

14th July 2017

Senate Standing Committees on Community Affairs

Parliament House

Canberra ACT 2600

community.affairs.sen@aph.gov.au

Dear Committee Secretary,

Social Services Legislation Amendment (Ending Carbon Tax Compensation) Bill 2017

The National Council of Single Mothers & their Children Inc are resolute in our opposition to the proposed cuts as we know that it will harm low income sole parent families, mostly families who are already contending with housing stress and financial hardship. The submission contains two vignettes which can be found on page 4 &5, these families represent the thousands of families who stand to lose crucial funds from an already inadequate budget. Below is the summarized impact for these two families and the proposed losses should the energy supplement cuts proceed.

1. **Single parent family with two children (twin girls 6 years) will have a net loss of \$386.20 p/a**
2. **Single parent family with two children (10 & 14 years) will have a net loss of \$414.90 p/a**

Parenting Payment Single	loss of	\$312
Newstart Principle Carer	loss of	\$247
Family Payments Part A	13 and under - loss of	\$ 91.25
	13 to 19 years - loss of	\$25.55
Family Payments Part B	4 and under - loss of	\$73.00
	5 to 18 - loss of	\$ 51.10
		<i>Per annum</i>

National Council for Single Mothers and their Children Inc.

Eliminate and respond to violence, hardship and inequality for single mothers and their children

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The proposed measures will harm poor families who have been in receipt of the Energy Supplement since 20th September 2016. This is distressing, but furthermore, NCSMC does not have confidence in the process of 'grandfather provisions' as we have witnessed firsthand the ease in which this can be revoked. The most logical and fair conclusion is for the Committee to reject this measure outright.

Budget Cuts & the Harsh Reality

Sole parent families have borne the brunt of harsh cuts in successive budgets. The findings of the ACOSS Poverty [Report](#) (2016) is disturbing, but for NCMSC it was predictable. The report found that child poverty is on the rise with 731,300 children under the age of 15, which equates to 17.4% of all Australian children living below the poverty line. Our greatest alarm is for sole parent families as the report found that 40% of Australian children raised in a sole parent family will be residing with, and in a family contending with poverty indicating. The vast majority ([83%](#)), of one parent families with children or dependent students are headed by a single mother, but yet again, if these measures are passed, it is these families who will be over-represented on the 'loss side' of the ledger. It's important for the Committee to note that child poverty has increased despite 25 years of economic growth, thus indicating a failure in our policy settings.

Research by the Australian National University Centre for Social Research and Methods has examined the cumulative impacts of cuts made since 2005. The welfare-to-work program reforms main policy was to move single parents from the Parenting Payment to the Newstart Allowance. This change meant a lower payment rate and a lower rate of indexation where the youngest child was 8 years of age or older.

- A family with no private income and two children over the age of 8, policy changes since 2005 have left them around \$5,750 a year worse off or about 17.2 per cent by 2018.
- A single parent who works three days per week on the minimum wage will be \$6,391 worse off or 14.8 per cent.

*Welfare to Work
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Overall, due to lower government benefits and lower payment indexation many single parent families are considerably worse off as a direct result of policy change enacted by various governments since 2005. The modelling used a rental amount of \$250 per week (a very conservative amount). The task for women to enter paid work and to grind a way out of poverty is severely hampered due to Government decisions. Furthermore, it is parents in employment that are the most financially disadvantaged by these 'reforms' as revealed by the [ANU modelling](#). Financial returns from paid work are much less on Newstart due to lower thresholds, for example a sole parent with three children can earn and retain \$118.00 per week on Parenting Payment Single but whilst on Newstart it reduces to \$52 per week.



In evidence presented to the Joint Parliament Human Rights Committee, National Welfare Rights stated that a mother working 15 hours per week on the minimum wage would need to work [28 hours](#) per week to retain the same earnings once forced across to Newstart. In the most recent analysis from the [ABS](#) they found that employment of parents in one parent families generally increased with the age of the youngest dependant, from 40% (youngest dependant under 5 years) to 72% (youngest dependant 15–24 years old). This illustrates the foolishness to deny access to the Parenting Payment once the child is eight years old. The previous eligibility requirements of access until 16 years is more aligned to the reality of paid work and the demands of sole parenting. Indicating that employment is a capacity matter. Sole parents, whilst meeting their parenting demands also need to compete against more than [748,000 unemployed Australians and 1.1 million underemployed.](#)

Violence

Women impacted by domestic violence do not have an exemption and are forced to survive on Newstart if their youngest child is older than 8 years. NCSMC brings to the Committee’s attention that women who are eligible for ‘bond assistance’ (state assistance), due to their circumstances but are then deemed ineligible because of the low level of Newstart. In South Australia, which is similar in other States and Territories, applicants must use less than 50% of their disposable income on rent to satisfy the eligibility criteria. Newstart is too low to access this assistance and they then must contend with unthinkable options.

22% of respondents had returned to their place of abuse and to the hands of their abuser

In May 2017 NCMSC wrote a submission to the [Parliamentary inquiry into a better family law system to support and protect those affected by family violence](#). This engagement included a national online survey known as *Domestic Violence and Economic Security*. The survey found that 22% of respondents had returned to their place of abuse and to the hands of their abuser because they did not have access to adequate financial support.

Breach of Human Rights

We ask the Committee to take into consideration that Australia may already be in breach of our Human Rights and that the most prudent action would be to halt all cuts to this demographic while this matter is unresolved. In the inaugural hearing, denying access to the parenting payment single when the youngest child turns 8 years, the Joint Committee on Human Rights report on the then Bill recommended *it be delayed*. It stated clearly: *‘However, the committee notes that it does not necessarily follow that the measures seeking equity are justified as it is not apparent to the committee that the government has considered any alternative options in this regard.’*

Despite a full hearing which included subsequent information the recommendation from the highly informed Committee was dismissed.



The Joint Committee on Human Rights further recommended a review in 12 months but this did not occur and since this time there has been a change of Government. NCSMC notes that whilst the Government has changed from a Labor Government to a Coalition Government the harm has not only remained but it has increased due to the accumulative nature of financial hardship.

The Australian Council of Social Service, the St Vincent de Paul Society, the National Council of Single Mothers and their Children, and Beth Goldblatt (Associate Professor in the Faculty of Law, University of Technology Sydney) have written to the experts mandated by the UN to deal with extreme poverty, and discrimination against women, to report on this violation of Australia's human rights commitments in 2012 and 2017. To the best of our knowledge, the Australian Government has not responded to the 2012 [United Nations correspondence](#). This matter has and will continue to attract media attention as it is completely unsatisfactory for a country as rich as Australia to continue to ignore and then add further harm. Below are some recent articles for the Committee's perusal.

<http://www.theaustralian.com.au/national-affairs/call-to-reverse-single-parent-cuts/news-story/e33f213b1cd79522513f447d2c3fb801>

<https://theconversation.com/cuts-to-sole-parent-benefits-are-human-rights-violations-74844>

In conclusion, we know that women who straddle the poverty line cobble together every available assistance. If the 2017 announced measures are passed, again, it will harm those who have the least to lose. NCSMC impresses upon the Committee to demonstrate leadership and policy acumen and that they stand united and resolute against this and all further measures that remove critical assistance and support to struggling single mother families. We ask that the Committee takes a moment to gain read two brief vignettes provided by two single mothers.

National Council of Single Mothers and their Children would be most willing to attend the hearing in Melbourne and would explore the opportunity to attend with a mother who would be affected by these changes.

Yours faithfully

Terese Edwards

Chief Executive Officer



Simone Black

The father of our beautiful twin girls, who celebrated their 6th birthday in March, left us last year. After a few months of exhausting our savings, and staying with my parents, and many many many housing applications we found a two-bedroom house in Albion. Not sure if you know but it is one of the cheaper suburbs in Melbourne. We still pay \$640 per fortnight and I am so grateful for the rent assistance which is a bit over \$155 per fortnight.

My mum kept telling me to phone the 'housing commission', and could not believe it when the wait was over 10 years, as I was not an emergency! May I ask you what is an emergency? We are a few steps away from not having a home, a roof over our head. How can this be possible, I have two girls and live in Australia. I have paid work, and so damn lucky as its mostly in school hours, the hours at not set but they seem to be averaging out at 32 hours per fortnight and my gross pay is around \$575. The children`s father pays, what I think must a minimum, which is \$31. What the hell is that about!

If the cuts to energy supplement goes ahead I have worked out that I will lose

\$312 from my parenting payment and a further \$284 from family payments (part A & B)

A total loss of \$386.20

It may not seem a lot to some people but I have \$289 in the bank. That`s my emergency fund.

I am always scared that my rent will go up, or they will sell the house. I don't have any money to move. 2 months ago my dad paid for a wheel balance and two tyres. If he was not such a gem, best grandpa, we would not have a safe car. Have you tried getting around Melbourne in the winter, with twin girls, school drop off, getting to work, groceries etc, we had to for a little over a week! I hide it from everyone but it after Emmie got a cold, I had to fess up

I stretch and stretch the money, my girls spend every second weekend with their dad and it costs me to get them to him as he lives in Werribee. NCSMC you can print and share my story, I don't feel ashamed, and just quietly I am a damn amazing mum. My girls are flying through school, they are curious and kind. At six years they don't seem to get that we are poor. Our outing is to play grounds and free things. They think it is normal to fill up on Weetabix before we meet our friends at McDonalds. I call it the superfood, I manage every cent. Yes every cent. We play snuggle on the couch as I cant run the heater while we are home. Just to get the chill out and the we pile up together

My dream is to apply for more work but I don't have that friend, that sister who can help look after my children in the school holidays. After school care is not free, school is not free. One day, one day I know that I will find that job, where I can love and be the best parent to Maggie and Emma. The day we walk to McDonalds and we buy the same as our friends, I am so going to message you (LOL) Until then my dreams and my peace are interrupted with stress, money stress. These cuts will just harm us, please believe me when I tell you that I count every cent! Just don't make it harder.



This section has been accepted as confidential at the request of the submitter.

*the names have been changed to protect the women privacy and or safety

