



Good Shepherd

Australia New Zealand

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Budget Policy Division
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To whom it may concern,

2018-19 pre-budget submission to the Department of the Treasury, Australian Government

Good Shepherd Australia New Zealand (GSANZ) appreciates the opportunity to contribute to the Australian Government 2018-19 budget. This submission provides GSANZ's recommendations for the 2018-19 Australian Government Budget. In making our pre-budget submission, GSANZ is cognisant of the Government's stated priority to bring the Budget back to surplus. While GSANZ accepts the importance of this, we believe this should not be done at the expense of services and/or social security payments for Australians who are experiencing times of vulnerability and/or those who are experiencing compounding forms of disadvantage.

In this submission, GSANZ recommends that the Australian Government:

- Develops and adopts a whole-of-government approach that examines and addresses structural inequalities that reinforce gender inequality.
- Re-introduce Women's Budget Statements as one element of official Budget Papers as a way to understand the implications of Government policies on the lives of women and girls.
- Review the Social Support System to better support people who have not been able to accumulate superannuation and to ensure women caring for children and/or other family members are not financially disadvantaged.
- Increase the Newstart Allowance and related payments for single people and sole parents, which are disproportionately represented by women who have experienced family violence and/or women who primarily undertake unpaid caring work and responsibilities.
- Invest in programs and initiatives such as community house programs, playgroups and parenting courses that increase social support networks and provide protective factors for child development and parent wellbeing.
- Request verification/opinion from the Joint Parliamentary Committee on Human Rights regarding whether the ParentsNext program is consistent with Australia's commitments under the ICESCR.

Support for the Australian Council of Social Services 2018-19 pre-budget submission

In addition to the above recommendations, GSANZ also endorses the Australian Council of Social Service 2018-19 pre-budget submission recommendations. Specifically GSANZ supports:

- An increase in allowance payments for single people, including sole parents, of \$75 per week. This increase should be applied to recipients of Newstart Allowance (including the sole parent rate); Youth Allowance (away-from-home rate for both students and unemployed people); Austudy; Abstudy; Sickness Allowance; and Special Benefit, Widow Allowance & Crisis Payment.
- The call for an independent Social Security Commission to advise Government and parliament on the financial needs of people receiving social security payments, and to make recommendations on payment levels, income tests, and other policy settings.

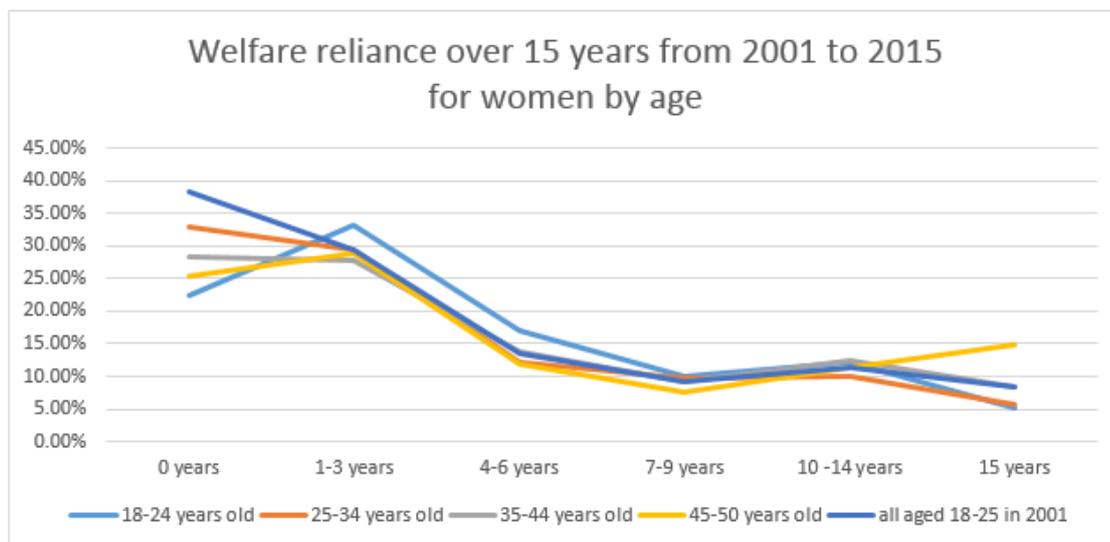
Disrupting the intergenerational cycle of disadvantage for women and girls.

- A Sole Parent Supplement that increases Family Tax Benefits for sole parents. Together with the above increase in Newstart Allowance, this would lift the incomes of sole parents on income support with school-age children so they no longer fall as the youngest child grows from five to eight years of age. (This happens now because Family Tax Benefit Part B falls in value and the parent transfers from Parenting Payment to Newstart Allowance.)
- Improvements in employment services so that people disadvantaged in the labour market (especially people who are long-term unemployed) receive meaningful help to secure paid work, including with paid work experience, training, career advice and job referrals.

GSANZ recognises and values the dignity that comes with participation in paid work. Access to meaningful employment and educational opportunities is important to disrupting the intergenerational cycle of disadvantage for women and girls and to ensuring their capacity to enjoy the fullness of life. GSANZ supports positive moves to enable greater workforce participation of population groups who are experiencing vulnerability and disadvantage.

An adequate and well-structured social security system is essential to the social and economic wellbeing of the country and should acknowledge that there are certain population groups, such as parents of young children, which require income support at certain times in their lives. Recently-released Household, Income and Labour Dynamics in Australia (HILDA) data indicates that most women who are on welfare payments remain on them for four years or less, and these years coincide with the prime child-bearing and rearing years (see Table 1).¹

Table 1: Welfare reliance for women by age



Data from the 2017 Household Income and Labour Dynamics in Australia survey.

The majority of workers in precarious employment are women,² filling nearly 70 per cent of precarious positions.³ This is most often due to women's need for flexible employment that can work around caring roles and responsibilities. This is particularly pertinent for single mothers and for parents whose partner(s) are unable and/or unwilling to also adapt their professional working employment situation to support and undertake equal caring responsibilities. Having and raising children is far more than just a temporary disruption to women's work lives. While there are changing expectations in the wider community about women's workforce participation,⁴ this has not been met with a corresponding reduction in societal expectation that women take on unpaid caring roles. Single parents particularly must balance these two competing, societal enforced expectations, and thus it is imperative that any payment categorisation for single parents takes this into account. For instance, the barriers that this presents to many women may inadvertently result in mothers accepting precarious employment opportunities that lack security, adequate remuneration or a long-term career pathway that will lead to financial security. Further to this,

encouraging mothers to accept precarious positions reinforces gendered inequalities in employment and unpaid caring responsibilities and leads to long-term cycles of disadvantage, including poverty, for families.

Evidence suggests that devaluing the role of mothers, particularly young mothers, as parents creates a level of stress that impacts on women and children's emotional and economic wellbeing.⁵ Additionally, prioritising employment over parenting duties can lead to scarce resources being diverted to the high costs associated with employment rather than investing them into child development.⁶ As such, GSANZ recommends that, pertaining to mothers of young children, investing in parenting practice is a more salient use of funds. Specifically, programs which allow young mothers and their children to meet and socialise provides important protective factors for child development, parent wellbeing and increasing social support networks. This can be achieved through increased investment in community house programs, for example, and may include playgroups, parenting courses and the like. While such programs are often seen as 'light touch', they provide important protective benefits for parents and children.⁷

Alleviating poverty and compatibility with human rights

It is GSANZ's view that the Government has an obligation to ensure that those who are most marginalised and disadvantaged in Australia should not be deliberately kept below the poverty line. Many welfare payments do just that. In particular this is the case for single parents, the vast majority of whom are women.⁸ GSANZ recommends that the Department of Human Services commits to keeping families above the poverty line and support more financial resources to elevate stability for families, reduction in social isolation and more opportunities for addressing barriers to employment, particularly for women.

Australia ratified the International Covenant on Economic, Social and Cultural Rights, or ICESCR, in 1975, which includes the right to social security (article 9). The United Nations Committee on Economic Social and Cultural Rights advocates that there is 'a strong presumption that retrogressive measures taken in relation to the right to social security are prohibited under the Covenant'.⁹ With respect to ParentsNext, GSANZ has serious concerns that linking ParentsNext participation to welfare payments is a breach of the Covenant. The fact that the number of women on single parent payments significantly outnumbers that of men means that the linking of ParentsNext participation to welfare payments arguably amounts to indirect discrimination against women in denying them equitable rights for social security and also places children at risk. GSANZ strongly urges the Department of Employment to refer the matter to the Joint Parliamentary Committee on Human Rights (JPCHC) for review, specifically regarding whether ParentsNext is consistent with Australia's commitments and obligations under the ICESCR.

Current payments offered through social security is insufficient in covering today's cost of living. As evidenced by figures released by the Social Policy Research Centre, Australia's social safety net is 'shockingly inadequate, falling short of what's required for the most basic standard of living by between \$47 and \$126 a week' for individuals, single parents and couples with and without children who are reliant on income support.¹⁰ People on Newstart and Youth Allowance would need close to \$100 per week more to cover their regular expenses¹¹ – "this is leaving families and individuals with terrible choices, for example between paying the rent or putting food on the table."¹²

Concluding remarks

Consideration of the experiences of certain population groups must extend to the ways in which any changes to Government policy, including budgets, can potentially impact other areas of life, creating unintended consequences.

In this submission, we highlight the urgent need to increase the Newstart Allowance and related payments for single people and sole parents, particularly for those who are women and who have experienced family violence and/or those women who primarily undertake unpaid caring work and responsibilities. We also

highlight the concerns that GSANZ has regarding the upholding our human rights obligations and outline evidence-based ways that could be employed to support people into paid work.

There has been very little increase over recent decades to reflect modern day cost-of-living. As it currently stands, Australians who access and rely on Newstart Allowance are receiving a grossly low payment, perpetuating financial hardship, which sees many Australians struggling below the poverty line. As argued by KPMG, the Business Council of Australia and the OECD, the low rate currently being paid for Newstart Allowance is a key barrier to work and risks entrenching Australians in poverty.

Good Shepherd Australia New Zealand is a community services organisation that aims to disrupt the intergenerational cycle of disadvantage, especially for women and girls. We provide services that address social and economic exclusion and promote policies that reduce poverty, disadvantage and gender inequality. GSANZ is part of a global network of services and advocates established by the Congregation of the Good Shepherd, with representation at the United Nations as a Non-Government Organisation.

Yours sincerely,



Natalie Savin, Acting CEO

Good Shepherd Australia New Zealand

¹ Wilkins, R. (2017). *The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 15*. The Melbourne Institute: Melbourne.

² Maury, S. (2017). *Precarious work and the health cost to women*. Good Policy, 12:1, pp. 6-7. Available at <http://www.powertopersuade.org.au/blog/precarious-work-and-the-health-cost-to-women/1/8/2017>

³ Workplace Gender Equality Agency. *Unpaid care work and the labour market: Insight Paper*.

⁴ Department of Social Services (2015) *A Better System for Better Employment and Social Outcomes*, Australia Government, Canberra

⁵ Johnsen, Sarah (2014) *Conditionality Briefing: Lone parents*, Welfare Conditionality http://www.welfareconditionality.ac.uk/wp-content/uploads/2014/09/Briefing_LoneParents_14.09.10_FINAL.pdf; and Grahame, T., & Marston, G. (2010). *Welfare to Work Policies and the Experience of Employed Single Mothers on Income Support in Australia: Where are the Benefits?* Journal of Australian Social Work, 65 (1), pp. 73-86.

⁶ Kaushal, N., Gao, Q., & Waldfogel, J. (2007). *Welfare reform and family expenditures: How are single mothers adapting to the new welfare and work regime?* Social Service review, 81:3.

⁷ Strange, C., Fisher, c., Howat, P., & Wood, L. (2014). *Fostering supportive community connections through mothers; groups and playgroups*. Journal of Advanced Nursing, 70 (12), pp. 2835-2846; Berthelsen, D. C., Williams, K. E., Abad, V., Vogel, L., & Nicholson, J. (2012). *The parents at playgroup research report: engaging families in supported playgroups*. Queensland University of Technology, Brisbane; Jackson, D. (2011). *What's really going on?: Parents' views of parent support in three Australian supported playgroups*. Australasian Journal of Early Childhood, 36(4), pp. 29-37.

⁸ Goldblatt, B. (2017). Cuts to sole parent benefits are human rights violations. The Conversation, 29 March 2017, available at <https://theconversation.com/cuts-to-sole-parent-benefits-are-human-rights-violations-74844>

⁹ Committee on Economic Social and Cultural Rights (2008) *General Comment No. 19: The right to social security (art. 9)*, UN Doc E/C.12/GC/19, para 42.

¹⁰ Saunders, P., and Bedford, M., 2017, *New minimum income for healthy living budget standards for low-paid and unemployed Australians*, Sydney: Social Policy Research Centre UNSW, Catholic Social Services Australia, ACOSS, and United Voice.

¹¹ UNSW Social Policy Research Centre, 2017, 'How the low-paid and unemployed lack an adequate income for a healthy life', UNSW Newsroom, <https://newsroom.unsw.edu.au/news/social-affairs/how-low-paid-and-unemployed-lack-adequate-income-healthy-life>

¹² Yeomans, C., cited in 'Mission Australia, Vinnies and Anglicare Australia say inadequate income support payments are leading to poverty', September 26, 2017, <http://www.anglicare.asn.au/home/2017/09/26/mission-australia-vinnies-and-anglicare-australia-say-inadequate-income-support-payments-are-leading-to-poverty>