

Committee Secretary
Senate Education, Employment and Workplace Relations Committees
PO Box 6100
Parliament House
Canberra ACT 2600

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Dear Secretary,

Submission to Inquiry into the *Social Security Legislation Amendment (Fair Incentives to Work) Bill 2012*

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Member

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ACOSS Policy Development Officer 1987-88

Member, ACOSS Board of Governors 1989-91

Poverty Action Worker, Council of Single Mothers and their Children 1989-91

Convenor, National Council of Single Mothers and their Children 1989-91

Member, Social Security Appeals Tribunal 1992-96

Experience: Sole parent for 29 years

This submission is being made in reference to Schedule 1 and Schedule 2 of the bill.

- Schedule 1 – The bill will remove the “grandfathering” transitional arrangements from Parenting Payment from 1 January 2013. I oppose this bill.

- Schedule 2 – Doubles the maximum reserve threshold for liquid assets to \$5,000 for singles without dependants or \$10,000 for others.

This change is appropriate and necessary. I support Schedule 2.

The following submission is in relation to Schedule 1 of the bill.

CHILDREN HAVE THE RIGHT TO PROTECTION AND SUPPORT, NOT PUNISHMENT

It is the children who will suffer.

Let us be clear about this. Cuts to the incomes of sole parents, increasing pressures on a family type which is already struggling, can only cause further damage to the children of these families.

Punishing the parents inevitably damages the children.

Background

We live in an age where alternative family types are increasing. There are increases in the number of IVF conceived children, we are seeing gay couples adopting children, and at the same time, divorce rates remain high. Widowhood remains consistent, while not as high as during World War Two.

Over 30 per cent of marriages end in divorce. For those who are not actually married, statistics about separation rates are unavailable, but are likely to be similar. Approximately 80 per cent of children living in one-parent families come from these families.

The children of these relationships need support. All children have the right to support and care. Parenting alone is much more difficult than parenting with support from a partner and the child should be given the highest priority in government policies, in the same way that the interests of the child are paramount in Law.

The interests of children are clearly not the interests of the present government, though the reasons for this are unclear.

Sole parents have been unfairly targeted for income cuts over a long period of time, but especially under the Howard Liberal government of 1996-2007.

These cuts saw a range of punitive measures designed to disadvantage one-parent families. This is what we now live with. As a consequence, we have seen rates of child poverty in Australia increase.

The present proposal to reduce the age of eligibility for Parenting Payment to the age of eight will have devastating effects on the children concerned. Eight year olds will be put at risk: we know this from the experience we have had with older children.

Even teenagers need the support of their parents. If there is only one parent, then that parent has to be there when their teenagers need them. Not all teenagers are mature, responsible and sensible: in fact, adolescence is a time when the medical evidence shows that the brain is wired for risk-taking.

In the U.S., Anne-Marie Slaughter recently resigned from her 'dream job' as Hillary Clinton's Director of Policy Planning and has written a paper "**Why Women Still Can't Have It All**" which spells out why she felt compelled to resign from this position after two years because of the needs of her two adolescent sons and her role as their mother.

Even with financial security and an extremely supportive partner, she felt unable to continue in this job which demanded more of her than she was able to give, while still being a good parent to her teenage sons. She needed and wanted to be there for her children and had to make that choice. While she still has employment as a University professor, she is better able to manage that job and juggle the needs of her family.

While she had that choice in relation to employment, sole parents often do not. Their children need parenting too, and with only one parent, their needs are more urgent. Being an adequate parent is a daily and weekly challenge, as well as a lifetime commitment. This is appropriate and necessary for children. Only a parent will give a lifetime commitment to his or her child.

Income Support in Australia

In Australia, only a small proportion of government revenue is spent on sole parent pension: this is NOT a large commitment to make to the children who will be Australia's future. Children from one-parent families are as much Australia's future as those from two-parent families.

Sole parent families already receive a rate of payment considerably lower than the standard Pension rate, thanks to selective increases (such as the so-called 'Pension Supplement') which deliberately excluded sole parents.

To reduce sole parent incomes further is short-sighted and mean-spirited.

We need to be increasing support for these families: we need to recognize the essential job that they do as caring, responsible parents and support them to do it to the best of their ability.

Cutting their weekly income by \$130 per week when their children turn eight is just punitive for the sake of being seen to be punitive. Sole parent families are not going to disappear. They are part of modern life in the 21st Century, and have as much right to support as gay couples with children and other alternative families.

If a sole parent can work, and benefit financially and personally from the work experience, there is already enough incentive for them to do this. To suddenly force all sole parents: widows, divorcees as well as never-married sole parents, into full-time work or dire poverty when their children turn eight is not only mean-spirited but actively damaging for their children.

Ask any parent of an eight-year old whether it would be desirable for their child to walk home alone from school every day and stay there alone for up to three hours until their parent gets home from work. What about the ten weeks per year of school holidays, curriculum days, or days when children are sick? Sole parents with full-time jobs would soon be sacked if they took time off during these periods.

Information from State welfare/human services departments needs to be sought about what would be considered 'Neglect'. Will we see an increase in cases that are under State welfare because parents are forced into full-time work?

And for a significant proportion who are unable to get full-time work, the proposed change just means a cut in income. This is a cut in income from a level where you can just about manage: at about the Poverty Line, to a level \$130 per week below that.

It is difficult enough to budget on a poverty-line income. We need to be realistic: reducing the base rate by \$130 per week means: it means electricity disconnections, it means no telephone or internet, it means running out of food and children going to school hungry.

We are not talking about selective expenditure: cutting the base rate of payment from \$377.75 per week to \$244.85 per week takes resources from those basic needs like housing, utilities and food. This is money that a wealthy person might spend on a meal in a restaurant: to a poor person, no amount of careful budgeting can absorb the impact of such a huge cut to his or her income.

A Labor government should be protecting people in poverty: not making them poorer. This is especially important for children, whose life opportunities will be severely restricted if they have to suffer evictions, relocations, water or energy disconnections, and no telephone or internet.

In low income families, necessary education expenses for their children are already difficult. Children in some families may never be able to go on a school excursion, for example.

We live in a very unequal society in Australia. In Ireland, where a similar proposal is on the table, sole parents may face pressure to work full-time but no income cut, as base rates of One-parent Family pension and Jobseeker Allowance are the same, as indeed they should be in Australia.

Australia is the only country in the OECD which singles out one group of welfare recipients and pays them less. New Zealand pays more to sole parent families, and most countries have base rates of payment which are the same. Only in Australia do we have such a patently unfair system, where cost of living indexation increases were deliberately applied only to pensioners and not to all groups (beneficiaries or allowees).

This was done in the late 1970s under the Fraser Liberal government, along with an attack on all those affected by it as "dole bludgers". The Fraser legacy still persists: many still believe the myth that there are thousands of people out there 'bludging' in apparent luxury (on 245 per week?) who could be working.

If the government wishes to persist with 'revenue neutral' changes to income support, the Pensioner Supplement should be abolished and redirected to those receiving Newstart. Alternatively, other areas, such as subsidies to industries like the automotive industry, could be cut back.

If we do not want to see a huge increase in homelessness in Australia, something needs to be done, with urgency, to redress the inequalities currently present in the income support system.

Children in one-parent families should not be the target of government cutbacks.

THE PROPOSAL TO REDUCE THE AGE OF THE QUALIFYING CHILD TO EIGHT MUST BE ABANDONED.

Schedule 1 of this Bill must be opposed.

The 'grandfathering' of one group effectively provides some protection for this group. Removing this 'grandfathering' provision only removes a small protection afforded to this group; it is about penny-pinching, not equity.

The Government should re-instate sole parent eligibility, at the full pension rate (including Pension Supplement) for all sole parents until their child is 16.

Broader questions of equity in the income support system also need to be addressed.

Work Opportunities

There is nothing in this proposed legislation which assists sole parent families to find work. Indeed, those who are already in part-time work will be even more

disadvantaged than those without work because of the impact of the tighter income-testing of Newstart Allowance.

In general, sole parents want to work and most would be keen to take advantage of any employment assistance offered to them. But employment programs have been progressively cut back over the last twenty years, and few opportunities now exist. Measures like the one proposed do not assist sole parents to find work.

Part-time work is often the best option for a person parenting alone. The assumption that other extended family members are willing and able to step in to provide child care is false. Many one-parent families do not have the support of family and formal child care has limited hours and availability. Certainly no child care exists to care for a sick child.

Susan Barclay

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