



St Vincent de Paul Society
NATIONAL COUNCIL
good works

St Vincent de Paul Society

ABN: 68 879 107 149

Unit 4-5
22 Thesiger Court
Deakin ACT 2600

PO Box 243
Deakin West ACT 2600

Telephone: (02) 6202 1200
Facsimile: (02) 6285 0159

Email: admin@svdpnatcl.org.au

Website: www.vinnies.org.au

Donation Hotline: 13 18 12

Submission to the Senate Community Affairs Committee inquiry into the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009

The St. Vincent de Paul Society has been present in Australia since 1854. In 2007-08 the Society in Australia responded to nearly 600,000 calls for financial or material assistance, operated 636 'Vinnies shops', provided around 2,350 beds a night to people needing accommodation and provided over an estimated one million meals.

The Society seeks to shape a more just and compassionate Australia. The Society seeks a more equitable social order. Our international constitution states the "The Society is concerned not only with alleviating need but also with identifying the unjust structures that cause it." The Society must struggle for justice, rather than simply delivering charity.

We are constituted as an organisation of ordinary Australians who stand with the people who have been pushed to the margins of Australian society. We are committed to an Australia characterised by fairness and inclusion. We contend, from sad experience at the coalface, that a nation such as ours cannot grow fairness on the tree of exclusion.

Sole Parents have once again been excluded from the income increase they so desperately needed to stay afloat. The message they are receiving is that they have been forgotten. This is not simply a matter of financial stress; it is also a matter of dignity and self-esteem. It is difficult to maintain this sense of self-worth when one is forced to seek help from a charity.

On current estimates, over 30% of the people we are assisting are sole parents.

We are also concerned that Family Tax Benefit for low income families will no longer be linked to average earnings – only CPI. Family assistance will over time fall behind advances in average living standards. The Family Tax Benefit indexation changes will result in a reduction in assistance for families. Support for raising children alone will no longer increase as wages rise in the future. Additionally, because single parents miss out on the \$32 a week increase, in future, pension indexation increases for single parent pensioners will be less than that for other pensioners.

We are concerned that raising the pension age to 67 will disadvantage lower income mature age people with limited job prospects, who will have to remain on lower income support payments for longer.

The Parenting Payment Single (PPS) for sole parents with young children has always been paid as a pension. Around 360,000 sole parent families with 600,000 children between them are on this payment. For the first time, the nexus between pensions for sole parents and other pensioners has been broken.

The St Vincent de Paul Society does not accept the rationale that the Parenting Payment Single is temporary as opposed to other pension categories. Our experience on the ground in providing assistance and support to sole parent families is that the financial stress incurred by income inadequacy creates significant barriers to the future employment participation of the parents as well as contributing to the entrenched exclusion of their children.

We believe that the Australian Government takes Social Inclusion very seriously and we commend this approach as something that the St Vincent de Paul Society has long been calling for, as recorded in the 2003 Senate Inquiry into Poverty and Financial Hardship. It is because we take the Government's commitment seriously that we fail to see the consistency in leaving sole parent households out of the pension increases. Strong investments in social housing, education, health and supplements for training are all excellent elements in building a fairer, more inclusive Australia. But income adequacy and income security are the non-negotiable building blocks, particularly in a socio-economic formation in which the cost burdens for essentials have been shifted increasingly to the private pocket, creating disproportionate impacts on disadvantaged households.

Contact: Dr John Falzon
Chief Executive Officer
St Vincent de Paul Society
National Council of Australia
johnf@svdpnatcl.org.au