



Commissioner for Children and Young People
Western Australia

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Our reference: 15/10736

Senate Standing Committee on Community Affairs Legislation Committee
Parliament of Australia
PO Box 6100
Parliament House
CANBERRA ACT 2600

SUBMITTED ONLINE

**Submission to the inquiry into the Social Services Legislation Amendment
(Family Measures) Bill 2015**

I refer you to my submission dated 20 November 2015 to the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2015. Many of my comments in the attached submission are relevant to the Social Services Legislation Amendment (Family Measures) Bill 2015, in particular, the learnings from my Office's consultation with Aboriginal and Torres Strait Islander Children and Young People. This new submission will make additional comments regarding the current Bill, in particular, the removal of the large family supplement.

Role of the Commissioner for Children and Young People

As Western Australia's Commissioner for Children and Young People I have a responsibility to advocate for, and promote and monitor the wellbeing of, the half million Western Australian's under the age of 18 years.

Under section 19(g) of the Commissioner for Children and Young People Act 2006 (WA) I have responsibility to monitor and review written laws, draft laws, policies, practices and services affecting children and young people. Section 20 provides that in carrying out all of my functions I must have particular regard to Aboriginal and Torres Strait Islander children and young people, and to those who are vulnerable or disadvantaged for any reason.

Caring for the future growing up today

One of the guiding principles of the Act is that parents, families and communities have the primary role in safeguarding and promoting the wellbeing of their children and young people and should be supported in carrying out their role.

I am also required to have regard to the United Nations Convention on the Rights of the Child (UN Convention), and the best interests of children and young people must be my paramount consideration.

Removal of the Large Family Supplement

I note that the removal of the large family supplement is justified by evidence suggesting that large families do not face higher *per-child* costs compared with other families. This evidence by the National Centre for Social and Economic Modelling (NCSEM)¹ found that additional children cost less than the first child. Despite this, the NCSEM report did state that the proportion of income spent on children increases as the number of children increases, with low income large families spending a greater proportion of income on their children compared with higher income large families. The NCSEM found that large low income families spent a total of 41% of their income on their children; compared with large high income families that spent approximately 21% of their income on their children².

Of particular concern is the impact that this amendment will have on large Aboriginal families. In 2011, the average size of Aboriginal households was 3.3 persons, while it was 2.6 in non-Aboriginal households.³ On a population level, this represents a significant difference in family size, with possible increases in financial and social pressures. Further, one parent Aboriginal families tend to be larger than one parent non-Aboriginal families further compounding the impact of this amendment on already at risk and vulnerable families.

I encourage consideration for the retention of the large family supplement for vulnerable families, particularly large Aboriginal families. In the alternative I recommend that the government phase out supplements for existing vulnerable families over a period of time to minimise the impact of this change on already struggling families.

In conclusion

I reiterate my previous comments in that creating additional financial stress on low income families, particularly large Aboriginal families to achieve some short term savings for government, will increase the likelihood of poorer outcomes for these families across a range of indicators into the future and inevitably create additional

¹ National Centre for Social and Economic Modelling 2013, *The Cost of Raising Children in Australia*, Institute for Governance and Policy Analysis. University of Canberra, p 9.

² Ibid

³ Australian Institute of Health and Welfare, Canberra 2013, *Healthy for Life - Aboriginal Community Controlled Health Services Report Card*, Australian Government, Canberra.

costs to our social security, health and justice systems. I encourage the government to reconsider the proposed amendments that, in my view, are not in the best interests of children and young people and will adversely impact some of our most disadvantaged families.

Yours sincerely

Colin Petitt

Commissioner for Children and Young People

4 January 2016



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One of the guiding principles of the Act is that parents, families and communities have the primary role in safeguarding and promoting the wellbeing of their children and young people and should be supported in carrying out their role.

I am also required to have regard to the United Nations Convention on the Rights of the Child (UN Convention), and the best interests of children and young people must be my paramount consideration.

In the context of the above, I submit my comments regarding the Social Services Amendment (Family Payments Structural Reform and Participation Measures) Bill 2015.

Any amendment to family tax benefits has the potential to affect thousands of Australian children and young people, particularly those that live in low and no income families. Children and young people that live in families with inadequate income to provide appropriate housing, heating, nutrition, medical care and technology are at greater risk of poor health and educational achievement in the



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short and long term.¹ Young people (12-17 years) who live in these families are more likely to suffer from mental health problems and more likely to engage in higher rates of risky health-related behaviors, including smoking, compared with young people who live in higher income families.²

The Western Australian Council of Social Service (WACOSS) report on cost of living (2014) concluded that for single parent and one income couple families concessions are an important way to "pull themselves back from the edge of a financial precipice."³

Earlier this year, my office undertook a comprehensive consultation with over 1,200 Aboriginal and Torres Strait Islander Children and Young People in Western Australia.⁴ In expressing their views about what was important to their wellbeing the children and young people were clearly aware of the impact of financial stress on their families and how that affected their families capacity to provide the necessary support they need.

"Both my parents work hard because dad says things are not cheap no more. I get scared because dad says it's going to get harder to get a job because nobody wants to give Aboriginals work. He has two jobs and I hardly see him, which makes me sad..." 11 year old boy (Perth)

"[We need] more jobs for the parents so they and their families will not get to the stage where they are living in debt." 13 year old young person, (Pilbara)

"If [I were boss of this town] I would include more opportunities and support for children who want to go to school but can't afford to buy basic school supplies..." 17 year old girl, (Kimberley)

Whilst the additional burden of poverty and disadvantage experienced by the Aboriginal community is well recognised⁵, such poverty also impacts on children and young people across the community. In previous consultations⁶ I have done with

¹ Commissioner for Children and Young People 2014, State of Western Australia's Children and Young People. Commissioner for Children and Young People WA, Perth Available at: www.cyp.wa.gov.au

² Ratcliffe C and McKernan S-M 2012, Child poverty and its lasting consequence. The Urban Institute. Available at: <http://www.urban.org/UploadedPDF/412659-Child-Poverty-and-Its-Lasting-Consequence-Paper.pdf>

³ Western Australian Council of Social Security 2014, Cost of Living Report, WACOSS. Available at: http://www.wacoss.org.au/Libraries/P_A_Cost_of_Living_Cost_of_Living_In_WA_Papers/WACOSS_Cost_of_Living_Report_2014.sflb.ashx

⁴ Commissioner for Children and Young People WA 2015, "Listen To Us": Using the views of WA Aboriginal and Torres Strait Islander children and young people to improve policy and service delivery, Commissioner for Children and Young People WA, Perth

⁵ SCRGP (Steering Committee for the Review of Government Service Provision) 2014, *Overcoming Indigenous Disadvantage: Key Indicators 2014*, Productivity Commission, Canberra.

⁶ Commissioner for Children and Young People (2010) Children and Young People's Views on Wellbeing. Nexus Strategic Solutions. Available at:



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children and young people across the broader West Australian community the importance of family being able to provide 'the basics' of food, housing and access to education was seen as critical by children and young people. In addition, young people were also concerned about the ramifications of parents working and leaving children unsupervised.

"the government shouldn't send single mothers to work, you can't leave kids alone." 16 year old girl

Reducing financial stress and supporting low income families to provide the necessary resources for children to have adequate housing and nutrition, access to health care and to participate fully in school is critical to not only the immediate wellbeing of children and young people, but also to breaking the cycle of poverty and disadvantage for those from low income families.

Schedule 1 – Payment Rates

I support the modest increase in Family Tax Benefit A to assist low income families in raising and supporting their children so that they can be safe and healthy, so that they can attend quality child care, pre-school, primary and secondary school, and have access to life opportunities. I also support the modest increase in the youth allowance and disability support pension.

Schedule 2 – Family Tax Benefit Part B

Schedule 2 provides for the following changes to the Family Tax Benefit Part B:

- Increase the standard rate by \$1,000.10 per year for families with a youngest child aged under one;
- Introduce a reduced rate of \$1,000.10 per year for single parent families with a youngest child aged 13 to 16 (currently \$2,737.50), and extend the \$1,000.10 rate to couple grandparents caring for a youngest child in this age range;
- remove family tax benefit Part B for couple families (other than grandparents) with a youngest child aged 13 or over.

Firstly, I support the recognition by government, through extending Family Tax Benefit Part B to grandparents caring for children, of the changing social landscape of Australia that is seeing more grandparents caring for their grandchildren than ever



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before. This recognition however, underlies an increasing trend that is seeing more complex families many of whom are in need of support to provide for their children⁷.

In this context, I oppose the reduced rate of Family Tax Benefit B to single-parent families with children between 13 and 16 years; as well as the removal of the benefit from one income couple families with children over 13 years.

Family Tax benefits are designed to provide support to low income families in our community. A reduction in benefits provided to vulnerable families with teenagers, at a time when participation in education is crucial could see these young people unable to attend school or take up other educational opportunities. This further contributes to their chances of becoming long term unemployed and continuing the cycle of disadvantage.

Moreover, these cuts unfairly target vulnerable young people who live in no income families that could potentially lead to unintended consequences such as increases in contact with the juvenile justice system and the subsequent lifelong effect this has on these individuals. They could also lead to increases in the number of young people who may be in need of care by the State.

I acknowledge that these amendments are coupled with changes in access and availability of child care. However, those families who will be worse off under these proposed changes (that is, families with children over 13 years) are unlikely to benefit from these child care changes.

I support the government's efforts in encouraging parents and carers to enter the workforce and I appreciate the benefits to children both socially and academically of having a parent or parents participating in the workforce. However, in the absence of a comprehensive jobs package that addresses issues related to under-employment, availability of skilled and unskilled jobs as well as training programs particularly in our regional areas, adequate employment may not be achievable for many parents.

Even if these initiatives are in place, there will still be a proportion of parents and carers who are unable to work, such as those who suffer from mental illness, drug and alcohol issues, disability or other issues. These proposed amendments unfairly disadvantage these families and in turn have the potential to affect the life opportunities of young people who live in these families who are already facing significant challenges.

Schedule 3 – Family Tax Benefit Supplements

I oppose amendments to the Family Tax Benefit Supplements. Abolishing the Family Tax Benefit Supplements across the board unfairly targets both the 'working poor' families as well as the no income families. These families are potentially set to lose

⁷ Anglicare Australia 2015. *State of the Family report 2015: Who is being left behind*, Anglicare Australia, Canberra.



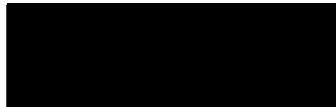
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around \$500 per year per child even when the changes to Family Tax Benefit A outlined in Schedule 1 have been taken into account. Overall, families will still be out of pocket and for those families who are unemployed, or who are unemployable, they will be far worse off under these amendments without any real way of compensating this loss.

In conclusion

Creating additional financial stress on low income families to achieve some short term savings for government, will increase the likelihood of poorer outcomes for these families across a range of indicators into the future and inevitably create additional costs to our social security, health and justice systems. Australia has a proud history of helping those who are vulnerable through our social security safety nets and our family tax benefits. I encourage the government to reconsider the proposed amendments that, in my view, are not in the best interests of children and young people and will adversely impact on some of our most disadvantaged families.

Yours sincerely



Colin Petitt

Commissioner for Children and Young People

20 November 2015