

22 November 2005

Senator Gary Humphries  
Chair  
Senate Community Affairs  
Legislation Committee

Via email to: [community.affairs.sen@aph.gov.au](mailto:community.affairs.sen@aph.gov.au)

Dear Senator Humphries

**Additional submission by the National Welfare Rights Network (NWRN) to the Senate Community Affairs Committee Inquiry into the *Employment and Workplace Relations Legislation Amendment (Welfare to Work and other Measures) Bill 2005*.**

At the recent appearance by the National Welfare Rights Network (NWRN) at the public hearings of the inquiry, I undertook to provide Committee members with additional information in response to two questions regarding our submission to the inquiry.

**1. Estimates of the number of parents negatively affected by the “transitional” arrangements.**

The figures contained in our submission were drawn from a paper prepared by Professor Bob Gregory from the Economics Program, Research School of Social Sciences, Australian National University in which he looked at confidential data about payment histories for lone mothers going onto Parenting Payment (Single (PPS) in 1995. His findings are set out in a paper presented in June 2002 to the National Institutes Public Lecture at Parliament House, Canberra, entitled “*Can this be the Promised Land? Work and Welfare for the Modern Woman.*”

In this paper, Prof Gregory states that of those going onto PPS in 1995, 60% leave their spell on welfare, and return within five years. Of this 60% of people who cycle in and out of payments, a return to another period on PPS accounts for 21% of those re-claiming welfare.

43% of those experiencing a return to PPS do so within one month. 31% have a second period on PPS within six months.

At page 23 of the paper, Prof Gregory states:

“There is continual recycling throughout the welfare program. The distinction between a single spell and the history of spells of an individual is very important. It is the history of spells that matters.”

It is our understanding that the estimates provided by the Department of Employment and Workplace Relations (DEWR) on the number of parents who will go onto Newstart Allowance over the next three years does not include those parents who would have “churned” on and off Parenting Payment under the current policy, but who will now go from Parenting Payment (Single) onto Newstart Allowance. Your question appear to infer that our 50,000 was a sub-set of the number of recipients that DEWR has suggested will go on to the lower paid Newstart Allowance from 1 July 2006. If this were so, it might appear to be a relatively high proportion, but our estimate is based on Prof Gregory’s figures and is separate to and in addition to the numbers estimated by DEWR. It is an estimate of the number of parents who leave

Parenting Payment over the next three years and will be unable to return to Parenting Payment because of the operation of the savings or transitional provisions in the Bill.

The Committee needs to consider the wide range of circumstances that could result in a person on Parenting Payment losing their transitional status leading to the estimates that we have provided. These situations include where a person: partners; re-partners; or becomes employed in a job for more than 12 weeks that pays an income high enough to reduce the rate of Parenting Payment to nil.

**2. Jobs, Employment and Training (JET) child care places rationed.**

Our submission raised concerns that access to JET child care assistance would be limited to one year. This is confirmed in the 2005 Federal Budget Papers, *Budget paper No. 2*, on page 144.

I trust that this information is of assistance to your inquiry.

Yours sincerely

Michael Raper  
President  
National Welfare Rights Network