

Dissenting Report by the Australian Greens

Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2016

Introduction

1.1 The Australian Greens do not support the recommendation of the majority report that the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2016 (the Bill) be passed.

1.2 The Bill contains measures that 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.

1.3 The Australian Greens briefly outlined our concerns regarding the measures contained in the Bill in our dissenting report to the Social Services Legislation Amendment (Family Payment Structural Reform and Participation Measures) Bill (No. 2) 2015. We expressed our fundamental concerns in our dissenting report on the previous bill, Social Services Legislation Amendment (Family Payment Structural Reform and Participation Measures) Bill 2015. The concerns we outlined in those dissenting reports still stand.

1.4 The Government's stated purpose for the measures in this Bill are to make provision for the additional \$3 billion needed for the measures contained in the Jobs for Families Child Care Package.¹ As the Australian Council of Social Service (ACOSS) stated in its submission:

We reject the linking of family payment cuts to increased investment in child care and are most concerned that the Committee is considering these bills in conjunction. Any additional investment in early childhood education and care should be drawn from general revenue, not from low income families.²

1.5 The Australian Greens agree that the Government should not be targeting low income families to fund the Jobs for Families Child Care Package. This is particularly the case as the measures in the Jobs for Families Package will adversely impact on many low income families. The Government's continued harsh approach towards income support recipients is unfair and unnecessary.

Cuts to FTB-B

1.6 The Bill removes FTB-B for single parents (under the age of 60) from the start of the year their youngest child turns 17. It also significantly reduces FTB-B for single parents (under the age of 60) with a youngest child aged 13-16 to \$1000.10 annually. As Anglicare Australia stated in its submission:

1 The Hon Christian Porter MP, Minister for Social Services, *House of Representatives Hansard*, 1 September 2016, p. 29.

2 Australian Council of Social Service (ACOSS), *Submission 29*, p. 2.

We are particularly concerned about the detrimental impact of the cut of Family Tax Benefit part B (FTB B) on single low-income families with children over 13. The measure is said to encourage the parent back into the job market as their child enters secondary school, in order to increase family income, and so boost workforce participation levels and the national economy. Anglicare Australia understands this intention, but contends the reduction of payments from families with teenagers, together with the higher costs associated with raising older children, is likely make low income families even more financially vulnerable rather than less. When this 'encouragement' to find extra work fails, affected families will find it harder to fund important opportunities for their children's education and development, with flow on impacts on their life choices, and the risk of further perpetuating the cycle of poverty and disadvantage.³

1.7 The cuts to FTB-B in the Bill will hit single parents of teenagers particularly hard. The Australian Greens do not support this measure.

Removal of the FTB-A and FTB-B supplements

1.8 One of the harshest cuts in the Bill is the removing of the end of year supplements for FTB-A and FTB-B. The Government's rationale that updated computer systems will enable end of year supplements to be phased out is flawed.⁴ As the National Welfare Rights Network stated in its submission:

... simply abolishing the supplements, without a corresponding and equivalent increase in base rates of payment, is no more than a reduction in payments in a system where levels of support for many families are inadequate (especially following the transition of single parents with children from Parenting Payment Single to Newstart Allowance).⁵

1.9 The Australian Greens do not support this unfair measure.

Other Measures

1.10 There are a number of other measures contained in the Bill, namely an increase to FTB-A of \$10.08 per fortnight for each child and an increase to Youth Allowance (and a number of additional income support payments) where the recipients are under 18 and are living at home of \$7.48 per fortnight, and an increase to FTB-B of \$1000.10 per annum for families with a child under one.

1.11 In relation to the increase to FTB-A, ACOSS stated in its submission:

The expenditure component of the package, the boost to Part A by \$5 a week, does not take effect until 1 July 2018. It is far too little to compensate families for the losses imposed by other changes (amounting to an

3 Anglicare Australia, *Submission 27*, p. 5.

4 The Hon Christian Porter MP, Minister for Social Services, *House of Representatives Hansard*, 1 September 2016, pp 29-32.

5 National Welfare Rights Network, *Submission 23*, p. 13.

estimated \$48 per week for a single parent (under 60) with one child over 13 years) and it takes effect after the payment cuts.⁶

1.12 The Australian Greens do not support this measure, as it does not adequately compensate recipients for other cuts to the payment.

Recommendation 1

1.13 The Australian Greens recommend that the Bill not be passed.

**Senator Rachel Siewert
Australian Greens**

6 Australian Council of Social Service (ACOSS), *Submission 29*, p. 5.

