagel 2016, p. 3). This calls for greater attention to gender-specific aspects of 'defamilization'. This would involve evaluation of the extent to which countries' welfare regimes rely on women in families (not just the market and the state) to provide welfare, and scrutiny of how these regimes shape gender relations, including how women are enabled to achieve economic autonomy outside of marriage, and how unpaid and paid work is recognised and treated.

In Australia, the demise of the 'wage earners' welfare state' (Castles 2001) has been epitomised by the shift away from citizen entitlements, towards tightened eligibility, labour market participation requirements and means testing of social security benefits alongside policies of fiscal restraint and tax reform since the 1980s. Continuing policy blindness to the extent of household investments in children gives rise to concerns that the welfare regime reforms developed in the past decade—such as 'social investment' strategies focused on disadvantaged children—resulted in a 'loss in translation' of gender egalitarian strategies by displacing the equality claims of adult women (Jenson 2009; O'Connor 2013). The 'defamilization' of 'unpaid' care work to encourage women's 'paid' work participation (in some cases assisted by public funding of child care services), remains the main pathway by which 'welfare reform' addressed gender equality. However, improving gender equality requires an understanding of the crucial importance of unpaid care work as the foundation of a country's human capital. It also necessitates a model of productive work in which men become more like women, combining care with paid work, rather than replacing a 'family wage' system with wage and fiscal policies that result in women being burdened with both (Fraser 1994). In contrast with the contemporary characterisation of women receiving social security payments for their families as 'bludgers', 'leaners' or 'skivers' (Whiteford 2017), it can be argued that contemporary capitalist development is itself 'free riding' on women's unpaid care activities, whilst obscuring the importance and value of women's social reproductive work (Fraser 2016, p. 85):

> The real free riders in the current system are not single poor mothers who shirk employment. The real free riders are men of all classes who shirk care work and domestic labor, and the corporations who free ride on both the paid labor and the unpaid labor of working people.

A gender-equitable approach requires quality care services for children and the elderly and universal and adequate child/family allowances and tax benefits, paid and unpaid parental leave policies, and changes to the social and economic institutions for work and care to distribute the economic burdens of care of dependants more equally between men and women (Lohmann and Zagel 2016). Such policies require a strong public revenue base, and understanding of the gendered effects of fiscal and labour market policies, as well as how tax-transfer and labour market policies shape and constrain women's (and men's) paid and unpaid work. The tax-transfer system is an important institution that has been profoundly shaped by 20th-century values and norms, and continues to shape the organisation of Australian society in the 21st century.

Household production and Australia's social protection regime

The care economy

During the process of economic development, markets have come to account for a greater share of economic activity, and non-market household production has tended to decline. In part this is due to improved public infrastructure and household technology, and in part the rising opportunity costs of unpaid work as women's wages and job opportunities increased (Australia. Royal Commission into the Basic Wage 1920; Greenwood et al. 2005). However, social reproduction and its basis in the care economy may be drained of resources by competition with the market economy if societal arrangements recognising, protecting and rewarding it are inadequate (Folbre 2002). In 1985, Cass pointed out that the nature of transfers occurring in the non-market household sector was not from breadwinner to 'dependants', akin to welfare. Rather, it represents a system of hidden and unpaid welfare services provided by women (Cass 1985). Today, Australian families are finding it challenging to survive and reproduce amidst rising pressures from employment, while public services and related supports become less accessible and more costly (Pocock 2006). Market provision may fill gaps in provision but externalise its social costs such as those resulting from the minimising the costs of care, including diminishing care quality (Donath 2000) and relationships (Himmelweit 1995). Pocock (2006, p. 4) observes:

> While neoclassical economic theory treats labour as a commodity and happily embraces the market commodification of human effort, this denies a fundamental truth about workers: that they must reproduce themselves or the labour market cannot work. Such reproduction is a social function, which is undertaken by both individuals (when parents have a child) and society (when social fabric sustains households).

Focusing on market incentives and cost externalities highlights that children can be considered as 'public goods':

> Economic development tends to increase the costs [of children] to parents in general, and mothers in particular. Yet the growth of transfer payments and taxation of future generations 'socialise' many of the benefits of children … Parents who derive sufficiently high non-pecuniary benefits from their children may not care. Increases in the private costs of raising children, however, are exerting tremendous economic pressure on parents, particularly mothers … As children become increasingly public goods, parenting becomes an increasingly public service (Folbre 1994a, p. 86).

Early in the 20th century, as modern welfare capitalism emerged to decouple economic security from the vagaries of employment, an implied social contract for care was evolving to deal with parallel social dilemmas of providing care for dependant people such as children and the aged (Folbre 2001). Hence, institutional arrangements evolved during industrialisation that constrained women's choices so as to, in effect, coerce their low-cost availability for care work and diminish their bargaining power within the family. For example, until the 1880s in Australia women could not own property or hold a job after marriage, and wages for caring occupations have been low in part because of gender bias that views women's work as low skilled (England 2005). By the late 20th century, however, growing maternal labour market participation was increasingly in conflict with expectations regarding women's participation in the household economy (Folbre 2002). Incompatibilities and gender inequities facing the 'modern woman' underlie various forms of a 'baby strike' occurring in different countries (McDonald 2000, 2013).

The invisibility of women's economic contribution

Household production and care work is a substantial part of the economy, although not counted in measures of economic activity such as gross domestic product (GDP) (Miranda 2011; ABS 2014). Stiglitz et al. observe that as countries develop, the shift from home to market production may 'overstate increases in well-being' and 'policies that encourage market over non-market production distort the economy':

> We may be more confident about measuring … shifts from home production to market production that occur broadly within society—and it would be wrong not to make note of these changes. Failing to do so may seriously bias our estimates of improvements in societal well-being (Stiglitz et al. 2009, p. 39).

The standard international treatment of household production discounts the highly valuable role that families, especially mothers, play in human capital development (Abraham and Mackie 2005). This invisibility has been institutionalised since the 1940s by the United Nations' System of National Accounting (Waring 1988).[1] There are significant consequences of this invisibility of women's household production for policy advocacy, design, implementation and evaluation (Collas-Monsod 2011; Elson 2008; Himmelweit 2002). GDP also overstates taxable capacity where it is simply measuring a shift from household to market production, such as for child care services. Tax policy also routinely dismisses the importance of addressing tax disincentives facing secondary workers, despite women being disproportionately affected by fiscal drag (Grown and Valodia 2010).

1 Before this time, some countries counted non-market household production in their economic production or national income statistics.

In Australia, as women's workforce participation increased, some economic activities shifted from the household to the market. As a result of counting this shift as a growth in GDP (while not recognising household production), the rise in economic wellbeing during these decades was overstated (Smith 1982). This measurement distortion also meant the rise in tax burden was understated, perhaps contributing to rising 'resistance' to taxation during the 1970s (Smith 2001, 2004b).

China's recent rapid transition to a market economy provides recent evidence of the distorting focus of policy during market-based economic development. In that country, social services have failed to adapt to the shift of policy focus to market productivity. The time needed to care for children, and juggle paid workforce participation with their care, explains increasing gender discrepancies in wages and labour force participation, and is estimated to account for a third of the pay gap between men and women (Gustafsson and Li 2000; Cook and Dong 2011; Li et al. 2014; Dong and An 2015).

Unpaid care work and human capital: The example of infant and young child feeding

A particular example is the omission in valuation of home-produced goods especially breastmilk, which Stiglitz et al. explain is 'clearly within the System of National Accounts production boundary, is quantitatively non-trivial and also has important implications for public policy and child and maternal health' (2009, p. 39). Health authorities recommend exclusive breastfeeding to six months and continued breastfeeding to two years and beyond (WHO/UNICEF 2003). There is significant evidence that China's modernisation has been accompanied by a dramatic decline in optimal infant and young child feeding (Hou 2014), a boom in consumption of ultra-processed and fast food (Baker and Friel 2014) including milk formula (Baker et al. 2016) and an unprecedented epidemic of chronic disease and obesity and emerging health cost burdens (Popkin 2008).

The importance of early life care and nutrition, particularly breastfeeding (Lutter and Lutter 2012), for child development and their future productivity has long been recognised (Engle et al. 1999; Alderman et al. 2005) and has recently been confirmed in developed countries (Rollins et al. 2016; Victora et al. 2016). It is important for both women's and children's health (Grummer-Strawn and Rollins 2015). Avoidable maternal and child mortality and morbidity such as for maternal breast cancer or paediatric illness associated with short breastfeeding duration has also been shown to have large health treatment cost implications in the US, the UK and Australia (Smith et al. 2002; Bartick and Reinhold 2010; Bartick et al. 2013; Pokhrel et al. 2014). The early life experience of children contributes importantly to lifelong health, development and workforce earnings in a variety of country settings. For example, considerable evidence links full-time hours in formal care during infancy with poorer development and health outcomes (Waldfogel et al. 2002; Ruhm 2004) including in Australia (Harrison et al. 2009).

The quality of human capital underpins future productivity in the market economy, with a cumulative effect of early skill acquisition (Heckman and Masterov 2007). Effects of early nutrition on cognitive development translate into future earnings independent of family education or other parental factors (Victora et al. 2015). In the US, the labour productivity costs of low breastfeeding rates were recently estimated at US$40 billion a year (Hafstead and Lutter 2016). According to the World Health Organization (WHO) and partners, 'global economic losses associated with lower cognition from not breastfeeding reached more than $300 billion in 2012, equivalent to 0.49 per cent of the world's gross national income' (WHO et al. 2016).

However, caring for infants and young children is highly time intensive, especially where they are breastfed as recommended (Smith and Forrester 2013). Time costs of caring for young children are highly gendered in distribution (Craig and Powell 2013). Improved opportunities for maternal labour force participation may increase the opportunity costs to women and families of investing time in children, placing infants and young children in competition with the labour market for parental time (Smith 2004a; Pocock 2006).

The heightened competition between market and household economic activity at particular phases of the life course has important implications for the design and overall economic efficiency of contemporary social protection systems, including family and retirement income support (Smith 2007). Rather than integrating care work with market work, our social institutions, fiscal policies and labour market arrangements put women in a weak position for bargaining regarding pay and conditions given their continued propensity for involvement in unpaid care work. In many countries, such tensions between paid employment and household work or care responsibilities result in a 'motherhood penalty' in wages (Grimshaw and Rubery 2015). Comparative analyses of welfare regimes show that countries with social protection regimes that strongly integrate work and family, including through fiscal policies supporting access to paid maternity and parental leave and child care services, also have less gender inequality in pay and labour force attachment (Gornick and Meyers 2003; Budig et al. 2016).

In Australia, women's production of human milk is valued at $3.5 billion annually using national accounting methodology, yet is not counted as adding to GDP (though market breastmilk substitutes are) (Smith and Ingham 2005; Smith 2013). Despite global and national health recommendations, breastfeeding duration has barely improved in Australia since the 1980s (Amir and Donath 2008; AIHW 2011).

In the US, welfare reforms requiring labour force participation of sole parents have had detrimental effects on breastfeeding, despite increased breastfeeding being a goal of US nutrition policies for low-income women with children (Haider et al. 2003; Folbre 2006). This reinforces the observation by Cass three decades ago that the lack of visibility of hardships borne by women has contributed to ongoing life-cycle and class inequities that produce feminisation of poverty (Cass 1988a).

From 'family wage' to family payments: A case study of child endowment

This part examines the wage policy origins of child endowment schemes introduced in Australia from 1925, traces the evolution to its progressive income tax funding from the 1940s and canvasses gender aspects of its transition to tightly means-tested family payments by 2016. It identifies the links between this evolution of family payments through the tax-transfer system, and the move to equal pay for women in the 1970s. During the 1920s in Australia, social reformers and unions aimed to protect the living standards of wage earners with children from inflation and real wage erosion, while employers sought to cut wage costs and maintain cost competitiveness by making child support a public responsibility funded from general taxation. From before the time of introduction of the Commonwealth income tax in 1915, a 'bachelor tax' was debated in parliament on the grounds that the single wage earner was paid wages for a spouse and children he did not actually provide for, and so could fairly be taxed at a higher rate than the married man. The position taken by major interest groups during the Royal Commission on Child Endowment (1929) illustrates how child endowment and its financing was conceived and negotiated, and why child endowment came to be funded by Commonwealth income taxation.

Child endowment experiments: Context and contenders

Australian proposals for child endowment during the 1920s emerged from a complex background of employer, union and social activist challenges to the 'family wage' concept, which had been established in the previous decade (Jelly 1977; Cass 1983; Watts 1987). Some proponents of child endowment or family allowances saw them as a progressive social reform aimed at redistributing income to women and children, reducing family poverty and acknowledging the social and economic value of women's unpaid work in the home (Land 1975). High wartime inflation eroded competitiveness whilst creating considerable industrial unrest among workers who perceived the purchasing power of their wages to have been eroded by wartime price rises. Wage earners supporting families were worst affected, having relatively high expenditures compared to those without dependants. Employers, on the other hand, claimed the family wage was beyond the capacity of industry to pay and sought to dampen wage demands through introducing child endowment separate to arbitrated wages. The Piddington Royal Commission into the Basic Wage proposed replacing the 'child' element of the 'family' wage by introducing child endowment, financed by a levy on employers.

The 1927 NSW Family Endowment scheme

In 1919, the Holman Nationalist Government in NSW had proposed a Bill for child endowment of 5 shillings per child for adult male employees, funded by a contribution from employers. This was to be an alternative to a spectacular 28 per cent increase in the adult basic wage set by the wage fixing authority (Sawkins 1933). It involved redefining the basic wage unit as a couple, rather than a family of four (Commonwealth Bureau of Census and Statistics 1927). The proposal was also intended to protect NSW from increased costs that might force industries to close or move interstate (Evatt 1979). The Labor Party and unions saw the scheme as an attempt to 'filch' an expected basic wage increase. Employers in secondary and rural industries, on the other hand, were unconvinced that it would reduce their wage costs and uncompromisingly opposed the Bill. Conservatives also opposed it because it would undermine parental, especially paternal, responsibility to maintain children and thus also weaken work incentives (Cass 1983). The Bill scraped through the Assembly, but was blocked by the Legislative Council (Kewley 1973).

In 1927, child endowment was introduced in NSW by the Lang Labor Government, a year after Lang obtained office, funded by a payroll tax. The NSW Industrial Commission, chaired by Justice Piddington, had found that restoring the real value of the pre-war basic wage (£5/6/-) required a large increase in the basic wage. Commissioners ruled for a wage increase to £4/4/-, which would bring a man and wife with one child up to pre-war real basic wage levels. It strongly recommended the government introduce child endowment to protect the purchasing power of those with more than one child. It was expected that employers would benefit from lower wage costs, even if child endowment for the additional children was funded through introducing a payroll levy (NSW Industrial Commission 1926).

Women's organisations within the Labor Party were pressing for child endowment even before W.A. Holman's 1919 proposal (Cass 1983). They viewed child endowment as a prerequisite for women's equal pay, as well as an acknowledgement of women's economic contribution through non-market work and of the right of women and children to income separable from their husband/father's right to a living wage. Lang was lobbied to introduce such a measure immediately on attaining office in 1926 (Melville 1954).

The labour movement's conception of such a measure was that it should be financed through progressive taxation and paid for all children in a family, with an income ceiling high enough to make it available to most wage earners and as an addition to, not replacement for, the family component in the basic wage. Labour and social welfare groups were incensed when the *NSW Family Endowment Act 1927* only partially met the child component of the wage increase that had been foregone as a result of the 1926 Industrial Commission ruling (Cass 1983). The government's original Bill had proposed a 6 per cent payroll tax and a child endowment payment of 6 shillings. Incomes up to £364 per annum had been eligible. However, as passed, the Act provided only a 5 shilling per child payment and drastically limited eligibility to families on the basic wage or below, that is, on less than £221 per annum. Notably, the tax on payrolls was also to fund endowment for children of non-wage earners, such as 'farmers, dairymen, fruit-growers, self-employees, professional men and traders in a small way of business' (Charteris 1976). However, only around 28,000 of 712,000 children in 1927–28 would receive endowment.

Sustained pressure against the payroll tax by employers resulted in the levy being reduced to 3 per cent, and then suspended in 1927 (NSW Office of the Government Statistician 1933). It was further reduced to 1 per cent by January 1930 and from July 1932 revenues from the 'family allowance tax' were paid into consolidated revenue along with those from the unemployment relief tax (NSW Office of the Government Statistician 1933). From the end of 1933, child endowment in NSW was funded, along with unemployment relief and other social services, by special Depression taxes on wages (Bland 1976), and during World War II was part of the move to the Uniform Income Tax and National Welfare Fund.

The Commonwealth Royal Commission on Child Endowment

The Commonwealth Government appointed a Royal Commission on Child Endowment, tabling its report in March 1929 (Australia. Royal Commission on Child Endowment or Family Allowances 1929a). It arose from the failure to resolve state or federal financing of child endowment and problems created by overlapping wage arbitration.

The Hughes Government had not progressed Justice Piddington's 1920 proposal for child endowment (Australia. Royal Commission into the Basic Wage 1920) because of concerns about industry costs, but the Bruce–Page Government elected in 1923 viewed a national child endowment scheme as vital for its wages and industrial relations policies. Prime Minister Bruce committed to child endowment and wage arbitration reform during the 1925 election. However, he was unwilling to establish a national child endowment scheme while the states retained control over wage regulation. Bruce envisaged financing child endowment by a reduction in the basic wage, to follow from defining the wage unit as excluding children (Watts 1987). He opposed financing child endowment through general taxation, arguing that the necessary doubling of Commonwealth income tax would increase inflation and make mothers worse off (NSW Legislative Assembly 1927). The government's rural and business constituency was opposed to additional calls on general revenue. Bruce called a conference of state premiers in June 1927, but this failed to resolve the issue as Labor states were hostile to handing over wage arbitration to the Commonwealth

Government (Kewley 1973; Watts 1987). Premiers saw reducing state basic wages to fund a voluntary state scheme as politically unattractive, and believed the Commonwealth should pay for child endowment.[2]

The most vociferous critics of child endowment were the Retail Traders' Association of NSW, the Victorian Chamber of Manufactures, the Primary Producers/Pastoralists' Association of WA, the Employers' Federation of WA and the Victorian Taxpayers' Association (the last largely comprising commercial and professional interests). These objected to the proposal on both moral and economic grounds, fearing that raising the income of the family man would reduce his incentive to work or to better himself. They also argued that the financing of the scheme, whether from taxation or industry levies, would impose an unaffordable economic burden on industry and the national income. Primary producers joined urban industries and employers in opposing industry schemes financed by direct levies on payrolls, seeing these as increasing the cost of inputs to rural industry. Nevertheless, some industry groups, notably those employing married men on low wages and producing basic consumer goods, saw an economic advantage in child endowment, perceiving reduced wage costs and pressures. Rural industries and small business organisations sought to ensure the child endowment scheme was extended to include non-wage earners.

Overall, with only a remote potential reduction in wage costs, nearly all industry and employer groups favoured financing any scheme of child endowment from general taxation, not from a levy on industry or employers.

The Royal Commission explored the issue of child endowment with several economic experts, who differed on whether 'redistribution of wages' was essential, but favoured income taxation as the financing instrument, because of the inequity of payroll taxes in taxing only labour income, and because of the inflationary effects compared to income taxes. Increasing Commonwealth customs and excise revenues to finance child endowment was also criticised as self-defeating in its distributional effect because such indirect tax increases were regressive.

2 For more detail on the politics and discourse of the child endowment reform process, see Chapter 5 in Smith (2002).

Significantly, the beneficial effects of child endowment noted by the economic experts included increased future production capacity of labour from better care and nutrition in childhood. A leading conservative economist, Edward Shann, argued that 'the human capital of the country is as likely to respond to further investment as its fields and factories' (Australia. Royal Commission on Child Endowment or Family Allowances 1929b). Similarly, Gordon Wood gave evidence that spending would switch to essentials such as food, and as:

> the ordinary play of economic forces tends to limit investment in the persons and capacities of wage earners … the marginal returns to resources invested in the poor and their children would promise to be higher than the marginal return to resources invested in machinery and plant (Australia. Royal Commission on Child Endowment or Family Allowances 1929b, p. 106).

The Majority Report of the Royal Commission (Australia. Royal Commission on Child Endowment or Family Allowances 1929a) provided a comprehensive summary of the prevailing conservative arguments against child endowment. It argued that current wages provided adequately for children, and that public money would be used more beneficially in perfecting other social services. The Commissioners roundly condemned a national scheme of child endowment financed by an employer levy for the 'injurious result' it would have for industry (p. 9), and closed off the option of a scheme financed from general revenue by declaring the consequences from such an increase in taxation would be 'disastrous' (p. 9). A scheme that was additional to wages would boost 'extravagant' family spending and inflation (p. 100). The scheme was also eschewed for removing financial responsibility from parents and, thereby, their incentive to effort on behalf of their children (p. 71). The 'unity of interest' of parents was also threatened by paying endowment to mothers (p. 72), with the threat of increased numbers of deserting wives. Determining that a Commonwealth scheme was the only real option, the Majority Report then reported doubts about the Commonwealth's constitutional powers over endowment and wage fixing but concluded that industrial disputes would increase in number and intensity unless the Commonwealth controlled wage fixing as well as child endowment.

The Minority Report of John Curtin and Florence Muscio (Australia. Royal Commission on Child Endowment or Family Allowances 1929a) argued that a 'moderate' scheme financed from progressive taxation would be a good investment for the community. It noted that existing income tax deductions for dependant children recognised the value of the money and services expended in rearing and training children and were a form of family allowances. These, however, were only available to those whose income was high enough to attract Commonwealth income tax, which at that time excluded most wage earners. The Minority Report argued that the 'family wage' was 'a convenient fiction' regarding its adequacy for a family of five, and that wage fixing authorities were largely guided by market rates. They preferred income tax as the financing instrument, because it had recently been reduced and was less likely to be passed onto the cost of living than other proposed levies, including a luxuries tax or a poll tax. It would facilitate including non–wage earners and would, thereby, avoid creating incentives for preferring wage-work to self-employment. It would also redistribute income from those with the greatest capacity to pay tax to families in the greatest need, throughout the life cycle, and from those without dependant children to those with.

However, the Minority Commissioners rejected the transfer to the state of 'the whole financial responsibility for children', noting that 'the work of the father out of the home and of the mother within the home should pay the price of [their] enjoyment [of children]', but it was when 'the price exacted was too heavy and inflicted damage on the family' that child allowances should supplement that father's efforts. On this basis, child endowment was proposed only for families with more than the average number of two children. The basic wage was expected to meet the needs of the spouse and first child. The necessary revenue would be raised through lowering the Commonwealth income tax exemption for persons without dependants to £200 per annum, increasing tax on 'bachelors' who benefited from the 'excessive' basic wage—and by increasing the progressivity of tax rates on higher incomes. This was, as Watts points out, 'a prefigurement of the reality of the later welfare State' (Watts 1987).

The Bruce–Page Government accepted the Majority Report view that child endowment should not be separated from wage regulation. However, the states refused Bruce's request to relinquish their industrial powers to the Commonwealth to further such a scheme (NSW Legislative Assembly 1929); so, the Commonwealth Government would proceed no further with child endowment (Commonwealth Bureau of Census and Statistics 1929; Kewley 1973). By this time, Australian governments were increasingly preoccupied with the slide into depression. Action on national child endowment stalled until early in World War II.

Social insurance, the contributory principle and unwaged workers

In 1928, while considering the question of national endowment, the Bruce–Page Government had responded to the earlier Report of the Royal Commission on National Insurance (Australia. Royal Commission on National Insurance 1927) by tabling a Bill for a limited social insurance scheme to provide income support for the sick, disabled, widows and orphans (Kewley 1973). This Bill proposed financing a scheme of social insurance to be financed by an equal levy of 1 shilling per week on employees and employers for each male worker earning less than £416 per annum. The government would contribute only in the early years when the scheme was in deficit. The scheme was attacked on all fronts, including by friendly societies and insurance companies that feared the competition, and employers who were unwilling to accept responsibility for a share of the costs (Kewley 1969; Dickey 1980).

The debate on social insurance during the 1920s set the groundwork for taxation on a 'regressive, flat rate basis designed to ensure in practice that the poor paid for the needs of the poor' (Dickey 1980). During the Depression, Australian state governments had imposed various new flat or proportional levies on wages and income in order to provide unemployment relief and social services (Bland 1976). Between 1913 and 1939, several schemes for social insurance had been considered in detail in Australia, against the background of the spread of social insurance schemes overseas. The prospect of publicly funded social security appears to have been increasingly attractive to employers in the 1920s as such a scheme would relieve the wages system of the responsibility for family and other needs of employees at a time when the inherent conflict between 'needs' and 'capacity to pay' was becoming increasingly apparent.

By the late 1930s, the Labor Party had come to strongly oppose contributory insurance, its position represented by John Curtin seeing it as 'utterly unjust':

> The principle is bad from two aspects. One the one hand it imposes sectional taxation regardless of individual capacity to pay. On the other hand it confines eligibility for benefits to the insurance status of the contributors; and, as this status depends on contingencies which cannot be foreseen, either in point of time or in character the probability is that those most in need or equally deserving will not have rights assured them. They will have exhausted their ability to contribute and will be disqualified from the application of the scheme (Kewley 1969, p. 60).

In 1939, legislation for national social insurance had been passed and had received assent, but it was never implemented. Unlike previous proposals, it provided for a government contribution, making it into the 'tripartite' financing scheme common in Europe (Mouton 1984), the Treasury strongly objected to its cost (Watts 1987). The emerging international situation and political manoeuvring distracted political attention and disturbed the fragile political consensus that had been carrying the scheme forward. A fiscal debate triggered by Treasury's opposition renewed concerns from the Country Party and imposed severe strains on an already troubled Coalition Government. The scheme excluded unwaged workers caring for dependants, the self-employed and the unemployed. In June 1939, the Act was suspended and the scheme was abandoned (Watts 1987).

National child endowment and Commonwealth income taxation

The Uniform Income Tax Plan of 1942 finally laid the foundations for financing a system of 'contributory' social security in World War II, but without introducing contributory social insurance, which would have profoundly disrupted wage regulation. Ultimately, the contributory principle came to be applied in Australia through expanded income taxes on wage and salary earners.

A federal scheme of child endowment had been introduced by the Menzies–Fadden Government in 1941 amidst tense and complex negotiations to forestall a potentially inflationary increase in the basic wage. Its part-financing through payroll taxation was transitional. The Curtin Labor Government from late 1941 had a policy to fund child endowment through increased progressive taxation (Robertson 1974), because it was considered unfair that high-income taxpayers received a dependant child tax concession that was essentially a form of child endowment, but lower income earners received no such allowance. During 1942–44, Uniform Income Taxation extended taxation to low incomes (Australia. Committee on Uniform Taxation 1942), mainly reflecting the structure of the superseded state income taxes (Smith 2015). Mirroring states' income tax policies, the Commonwealth tax schedule introduced in 1942 included a dependant child rebate of £45 for the first child and £5 for each other child. A dependant spouse rebate had meanwhile been introduced as a response to economic conditions in 1936.

The lowered income tax threshold was made politically feasible by having child endowment in place and because uniform taxation permitted consistent heavier national taxation of higher incomes from 1942 (Mann 2015). Political acceptability of the income tax increase on lower wage earners was also increased by linking it to improvements in social services (Bailey 1980), including a new maternity benefit and widows pension, paid from a National Welfare Fund.

The Curtin Government sought to legitimise this approach by reference to the findings of the 1942 Report of the Joint Parliamentary Committee on Social Security, which had rejected social insurance and argued that 'the counterpart to the right of everyone in the community to protection against loss of income due to unemployment is the obligation of all the potential beneficiaries to contribute to the scheme' (Australia. Parliament Joint Parliamentary Committee on Social Security 1942). Because of the difficulties of covering non-employees under the conventional contributory arrangements, the committee had concluded that 'the simplest and most equitable plan in the present circumstances is to impose a general tax on every income earner in the community, with the exception of those on the lowest scale' (Australia. Parliament Joint Parliamentary Committee on Social Security 1942). It recommended a special social security tax on individuals or the earmarking of a portion of each individual's income tax for social security. In 1946, such informal earmarking of the higher wartime income taxes on low incomes and wage earners was formalised by the Menzies Government through introduction of a 'Social Security Contribution' to provide for the future funding of the National Welfare Fund (Kewley 1973; Butlin et al. 1982; Smith 2015).

An important reason for the resistance to social insurance in Australia was the failure of contributory schemes to address the needs of non–wage earners (including women providing child and household care). A similar debate took place in respect of the aged pension, leading to the abandonment of the 'contributory principle', in the early 1960s, in recognition of the fact that the extension of the income tax to lower income earners from the 1940s had made taxation 'a broadly contributory system'. In 1961, the Minister for Social Services admitted it was impractical to provide an equitable, secure and affordable contributory scheme for the aged pension. Study of contributory schemes in other parts of the world had shown that such a scheme could 'never be self-supporting':

> There is no known way to free the Treasury—that is, the taxpayers of a country—from the responsibility of meeting the very substantial deficits which are inseparable from every publicly-controlled social security scheme. The inflationary pressures of modern society, no matter how they are restricted, sooner or later reduce the value of money: the demand for increased benefits and extended services appears to be insatiable; the rate of contribution can never be permanent or adequate to make the increasing commitment, and subventions from government sources approximate the proportions of a non-contributory scheme …
>
> The end result is inevitably a stratum of social services. One at the private superannuation scheme level which, in various forms, is exclusive but rarely adequate; one at the public superannuation scheme level which has the same fault; one at the basic pension level with both pensions and contributions constantly under revision; one at the special assistance level which usually includes provision for rent, and one based on the poor law traditions of the old world or on public charity for the relief of extreme poverty (Commonwealth Parliamentary Debates, 5 September 1961, quoted in Kewley 1973, p. 103).

An 'incomplete revolution' or an invisible and shrinking care economy?

Today, Australia relies more heavily on income taxation than other OECD countries, in part because, as explained above, our social security system is not based on contributory social insurance. A key gender gap in Australia's welfare state—its formalised labour market discrimination against women—was partly addressed early in the 20th century by social security initiatives financed by expanding progressive taxes, including the aged pension and child endowment payments. These were specifically made available for women who were 'unpaid' and doing household economic production.

The redistributive role of the Commonwealth income tax changed substantially in the postwar decades as its revenue-raising role became predominant, rather than the progression of the tax scale (Smith 2001). Fiscal drag in the postwar years reduced progressivity. As in other countries (Grown and Valodia 2010), it is likely to have particularly affected women, as lower wage earners who were increasingly brought into higher income tax thresholds (Smith 2001). Base-broadening tax reforms in the 1980s aimed to replace income tax revenues with broad-based consumption taxation, purportedly to encompass the growth in the services sector, and improve work and savings incentives.

Indirect taxation (such as the goods and services tax, or GST) affects women and men differently, as discussed by Helen Hodgson and Kerrie Sadiq in Chapter 4 of this volume. The GST package of 2000 had important, though rarely discussed, implications for gender equality in the tax-transfer system and for financing social services (Smith 1998 (1992)). Experience with the earlier introduction of GST in New Zealand showed it was potentially a 'Trojan horse' for policy changes undermining gender equality (Smith 1998). On the other hand, GST exemptions such as for basic foods, child care services and medical care, increased excise taxation of commodities such as on tobacco and increased family payments as compensation for higher prices, helped limit the adverse impact of income tax cuts that shifted money from 'the purse to the pocket' (Smith 1999).

In the income tax base, there has been expanded use of concessions as an instrument of fiscal policy since the 1990s (Smith 2003). Income tax concessions were increasingly referred to as 'tax expenditures' from the 1980s, reflecting their comparable budgetary effects (Economic Planning Advisory Council 1986). The distributive consequences of tax concessions are often very regressive compared to direct spending programs (Surrey and McDaniel 1985). Tax expenditures tend to entrench the economic disadvantage and dependant status of women because they are commonly less accessible to women (Young 1999, 2000). The redistributive effects of these regressively distributive social policies are hidden from public view and reduce political transparency and accountability (Toder 1999, p. 5).

In particular, the major extension of superannuation tax concessions in Australia over the period 2003–09, along with rising compulsory superannuation levies on wage incomes, has significantly undermined gender equity in the fiscal system (Smith 2007). This is discussed further by Siobhan Austen and Rhonda Sharp in Chapter 10 of this volume. The growth of these tax expenditures has not only eroded income tax progressivity, but also contributed to ongoing fiscal 'crises' and cutbacks to public services and social security through weakening the revenue base (Smith 2004b, 2006). Ironically, the increased family payments introduced as compensation for the GST have been controversially treated as 'welfare' targeted for cutbacks, rather as a part of the benchmark tax system (Smith 2003). Meanwhile, women are now ineligible for the aged pension until aged 65 but generous superannuation is available to many men from 55 years. Labour market participation is increasingly an eligibility requirement for accessing pensions, but contribution to unpaid household work is not a condition of accessing superannuation. As a result, women are no longer available to provide child care to their young grandchildren, and the care economy shrinks further.

Tax-transfer policies since the 1990s have increasingly emphasised 'vertical equity' by tighter 'targeting' of outlays, involving expanded income tests and thresholds as well as freezing indexation or cutting payments. This produces higher effective marginal tax rates (EMTRs) on families supporting children and social security recipients, in particular on the second earner in the couple. Horizontal tax equity—focusing on comparable treatment of equals—has been given much lower priority.

What happened to Australia's social contract for care?

The history of child endowment during the postwar decades is briefly summarised below to illustrate a key aspect of how gender equality along with 'horizontal equity' has faded from the tax-transfer system (Table 6.1).

Table 6.1: 'Bird's-eye view' timeline of Australian wage-transfer tax system

Wages	Social security payments	Taxation
1908 first federal basic wage determination based on 1907 Harvester judgement	1909 aged pension for women with qualifying age of 60 years 1912 maternity allowance	1910 land tax 1915 income tax
1920 Royal Commission on the Basic Wage	1925 child endowment (NSW) 1927 Royal Commission on Child Endowment 1929 Royal Commission on Social Insurance	1925 payroll tax (NSW)
1932 basic wage cuts	State governments' unemployment relief and child endowment	1929–32 special wage and income taxes
1940 basic wage inquiry and 75% basic wage for women	1941 child endowment & 1942 widow's pension (Commonwealth) 1943 National Welfare Fund	1941 payroll tax (Commonwealth) 1942 Uniform Income Taxation including dependant child tax deductions 1945 Social Security Levy

Wages	Social security payments	Taxation
1966 basic wage and margins replaced by total wage and minimum wage for males 1972–75 minimum wage extended to adult females	1973 supporting mothers' benefit 1975 child endowment abolished 1976 family allowances replaced child endowment and dependant child tax rebates	1974 dependant child deductions replaced by tax rebate 1976 dependant child tax rebates abolished
	1983 means testing of family payments 1990 indexation of family payments 1994–95 dependant spouse rebate replaced 1997 family tax initiative	1985 Tax Summit and Women's Tax Summit
	1994 Women's eligibility for aged pension raised to 65 years	1992 Superannuation Guarantee Levy
1990 earnings indexation of family payments	1983 family income supplement (with payment to breadwinner then family allowance recipient, usually the mother, in 1984) 1987 family allowance supplement 1993 additional family payment	1985 Tax Summit, and Women's Tax Summit
	1994 home child care allowance 1995 parenting allowance 1998 parenting payment	1994 dependant spouse rebate abolished
	1997 family tax payment replaced additional family payment and basic family payment	1997 family tax initiative
1993–2009 Enterprise bargaining and Fair Work Act 2005 CPI indexation of family tax benefits 1993–2009	2000 family tax benefits replaced family allowances and family tax payment 2000 GST compensation package via family payments and income tax cuts	2000 A New Tax System (ANTS) including GST with a compensation package including increased family tax benefit and reduced personal income tax rates
	1994–2014 aged pension qualifying age increased to 65 years for women	1992 Superannuation Guarantee Charge 2002–03 superannuation tax concessions extended 2006–07 superannuation tax concessions extended

Wages	Social security payments	Taxation
	1998 child care assistance/ child care cash rebate 2000 child care benefit 2007 child care tax rebate converted to direct payment for 50% of out of pocket costs	2004 child care tax rebate for 30% of out of pocket costs replaced child care benefit
	2014 proposed budget measures on aged pension and family payments (means tests, eligibility, suspension of family tax benefit indexation)	2002–03 super tax concessions extended 2006–07 super tax concessions extended

Source: Author's research.

A decline in the real value of child endowment was the first crucial development in dismantling fiscal support for social reproduction and households' human capital formation. During the 1950s, child payments (measured as child endowment and tax allowances (at the top marginal tax rate of 67 per cent)) had been the equivalent of around 12 per cent of male average weekly earnings (Smith 1997). This declined drastically in the postwar decades. Most payment rates and coverage of the social welfare system were increased between 1941 and 1950, but child endowment remained unchanged until 1976, effectively halving its real value over time (Bray 2015). At the same time, income taxpayers were allowed a deduction for dependant children (Bray 2015). In 1974, reflecting the recommendation of the Asprey Taxation Review Committee (Asprey et al. 1975), dependant child rebates replaced deductions. As observed by Cass (1985, 1988b), tax deductions paid to fathers were, in effect, indexed for inflation over this time, but child endowment paid to mothers was not. The exclusion of the first child from child endowment until 1950 and the payment of lower rates for first children until 1989 implied that mother and child were maintained through a rising 'family wage', when in reality this increasingly required a second earner.

In 1976, dependant child tax deductions were merged with child endowment and restructured to form a universal family allowance. A tax rebate for sole parents was also introduced, acknowledging the economic significance of unpaid care work within families. Though initially seen as a sensible social reform reflecting feminist influences and supporting women's individual social rights (Edwards 1980), the value of the family allowance diminished as gender equity measure because, again, family allowance payments were not indexed for inflation. The non-indexation of tax rebates for families with children was a further factor reducing the disposable income of taxpayers supporting dependant children compared to single taxpayers (Cass 1988a). Unsurprisingly, child/family poverty became a significant issue within a decade.

Family payments were indexed from 1990, a move described as 'historic justice' for women (Cass and Brennan 2003). However, from the mid-1980s, means testing of social security payments was extended due to restrictive expenditure policies associated with a 'trilogy' of fiscal policy commitments adopted in response to current account deficits, population ageing and rising public health care costs (Gruen and Sayegh 2005). New payments were introduced targeted at low-income families and focused on poverty alleviation, and not on maintaining horizontal equity between those supporting children and those who were not (Mitchell et al. 1994). Although Australia's targeted child payments were comparable with other OECD countries in generosity, by the 1990s many fewer families were eligible as maximum payment levels were reached at a much lower income (Cass 1986; Harding and Social Security Review (Australia) 1986). This treatment of horizontal equity measures as 'welfare', needing targeting and wasteful has increasingly underpinned a shifting of the costs of children back onto families and particularly women.

The net result was that over the period 1964 to 1994, the situation of families earning less than average weekly earnings had improved compared to a single person without children, but families with incomes above average weekly earnings paid relatively more than they had in 1964 compared to childless taxpayers (Beer 1995). In effect, the transition away from the 'family wage' and unequal pay for women was paid for by increasing the net tax burden on parents with children, rather than on single taxpayers (Moore and Whiteford 1986).

The declining value of child endowment and family assistance has directly reduced women's incomes. Since its inception, child endowment was paid directly to primary carers, and was an important and highly valued income source to women (Edwards 1982). Alongside the reduced access and lower value of family payments, since the 1990s these payments have been increasingly incorporated into the tax system as 'family tax benefits', so that payments for children are not necessarily made directly to the carer. As Cass wrote in 1985:

> the undervaluation of women's caring work and physical labour in the household and the enduring tendency to regard these as non-work [allowed] the indexation of transfers for child support to remain a non-issue and policymakers to speak of community and family care as if women's work involved no costs (Cass 1985, p. 931).

Rather than defamilise the costs of children to reduce and redistribute the burden on women, there has been a coercive policy shift to 'recommodification', whereby women's workforce participation is a condition of eligibility for receipt of social security benefits (Cass and Brennan 2003). At the same time, the family tax benefit system increased EMTRs and considerably reduced financial returns to mothers participating in employment (Lambert et al. 1996). Such disincentive effects are particularly strong for those with infants and young children meeting high child care costs out of their earnings. Establishment of a quality regulated, subsidised child care system has been an important advance since the 1980s, but a comprehensive infrastructure to support dual responsibilities as carers and paid workers remains elusive.

There have been significant increases in female labour force participation over the past century and especially since the 1990s. However, as shown by Kalb in Chapter 5 of this volume, there has been much less growth in participation by mothers of infants and young children (Baxter 2013b). For example, in 2011, among all couple mothers with children aged less than 18 years, 38 per cent were in part-time employment while only 25 per cent were employed full-time. It appears that many Australian families prefer parental care for infants, with virtually no change in the use of non-parental child care between 1984 and 2011 for children below one year (Baxter 2013a).

A legacy of Australia's family wage–based approach to social protection is that other social institutions such as maternity leave and protection have been slow to develop (Smith 2007; McDonald 2013). Current policy focused on reducing the 'gender gap' in employment participation, rather than on gender inequalities in wages or inadequacies in employment entitlements such as maternity protection, has yet to address the way in which women's unequal care burden affects their equitable treatment in the labour market. Maternity leave paid for 14 weeks became available to working women in Australia only in 2011. This resulted improved maternal and child health including through longer breastfeeding duration and reduced maternal depression (Martin et al. 2014; Broadway et al. 2015). In contrast, in Norway, entitlement to paid parental or maternity leave up to around 12 months has supported stronger maternal labour force attachment and workforce participation, and near-universal breastfeeding of infants up to six months old (Helsing 2006).

Tax concessions and transfer payments are functionally equivalent, yet transfer payments such as family allowances paid primarily to women for the expenses of children have been regularly denigrated as middle-class welfare and creating dependency on welfare. Tax deductions, rebates and income splitting—which provide comparable or greater benefits to high-income or wealthy male taxpayers—are commonly characterised as 'tax equity measures'. A similar moral rhetoric surrounds access to the public aged pension, disproportionately by women, yet disregards the enormous fiscal burden and gender inequality of tax concessions for private superannuation based on a model rewarding market work over care work.

The invisibility of non-market household production also blinds policymakers to the economic necessity for policies that enable women's participation on equal terms with men in the labour market if we are to avoid continued low fertility and population ageing and ensure Australia participates in the global economy on the basis of its high quality of human capital and labour force productivity.

Conclusion

Australian governments remain content for society to 'free ride' on women's household and care work, and to its important contribution to human capital formation and productivity (Folbre 1994a, 1994b). Australia's 'wage earners' welfare state' institutionalised the 'male breadwinner model' in the social protection system from the start of the federation. However, early in the 20th century, important initiatives acknowledged women's vulnerabilities arising from their allocated role in the unpaid care economy. The gender analysis in this chapter, of how this system evolved, through a historical case study of child endowment, provides new insights into the causes, consequences and sustainability of tax and transfer policies since the 1980s. Tax policy reform since the 1980s has centred on reducing progressive income taxation, increasing indirect taxation, and curtailing the fiscal cost of Australia's tax-financed social security system. Although the tax-transfer system may seem neutral, taxes on income, consumption and wealth affect women and men differently, because of gender inequalities in wages, earnings, poverty and ownership of property and wealth, and differences in how men and women spend their money and their time (Grown and Valodia 2010).

Reflecting on Wickens' (1924) calculations on the value of Australia's human capital, it might be argued that social and economic institutions such as our tax-transfer system have made little progress in addressing the question of 'who pays for the kids?' (Folbre 1994b). Strong disincentives for unpaid care work in our system have been central to problems of falling birth rates in many countries since the 1990s (McDonald 2013) and contribute to the emerging 'crisis of care' for the sick, the elderly and children in the past decade (Fraser 2016). As the fiscal system has been weakened by unaffordable reductions in income taxation, a purported budget crisis has been used to justify tighter household means testing, reduced eligibility and weaker indexation of social security benefits, including family payments and aged pensions. Such fiscal strategies are both inequitable and economically inefficient because they create financial barriers and disincentives to women's employment participation and retirement saving. Australia seeks to position itself to compete in the global 'knowledge economy' and relies on the spectre of a rapidly ageing population and fiscal crisis to justify policies promoting 'participation, population and productivity'. Yet government policies have increased the financial and time penalties and undermined the rewards for child rearing (Smith 2007), and still fail to support full investment in children as the country's most valuable capital assets (Wei 2001).

Until the Hawke–Keating era, a universal family allowance paid directly to mothers represented an acknowledgement (albeit small and shrinking) of women's disproportionate contribution to the invisible care economy, but also of the social productivity of household time investments in children—human capital. Likewise, the widely available aged pension acknowledged that the cost of such investments fell particularly on women, by reducing their lifetime labour market earnings and limiting their capacity to save for the loss of the 'breadwinner' or for financial security in retirement. Aged pensions, child endowment and later widow's and sole parent's pensions had been financed by progressive taxation rather than contributory social insurance, because the unfairness and impracticality of excluding unwaged citizen workers from the social protection regime was recognised. Importantly, however, it was also because financing such measures from progressive taxation protected the competitiveness of Australian industry.

Feminist scholars have questioned whether contemporary welfare regimes reflect an 'incomplete revolution' in relation to women's roles, and whether social investment strategies focused on early childhood detract from gender egalitarian strategies. This chapter argues that changes in Australia's tax-transfer system during the dying decades of the Australian 'wage earners' welfare state' raise concerns about both aspects. Overall, Australia's tax-transfer system has 'refamilized' rather than 'defamilized' the costs of children during the transition from the 'wage earners' welfare state'. By neglecting consideration of the important 'unpaid care economy' to human capital formation during the first years of children's life, tax-transfer and labour market policies risk refertilising the seeds of the 'motherhood pay gap' (Grimshaw and Rubery 2015), while potentially undermining household investments in the care economy and future economic productivity.

Strengthening Australia's progressive income tax system including through curbing tax expenditures such as on private superannuation and investor housing, and tax relief for high-income earners, remains essential to funding the social services and benefit programs necessary for more equal female labour force participation, without sacrificing economically important household investments in human capital. Reducing the role of progressive income taxation, and winding back social protections directed at resourcing the care economy, such as child endowment/family allowances and the public aged pension, reinforces rather than redresses gender inequality, and undermines rather than promotes national economic, health and child development strategies directed at enhancing the productivity of Australia's human capital.

References

Abraham, Katherine G. and Christopher Mackie (eds). 2005. *Beyond the Market: Designing Nonmarket Accounts for the United States*. Washington, DC: National Research Council.

ABS (Australian Bureau of Statistics). 2014. *Spotlight on the national accounts: unpaid work and the Australian economy*. Available at: www.abs.gov.au/ausstats/abs@.nsf/mf/5202.0?OpenDocument

AIHW (Australian Institute of Health and Welfare). 2011. *2010 Australian National Infant Feeding Survey: Indicator results*. Canberra: AIHW.

Alderman, Harold, Jere R. Behrman and John Hoddinott. 2005. 'Nutrition, malnutrition and economic growth'. In Guillem López-Casasnovas, Berta Rivera and Luis Currais (eds), *Health and economic growth: Findings and policy implications*, pp. 169–194. Cambridge: MIT Press.

Amir, Lisa H. and Susan M. Donath. 2008. 'Socioeconomic status and rates of breastfeeding in Australia: evidence from three recent national health surveys'. *The Medical Journal of Australia* 189(5): 254–256.

Asprey, Ken (Chair). 1975. *Full Report 31 January 1975*. Taxation Review Committee (the 'Asprey Committee'). Canberra: Australian Government Publishing Service.

Australia. Committee on Uniform Taxation. 1942. *Report of the Committee on Uniform Taxation.* Committee chaired by Richard Charles Mills. Canberra: Government Printer.

Australia. Parliament Joint Parliamentary Committee on Social Security. 1942. *Second Interim Report from the Joint Parliamentary Committee on Social Security, dated 6th March 1942*. Canberra: Commonwealth Government Printer.

Australia. Royal Commission into the Basic Wage. 1920. *Royal Commission on the Basic Wage*. Committee chaired by A.B. Piddington. Canberra: Commonwealth Government Printer.

Australia. Royal Commission on Child Endowment or Family Allowances. 1929a. *Report of the Royal Commission on Child Endowment or Family Allowances.* Commission chaired by T.S. O'Halloran. Canberra: Government Printer.

Australia. Royal Commission on Child Endowment or Family Allowances. 1929b. *Minutes of Evidence: Royal Commission on Child Endowment or Family Allowances*. Canberra: Government Printer.

Australia. Royal Commission on National Insurance. 1927. *Fourth and Final Report of the Royal Commission on National Insurance: Membership, Finance and Administration*. Commission chaired by J.D. Millen. Melbourne: Government Printer.

Bailey, Kenneth Hamilton. 1980 (1944). 'The Uniform Income Tax Plan (1942)'. In Wilfred Prest and Russell Lloyd Mathews (eds), *The Development of Australian Fiscal Federalism: Selected Readings,* pp. 309–327. Canberra: Australian National University Press.

Baker, Phillip and Sharon Friel. 2014. 'Processed foods and the nutrition transition: evidence from Asia'. *Obesity Reviews* 15(7): 564–577. doi.org/10.1111/obr.12174

Baker, Phillip, Julie Smith, Libby Salmon, Sharon Friel, George Kent, Alessandro Iellamo, J.P. Dadhich and Mary J. Renfrew. 2016. 'Global trends and patterns of commercial milk-based formula sales: is an unprecedented infant and young child feeding transition underway?' *Public Health Nutrition* 19(14): 1–11. doi.org/10.1017/S1368980016001117

Bartick, Melissa and Arnold Reinhold. 2010. 'The burden of suboptimal breastfeeding in the United States: a pediatric cost analysis'. *Pediatrics* 125(5): e1048–e1056. doi.org/10.1542/peds.2009-1616

Bartick, Melissa, Alison M. Stuebe, Eleanor Bimla Schwarz, Christine Luongo, Arnold G. Reinhold and E. Michael Foster. 2013. 'Cost analysis of maternal disease associated with suboptimal breastfeeding'. *Obstetrics & Gynecology* 122(1): 111–119. doi.org/10.1097/AOG.0b013e318297a047

Baxter, Jennifer. 2013a. *Child care participation and maternal employment trends in Australia*. Melbourne: Australian Institute of Family Studies.

Baxter, Jennifer. 2013b. 'Parents working out work'. Australian Family Trends No. 1. Melbourne: Australian Institute of Family Studies.

Beer, Gillian. 1995. *Impact of Changes in the Personal Income Tax and Family Payment Systems on Australian Families: 1964 to 1994*. Discussion Paper No. 8. Canberra: National Centre for Social and Economic Modelling.

Bland, Francis Armand. 1976 (1934). 'Unemployment relief in Australia'. In Jill Roe (ed.), *Social Policy in Australia: some perspectives 1901–1975,* pp. 165–191. Melbourne: Griffin Press.

Bray, J. Rob. 2015. '100 years of the minimum wage and the Australian tax and transfer system: what has happened, what have we learnt and what are the challenges?' *Australian Tax Forum* 30(4): 819–844.

Broadway, Barbara, Guyonne Kalb, Daniel Kuehnle and Miriam Maeder. 2015. *The Effect of Paid Parental Leave on Child Health in Australia*. Melbourne Institute Working Paper Series No. 9/15. Melbourne: Melbourne Institute of Applied Economic and Social Research.

Budig, Michelle J., Joya Misra and Irene Boeckmann. 2016. 'Work–Family Policy Trade-Offs for Mothers? Unpacking the Cross-National Variation in Motherhood Earnings Penalties'. *Work and Occupations* 43(2): 119–177. doi.org/10.1177/0730888415615385

Butlin, Noel George, Alan Barnard and Jonathan James Pincus. 1982. *Government and Capitalism: Public and Private Choice in Australia*. Sydney: Allen & Unwin.

Cass, Bettina. 1983. 'Redistribution to children and mothers; a history of child endowment and family allowances'. In Cora Baldock and Bettina Cass (eds), *Women, Social Welfare and the State in Australia*, pp. 54–84. Sydney: Allen & Unwin.

Cass, Bettina. 1985. 'Rewards for women's work.' In Jacqueline Goodnow and Carole Pateman (eds), *Women, Social Science and Public Policy*, pp. 67–94. Sydney: Allen & Unwin.

Cass, Bettina. 1986. *Income support for families with children.* Social Security Review Issues Paper No. 1. Canberra: Australian Government Printing Service.

Cass, Bettina. 1988a. 'The feminisation of poverty'. In Barbara Caine, Elizabeth A. Grosz and Marie M. De Lepervanche (eds), *Crossing Boundaries*, pp. 110–128. Sydney: Allen & Unwin.

Cass, Bettina. 1988b. 'Women, welfare and the redistribution of income: the case of child endowment and family allowances'. In Cora V. Baldock and Bettina Cass (eds), *Women, Social Welfare and the State in Australia*, pp. xx, 330. Sydney: Allen & Unwin.

Cass, Bettina and Deborah Brennan. 2003. 'Taxing women: The politics of gender in the tax/transfer system'. *eJournal of Tax Research* 1(1): 37–64.

Castles, Francis G. 1985. *The working class and welfare: reflections on the political development of the welfare state in Australia and New Zealand, 1890–1980*. Taylor & Francis.

Castles, Francis. 2001. 'A farewell to the wage earner state'. *Eureka Street* 11(1): 29–31.

Charteris, A.H. 1976. 'Family endowment in NSW'. In Jill Roe (ed.), *Social Policy in Australia: Some Perspectives 1901–1975*, pp. 94–112. Sydney: Cassel.

Collas-Monsod, Solita. 2011. 'Removing the Cloak of Invisibility: Integrating Unpaid Household Services in the Philippines' Economic Accounts'. In Diane Elson (ed.), *Harvesting Feminist Knowledge for Public Policy: Rebuilding Progress*, p. 93. New Delhi: SAGE India.

Commonwealth Bureau of Census and Statistics. 1927. *Labour Report, 1926*. Melbourne: Government Printer.

Commonwealth Bureau of Census and Statistics. 1929. *Labour Report, 1928*. Melbourne: Government Printer.

Cook, Sarah and Xiao-Yuan Dong. 2011. 'Harsh Choices: Chinese Women's Paid Work and Unpaid Care Responsibilities under Economic Reform'. *Development and Change* 42(4): 947–966. doi.org/10.1111/j.1467-7660.2011.01721.x

Craig, Lyn and Abigail Powell. 2013. 'Non-parental child care, time pressure and the gendered division of paid work, domestic work and parental child care'. *Community, Work & Family* 16(1): 100–119. dx.doi.org/10.1080/13668803.2012.722013

Dickey, Brian. 1980. *No Charity There: A Short History of Social Welfare in Australia*. Melbourne: Nelson.

Donath, Susan. 2000. 'The other economy: A suggestion for a distinctively feminist economics'. *Feminist Economics* 6(1): 115–123. doi.org/10.1080/135457000337723

Dong, Xiao-yuan and Xinli An. 2015. 'Gender Patterns and Value of Unpaid Care Work: Findings From China's First Large-Scale Time Use Survey'. *Review of Income and Wealth* 61(3): 540–560. doi.org/10.1111/roiw.12119

Economic Planning Advisory Council. 1986. *Tax expenditures in Australia*. Council Paper No. 13.

Edwards, Meredith. 1980. 'Financial Support for Parenthood'. *Australian Journal of Early Childhood* 5(1): 36–38.

Edwards, Meredith. 1982. 'Financial arrangements made by husbands and wives: Findings of a survey'. *Journal of Sociology* 18(3): 320–338. doi.org/10.1177/144078338201800303

Elson, Diane. 2008. *The three R's of unpaid work: Recognition, reduction and redistribution*. Paper presented at the Expert Group Meeting on Unpaid work, Economic Development and Human Well-Being, New York, United Nations Development Program (UNDP), New York.

England, Paula. 2005. 'Emerging theories of care work'. *Annual Review of Sociology* 31: 381–399. doi.org/10.1146/annurev.soc.31.041304.122317

Engle, Patrice L., Purnima Menon and Lawrence Haddad. 1999. 'Care and nutrition: concepts and measurement'. *World Development* 27(8): 1309–1337. doi.org/10.1016/S0305-750X(99)00059-5

Esping-Andersen, Gøsta. 1990. *The Three Worlds of Welfare Capitalism*. Cambridge: Polity Press.

Esping-Andersen, Gøsta. 1999. *Social foundations of postindustrial economies*. New York: Oxford University Press. doi.org/10.1093/0198742002.001.0001

Esping-Andersen, Gøsta. 2005. *Children in the welfare state: A social investment approach*. DemoSec Working Paper 2005-10. Barcelona: Department of Political & Social Sciences, Universitat Pompeu Fabra.

Esping-Andersen, Gøsta. 2008. 'Childhood investments and skill formation'. *International Tax and Public Finance* 15(1): 19–44. doi.org/10.1007/s10797-007-9033-0

Esping-Andersen, Gøsta. 2009. *Incomplete revolution: Adapting welfare states to women's new roles*. Cambridge: Polity Press.

Esping-Andersen, Gøsta. 2011. 'The Importance of Children and Families in Welfare States'. In Gils Beets, Joop Schippers and Egbert R. te Velde (eds), *The Future of Motherhood in Western Societies: Late Fertility and its Consequences,* pp. 125–148. Dordrecht: Springer Netherlands. doi.org/10.1007/978-90-481-8969-4_9

Esping-Andersen, Gøsta and Francesco C. Billari. 2015. 'Re-theorizing Family Demographics'. *Population and Development Review* 41(1): 1–31. doi.org/10.1111/j.1728-4457.2015.00024.x.

Evatt, Herbert Vere. 1979. *William Holman: Australian Labour Leader*. Sydney: Angus & Robertson.

Folbre, Nancy. 1994a. 'Children as Public Goods'. *American Economic Review* 84(2): 86–90.

Folbre, Nancy. 1994b. *Who pays for the kids? Gender and the structures of constraint*. New York: Routledge. doi.org/10.4324/9780203168295

Folbre, Nancy. 2001. *The invisible heart: Economics and family values*. New York: The New Press.

Folbre, Nancy. 2002. 'The Revolt of the Magic Pudding; How to reshape a labour market that simply doesn't care'. *Australian Financial Review,* 5 April, pp. 4–5.

Folbre, Nancy. 2006. 'Measuring Care: Gender, Empowerment, and the Care Economy'. *Journal of Human Development* 7(2): 183–199. doi.org/10.1080/14649880600768512

Fraser, Nancy. 1994. 'After the Family Wage: What Do Women Want in Social Welfare?' *Social Justice* 21(1): 80–86.

Fraser, Nancy. 2016. 'Contradictions of Capital and Care'. *New Left Review* 100, July–August 2016.

Gornick, Janet C. and Marcia K. Meyers. 2003. *Families that Work: Policies for Reconciling Parenthood and Employment*. New York: Russell Sage.

Greenwood, Jeremy, Ananth Seshadri and Mehmet Yorukoglu. 2005. 'Engines of liberation'. *The Review of Economic Studies* 72(1): 109–133. doi.org/10.1111/0034-6527.00326

Grimshaw, Damian and Jill Rubery. 2015. *The motherhood pay gap: A review of the issues, theory and international evidence*. Conditions of Work and Employment Series No. 57. Geneva: International Labour Office.

Grown, Caren and Imraan Valodia. 2010. *Taxation and Gender Equity: A comparative analysis of direct and indirect taxes in developing and developed countries*. Routledge IDRC.

Gruen, David and Amanda Sayegh. 2005. *The evolution of fiscal policy in Australia*. Treasury Working Paper. Canberra: The Treasury.

Grummer-Strawn, Laurence M. and Nigel Rollins. 2015. 'Summarising the health effects of breastfeeding'. *Acta Paediatr* 104(467): 1–2. doi.org/10.1111/apa.13136

Gustafsson, Björn and Shi Li. 2000. 'Economic transformation and the gender earnings gap in urban China'. *Journal of Population Economics* 13(2): 305–329. doi.org/10.1007/s001480050140

Hafstead, Marc and Randall Lutter. 2016. *What Is the Economic Value of Improved Labor Market Outcomes from Infant Nutrition?* Resources for the Future Discussion Paper 16-29. Washington DC: Resources for the Future.

Haider, Steven J., Alison Jacknowitz and Robert F. Schoeni. 2003. 'Welfare Work Requirements and Child Well-Being: Evidence from the Effects on Breast-Feeding'. *Demography* 40(3): 479–497. doi.org/10.1353/dem.2003.0023

Hakim, Catherine. 2000. *Work-lifestyle choices in the 21st century: Preference theory*. Oxford: Oxford University Press.

Harding, A. and Social Security Review (Australia). 1986. *Assistance for families with children and the social security review.* Social Security Review. Woden, ACT: Department of Social Security.

Harrison, Linda J., Judy A. Ungerer, Grant J. Smith, Stephen R. Zubrick and Sarah Wise, with Frances Press, Manjula Waniganayake and The LSAC Research Consortium. 2009. *Child care and early education in Australia: The Longitudinal Study of Australian Children*. Department of Families, Housing, Community Services and Indigenous Affairs Social Policy Research Paper No. 40. Canberra: Department of Families, Housing, Community Services and Indigenous Affairs. dx.doi.org/10.2139/ssrn.1703234

Heckman, James J. and Dimitriy V. Masterov. 2007. *The Productivity Argument for Investing in Young Children*. Cambridge (USA): National Bureau of Economic Research. doi.org/10.3386/w13016

Helsing, E. 2006. 'Breastfeeding: baby's right and mother's duty?' In Wenche Barth Eide and Uwe Kracht (eds), *Food and Human Rights in Development,* pp. 323–355. Antwerp: Intersentia.

Himmelweit, Susan. 1995. 'The Discovery of "Unpaid Work": The Social Consequences of the Expansion of "Work"'. *Feminist Economics* 1(2): 1–19. doi.org/10.1080/714042229

Himmelweit, Susan. 2002. 'Making Visible the Hidden Economy: The Case for Gender-Impact Analysis of Economic Policy'. *Feminist Economics* 8(1): 49–70. doi.org/10.1080/13545700110104864

Hou, Arnold. 2014. 'Rate of exclusive breastfeeding declining in China'. *All-China Women's. Federation*. Available at: www.womenofchina.cn/womenofchina/html1/survey/17/3045-1.htm

Jelly, Fran. 1977. 'Child Endowment'. In Heather Radi and Peter Spearrit (eds), *Jack Lang*. Sydney: Hale & Iremonger.

Jenson, Jane. 2009. 'Lost in translation: The social investment perspective and gender equality'. *Social Politics: International Studies in Gender, State & Society* 16(4): 446–483. doi.org/10.1093/sp/jxp019

Kewley, Thomas Henry. 1969. *Australia's Welfare State*. Melbourne: Macmillan.

Kewley, Thomas Henry. 1973. *Social Security in Australia 1900–72*. Sydney: Sydney University Press.

Lake, Marilyn. 2012. 'State Socialism for Australian Mothers: Andrew Fisher's Radical Maternalism in its International and Local Contexts'. *Labour History* (102): 55–70. doi.org/10.5263/labourhistory.102.0055

Lambert, Simon, Gillian Beer and Julie Smith. 1996. *Taxing the individual or the couple: a distributional analysis*. NATSEM Discussion paper, No. 15. Canberra, ACT: University of Canberra.

Land, H. 1975. 'The introduction of family allowances: An act of historic justice?' In Phoebe Hall, Hilary Land, Roy Parker and Adrian Webb (eds), *Change, Choice and Conflict in Social Policy*, pp. 157–230. London: Heinemann.

Li, Haisheng, Qinyi Liu, Bo Li, Barbera Fraumeni and Xiaobei Zhang. 2014. 'Human capital estimates in China: New panel data 1985–2010'. *China Economic Review* 30: 397–418. doi.org/10.1016/j.chieco.2014.07.006

Lohmann, Henning and Hannah Zagel. 2016. 'Family policy in comparative perspective: The concepts and measurement of familization and defamilization'. *Journal of European Social Policy* 26(1): 48–65. doi.org/10.1177/0958928715621712

Lutter, Chessa K. and Randall Lutter. 2012. 'Fetal and early childhood undernutrition, mortality, and lifelong health'. *Science* 337(6101): 1495–1499. doi.org/10.1126/science.1224616

Mann, Evan. 2015. 'Resourcing War While Containing Inflation: Debate among Australia's Second World War Economists'. *Australian Economic History Review* 55(1): 20–41. doi.org/10.1111/aehr.12056

Martin, Bill, Marian Baird, Michelle Brady, Barbara Broadway, Belinda Hewitt, Guyonne Kalb, Lyndall Strazdins, Wojtek Tomaszewski, Maria Zadoroznyj, Janeen Baxter, Rachel Cehn, Meraiah Foley, Duncan McVicar, Gillian Whitehouse and Ning Ziang. 2014. *Paid Parental Leave Evaluation. Final Report.* Prepared for Australian Government Department of Social Services. Brisbane: University of Queensland Institute for Social Science Research.

McDonald, Peter. 2000. 'Gender equity, social institutions and the future of fertility'. *Journal of the Australian Population Association* 17(1): 1–16. doi.org/10.1007/BF03029445

McDonald, Peter. 2013. 'Societal foundations for explaining fertility: Gender equity'. *Demographic Research* 28: 981–994. doi.org/10.4054/DemRes.2013.28.34

Melville, G. 1954. *Fifty years of the LWCOC*. Golden jubilee souvenir of the Labor Women's Central Organising Committee 1904–54, Sydney.

Miranda, Veerle. 2011. *Cooking, caring and volunteering: Unpaid work around the world*. OECD Social, Employment and Migration Working Papers No. 116. Paris: OECD Publishing. doi.org/10.1787/5kghrjm8s142-en

Mitchell, Deborah, Ann Harding and Fred Gruen. 1994. 'Targeting welfare'. *Economic Record* 70: 292–340.

Moore, Jim and Peter Whiteford. 1986. *Trends in the Disposable Incomes of Australian Families, 1964/65 to 1985/86*. Research Paper No. 31. Canberra: Department of Social Security, Policy Review and Co-ordination Branch, Development Division.

Mouton, Pierre. 1984. 'Methods of financing social security in industrial countries: an international analysis'. In *Financial Social Security: The Options*, pp. 3–32. International Labour Office. Geneva: International Labour Organization.

NSW (New South Wales) Industrial Commission. 1926. *Interim Report and minutes of evidence*. Sydney: Industrial Commission.

NSW Legislative Assembly. 1927. *Report of Proceedings: Conference between the Commonwealth and State Ministers, Melbourne and Sydney, June–July 1927*. Sydney: Government Printer.

NSW Legislative Assembly. 1929. *Report of the Resolutions, Decisions and Proceedings of the Premiers' Conference*. Sydney, May.

NSW Office of the Government Statistician. 1933. *Official Year Book of New South Wales, 1931–32*. Sydney: Authority of the Government of New South Wales.

O'Connor, Julia S. 1993. 'Gender, Class and Citizenship in the Comparative Analysis of Welfare State Regimes: Theoretical and Methodological Issues'. *The British Journal of Sociology* 44(3): 501–518. doi.org/10.2307/591814

O'Connor, Julia S. 2013. 'Gender, citizenship and welfare state regimes in the early twenty-first century: "incomplete revolution" and/or gender equality "lost in translation"'. In Patricia Kennett (ed.), *A Handbook of Comparative Social Policy*, pp. 137–161. Cheltenham, UK: Edward Elgar. doi.org/10.4337/9781782546535.00017

Orloff, Ann. 1996. 'Gender in the welfare state'. *Annual review of sociology*, Vol. 22: 51–78. doi.org/10.1146/annurev.soc.22.1.51

Orloff, Ann Shola 1993. 'Gender and the social rights of citizenship: The comparative analysis of gender relations and welfare states'. *American Sociological Review*, 58(3): 303–328. doi.org/10.2307/2095903

Pocock, Barbara. 2006. *The labour market ate my babies: Work, children and a sustainable future*. Australia: Federation Press.

Pokhrel, Subhash, Maria A. Quigley, Julia Fox-Rushby, Felicia McCormick, A. Williams, Paul Trueman, R. Dodds and Mary Josephine Renfrew. 2014, 'Potential economic impacts from improving breastfeeding rates in the UK'. *Archives of Disease in Childhood*, 100(4): 334–340. doi.org/10.1136/archdischild-2014-306701

Popkin, Barry M. 2008. 'Will China's Nutrition Transition Overwhelm Its Health Care System And Slow Economic Growth?' *Health Affairs* 27(4): 1064–1076. doi.org/10.1377/hlthaff.27.4.1064

Robertson, John R. 1974. *J.H. Scullin, A Political Biography*. Nedlands, WA: University of Western Australia Press.

Rollins, Nigel C., Nita Bhandari, Nemat Hajeebhoy, Susan Horton, Chessa K. Lutter, Jose C. Martines, Ellen G. Piwoz, Linda M. Richter, and Cesar G. Victora. 2016. 'Why invest, and what will it take to improve breastfeeding practices?' *The Lancet* 387(10017): 491–504. doi.org/10.1016/S0140-6736(15)01044-

Ruhm, Christopher J. 2004. 'Parental Employment and Child Cognitive Development'. *Journal of Human Resources* 39(1): 155–192. doi.org/10.2307/3559009

Sawer, Marian. 2012. 'Andrew Fisher and the era of liberal reform'. *Labour History: A Journal of Labour and Social History* 102: 71–86.

Sawer, Marian. 2015. 'Does equality have a future? Feminism and social democracy in the era of neoliberalism.' In Anna Yeatman (ed.), *Feminism, Social Liberalism and Social Democracy in the Neo-Liberal Era*. Working Papers in the Human Rights and Public Life Program 1, pp. 24–35. Sydney: Whitlam Institute.

Sawkins, Dansie T. 1933. *The Living Wage in Australia*. Melbourne: Melbourne University Press.

Smith, Julie P. 1982. 'The value of household work in Australian national product'. Department of Economic History, The Australian National University. (Published in *Treasury Seminar Series, June 1987*. Australian Treasury: Canberra.)

Smith, Julie P. 1997. *Taxation reform and families with children*. Northcote, Victoria: Community Child Care Association.

Smith, Julie P. 1998 (1992). *Tax Reform, the GST and Women*. Australia Institute Background Paper 11. Canberra: Australia Institute.

Smith, Julie P. 1999. *Is the only good tax an old tax? An historical perspective on the GST debate*. Centre for Economic Policy Research Discussion Paper 398.

Smith, Julie P. 2001. 'Progressivity of the Commonwealth personal income tax, 1917–1997'. *Australian Economic Review* 34(3): 263–278. doi.org/10.1111/1467-8462.00195

Smith, Julie P. 2002. 'The changing redistributional role of taxation in Australia since Federation'. Economics Program, Research School of Social Sciences. Canberra, The Australian National University.

Smith, Julie P. 2003. 'Tax expenditures: The $30 billion twilight zone of government spending'. Department of the Parliamentary Library Research Papers No. 8. Available at: www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp0203/03rp08/

Smith, Julie P. 2004a. 'Mothers' milk and markets'. *Australian Feminist Studies* 19(45): 369–379. doi.org/10.1080/0816464042000278034

Smith, Julie P. 2004b (1993). *Taxing popularity: The story of taxation in Australia*. Sydney: Australian Tax Research Foundation.

Smith, Julie P. 2006. 'The challenge for more babies is a taxing one'. *The Age*. Available at: www.theage.com.au/small-business/the-challenge-to-have-more-babies-is-a-taxing-one-20090619-com1.html

Smith, Julie P. 2007. 'Time use among new mothers, the economic value of unpaid work and gender aspects of superannuation tax concessions'. *Australian Journal of Labour Economics* 10(2): 99–114.

Smith, Julie P. 2013. '"Lost Milk?": Counting the Economic Value of Breast Milk in Gross Domestic Product'. *Journal of Human Lactation* 29(4): 537–546. doi.org/10.1177/0890334413494827

Smith, Julie P. 2015. 'Australian State income taxation; a historical perspective'. *Australian Tax Forum* 30(4): 679–712. doi.org/10.2139/ssrn.2704627

Smith, Julie P. and Robert Forrester. 2013. 'Who pays for the health benefits of exclusive breastfeeding? An analysis of maternal time costs'. *Journal of Human Lactation* 29(4): 547–555. doi.org/10.1177/0890334413495450

Smith, Julie P. and Lindy H. Ingham. 2005. 'Mothers' milk and measures of economic output'. *Feminist Economics* 11(1): 43–64. doi.org/10.1080/1354570042000332605

Smith, Julie P., Jane F. Thompson and David A. Ellwood. 2002. 'Hospital system costs of artificial infant feeding: estimates for the Australian Capital Territory'. *Australian and New Zealand Journal of Public Health* 26(6): 543–551. doi.org/10.1111/j.1467-842X.2002.tb00364.x

Stiglitz, Joseph E., Amartya Sen and Jean-Paul Fitoussi. 2009. *The measurement of economic performance and social progress revisited; Reflections and overview*. Paris, French Observatory of Economic Conditions: Economics Research Center. Available at: spire.sciencespo.fr/hdl:/2441/5l6uh8ogmqildh09h4687h53k/resources/wp2009-33.pdf

Surrey, Stanley S. and Paul R. McDaniel. 1985. *Tax Expenditures*. Cambridge, MA: Harvard University Press. doi.org/10.4159/harvard.9780674436527

Toder, Eric J. 1999. 'Tax incentives for social policy: The only game in town'. *Leadership and Public Policy Series.* Paper No. 5. Maryland: The Burns Academy of Leadership, University of Maryland.

Treadgold, Malcolm. 2000. 'An Early Estimate of the Value of Australia's Stock of Human Capital'. *History of Economics Review* 32(1): 46–57. doi.org/10.1080/10370196.2000.11733340

Victora, Cesar G., Rajiv Bahl, Aluísio J.D. Barros, Giovanny V.A. França, Susan Horton, Julia Krasevec, Simon Murch, Mari Jeeva Sankar, Neff Walker and Nigel C. Rollins. 2016. 'Breastfeeding in the 21st century: epidemiology, mechanisms, and lifelong effect'. *The Lancet* 387(10017): 475–490.

Victora, Cesar G., Bernardo Lessa Horta, Christian Loret de Mola, Luciana Quevedo, Ricard Tavares Pinjeiro, Denise P. Gigante, Helen Gonçalves and Fernando C. Barros. 2015. 'Association between breastfeeding and intelligence, educational attainment, and income at 30 years of age: a prospective birth cohort study from Brazil.' *Lancet Global Health* April 3(4): e199–e205.

Waldfogel, Jane, Wen-Jui Han and Jeanne Brooks-Gunn. 2002. 'The effects of early maternal employment on child cognitive development'. *Demography* 39(2): 369–392. doi.org/10.1353/dem.2002.0021

Waring, Marilyn. 1988. *Counting for nothing: what men value & what women are worth*. Wellington: Allen & Unwin. doi.org/10.7810/9780868615714

Watts, Rob. 1987. *The Foundations of the National Welfare State*. Sydney: Allen & Unwin.

Wei, Hui. 2001. *Measuring the stock of human capital for Australia: A lifetime labour income approach*. Paper prepared for the Methodology Advisory Committee Meeting 16 November 2001. Canberra: Australian Bureau of Statistics.

Whiteford, Peter. 2017. '"Them" and "us": the enduring power of welfare myths'. *Inside Story*, 10 March. Available at: insidestory.org.au/them-and-us-the-enduring-power-of-welfare-myths

Wickens, C.H. 1924. 'Human Capital'. Report of the Sixteenth Meeting of the Australasian Association for the Advancement of Science, pp. 536–554. Wellington: Government Printer.

World Health Organization (WHO), UNICEF and IBFAN. 2016. *Marketing of Breast-milk Substitutes: National Implementation of the International Code. Status Report 2016*. Geneva: World Health Organization (WHO).

WHO/UNICEF. 2003. *Global strategy for infant and young child feeding*. Geneva: WHO and UNICEF.

Young, Claire. 1999. 'Taxing times for women: feminism confronts tax policy'. *Sydney Law Review* 21(3): 487–499.

Young, Claire F.L. 2000. *Women, tax and social programs: The gendered impact of funding social programs through the tax system*. Ottawa: Status of Women Canada.

This text is taken from *Tax, Social Policy and Gender: Rethinking equality and efficiency*, edited by Miranda Stewart, published 2017 by ANU Press, The Australian National University, Canberra, Australia.

dx.doi.org/10.22459/TSPG.11.2017.06