

## ***Social Security Amendment (Supporting More Australians into Work) Bill 2013 Submission from Women's Electoral Lobby Australia***

### **WEL**

The Women's Electoral Lobby (WEL) is a national, independent, non-party political, feminist lobby group that has for 40 years worked tirelessly to ensure the rights of Australian women are protected. We lobby politicians, unions, employers, educationalists and others on behalf of women and seek to change attitudes and practices which discriminate against women.

WEL is dedicated to creating a society where women's participation and potential are unrestricted, acknowledged and respected and where women and men share equally in society's responsibilities and rewards.

WEL is an active member of the Equality Rights Alliance and Security4Women, two of the funded national alliances, which gives us access to many other national women's groups and the capacity to discuss and debate issues, as well as collaborate on projects and lobbying.

### ***Submission Overview***

WEL welcomes the *Social Security Amendment (Supporting More Australians into Work) Bill 2013* implementing initiatives introduced in the Federal Budget 2013-2014. WEL welcomes the implicit recognition of the cuts facing those transferred from Parenting Payments by adjustment of related tapers - increasing the amount Newstart recipients can earn before their payment is reduced from \$62 to \$100, and this being subject to annual indexation. WEL welcomes the return of the eligibility for Pensioner Education Supplement to single parents who have been moved onto Newstart. WEL recommends that the extension period for sole parents who have been moved off the Parenting Payment and are no longer eligible for their Pensioner Concession Card be extended to 12 months, or a minimum of 6 months, to properly accommodate the impact the change has on these families and their access to services.

Though WEL welcomes these initiatives; the changes do not go far enough. They should be introduced to assist current recipients; but there are further changes that must be implemented. Newstart payments currently leave people living below the poverty line. Newstart must be adequate to cover basic living expenses and should be raised to Parenting Payment level. The increase to the amount recipients can earn should be increased to \$170 in line with the Parenting Payment.

WEL supports the submission from Women's Equality Think Tank.



## Issues

The Howard government's Welfare to Work policies in 2006 started moving new sole parents off Parenting Payment onto Newstart once their youngest child turned eight; but 'grandfathered' over 150,000 already on the payment. Since then, at least 40,000 newer sole parents were put onto Newstart. The current government recently decided to move over 80,000 remaining grandfathered recipients on Parenting Payment onto Newstart so they would be treated similarly to the later sole parents. Both the government and the opposition justify the change to the lower payment as an incentive for these parents to obtain paid jobs.

However, Department of Education, Employment and Workplace Relations (DEEWR) data shows that 60% of the grandfathered sole parents on Parenting Payment due to be transferred to Newstart were already engaged in paid work. From 1 January 2013, these sole parents who were already engaged in paid work have lost up to \$150 per week; many of whom were already engaged in the required 15 hours of paid work<sup>1</sup>. Many of these parents are now unable to pay bills or cover work costs.

Parenting Payment Single's maximum rate is \$663.70 per fortnight. However, the Newstart Allowance reduces the maximum rate for these parents to \$533.00 per fortnight, a loss of \$130.70. WEL welcomed the Government addressing community group's call to adjust related tapers in the May budget - increasing the amount Newstart recipients can earn before their payment is reduced from \$62 to \$100. However, these changes do not go far enough. Newstart payments currently leave people living below the poverty line. Newstart must be adequate to cover basic living expenses and must be raised and the increase to the amount recipients can earn should be increased to \$170 in line with the Parenting Payment.

Many sole parents fail to find jobs because they are facing the difficulties of a tight job market and the lack of adequate opportunities of part time and flexible positions that fit around school hours and caring responsibilities. They are often faced with employer prejudice and only offered casual jobs that lack predictability and have no security or possibilities of promotion. It is important to encourage more flexible workplaces and working arrangements and discourage employer prejudice. The changes to our welfare system do not recognise the social value of many activities, other than paid employment, such as caring responsibilities. Sole parents must be financially supported so they can meet their children's time needs. The changes do not acknowledge that sole parents' care for their children, including those aged over eight, restricts their job options. We need to recognise and value the various ways in which members of our community contribute.

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<sup>1</sup> DEEWR response to Question no EW0547 show that only 40% have no earnings, 47% have some earnings and 13% earn enough to have no entitlement to a payment.



## ***Recommendations***

1. The initiatives introduced in the Bill are welcome; but do not go far enough;
2. Raise the basic payment to Parenting Payment level;
3. That related tapers for all sole parents with children under 13 be adjusted to allow more earnings before the withdrawal from \$100-\$170 per fortnight;
4. Extension of Pensioner Concession Card for Sole parents who have been moved off the Parenting Payment be extended to 12 months, or a minimum of 6 months;
5. That income support rates and conditions recognise the social value of many other activities, such as care for others, and allow adequate income for people who are effectively 'employed' in non--economic ways;
6. More forms of support for school aged children and accessible services to allow sole parents into paid work; and
7. Ensure sole parents can access all appropriate education and training, not just short courses.