

Minority Report - Australian Greens

Families, Community Services and Indigenous Affairs Legislation Amendment (Child Support Reform Consolidation and other Measures) Bill 2007

Introduction

The Australian Greens support the need for reform to the child support scheme. While the Australian Greens are supportive of the overall intentions of the proposed changes in this Bill, we remain concerned about several aspects. These include principal carers, the baby bonus, and the development of modelling to investigate the impact of changes to child support arrangements.

Financial Impact

The Australian Greens remain concerned about the potential impact on low income households of the changes to child support, particularly when they are considered in combination with the financial impacts of the changes introduced through Welfare to Work.

As articulated in our Additional Comments Report on the Child Support Legislation Amendment (Reform of the Child Support Scheme - New Formula and Other Measures) Bill 2006, the Greens are concerned that there is no publicly available modelling to estimate the impact of the new system on existing child support recipients and payers.

While we are pleased that FaCSIA will be monitoring the impact of the changes following their implementation, we believe that modelling should occur before implementation in order to assess potential impact. Monitoring after the fact means that many families may have already been adversely affected before we are able to be made aware of the extent of the problem. As there will be a significant time delay before the monitoring data will be available and can be acted upon, this means that families may be suffering a significant lowering of income for some time before measures are put in place to rectify these adverse impacts.

The Greens believe that modelling of the potential impact should be done immediately, and provisions put in place to protect low income families who may lose income as a result of the Bill.

Such protections are critical given the risk of poverty already confronted by many of these families.

Recommendation 1

Development of an appropriate system of modelling to investigate the impact of child support income changes combined with the Welfare to Work changes to determine overall financial results for all families.

Principal Carers

The Australian Greens have on a number of occasions raised concerns about the 'principal carer' provisions of the existing income support system.

Greens Senators believe the current approach - which only recognises one parent as the principal carer - is inequitable, manifestly unfair and will significantly disadvantage children.

Evidence presented to the Committee outlined concern with this approach:

Ms Taylor— ...On the one hand we have family law and child support law encouraging shared parenting and acknowledging where there is 35 per cent or more of care—between 35 to 65 per cent care is considered shared—but, on the other, on income support policy under social security law, only one parent can be given principal carer status leaving the other parent and the children exceptionally vulnerable.

The National Council of Single Mothers and their Children pointed out in their submission:

This means that the half-time children in the household of the person who is not deemed under Social Security law to be the Principal Carer will not attract the protections available to Principal Carers in the income support system. The impact of this disjuncture in definitions is most acute for young children whose parents are both dependent on income support and are thus likely to be highly disadvantaged.

The Greens believe that urgent reform is needed to address this inequity.

Recommendation 2

That the income support definition of Principal Carer be aligned with the intent of the Family Law changes to reflect the concept of shared parenting such that, where parents sharing care of children each receive income support and the difference in percentage responsibility is 12% or less, both be deemed principal carers.

Baby Bonus

The Australian Greens recognise the potential temptation of misuse associated with a lump sum baby bonus payment which has given raise to the proposed amendments in this Bill. However, we believe that this issue extends to a wide range of expectant parents, not just those under the age of 18, and so we believe that these provisions

should apply to ALL recipients of the baby bonus and not just to a sub-group chosen purely because of their age.

We also appreciate that there are circumstances where a lump sum payment may be appropriate for a one off purchase of a large item relating to the needs of a new family, and for helping new parents to purchase necessary baby furniture and equipment to set themselves up to care for their child. Therefore, while we support the general intention of the proposed change, it should be moderated by the allowance for discretionary payment of the allowance as a lump sum.

Recommendation 3

That the provisions relating to periodic payment be extended to all recipients of the Baby Bonus, and not limited to under 18 year old mothers.

Recommendation 4

That the format of the periodic payment be able to be varied where there is a strong case for a lump sum payment or on the recommendation of a qualified social worker.

Senator Rachel Siewert
Australian Greens

