

Sole Parents' Union

Advocating for Sole Parents & their Children

PO Box 347
Maroubra NSW 2035
Email: soleparentsunion@ozemail.com.au

July 2005

Parent or Worker?

The Sole Parents' Union Response to Welfare-to-Work and Industrial Relations changes

The Sole Parents' Union supports the right of children to be parented in a safe, secure and loving environment. We strongly believe that parents' primary responsibility lies in caring for their children, regardless of their household structure, and that all parents need to be supported in this role.

The future of this country lies in its children, and government policies and structures must support the broader community to support all children.

We are therefore opposed to the Coalition government's proposed amendments in the areas of social security and industrial relations as these reforms reconceptualise parents' obligations as workers to the detriment of their responsibilities as parents.

Indeed, so strongly does this government believe that parents are workers first and parents second, that responsibility for administration of parenting payment now comes under the Participation Branch of the Department of Workplace Relations. Government information about the changes refers to social security recipients as "job seekers" rather than parents.

Our specific concerns with the proposed changes are detailed below:

Move parents from Parenting Payment to Newstart when their youngest child turns 6

This is a clear example of government policy which devalues parents' responsibilities to their children once the child turns 6 and starts school. As any parent knows, this is clearly wrong. Children depend on their parents for care during school holidays (usually 12 weeks per year) and when they are sick. Children, teachers and parents all benefit from parental involvement in school activities such as reading groups, canteen duty, helping out on excursions, etc. This type of involvement should be encouraged.

A focus on paid work when their child is 6 also ignores the very real parenting dilemmas that parents face throughout children's life cycles. Not all parents become sole parents when their children are under 6. Those parents whose relationship breaks down when children are aged over 6 will be faced with the prospect of not being able to properly care for their children through what is a very stressful time for everybody involved. These parents will have an immediate requirement to seek paid work, increasing family stress when the need is to take time out and ensure that children, and themselves, are coping with the changes in their lives.

Adolescence is also a time when many children need additional parental care and supervision. Starting high school, going through puberty, peer pressure can result in some children becoming involved in risky behaviours. Some parents find that they need to withdraw from the workforce for a short period to guide

their children through this time. The workforce requirements for Newstart will not allow parents to do this.

Not only is Newstart a lower rate of payment than parenting payment single (\$437.80 per fortnight compared with \$482.10 on parenting payment), but it has much more stringent workforce requirements. In addition, Newstart has a higher taper rate than parenting payment when you are in the paid workforce. This would leave sole parents, who are amongst the most financially disadvantaged groups in society, in a much worse financial position when trying to care for their children.

Single parent, 1 child

Private fortnightly income (\$)	Current Parenting Payment (\$)*	Total current fortnightly income (\$)	Post 1 July 2006 Newstart (\$)*	Total fortnightly income from 1 July 2006 (\$)	Cut in fortnightly income from 1 July 2006 (\$)	Cut in fortnightly income from 1 July 2006 (%)
0	482.10	482.10	437.80	437.80	44.30	9.2
100	482.10	582.10	418.80	518.80	63.30	10.9
200	460.74	660.74	368.80	568.80	91.94	13.9
300	420.74	720.74	313.80	613.80	106.94	14.8
400	380.74	780.74	253.80	653.80	126.94	16.3
500	340.74	840.74	193.80	693.80	146.94	17.5
600	300.74	900.74	133.80	733.80	166.94	18.5
700	260.74	960.74	73.80	773.80	186.94	19.5
800	220.74	1020.74	13.80	813.80	206.94	20.3
900	180.74	1080.74	0.00	900.00	180.74	16.7
1000	140.74	1140.74	0.00	1000.00	140.74	12.3

(NB: These figures have been updated by NATSEM and larger losses of income could be the result for some people)

Breaching – Non-payment periods

Newstart has a participation requirement for recipients to undertake 15 hours of paid work per week. Should parents be unable, for whatever reason, to fulfil this requirement, they may be subject to an 8 week non-payment period. In effect, this means that if parents:

- Cannot accept a job because of caring responsibilities
- Need to leave a job to care for sick children, where an employer will not give them time off
- Need to take time out of the workforce to care for children at high stress times (such as separation or divorce)
- Are unable to fulfil their 15 hours/week requirement, perhaps due to the unavailability of appropriate shifts if in casual work

They may have a period of 8 weeks without any income support whatsoever, and therefore unable to financially care for their children. This leaves families at risk of homelessness, or unable to meet the basic requirements of food, shelter, clothing, utilities, transport or schooling.

Those sole parents who find that undertaking 2 full days of paid work per week fits is the best way to balance work with their family responsibilities will also be penalised as 2 full days in most cases will equal only 14 hours per week.

This requirement is for *paid* work only. Volunteer work in schools or elsewhere, tertiary or other long-term study, or caring for children, is not considered an adequate or acceptable fulfilment of requirements.

A new 'suspension' regime and 'reasonable' excuses

Although advertised as 'suspension' rather than 'breaching', the new regime is in essence a system which imposes an immediate daily deduction of payments. This means that where Centrelink has determined that a breach is incurred they will 'suspend' a person's payment until contact is re-established or compliance occurs. If they determine that no 'reasonable' excuse for non-compliance exists, up to 13 days payments can be immediately deducted from a person's fortnightly payment. There are currently no guidelines on what constitutes a 'reasonable' excuse, nor what evidence will be required. Current provisions for sole parents to prove they are not in a marriage-like relationship include a letter from a 'respected' member of the community such as a family doctor. It is not unreasonable to assume that supporting evidence for a sick child, even for a short illness, will also include a medical certificate, placing more pressure on an already stretched public health system.

The legal requirement of parents to parent

Parents have both a moral and a legal requirement to care for their children to the best of their ability. This includes ensuring that children are not neglected, are safe, and have adequate supervision, including supervision of adolescents. State and federal governments also place obligations on parents to ensure that children attend educational institutions until they are 16, and are not unsupervised and causing a public nuisance or indulging in anti-social behaviour or criminal or other activities.

In many cases, particularly in a casualised labour market, paid workforce requirements are at odds with the requirement of parents to parent.

Removal of unfair dismissal provisions for employers with up to 100 employees

Many mothers, when returning to the paid workforce after a period caring for children, do so in the casual workforce, particularly in hospitality and/or retail. Many of the organisations employing mothers have less than 100 employees. With increasing casualisation of the labour market this will leave parents at risk of losing their jobs, or at least losing shifts, should they place their caring responsibilities before their paid work obligations. Should they then be unable to fulfil their 15 hours/week workforce requirements, they will also be at risk of losing any government income support.

Sole parents are the group most likely to be in the workforce

The percentage of sole parents in the paid workforce has been steadily increasing. According to ABS figures, in 2001 45.4% of sole parents were in the paid workforce, up from 41.8% in 1991. This is a point in time figure, meaning that in one particular week when the census was taken 45.4% of sole parents undertook more than 1 hour of paid employment. According to Centrelink and FaCS, when taken over 12 months this figure increases to around 70% of sole parents undertaking some paid work.

Characteristics of parents not in paid employment

According to the 2001 census, 18% of children under 15 years (over 660,000 children) lived in a household with no employed parent, with over half (61%) of these living in one-parent families.

In half (50%) of all the couple families with no employed parent, the youngest child was aged less than 5 years, and in a further 27% the youngest child was aged 5-9 years, while in the remaining 23% the youngest child was aged 10-14 years. A considerable proportion (44%) of one-parent families with the parent not employed were families with the youngest child aged less than five years and a further 32% were families in which the youngest child was aged 5-9 years.

Families with no employed parent were more likely to have a larger number of children than were families with at least one employed parent. In 2001, of families with children aged less than 15 years, around one-quarter (27%) of couple families with no employed parent, and one-fifth (19%) of such one-parent families, had three or more children living in the family. In comparison, of families with at least one employed parent, 20% of couple families and 9% of one-parent families had three or more children.

- ABS Australian Social Trends, Family and Community: Families with no employed parent 2005

The figures above do not take into consideration those families where parents were studying, or had disabled or high needs children, or were undertaking unpaid work.

These figures indicate what should, perhaps, be self-evident. The younger your children, and the more children you have, particularly if you are a sole parent, the more difficult it is for you to balance family and paid work.

This does not mean it is impossible, however a number of factors need to be in place, including:

- Accessible, affordable and high-quality child care
- Family friendly work places
- Sufficient jobs
- The ability for children's needs at their various life stages to be the primary concern for parents
- Parents to have skills matching the available jobs

Conclusion

The Sole Parent's Union supports and encourages all parents to fulfil their responsibilities to their children, including emotional, physical and financial responsibilities. However, we strongly believe that society as a whole has an important role to play in supporting parents in this role. This means that barriers to parents being able to adequately care for their children while still undertaking paid work must be removed prior to imposing any punitive regime for the payment of income support.

Parents' primary responsibility is to their children. For this reason we believe that it is imperative that all parents, both partnered and sole parents, are able to access community support, via government payments, at those times when they are either not in the paid workforce or not earning enough income to adequately support their children.

Parents' responsibilities to their children need to be recognised and supported. We recommend that they continue to have access to parenting payment while their children are dependent.

We also recommend that a full family impact statement be undertaken on the proposed welfare-to-work and industrial relations reforms.

For further information please contact

Kathleen Swinbourne
President
Sole Parents Union

0412.158.314