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Sent: Saturday, 7 May 2005 2:03 PM
To: Committee, FHS (REPS)
Cc: Andrews, Kevin (MP); Patterson, Kay (Senator);
ministerial@treasury.gov.au
Subject: Submission to Standing Committee on Family and Human Services:
Balancing Work and Family

Submission on Balancing Work and Family, from Margaret Blackman, 1 Hester Place
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Applicable to all three Terms of Reference.

Summary

Sole parent families are placed in the invidious position of having to 'choose' between a meagre existence on a starkly inadequate benefit, or working for little or no financial advantage (and often to their financial and social detriment). Policy change in this area is urgent, and must address the systemic anomalies that cause such circumstances, not simply punish those trapped in this position or making them prove themselves 'deserving'. It is not only cruel to expect sole parents to sacrifice time with their children and work without any reward for their efforts, but also it is against this current government's own political ideology to expect investment in a venture with no expectation of profit! It is unreasonable to ask sole parents to take 'a job, any job' if such a job merely entrenches them more deeply into poverty. Further, policy that compulsorily requires sole parents to work may be discriminatory towards their dependent children on the basis of their parent's marital status.

Sole parents require genuine choice and should not be penalised for that choice. All parents make decisions based on the best interests of their family. If sole parents choose to stay at home with their children then this choice should be respected and supported; if they choose to enter the workplace, they need support through employer incentives to provide decent jobs that have regular, family-friendly hours, together with a social security structure that also supports that choice. The current regime penalises BOTH choices.

Commonwealth policy impacts every facet of the lives of sole parent families. Effective policy change in areas such as employment, taxation, Child Support and childcare can vastly improve the financial circumstances and social wellbeing of these families (and indeed all families) by allowing for real, not enforced, choices that produce tangible benefits. Commonwealth policy also impacts some State services that hinge on Commonwealth frameworks (such as Centrelink).

Some of the policy-driven problems I have personally encountered are outlined below.

Welfare to Work

Sole parents on 'Parenting Payment Single' Benefit who move from full benefit to partial benefit due to part-time work participation incur a reduction in their benefit on a sliding

scale. While this appears reasonable as a stand-alone policy, its effect is detrimental due to the swiftness of implementation, the bite of tax, and Centrelink's significance as an income assessment tool for other agencies. For these 'clients', Centrelink alters its assessment of income from net (based on benefit alone) to gross earnings (including remaining Parenting Payment). The combined effect of benefit reduction and taxation is a reduction of around sixty cents in the dollar, which is a very steep marginal tax imposition on families with no wherewithal. Work-related expenses (travel, parking, clothes, childcare etcetera) absorbs the remainder, leaving them no better off or worse.

Loss of Concessions

States and Territories rely on Centrelink data to assess valuable and vital concessions, Public transport, public housing rental rebates, car registration costs and utility rebates are immediately affected. On a Commonwealth level, bulk-billing, if you are lucky enough to have it, is removed. Finding doctor and specialist fees up-front is hard even for better-off families, let alone those whose every cent is committed on payment day. I have experienced delaying essential doctor visits and having to 'beg' at the receptionist's desk with a waiting room full of patients, for a doctor to please consider bulk-billing us. These concessions should be included in any calculation of net loss of benefit, as they are weighty considerations from the recipient's perspective.

Income Reporting

Centrelink income reporting is onerous and time-consuming. The onus is on the 'client' to report any fluctuations in income. Centrelink fixes a reporting day that may or may not coincide with payday or receipt of payslip, creating the necessity of calculating the fluctuations yourself. It is invariably difficult to get on to Centrelink, which can be 'busy' for hours or you are 'on hold' for several minutes. 'Clients' are threatened with non-payment of Family Benefit if income is not reported on the correct day. Of course, some workplaces do not allow personal calls; or there may be one communal phone and only a fifteen minute break. The internet may suit those on higher incomes with home access, but this is not possible for many; indeed, assumptions about internet access from business and government is a constant frustration for the less-well-off! Public internet access is usually unable to provide secure services like banking; and of course this kind of access requires scheduling and transport, which is a further burden. All in all, income reporting is a frustrating experience, and yet another disincentive given that sole parents NOT in the paid workforce do not have to report in this way.

Higher Education Debts

HECS debts begin at a very low income level, and do not take into account the number of dependents relying on the assessed income.

Childcare

Childcare is expensive even with rebates; the more children, the more you must pay. It is not always available when you need it, especially if your job is casual, in which case you

pay at a higher rate and book on the day required - IF there is an available space. Of course, employers will simply look for someone more 'flexible' if work is declined.

Centrelink Income Assessment - Household

Centrelink calculates 'household' income; but the sole parent is treated as a 'dependent-in-waiting', in that any potential new partner who is earning automatically becomes the provider for the household. This is disrespectful not only to the sole parent (who loses their financial independence) but also to the new partner. We no longer live in the 1950s when this was a social expectation. This policy acts as a disincentive for repartnering from both sides, though repartnering would in effect be a money-saver for government. Of course plenty make arrangements that circumvent these ridiculous rules, and interestingly, same-sex partnering is not caught by the copious, intrusive Centrelink review forms.

Child Support Agency Income Assessment - Individual

In contrast, the CSA calculates child support (maintenance) on the non-resident parent's individual taxable income. The inconsistency between Centrelink and the CSA leads to an anomaly whereby the resident parent is penalised for repartnering and the non-resident parent can be rewarded, or vice versa, depending on the financial status of the new partners (who have no direct interest in the wellbeing of the children). Common tax avoidance measures enable minimum taxable income. In my own case, the ex-partner has a company name which enables 'work-related' deductions that are primarily private in nature (such as mobile phone bills) and cannot be garnished; he is also able to pay himself a low 'wage' as his new partner is also earning. Their household can afford to invest in property while his Child Support obligation has remained at the minimum, \$260 annually, for the last five years. Family one languishes in poverty while family two is very comfortable indeed.

Link with Child Disability

How many sole parents are, or have been, recipients of the Carer Payment (formerly Child Disability Allowance)? Many families of children with a disability face immeasurable stress; often one partner cannot return to the workforce when they would like to due to caring responsibilities, with consequent loss of skills. Relationship breakdown is extremely common amongst families with a chronically ill or disabled child (indeed, this is what happened to my marriage). It is heartless to place impossible and futile obligations on parents already worn down from difficult circumstances. This is not 'mutual' obligation.

Job Seeker Barriers

When job seeking, sole parents encounter a further raft of barriers. Many employers, if given a choice, pass over well-qualified or experienced older people, including sole parents. Understandably, they are unwilling to take on a person who (they think) may need time off for parenting reasons. Further, it is extremely difficult to find a well-paid job with regular hours, especially part-time, that is a good fit in relation to parenting obligations (this applies to all parents). Employers are also dipping out of their social responsibility to give older workers a chance to accrue some superannuation, because most work-entry jobs are

casual, and casual jobs are very difficult for sole parents to manage around family commitments as they usually require instant availability. Government incentives to employers would go a long way in breaking this cycle, with flow-on benefits all round.

Social Attitudes

Most sole parents are from failed relationships. They have experienced life both as a partnered and unpartnered parent, and find the difference in social attitudes startling. Partnered parents are considered 'the norm', and stay-at-home parents are paragons of virtue according to the affirmation they get from government policy. Conversely, Sole parents are stereotyped as 'scum' who can't control their fertility, leech off the public purse, have questionable morals and problem children (who will probably, according to A Current Affair and the like, grow up to be criminals). Societal attitudes are important: the children of sole parents are just as valuable to the nation's future. Their parents are raising them in difficult circumstances, and also need affirming policies that give REAL choices, not simply more hoops to jump to prove how 'deserving' they are of the government's pittance.

Governments are in a position to change societal attitudes through policy and supporting legislation. Government Ministers who sermonise about having more babies and reducing abortion rates should look to their own government's policies towards ALL families, not just the 1950s ideal. I have three children yet my ongoing sacrifices and commitment in raising young Australians goes unappreciated, even condemned, on a national policy level. Is it any wonder young women delay having children when parenting is seen as a sure road to poverty?

Contribution to Society as Parents and Taxpayers

Sole parents are not 'bludging off the taxpayers'. They ARE taxpayers, as is everyone who buys goods and services in this country; in fact, benefit recipients pay proportionally higher GST than better-off consumers because they must spend all their money just to survive.

Nor are they 'bludging', given that parenting is valuable work in itself, albeit unpaid and difficult. It is even harder when parenting falls primarily on one person instead of two (in other words, with no equally responsible backup person).

Real Choices

Rhetoric about parental 'choice' must become more than rhetoric. Circumstances dictate choices (or lack thereof), not vice versa. For example, I will probably never be able to afford my own home, private schooling for my children, private health cover, so these 'choices' are not REAL for me. When crucial public services are eroded in the name of 'choice', a government's duty of care for its less well off citizens is called into question. But all it takes to remedy these giant fissures, to 'repair the breach', is some REAL policy, not just expedient strategies aimed at winning another term in office.

Margaret Blackman.