

# NCSMC

## National Council of Single Mothers and their Children Inc.

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Senate Community Affairs Committee  
Parliament House  
Canberra ACT 2600  
[community.affairs.sen@aph.gov.au](mailto:community.affairs.sen@aph.gov.au)

Dear Committee,

Please find attached NCSMC's submission to the Committee's inquiry into the **Employment and Workplace Relations Legislation Amendment (Welfare to Work and other Measures) Bill 2005 and the Family and Community Services Legislation Amendment (Welfare to Work) Bill 2005**.

NCSMC's response is focused on the impacts of the **Employment and Workplace Relations Legislation Amendment (Welfare to Work and other Measures) Bill 2005** for single parent families, but NCSMC recognises that people with disabilities will also be adversely affected by the legislation. The legislation will increase financial hardship and reduce social security protections for vulnerable families. Children in single parent households will have reduced access to parental care and income support can be more easily stopped with fewer protections from unfair and ill-informed decisions. The legislation seriously erodes the social safety net for single parents and their children and the consequences of this will have the highest adverse impact on the children whose families are further impoverished.

The planned expanded use of Newstart Allowance in place of specific payments for particular need groups – single parents and people with disabilities – will erase the specific provisions which have enhanced the effectiveness of Australia's social security safety net. Newstart Allowance was designed for the short-term income support of individuals without significant caring or health or disability issues seeking full-time employment. Trying to make the payment fit the needs of people with family obligations, health and/or disability issues and with part-time or intermittent availability linked to these circumstances is going to be a continuing problem played out across the lives of people who are already experiencing disadvantage and hardship.

The legislation increases the difficulty of accessing education and workplace skills, in defiance of decades of research evidence that sole parents are active consumers of education and that Australia needs more skilled and educated workers. For these reasons NCSMC considers that the aims of the legislation named in its title as 'Welfare to Work' cannot be met under the current approach.

The barriers to workforce participation for single parents include lack of accessible appropriate jobs to match their skills and childcare needs, lack of childcare, poor adult and child health and lack of transport. The welfare to work package offers inadequate numbers of childcare places or training opportunities and reduces access to education and does nothing to address the other

nominated barriers. Parents facing forced work tests will have to compete with other families for scarce child-care places. The number of training places allocated under the package is woefully inadequate to the numbers of people being forced into the labour market. These deficiencies further undermine any credibility to the claim that the legislation is aimed at assisting people to get jobs. It is aimed at reducing social security conditions for vulnerable Australians and increasing the incidence and severity of poverty for people who are unable to work due to care responsibilities, health or disability issues or geographic factors.

NCSMC recommends that the legislation be rejected in its entirety. Accepting that such an outcome is unlikely the following submission considers some of the numerous flaws in the Bill.

The short time frame available to comment on the Bills makes it difficult to provide a full analysis of the provisions. NCSMC would welcome the opportunity to provide further commentary in public hearings. Please contact Executive Officer Jac Taylor on 0409 697 343.

Yours faithfully,

**Dr Elspeth McInnes**  
**Convenor NCSMC**

The submission focuses on some key problems with the **Employment and Workplace Relations Legislation Amendment (Welfare to Work and other Measures) Bill 2005**.

**Problem:**

The Bill places most aspects of the activity requirements and penalty regime under the 'guidelines' or administrative discretion. This creates opportunities for unfairness and prejudice to govern the terms of people's survival, in place of the protections of formal legislation adopted by the Parliament of Australia. Wherever practicable matters of definition and protections should be enshrined in legislation to provide for proper public scrutiny in preference to the vagaries of administrative discretion.

**Recommendation:**

*The terms and requirements, protections and conditions of the legislation should be explicated in the legislation rather than delegated to the guidelines or administrative discretion.*

**Problem:**

The legislation abolishes access to Parenting Payment Single once a child turns 8 and imposes activity tests and harsh compliance provisions on parents once the youngest child is six. Parenting Payment recognises the demands placed on parents by raising children alone and supports their capacity to be available to their children. Abolishing Parenting Payment Single when a child is 8 is an anti-child measure.

The legislation creates unfairness. Families in the same circumstances will experience dramatically different income support outcomes depending on the date of claim, the duration of changes in family or earning circumstances, or where their children go to school.

The legislation creates increased poverty. Cutting rates of payment will not assist a person to gain work, it will make it harder to meet household costs and provide for children's needs. The additional earnings threshold per child allowable under PPS does not exist on Newstart and will force families with more than one child into even deeper relative poverty.

The previously announced protections for activity testing for parents of four or more children, or parents living in areas with few job options are not detailed in the legislation.

**Recommendation:**

*That the rate of payment and taper rates on earnings and conditions and entitlements defined by eligibility for the Parenting Payment Single be retained for all single parents until the youngest child is 16.*

**Recommendation:**

*That compulsory activity testing and punitive compliance frameworks be replaced by assistance to access education and skills training and job placement services and positive incentives and improved access to appropriate and affordable childcare.*

**Recommendation:**

*Activity test exemptions previously promised for parents of four or more children and parents living in job-poor regions or children with a chronic serious health or disability issue should be included in the legislation. Such parents should be eligible to continue at PPS rates.*

**Problem:**

Temporary activity test exemptions have to be actively sought by people experiencing traumatic circumstances such as domestic violence, family separation, death of a spouse, court proceedings, homelessness, or serious illness of a family member or other circumstance where a person could not reasonably be expected to meet an activity test. The legislation would require people to pro-actively manage their activity test status at a time of extreme distress. Those who fail to properly manage their activity test status will be subject to payment suspensions and reductions forcing them to retrospectively seek exemption from an increased distress and

poverty status. People with poor English literacy, cognitive impairment, mental illness or physical illness will be particularly vulnerable.

**Recommendation:**

*At least six month activity test exemptions should be legislated to automatically apply under all of the circumstances listed above and income support claimants should receive clear information about exemption provisions and processes including retrospective temporary exemptions where a person has not been in a position to reasonably comply with the activity test and their circumstances limited them from applying for a prospective temporary exemption.*

**Problem:**

The legislation does not define activity requirements sufficiently to limit them to being reasonable for a person's individual and family circumstances, suitable and directed towards gaining suitable employment.

**Recommendation:**

*There should be clear limits in legislation placed around what can be considered 'suitable' activity to be included in an activity agreement. Suitable activity should relate clearly and directly to a person obtaining employment. Reasonableness should relate to an assessment of the person's individual and family circumstances, the availability of childcare and accessible labour market opportunities. The legislation should require Centrelink to take account of their inability to engage in fulltime work and activity, parenting responsibilities, time and costs taken to travel to work or activities, the need to ensure personal safety of domestic violence victims, and other participation costs.*

**Problem:**

The current breaching system makes a distinction between administrative and activity breaches which the new provisions do not. This will increase the vulnerability of people to having their payments stopped. Previous public promises that parents who lost access to income support would receive case management support through Centrelink have not been explicated.

**Recommendation:**

*Parents should not be subject to the removal or reduction of payments. If this violation of human rights is proceeded with, parents should have access to 'case management' as promised by the Government.*

**Problem:**

Parents will experience increased barriers to education and skills training due to the reduction in payments making it harder for them to afford to study. Parents wishing to study full time will be transferred to Austudy and those wishing to study part time will have to do this in addition to meeting the full activity test. The loss of the Pensioner Education Supplement (PES) will also make it harder for parents to re-skill and seek a post-parenting career which enables them to permanently exit the income support system.

**Recommendation:**

*Allow parents to study full time without being transferred to Austudy, allowing them to remain on a higher payment.*

**Recommendation:**

*Retain access to PES for sole parents and provide additional support for vocational and education participation and completion for parents.*

**Recommendation:**

*Participation in an approved course of study of 15 hours per week should fully satisfy the activity test.*

**Problem:**

The liquid assets waiting period and seasonal work provisions will make it harder for sole parents to get access to payments if they have received a property settlement, child support arrears or Family Tax Benefit arrears. Parents may be forced to relinquish their capacity to re-house themselves as a consequence of the provisions.

**Recommendation:**

*Parents should not be subject to the Liquid Assets Waiting Period or seasonal work provisions as this will further reduce their capacity to meet family needs.*

**Problem:**

Principal carers will be required to undertake particular paid work of at least 15 hours and up to 25 hours per week, at the discretion of the Secretary. In essence, this will mean that sole parents can be forced to undertake a job of 25 hours per week or risk losing income support for 8 weeks. An additional requirement of up to 10 hours per week is excessive and will severely impact on the principal carer's obligations to their child(ren). Up until the release of the bill, all official documentation has described the new requirement as being to seek or undertake "at least 15 hours per week". As such, there has been no opportunity for community debate as to whether "up to 25 hours per week" is in line with "at least 15 hours per week". This will be determined by delegates of the Secretary who are not qualified to judge the principal carer's capacity to comply.

**Recommendation:**

*The requirement to undertake particular paid work not exceed 15 hours per week on average over 26 weeks, and that this be enshrined in the legislation.*

**Problem:**

Appropriate care and supervision of children is deemed to be met by any of the following:

- (a) Care provided by an approved child care service and the Secretary considers that the care would be appropriate.
- (b) Care that the principal carer considers suitable and could be provided to the child (ie informal care by family/friends/neighbours)
- (c) Child attending school and that, in the Secretary's opinion, is appropriate.

NCSMC is very concerned with these provisions:

- a delegate of the Secretary has no qualifications to determine whether child care is appropriate;
- children may be forced to move between child care providers and thus be denied continuity of care;
- children may be forced to move schools;
- principal carers can be forced to undertake activities when only informal care may be available – this is too great a burden to place on the carer and support network. It cannot be assumed that an informal carer can always be available when required. This will place inordinate stress on children, principal carers and their support networks.
- Any requirement to undertake activities during school hours must include time allowed to travel to and from school, as well as the venue where the activity is to take place
- Deeming school as suitable child care does not take into account pupil free days, school holidays, public holidays.

**Recommendation:**

*The legislation should provide that care and supervision of children can only be deemed to be met when approved formal child care is accessible at the times needed, be affordable and be considered suitable by the principal carer.*

**Problem:**

The Prime Minister promised that parents would not be forced to take work where their childcare and travel costs of working and income support reductions produced a net financial loss from taking paid work. This is not reflected in the legislation. In early June this year the Prime Minister stated: “If no suitable child care is available, or the cost of care would result in a very low or negative financial gain from working, the parent will not be required to accept the job.”

***Recommendation:***

*The legislation should reflect the Prime Minister’s public promises and provide an assessment process to take account of actual costs of childcare and travel for parents calculated against earnings and income support reductions.*

***Recommendation:***

*In place of the legislation being considered NCSMC recommends that new legislation be drafted to provide for:*

- *Increased supply of quality affordable childcare.*
- *Increased access to skills and vocational training and higher education for parents and people with disabilities.*
- *Increased positive systemic responsiveness to people combining activities such as study, paid work and parenting*
- *Increased supply of affordable housing for low-income earners.*
- *Improved public transport infrastructures in outer metropolitan and regional areas.*
- *Improved access to dental health care for low income earners.*
- *Greater investment in access infrastructure for people with disabilities*
- *Increased access to personal support program places for people with multiple barriers to paid workforce participation.*
- *Increased access to safety for mothers and children escaping domestic violence.*

*The provisions listed above would address a number of the barriers identified in the research as affecting and limiting the capacity of parents and people with disabilities to gain rewarding employment and reduce their longer-term reliance on income support. NCSMC commends them to the Government.*