

Submission in relation to Single Parents Single Parents Action Group & Council of Single Mothers and their Children, Tasmania

Increase of income free area:

Indexing is welcome, however the amount of the increase is woefully inadequate. A single parent combining paid work with parenting payment would be \$94-\$186 per fortnight better off than a parent on Newstart, depending on earnings and number of children. This proposed measure assists the single parent family \$15.20 per fortnight.

The other impact of income earning is that the recipient becomes ineligible for support due to earnings, at a much lower rate on Newstart than on PPS. On Newstart it is \$1,394 per fortnight. On PPS it is \$1,836, plus \$24.60 for each additional child, per fortnight (see table below).

Pensioner Education Supplement:

Supported, although noted that from now until January 2014 many single parent families will suffer hardship without this support.

12 weeks extension of eligibility for Pensioner Concession Card:

Welcome, although noted that from now until January 2014 many single parent families will suffer hardship without this support. If the earnings cap was retained at the PPS amount, more families in need would be eligible for this continued support

Comments:

For a single parent to work, they need:

- Work that allows them to prioritise their child/ren's needs
- Assistance with childcare, either paid or family/friend support
- Stamina to maintain both paid employment and parenting responsibilities – generally they/we need to be free from ongoing domestic violence, not be dealing with severe child behavioural issues, and have good mental and physical health, including adequate nutrition.
- Secure housing, and transport to and from work, school and childcare.

In general single parents return to work and have the highest workforce participation rate of all benefit recipients. The need to 'push' single parents into the workforce is fake. The need is for family-friendly jobs.

The 'expense' of income support for single parent families is actually income support to the household of the most financially vulnerable children in our society. The parents who are not participating in employment generally have severe ongoing barriers to doing so. Punishment by making their children suffer as a method to overcome these barriers is ridiculous.

The perverse outcome is that all sole parents who participate in work and study (the preferred pathways out of poverty) have now had their life made more difficult, to the point where some can no longer afford to do this. The poverty is to the point where people are unable to leave their home. Cases are being reported where children are being kept home from school due to no ingredients for school lunches available.

Recommendations:

- Increase the base payment rate for parents on Newstart by \$50 per week
- Increase the earnings threshold (to keep part benefits and the Concession Card) to the same rate as PPS
- Increase the income free area to the same as PPS

A general comparison of PPS to Newstart -

Fortnightly income for a Single Parent with 1 child aged 8 or over.							with new \$100 earning threshold					
PAID WORK HOURS	PARENTING PAYMENT SINGLE			NEWSTART			LOSS	NEWSTART			LOSS	DIFFER- ENCE
	INCOME @ \$20 p/h	PPS AMOUNT	Gross income	INCOME @ \$20 P/H	NS AMOUNT	Gross income		INCOME @ \$20 P/H	NS AMOUNT	Gross income		
0	\$0	\$663.70	\$663.70	\$0	\$533	\$533	\$130.70	\$0.	\$533	\$533	\$130.70	
30	\$600	\$494.34	\$1,094.34	\$600	\$317.80	\$917.80	\$176.54	\$600	\$333	\$933	\$161.34	\$15.20
50	\$1,000	\$334.34	\$1,334.34	\$1,000	\$157.80	\$1,157.80	\$176.54	\$1,000	\$173	\$1,173	\$161.34	\$15.20
76	\$1,520	\$126.34	\$1,646.34	\$1,520	\$0	\$1,520	\$126.34	\$1,520	\$0	\$1,520	\$126.34	
80	\$1,600	\$94.34	\$1,694.34	\$1,600	\$0	\$1,600	\$94.34	\$1,600	\$0	\$1,600	\$94.34	

Fortnightly income for a Single Parent with 2 children aged 8 or over.												
PAID WORK HOURS	PARENTING PAYMENT SINGLE			NEWSTART			LOSS	NEWSTART			LOSS	DIFFERE NCE
	INCOME @ \$20 p/h	PPS AMOUNT	Gross income	INCOME @ \$20 P/H	NS AMOUNT	Gross income		INCOME @ \$20 P/H	NS AMOUNT	Gross income		
0	\$0	\$663.70	\$663.70	\$0	\$533	\$533	\$130.70	\$0	\$533	\$533	\$130.70	
30	\$600	\$504.18	\$1,104.18	\$600	\$317.80	\$917.80	\$186.38	\$600	\$333	\$933	\$171.18	\$15.20
50	\$1,000	\$344.18	\$1,344.18	\$1,000	\$157.80	\$1,157.80	\$186.38	\$1,000	\$173	\$1,173	\$171.18	\$15.20
76	\$1,520	\$136.18	\$1,656.18	\$1,520	\$0	\$1,520	\$136.18	\$1,520	\$0	\$1,520	\$136.18	
80	\$1,600	\$104.18	\$1,704.18	\$1,600	\$0	\$1,600	\$104.18	\$1,600	\$0	\$1,600	\$104.18	