

# Australian Greens Senators' Dissenting Report

## Introduction

**1.1 The Australian Greens do not support the recommendation of the majority report that the Social Security Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2) (bill) 2015 be passed.**

1.2 The bill closely matches the previous bill (Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2015), which the Australian Greens also opposed.<sup>1</sup>

1.3 The differences being that in the initial bill:

- single parents aged 60 years or above were included in the FTB-B rate reduction measure - only grandparent carers were excluded;
- grandparent carer couple families with a youngest child aged 13-16 years in receipt of FTB-B would have had their maximum rate reduced to \$1000.10 per annum, and
- FTB-B would have been removed for all family-types with a youngest child aged 17 or 18 years.

1.4 The status of the relevant measures in the previous bill, in comparison to the slightly amended measures in Schedule 2 of the current bill, are summarised in a helpful table in the Parliamentary Library's Bills Digest:<sup>2</sup>

Schedule 2 of the previous bill	Current status
Increase the standard rate of FTB-B by \$1000.10 per annum for families whose youngest child is aged under one.	Removed from the previous bill and reintroduced in the No. 2 bill unchanged.
Reduce the rate of FTB-B for single parents with a youngest child aged 13–16 to \$1000.10 per annum and remove FTB-B in respect of children aged 17–18.	Removed from the previous bill and reintroduced in the No. 2 bill but single parents aged 60+, grandparent carers and great-grandparent carers are exempt from the rate reduction.

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1 Australian Greens dissenting report, in Senate Community Affairs Legislation Committee, *Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2015*, 30 November 2016, pp 15-17.

2 Parliamentary Library, [Bills Digest no. 65](#), 19 January 2016, p. 7.

Reduce the rate of FTB-B for grandparent carer couples with a youngest child in their care aged 13–16 to \$1000.10 per annum and remove FTB-B in respect of children aged 17–18.	Removed from the previous bill and not reintroduced.
Remove FTB-B for couple families (other than grandparent carers) with a youngest child aged 13 or over.	Passed with amendments to also exempt great-grandparent carers.

### Measures in the current bill

1.5 The current bill retains key measures which the Australian Greens oppose, including cuts to FTB-B for single parents with children aged 13 or over (with some exemptions for specific categories), and the removal of the FTB-A and FTB-B supplements.

1.6 Jacqueline Philips of the Australian Council of Social Services said in evidence to the Committee that:

I want to make a few quick points about the specific changes that are contained in the current bill, particularly the amendment to exempt single parents over 60 and grandparents from the changes to part B. While this is, no doubt, some improvement on the previous iteration of these measures, we view this merely as an adjustment at the margins which will do nothing to diminish the severe impact on those families who are most vulnerable—low-income families and, particularly, single parent families, the vast majority of whom are under 60 years of age. As we note in our submission, the changes in this bill regarding older parents and grandparents will benefit less than three per cent of recipients.<sup>3</sup>

1.7 The Australian Greens' fundamental concerns about the nature of the cuts and the impact of those cuts on vulnerable families are not addressed by the changes in this bill. The Australian Greens support protecting single parents aged 60+, grandparents and great grandparent carers from the impact of cuts. This protection should also be extended to the vulnerable groups that are still targeted by the harsh and poorly targeted measures in this bill.

1.8 The Australian Greens dissenting report on the previous bill sets out fundamental concerns, which still stand in relation to the current bill.<sup>4</sup>

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3 *Proof Committee Hansard*, 18 February 2016, p. 2.

4 Australian Greens dissenting report, *Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2015*, pp 15-17.

## Modelling

1.9 As noted in the previous dissenting report, the Australian Greens are concerned at the lack of transparency in the examples and figures released by the Government in relation to this bill. The Government only provided detailed estimates of the impact of the changes in response to a question on notice using examples from the Parliamentary Library's digest on the initial bill.

1.10 The data provided by the Department of Social Services shows that under the measures in this bill, when the supplements are fully removed:

- A single parent on Newstart with a child aged 13 years old will be \$2,602.45 worse off.
- A couple with two children in full time study, aged 14 and 16, and one parent earning \$80,000 annually, would be \$4,117.2 worse off.
- A couple with two children in full time study aged 14 and 16, with one parent earning \$60,000 annually and the other parent earning \$30,000 annually, would be \$927.1 worse off a year.
- A couple with two children aged 9 months and 3 years, with one parent earning \$80,000 and another parent with no income would be \$281.05 worse off a year.<sup>5</sup>

## Policy approaches

1.11 The lack of transparency highlighted in relation to the current and previous bill reflect a systemic problem, under which there is no agreed standard for what is necessary or adequate to support an individual or family. This systemic issue is reflected across a range of payments, including Newstart, Parenting Payment, and a number of other income support payments.

1.12 In their submission on the initial bill, the Australian Council of Social Services recommended that the Government should:

Establish an independent payments review commission to review the adequacy of all payments (including pensions, allowances, family payments and supplements) and indexation arrangements on a regular basis (say every 3 to 4 years) with a view to ensuring all households are able to achieve an acceptable standard of living. This body should recommend benchmarks for income required to achieve an adequate standard of living, including for children, based on the best available research.<sup>6</sup>

1.13 The Government's current approach to social policy typically involves an arbitrary and ad-hoc search for savings, rather than a considered, evidence-based approach. This frequently results in measures that would harm vulnerable members of society, rather than constructive, structural change. A more systematic and considered

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5 Department of Social Services, *Answers to Questions taken on Notice during 18 February public hearing*, 23 February 2016.

6 Australian Council of Social Service, *Submission 11*, p. 6.

approach to social policy would help the Government avoid the flaws and pitfalls in its current approach

### **Recommendation 1**

**1.14 The Australian Greens recommend that the Government consider adopting more evidence-based approaches to social policy, including through approaches such as the independent payments review recommended by the Australian Council of Social Services.**

### **Recommendation 2**

**1.15 The Australian Greens recommend that the bill not be passed.**

**Senator Rachel Siewert**