



Family Relationship Services
A U S T R A L I A

**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**

19 June 2009

Linking services, supporting relationships.

PO Box 326 Deakin West ACT 2600
2/22 Napier Close Deakin ACT 2600
T 02 6162 1811 F 02 6162 1794
E admin@frsa.org.au ABN 38 124 321 080

www.frsa.org.au

About Us

Family Relationship Services Australia (FRSA) is the national peak body for community organisations delivering services to families, children and young people across Australia. FRSA and its member organisations seek to work in partnership with the Federal Government to strengthen and support Australian families. FRSA's vision is for an Australian society that is enriched through respectful relationships in all of their diversity. In the achievement of this vision, our role is to support the delivery of quality services and engage in the development of public policy.

Full membership of FRSA is available to organisations that receive funding from the Federal Government to deliver services funded through the Family Relationship Services Program (FRSP). Associate membership is available to a broader scope of organisations and individuals that support the vision and values of FRSA. FRSA currently has 137 organisation members. In addition to the financial support of members, FRSA receives Federal Government funding through the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) to provide industry representation and support.

Contact FRSA

PO Box 326, Deakin West ACT 2600

Ph: 02 6162 1811

Fax: 02 6162 1794

admin@frsa.org.au

www.frsa.org.au

Submission

Family Relationship Services Australia (FRSA) is the national peak body for community organisations delivering services to families, children and young people across Australia.

In 2007-08 over 230,000 people were assisted in family relationship services operated by FRSA member organisations. FRSA and its member organisations have a strong interest in policy issues that have the potential to impact on families and their capacity to maintain healthy relationships. Income and employment policies can have a direct impact on family wellbeing, particularly in low income families where the capacity to maintain secure housing and provide for children is often at risk¹.

Pension Increases - Sole Parents and Unemployed Parents

The increase of single and partnered pension rates for aged pensioners and people with a disability are long overdue and very welcome. This increase implies recognition that current pension rates are inadequate and force many to live in poverty. However, the inadequacy of current payments is no less significant for those receiving unemployment and parenting payments.

Rates of poverty in sole parent households have been consistently identified as much higher than those for the population overall². The fact that these households have a heightened risk of economic instability, poverty and insecure housing has been well established. It is also widely recognised that this has a substantially detrimental impact on children with long term social and economic costs to the broader community resulting from poor educational outcomes and mental health difficulties.

Sole parent households represent 22 per cent of Australian families with dependent children (including students)³ and 19 per cent of children under the age of 15 live in a sole parent family. Most sole parents are alone due to relationship breakdown, in which financial stress is often a key factor. For many single parents, the experience of working results in the conclusion that the losses, both social and economic, outweigh the gains, unless they are on higher incomes. Also, children who have experienced family breakdown, particularly in situations where violence or abuse were a factor may need parental support.

It is also worth noting that many recipients of unemployment benefits (Newstart Allowance) are separated parents financially responsible for children and may be struggling to maintain households that can accommodate children periodically as part of post separation parenting arrangements as well as meet child support obligations.

Increasing income support payment to some groups and not others is fundamentally unjust and contrary to creating an inclusive society. In addition, addressing poverty in households with children should be recognised as inextricably linked to substantive government agendas relating to better protecting children, enhancing early childhood experiences and addressing systemic and intergenerational disadvantage.

Children in separated families are roughly 50 to 80 per cent more likely to experience poor outcomes across social and psychological outcomes. Such differences have been reported for social and emotional behaviour in childhood; educational and adult socioeconomic attainment; aggressive and antisocial

¹ Of the 230,000+ clients that accessed FRSA member organisations delivering services funded through the Family Relationship Services Program during 2007-08, 37% of clients reported weekly earnings below \$600 and another 27% did not state their weekly earnings (FRSP National Data Report 2007-08).

² 73% of sole parent families are in the bottom 40 per cent of income earners (ABS Aust. Social Trends, 2004); 52% of sole parents rely on welfare support as their main source of income (ABS 2004, p.53); Sole parents represent almost a third of the clients seen by emergency relief agencies (NCOSS NSW Emergency Relief Forum, ACT Government, Review of Financial and Material Aid, 2005).

³ Brotherhood of St Laurence (2005) Welfare Reform and Sole Parents, citing de Vaus (2004) *Diversity and change in Australian families*, Australian Institute of Family Studies.

behaviour and delinquency; substance abuse; mental health in adolescence and adulthood; and family and intimate relationships. Much of this is related to poverty and instability as well as parental conflict which can be triggered by disagreements over financial arrangements as well as care arrangements. More specifically, poverty is a significant risk factor associated with child neglect and some forms of abuse. There is a strong economic argument for addressing factors that contribute to this. As an example, Access Economics (2008⁴), found that a conservative estimate of the annual cost of child abuse and neglect in 2007 came to \$4 billion with the value of the burden of disease representing a further \$6.7 billion.

Indexation on Family Tax Payments

FRSA is not unilaterally opposed to targeting and tightening family payments and tax rebates. We support targeting of much needed public investment to low income and vulnerable families where appropriate. However, freezing or reducing the level of indexation to be applied to Family Tax Payments is a regressive move that will impact most on low income families that depend on these payments to make ends meet.

The adequacy of family payments is fundamental to the wellbeing of children and should not be compromised at a time of significant economic uncertainty.

FRSA has previously called for an increase to thresholds for family payments. Currently the family payments are too complicated with different income tests applied to different payments. For example: Family Tax Benefit Part A begins to taper off when annual family income is more than \$41,318 falling to base rate as early as \$54,166 (single child families) while Child Care Benefit maximum rate payable for incomes under \$35,478 and other payments such as the Baby Bonus are available in full until household income reaches \$150,000.

A more consistent approach would be to align payments to standard cut off points. For example, provide households with income up to \$75,000 per annum with full access to family assistance payments. Tapering could apply between \$75,000 and \$150,000. Above \$150,000 per annum income most families could manage without any income support payments without experiencing hardship (exceptions might apply for families with needs associated with disability, multiple births or other factors).

It is acknowledged that raising thresholds would have significant cost implications, however, it would apply a more consistent eligibility test that would be easier to understand. It would also provide much needed financial support to low-middle income families. Allowing families to earn more before payments are reduced may also encourage more low income families to increase their earnings from activities such as casual and part-time work. The loss of government assistance due to short term income fluctuation can be a disincentive for these families under the current system.

Recommendations

FRSA notes and supports the call from Catholic Social Services Australia for an independent authority to be established to set income support rates. It is in the interests of social equity that we protect the most vulnerable Australians relying on income support from decisions regarding the appropriate rate of payment being subject to public and political view of those who "deserve" our support. All Australians, and in particular all Australian children, should receive the support they need to maintain a minimum community standard of living.

We also join with ACOSS and advocates for sole parents and separated parents in calling for an immediate increase to Parenting Payment and a commitment to review and increase Newstart Allowance.

Lastly, we oppose changes to the current indexation regime for Family Payments and believe that thresholds for decreasing family payments should be reviewed for consistency and effectiveness.

⁴ Access Economics (2008) *The cost of child abuse in Australia*.

FRSA Members

FULL MEMBERS

AUSTRALIAN CAPITAL TERRITORY

Centacare Canberra & Goulburn
Marymead Child & Family Centre
Relationships Australia Canberra & Region

NEW SOUTH WALES

Anglican Counselling Service
Anglicare NSW
Baptist Community Services
Broken Hill Family Mediation Service
Centacare Bathurst
Centacare Broken Bay
Centacare Maitland-Newcastle
Centacare New England North West
Centacare Parramatta
Catholic Care, Sydney
Centacare Wagga Wagga
Centacare Wilcannia-Forbes
Centacare Wollongong
Community Connections North Coast
Community Programs Inc
Interrelate Family Centres
Macquarie Legal Centre
Manning Support Services
Newcastle Family Support Services
Relationships Australia NSW
The Family Centre
UnitingCare Burnside
UnitingCare Unifam Counseling & Mediation

NORTHERN TERRITORY

Anglicare Northern Territory - Resolve
Centacare NT
Relationships Australia NT

QUEENSLAND

Centacare Rockhampton
Centacare Brisbane
Centacare Cairns
Centacare Toowoomba
Centacare Townsville
Community Services Australia
Foundations Child & Family Support
Kinectons
Kyabra Community Association
Lifeline Community Care Queensland
Lifeline Darling Downs & South West QLD -
Men & Relationships Program
Mackay Children's Contact Services
Men's Information & Support Assoc.
Mercy Family Services
Pine Rivers Neighborhood Centre

QPASSTT
Relationships Australia QLD
Sunshine Coast Family Contact Centre
Toowoomba Children's Contact Centre
Youth and Family Service (Logan City)

SOUTH AUSTRALIA

Anglican Community Care
Anglicare SA
Centacare Adelaide
Centacare Whyalla
Lutheran Community Care
Relationships Australia SA
UnitingCare Wesley Adelaide
UnitingCare Wesley Bowden
UnitingCare Wesley Port Adelaide
UnitingCare Wesley Port Pirie
Whyalla Counselling Service

TASMANIA

Anglicare Tasmania Inc
Centacare Tasmania
Positive Solutions
Relationships Australia Tasmania

VICTORIA

Anglicare Victoria
Australian Greek Welfare Society
Berry Street Victoria
Bethany Community Support
Brotherhood of St Laurance
Cairnmillar Institute
Centacare Ballarat
Centacare Melbourne
Centacare Sandhurst - Bendigo
Child & Family Services Ballarat
Children's Protection Society
City of Greater Geelong
Community Connections
Community West
Crisis Support Services
Drummond Street Relationship Centre
Eastern Access Community Health
Family Life
Family Mediation Centre
Family Relationships Institute
GordonCare for Children
Goulburn Valley Family Care
LifeWorks Relationship Counselling & Education Services
MacKillop Family Services
Mallee Family Care
Relationships Australia Victoria
South East Migrant Resource Centre
Spectrum Migrant Resource Centre Inc
Stepfamily Association of Victoria
Salvation Army Bendigo

Upper Hume Community Health Service
Upper Murray Family Care

WESTERN AUSTRALIA

Agencies for South West Accommodation
Anglicare WA
Catholic Marriage Education Services
Centacare Geraldton
Centrecare
Clan WA
Men's Outreach Service Broome
Ngala
Relationships Australia WA

ASSOCIATE MEMBERS

Arafemi Victoria Inc
Australian Vietnamese Women's Welfare Association
Central Coast Disability Network
Challenge Disability Services
Citizens Advice Bureau of WA (Inc)
Communities@Work
Drug Arm Australasia
Family Action Centre
Family Drug Support
First Light Care Association Inc
FSG Australia
Halsmith Consulting Pty Ltd
Karingal Mental Health Support
Legal Aid ACT
Legal Aid NSW
Legal Aid WA
Lifeline Australia
Lone Fathers Association Australia
MAREAA
Migrant Resource Centre of SA
Oz fame Inc (Australian Family and Marriage Education)
Parentline ACT Inc
Parentline Vic
Pathways Counselling & Family Services
Relationships Australia - National
Richmond Fellowship of Western Australia
Robyn Sexton & Associates
Southern Youth & Family Services Association
The Centre for Excellence in Child and Family Welfare Inc
The Salvation Army Counselling Service
Top End Association for Mental Health
Unitingcare Family Services - Northern Tasmania
Victoria Legal Aid

Please note that this is a list of organisations by trading name rather than legal entity.