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Soroptimist  International

**REGION OF SOUTH AUSTRALIA**

**Patron: Mrs Lan Le**

President: Mrs Dianne Lockwood

11th September 2019

Submission of Soroptimist International of South Australia to the inquiry of the Senate Community Affairs Reference Committee into the Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia

*Soroptimist International is a worldwide organization for women in management and professions working through service projects to advance human rights and the status of women.*

Thank you for the opportunity to comment upon the policies and issues addressed by this inquiry

Soroptimist International of South Australia (SISA) is part of Soroptimist International Australia, a member of Soroptimist International of the South West Pacific, a women's service organisation which has special consultative status with the Economic and Social Council (ECOSOC) of the United Nations.

In South Australia we operate through 10 clubs, 6 rural and 4 urban.

We are concerned particularly with the education, enabling and empowering of women through advocacy and projects in healthcare, education, elimination of violence, economic empowerment, food security environmental sustainability and water and sanitation.

While not equipped to comment as experts on some aspects of the inquiry we feel strongly that Newstart and associated payment systems consistently disadvantage women, reflect a gender bias and undermine women's attempts both to raise their families effectively and to return to effective work and contributions to society

### **Introduction: International human rights obligations**

Australia has accepted international human rights frameworks which commit it to gender-responsive approaches to social security and protections including a gender-responsive approach to these topics to eliminate inequalities which penalise women.

Article 9 of the Convention on Economic, Social and Cultural rights, which Australia has signed, establishes social security as a human right rather than an endowment from the State.

The Convention on the Elimination of Discrimination Against Women (CEDAW) saw Australia commit to *"take appropriate measures to eliminate discrimination against women in the field of employment...in particular...the right to social security"*<sup>1</sup> while Sustainable Development Goal 5 stated *"recognise and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility with the household"*<sup>2</sup>

Similarly commitments made at the UN Commission on the Status of Women (CSW 63) in early 2019 saw a commitment to: *"Ensure the right to social security in national legal frameworks, as well as ensure universal access to social protection, supported by national strategies, policies and action plans and adequate resources to enhance gender equality...."*<sup>3</sup>

Similarly, at CSW 63 Australia undertook similar commitments to safeguard older women's economic security. Given these commitments it is clear that many of the existing types of welfare payments

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<sup>1</sup> Convention on the Elimination of All Forms of Discrimination Against Women Part II, ( Art.1.1, (e) A/RES/34/180)

<sup>2</sup> General Assembly< transforming Our World: the 2030 Agenda for Sustainable Development-Goal 5(5.4) A/RES/70/1

<sup>3</sup> UN Economic and Social Council, Commission on the Status of Women sixty third session- Strengthen nominative, legal and policy frameworks, (para 47, (f)E/CN.6/2019/L31/

and processes do not meet these commitments. An inquiry into parents Next has already specified discrimination against single mothers as well as Aboriginal and Torres Strait women. That inquiry also identified some issues with assumptions about parenting and unpaid work. Punitive measures have n We ask the committee to keep in mind Australia's stated human rights obligations when it looks at NewStart and related income support schemes and processes

### **Responses to Inquiry terms of reference**

#### ***Consideration of what constitutes an acceptable standard of living in Australia, including the cost of safe and secure housing***

South Australian Soroptimists support the ACOSS call to increase Newstart, Youth Allowance and related payments for single people by at least \$75 per week and we urge the government to bring a Gender Based Lens to its review of Newstart.

Research by ACOSS and University of New South Wales showed that 13.25 of the population are living in poverty and for those people in households relying on the Newstart allowance there was an increase of 17%<sup>4</sup> This equated to living on \$38.99 a day. There is considerable anecdotal evidence and articles to show that this is inadequate and leads to housing stress, children's education suffering and food insecurity. Women constitute 49.3% of women receiving Newstart and it is suggested that women are more likely to be on Newstart for up to 5 years Hence it is a vital supplement for those on low wages or part time work.

Many factors contribute to disempowerment, particularly of women, and while gender is important other issues are at play. Aboriginal and Torres Strait Island women have difficulty escaping domestic violence if they are forced to use a cashless card<sup>5</sup>, 38-41% of those in poverty are disabled<sup>6</sup>, migrant women are over-represented in insecure employment fields<sup>7</sup>. We urge the government to look with an intersectional lens when it considers what constitutes an acceptable standard of living.

**Increasing Newstart by at least \$75 per week would provide an important social protection measure and support the right to security.**

### Housing

Adequate housing is a human right and while it must be safe and secure it must also be appropriate. Current levels of Newstart and Commonwealth Rent Assistance Payments (CRA) are insufficient to ensure access to the right housing. There is a severe dearth of suitable social housing throughout Australia, access to rental properties is difficult and for many permanent housing is a distant dream It has been widely reported that one third of Australians experience rental stress. Women constitute

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<sup>4</sup> ACOSS and UNSW Sydney Poverty in Australia 2018 (2018) 12

<sup>5</sup> Submissions received by the senate Committee into Cashless Debit Card Bill 2017

<sup>6</sup> ACOSS poverty in australia 2018 (ACOSS and UNSW 2018)58

<sup>7</sup> Federation of Ethnic Communities' Councils of Australia 2017 "submission to Independent Inquiry into Insecure Work (ACT) FECCA

the majority of clients in public housing and current under-resourcing of such support disproportionately impacts women.<sup>8</sup>

While safe and secure housing is important it is vital that discussions include also appropriate housing. What suits a family may not be appropriate for an older woman, a single women or a young woman or a survivor of domestic violence. Accessibility and all the above help to ensure appropriate housing and this in turn influences an acceptable standard of living.

**We urge the committee to use ‘appropriate housing’ as a relevant factor in its decisions**

***The labour market, unemployment and under-employment in Australia, including the structural causes of long-term unemployment and long-term reliance on Newstart.***

This is not an area in which we have expertise but have some observations

Unemployment in Australia is gendered by nature. In 2017-18 64% Of women were employed in comparison with 75% of men. Women are more likely to be working part time and often in lowered paid work. The gender pay gap remains high at 14.1% in 2017-18. The greatest burden of unpaid care work is shouldered by women. The June 2019 Finance Women’s index showed that women spend 62.6% of their average weekly working time on unpaid care work<sup>9</sup> A recent Report from Deloitte Access Economics which costed the value of unpaid work in Victoria put it at \$205.6 billion<sup>10</sup>

Women’s economic security is deeply affected by this inequitable distribution. Social protection and all it implies should ensure that any payment they receive does not further this inequality but the real value of Newstart has declined along with other payments such as Single Parenting payments.

**We urge the government to increase payments to Newstart to at least \$75 to bring it into line with real costs of living.**

***The changing nature of work and insecure work in Australia***

Full time employment with all its associated benefits is declining in Australia More than half of the workforce is made up of part time employees many of whom have few or no benefits. CALD women are heavily represented in this field and have specific challenges to achieving decent work. They need increased support.

***The appropriateness of current arrangements for support of those experiencing insecure employment, inconsistent employment and precarious hours in the workforce***

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<sup>8</sup>CEDAW/C/AUS/\* Australia’s 8<sup>th</sup> periodic review to CEDAW

<sup>9</sup> Financy Women’s Index June 2019 Report

<sup>10</sup> Deloitte access Economics modelling the value of unpaid work (Victoria Office for women: Dept. of health and Human services 2018)

No comments

***The impact of the current approach to setting income support payments on diverse groups of Australian women***

Single parents are profoundly affected by the current rate of Newstart payments on single mothers and their children. In particular, the reduction of up to \$86.70 per week when a child turns eight and the parent moves from Single Parenting Payment to Newstart, is punitive and the latest HILDA survey shows poverty rates of up to 20% and that child poverty is equally dire with profound effects on health and education particularly.

The Good Shepherd Australia Report “Outside systems control my life; 2018” Has six recommendations that would ease the situation for single mothers.

**We urge the committee to consider seriously the recommendations contained within this report from Good Shepherd Australia.**

***The adequacy of income support payments in Australia and whether they allow people to maintain an acceptable standard of living in line with community expectations and fulfil job search activities (where relevant) and secure employment and training***

The Senate Enquiry into Parents Next reported in March 2019 and its six key recommendations are critical of the process in its current form and of those currently implementing it. It is obvious that some reform is overdue to make this less punitive and more effective. For women the narrow focus on parenting skills and the limited understanding of work and unpaid work and care and its impact on employment opportunities is problematic and not gender aware. It also appears to be ignorant of or disinterested in the multiple other factors such as domestic violence, poverty or health to impact on readiness for work or availability for work.

It has been suggested that punitive measures and suspension of payments may undermine social service rights<sup>11</sup> The government needs to protect human rights. A recent article in the Guardian<sup>12</sup> made reference to a Monash University study which found that those on welfare payments report stark differences in health to those in paid work. Key findings of the study include:

- Newstart recipients were 6.8 times likely to describe their health as poor. Those on the disability pension were 18.3 times more likely to report poor health
- 48.6% of Newstart recipients reported “mental or behavioural problems” compared with 21% among wage earners
- Both disability pensioners and Newstart recipients were significantly more likely to report having five or more conditions than wage earners

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<sup>11</sup> Committee on Economic, social and Cultural rights General comment NO 19 The right to Social Security (art 9) E/C. 12GC/19

<sup>12</sup> The Guardian (September 2019) Luke Henriques-Gomes: “Monash University study finds those on welfare report “stark” differences in health to those in paid work.”

- 70% of disability pensioners reported a behavioural condition despite only 16% saying it was their primary disability.

Such an impact on health is hardly an acceptable standard of living.

**We urge the committee to recognise the impact of such policies and the gender biased impact that they have on women who are already vulnerable**

***The economic cost of long-term employment, underemployment, poverty, inequality and inadequate income support payments***

Women's long-term inequality is impacted by a range of factors apart from support payments. Over a lifetime the gender pay gap, limited access to full time employment due to unpaid work and care, health issues domestic violence and possible homelessness create a cost to government that easily outweighs any increase in social security payments. Increasing incarceration and subsequent inability to access employment all contribute to an increasing dependency on government social security payments. An ageing population will have more people using health services in the public domain with fewer people contributing to government income.

Increasing social security payments to a level equal to a reasonable living standard gives people greater security, improved health and an ability to seek employment. Their children are educated and able to create economic growth.

**We urge the committee to recommend increases in social protection payments in line with a real living wage.**

***The economic benefits- including job creating both locally and nationally- of increasing support payments and supports, and decreasing of poverty and inequality***

Increasing Newstart payments and the associated social security floor would improve gender equality by addressing the inequalities that exist in the current gender segregation in employment. Unpaid work and care are worth billions and yet it is undervalued. Increases in payments are about fairness and equality. Increasing women's participation is a vital element to off set the economic impact of an ageing population.

**We urge the committee to consider the value of unpaid work and care in the Australian economy when considering Newstart and other payments**

***Other countries 'approaches to setting income support payments, minimum wages and awards.***

Australia has accepted Agenda 2030 and the Sustainable Development Goals where the over-riding aim is Gender Equality as a means of eliminating poverty. A true picture of poverty in a country is best measured by the Individual Deprivation measure (IDM) which was developed in Australia. Another method is Gender Responsive Budgeting which is only partially used by government

departments. It has been shown to contribute to gender oriented changes in health, education and infrastructure budgets when applied equally. It is one way of affecting gender equalities but requires political will.

**We urge the committee to recommend the integration of such a mechanism in future budgets.**

Thank you for the opportunity to contribute to provide information and our views on the inquiry into the *Adequacy of Newstart and related payments and alternative mechanism to determine the level of income support payments in Australia*.

Any contact regarding this submission should be made to Dianne Lockwood