



Social Services Legislation Amendment (Strengthening Income Support) Bill 2021

3 March 2021

Dear Senators,

Thank you for the opportunity to express, on behalf of single mother families whose income is either JobSeeker or Parenting Payment Single, our view on the government's planned changes to the base rates of these payments.

We are at once glad that the government has heard the calls to lift the permanent rates and deeply concerned that Members of Parliament seem out of touch with the realities of trying to raise children on an income below the poverty line. From our correspondence with Members of Parliament, we understand they consider the addition of Family Tax Benefit payments, the Commonwealth Rent Assistance (up to \$185 a fortnight), Energy Supplement, Utilities Allowance, Telephone Allowance, Remote Area Allowance, and education supplements and payments to be sufficient.

In fact, the JobSeeker Allowance for a single parent with a dependent child or children is currently \$612 per fortnight. With the maximum Rent Assistance payment this becomes \$797. Family Tax Benefit payments are highly conditional as are other payments, many of which are not relevant or available to many single parent families e.g. Utilities Allowance is primarily relevant to those receiving a disability payment. With unpaid child support at record rates, the working figure for many single parent families receiving JobSeeker and with the highest level of Family Tax A and B and all other available allowances, is \$1128.27 per fortnight. This is \$563.14 per week and with rent only allowed to be 55% of income, the available weekly amount for rent is \$309.72, well below the most modest accommodation in cities around Australia. Notably, there are no longer supplements for school fees. We thus contend that supplementary allowances are an insufficient addition to the basic payments to enable families to avoid poverty and hardship.

In August 2020, Anglicare produced a special edition of their affordable rental housing snapshot based on the end of the Coronavirus Supplement if it was at December 2020. This shows a predicted 0.1% of affordable housing for single parents on Parenting Payment Single or JobSeeker. Around Australia, we are currently seeing massive rises both in the price of houses to purchase and to rent. The end of the Coronavirus Supplement and the planned revised JobSeeker and associated payments rate is likely to see families on these sources of income struggling to maintain stable housing **unless the Commonwealth Rent Assistance is substantially raised.**

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Council of Single Mothers and their Children: Social Services Legislation Amendment (Strengthening Income Support) Bill 2021

The Australian Bureau of Statistics [Household Impact of COVID-19 Survey](#), released on 22 February 2021, shows that in “January 2021, paying household bills was reported to be the most common use of the Coronavirus Supplement (80%*)”.

In a survey commissioned by the National Council of Single Mothers & their Children that asked the question ‘**How has the extra \$550 affected you?**’:

- Nearly 9 in 10 (87%) said ‘it reduced stress and anxiety as we can now pay our household bills’
- Nearly 7 in 10 (69%) said ‘our family is healthier due to having enough food to eat and healthier options’.
- Nearly 2 in 3 (65%) say ‘I am sleeping better, not waking up due to money stress’.¹

Remarkable in the stories told in this work were those of women who were able to access long overdue dental care, have their car fixed, buy warm winter clothes for their children and afford other basic necessities that most of us take for granted.

Single mother families in Australia are currently the family structure most likely to live in poverty. 1 in 4 families is living in dire poverty, and many more are struggling financially. Many women become single mothers due to escaping family violence and, in our view, trying to force them back into the workforce too soon is counterproductive.

Evidence shows it is not the number or gender of one’s parents that does damage to children: it is poverty that harms them. In the short term, the negative consequences are poor nutrition and health outcomes, reduced engagement in education, and limited social and extracurricular activities, while in the long term, poverty undermines their future success and their capacity to be fully participating members of society. Low levels of social security payments do not prevent intergenerational welfare dependence, they create it.

Furthermore, single mothers are at risk of poverty and even homelessness in older age. Their years of unpaid care work, the low levels of social security payments, insecure part time employment and lack of superannuation combine to create this risk.

If the rate of JobSeeker cannot be raised overall, we implore Senators and Members to ensure that this Bill is amended such that all JobSeeker and other payments to parents lift families well above the poverty line so both the parents and children have a chance to find a better life.

For over 50 years, CSMC has been striving for social and economic inclusion for all single mother and their children, across their lives. Our focus and views on poverty, social security, child support, family law and housing is informed by our 4500 single mother members. We also provide specialist support, information, and referrals to over 2200 families per year.

Thank you for considering our views.

Yours sincerely,

Jenny Davidson
Chief Executive Officer

¹ The Power to Persuade: *Why Single Mothers are so happy these days* 21 July 2020 Accessible at: <https://bit.ly/3q8lF9o>