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Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600
& by email to community.affairs.sen@aph.gov.au

2 February 2023

Dear Committee Secretary,

Re: The extent and nature of poverty in Australia

FamilyCare appreciates the opportunity to provide comment for the Committee's consideration.

The Senate Standing Committees on Community Affairs have conducted inquiries on many important issues. None have been more pressing than the current inquiry and the opportunity it provides to reflect on the adequacy and effectiveness of policy approaches to supporting vulnerable people.

Our submission focuses on several key messages:

- a) Australia's social security system is failing a significant number of people who most need its support;
- b) Evidence confirming the link between the inadequacy of working age benefits and poverty is clear; and
- c) Although there has been limited specific investigation of the impacts of social security failings on children, there is sufficient evidence to show those impacts are overwhelmingly negative and largely preventable.

About FamilyCare:

FamilyCare is the main provider of child and family services across the Goulburn Valley region of Victoria. FamilyCare's headquarters is in Shepparton, with offices in Cobram, Seymour and Wallan and outreach to Kinglake, Alexandra and Kilmore.

Amongst a range of other services and community development roles, FamilyCare is a registered NDIS provider and is part of the statewide consortium lead by Merri Health, delivering the Carer Gateway in our region. FamilyCare is the lead agency for the Goulburn Flood Recovery Service, established after the devastating floods in October 2022.

We work with individuals, families and communities to increase wellbeing, build strengths and encourage optimism. Our vision is strong families and communities. Where FamilyCare's activities provide evidence of adverse impacts for those who seek our assistance and that might be avoided or mitigated if policy was altered, we advocate for change. Informed advocacy is part of our contract with and responsibility to the communities we serve.

FamilyCare has frequently expressed its concerns about the negative consequences of current social security policy. Shepparton was selected as a place-based welfare reform trial site in May 2011. Some punitive aspects of welfare reform and conditionality rules, were adopted in Shepparton and other trial sites exclusively, or before being implemented in other places.

Our practice experience of the consequences of welfare reform measures, including direct feedback from our clients, has informed this submission.

Endorsement of a submission being made by the Centre for Excellence in Child and Family Welfare (CFECFW):

FamilyCare is a long-term member of the CFECFW, the main peak body for child and family services in Victoria. In 2017, the CFECFW established Treating Families Fairly – an alliance of child and family service organisations, peak bodies and academics advocating for policies that uphold the rights of children and families and speak out against policies that cause harm, with a particular focus on social security and welfare conditionality. FamilyCare co-chairs the Treating Families Fairly alliance.

Since its commencement, Treating Families Fairly has provided submissions to inquiries like this one, as well as developing a body of research that has contributed to local and national discussions about the drivers and impacts of poverty and disadvantage. FamilyCare has been consulted in the preparation of the CFECFW's submission to this inquiry. We are aware of its content and references to a member survey conducted in late 2022. FamilyCare endorses the recommendations the CFECFW submission contains.

The CFECFW survey generated 137 responses, from across Victoria, with the majority of respondents involved in direct service delivery. We will defer to the CFECFW submission to describe the survey findings in detail, however note the following consistent themes:

- The incidence of poverty is pervasive amongst people seeking assistance from community services and almost universal amongst those receiving working age social security benefits;
- The impacts of poverty regularly include an inability to pay for essentials and a reliance on material aid and emergency relief;
- The prospects for successfully implementing sustainable change with people who are experiencing ongoing financial crisis are limited; and

- Poverty directly and adversely impacts children, undermining wellbeing, affecting development, harming relationships and limiting opportunities.

These themes are similar to those identified in a previous CFECFW survey, conducted in 2019. The earlier survey was the basis of a paper presented to the Australian Social Policy Conference in September 2019, a copy of which is Attachment 1.

Australia's social 'safety net' is failing:

Australia's social security system has often been described as broader, more generous and better targeted than comparable systems around the world.

The last thirty years of policy direction has however been characterised by efforts to control the cost of providing social security and to reshape the language and manner in which benefit recipients are represented in public discourse. Treasurer Joe Hockey's address to the Sydney Institute on the 11th of June 2014, provided a low point in the public description of benefit recipients as a drag on the economy. The speech outlined the need for more stringent rules to access social security, with the rationale that government '*must reward the lifters and discourage the leaners.*'¹

Former Treasurer Hockey's choice of language was more blunt than most but the broad direction of government policy since the 1990s has been similar across different administrations. Calls to increase the base rate of working age payments consistent with cost of living increases have been resisted and a range of conditionality requirements imposed, with compliance determining whether access to benefits is maintained.

It took the COVID-19 pandemic in early 2020 to deliver the most unexpected of changes. Implementation of the Coronavirus Supplement effectively doubled the base rate of the single unemployment benefit. Applied across a range of eligible benefits, commencement of the supplement confirmed how quickly a meaningful increase to social security payments could lift a large number of Australian households out of poverty. The ANU's Centre for Social Research and Methods estimated that the combined impact of Jobkeeper and Jobseeker supplements reduced pre-COVID-19 rates of poverty by 32 per cent.²

In addition to increased income from the Coronavirus Supplement, there was a relaxation of conditionality requirements. In part these changes recognised that compliance would not be possible without breaching public health restrictions on movement and interaction. A study published by Swinburne University and the CFECFW explored the impacts the changes had on

¹ The Hon Joe Hockey MP, Treasurer; *A Budget for Opportunity*; Address to the Sydney Institute; The Treasury; Canberra; 11 June 2014

² Phillips, B, Gray, M and Biddle, N; *COVID-19 JobKeeper and JobSeeker impacts on poverty and housing stress under current and alternative economic and policy scenarios*; ANU Centre for Social Research and Methods; Canberra; 29 August 2020; p.9

social security recipients and their time use during this period.³ The researchers found there was a decrease in stress and anxiety and an increase in reported wellbeing.

For example, a female Jobseeker Payment recipient noted:

Instead of doing busywork and ticking off boxes [related to mutual obligations], I could really focus on study and what I needed to do to get to where I wanted to go. And I was able to make progress for the first time in a couple of years towards that goal.⁴

Another recipient of the Single Parenting Payment, who had escaped a violent relationship, likened compliance requirements to living with an abusive partner:

Centrelink is exactly like an abuser and you just can't function like that. Having those impossible-to-fulfill expectations removed meant that I was able to have a normal experience of life for the first time in around 11 years.⁵

The Coronavirus Supplement and relaxation of conditionality rules were time limited. A return to pre-Covid settings was complete by April 2021. As quickly as positive benefits were experienced, the negative impacts of living in structural poverty returned. Follow-up research undertaken as part of the UNSW/ACOSS Poverty and Inequality Partnership, suggests the brief respite is likely to have exacerbated a sense of cumulative trauma for some social security recipients.

Asked about temporary measures that relieved pressures and obligations (interviewed benefit recipients) described service delivery systems, especially income support, as inefficient and inconsistent. Interaction with the system may be either disrespectful or helpful, stigmatising or understanding, punitive or accommodating. Many people with experiences of poverty and disadvantage have long histories with being treated with distrust and judgement, and of being required to spend significant time and energy just to receive their entitlements. For many, there are few reserves to draw on in times of crisis, and this increases vulnerability to harm.⁶

Analyses of the effects of the Coronavirus Supplement confirmed both the existence and extent of the structural links between the social security system and poverty. Those analyses also proved it is possible to rapidly reduce the incidence and impact of poverty by changing social security settings, if there is the political will to do so.

The safety, wellbeing and development of children is being harmed by policy failures:

Ensuring the safety and wellbeing of children is a consistent priority across all levels of government. For example, in response to the Royal Commission into Institutional Responses to

³ Klein, E, Cook, K, Maurey, M & Bowey, K; *Social security and time use during COVID-19*; Swinburne University of Technology & Centre for Excellence in Child and Family Welfare; Melbourne; March 2021

⁴ Klein (et al); *Social Security and time use during COVID-19* (ibid); p.20

⁵ Klein (et al) (ibid); p.17

⁶ Naidoo, Y, Valentine, K & Adamson, E; *Australian Experiences of Poverty: Risk Precarity and Uncertainty during COVID-19*; An ACOSS/UNSW Sydney Poverty & Inequality Partnership Report; Sydney; October 2022; p.58

Child Sexual Abuse, the first Commonwealth Child Safe Framework was launched in August 2019. Victoria introduced Child Safe Standards in January 2016. An updated version of the Standards commenced operation in July 2022.

Access to material basics, like food, shelter and clothing, is a key component in keeping children safe and ensuring their wellbeing. That reality is formally recognised in the Best Interest Principles incorporated in Victoria's Children, Youth and Families Act 2005.⁷

The influence of social security policy settings, including the sufficiency and reliability of benefit incomes, is of critical importance to the health, safety and wellbeing of children who are dependent on a person in receipt of a benefit income. It is therefore surprising how little attention has been paid to the needs of children in policy design and when reviewing the effectiveness or otherwise of the social security system. It is an issue FamilyCare sought to highlight in a submission to the Department of Social Services Review Team preparing the successor plan to the National Framework for Protecting Australia's Children, in July 2021. A copy of that submission is Attachment 2.

In the years since the welfare reform trials commenced in Shepparton, general indicators of vulnerability and disadvantage have not improved and in some instances have deteriorated markedly. Of most concern, ongoing measurement of the health, wellbeing, safety and development of our community's children, suggests current approaches are not working.⁸ There has been no attempt to investigate whether there is a relationship between this data and the various welfare reform activities, or social security policy generally.

Fundamental to a change in approach is giving voice to the experiences of children, which recognises and respects those experiences as distinct from parent/caregivers. We were therefore delighted to be able to join with the Centre for Children's Policy at the Australian National University and Burnie Works, a community wellbeing initiative in north-west Tasmania, to participate in the MOR for Children Research Project.

Our understanding is that Professor Sharon Bessell from the Centre for Children's Policy and lead for the MOR for Children research project, will also be providing a submission to the inquiry. We will leave Professor Bessell to describe the findings from similar research but note both the commitments to build meaningful local community connection and provide safe spaces for children to share their experiences, as key motivating factors for our involvement. A copy of the first edition of the More for Children Shepparton Project newsletter is provided at Attachment 3.

It is vital that we provide all children with the support necessary for positive health, wellbeing and development. Living in poverty undermines all of those aspirations and robs children of the

⁷ See in particular section 10 (3)(j) of the *Children, Youth and Families Act 2005* (Vic)

⁸ Examples of these concerns can be seen in the State of Greater Shepparton's Childrens Reports, available on the Greater Shepparton City Council website at: [The State of Greater Shepparton's Children Report - Greater Shepparton City Council](#)

opportunity to enjoy childhood. Those concerns are aptly summarised in this comment, drawn from the responses to the CFEFCW survey in late 2022:

Children are the ones paying the price for the lack of access to quality food, participation in fun social and sporting activities. Their social skills and mental health is in decline from the lack of joy in their lives.

Conclusion:

At the start of this submission, FamilyCare acknowledged the importance of this inquiry as an opportunity for reflection. To be successful however, it must lead to action.

Gathering evidence about the structural drivers of poverty and the disadvantage they cause or deepen, is important. Those who are living in poverty in Australia particularly children totalling over 750,000, have a right to expect practical solutions.

Yours sincerely

David Tennant
Chief Executive Officer

The impact of social security reforms on single mothers and their children

David Tennant and Kelly Bowey

Abstract

In 2016, there were almost 1 000 000 lone parent families in Australia, with 81.8 per cent headed by a single mother.¹ The rate of poverty among lone parent families was 32 per cent, rising to 59 per cent in households where the parent was unemployed.²

Changes to Commonwealth social security policy relevant to lone parents have focused on reconnecting them with training and employment to insulate against the risks of long-term welfare dependence.³ Maintaining access to Parenting Payment Single, the primary benefit paid to lone parents, is contingent on mutual obligations that increase with the age of the youngest child. For targeted groups, additional participation requirements apply.⁴ When the youngest child turns eight years old, benefit entitlements switch to the lower Newstart Allowance.⁵ Since this change commenced, rates of poverty among lone parent households have increased.⁶

The Centre for Excellence in Child and Family Welfare (the Centre) is the peak body for child and family services in Victoria. Its membership of over 150 community service organisations, students and individuals throughout Victoria consists of many direct service providers including FamilyCare, the main provider of child and family services in the Goulburn Valley and West Hume region of Victoria.

Service providers in Victoria have expressed increasing concerns about the impacts of social security reforms on single mothers and their children and the ability of state-funded services to meet their needs. This paper reflects on research about the impacts of social security reforms on single mothers and their children and examines the potential challenges that these impacts pose for the delivery of child and family services.

The Centre and FamilyCare conducted a survey in May and June 2019 to gather information from child and family services practitioners about these impacts. This paper provides analysis of the survey findings and highlights key themes evident in responses.

¹ Australian Bureau of Statistics (ABS) 2017, 2016 Census QuickStats, viewed 5 September 2019, <https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/036>.

² Davidson, P, Saunders, P, Bradbury, B & Wong, M 2018, *Poverty in Australia 2018*, ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, ACOSS, Sydney.

³ Please note that the terms 'social security' and 'income support' are used interchangeably in this paper.

⁴ Department of Human Services 2019a, Mutual obligation and participation requirements, viewed 19 September 2019, <<https://www.humanservices.gov.au/individuals/services/centrelink/parenting-payment/what-are-your-commitments/mutual-obligation-and-participation-requirements>>.

⁵ According to the Department of Human Services, Parenting Payment is the main income support payment while a person is a young child's main carer. The maximum rate of Parenting Payment Single is \$780.70 per fortnight. Newstart Allowance is the main income support payment while a person is unemployed and looking for work. The maximum rate of Newstart Allowance for a single person with children is \$604.70 per fortnight (rates current at 1 October 2019).

⁶ Davidson et al. 2018.

The context for single mothers and their children

Lone parent households account for 15.8 per cent of all Australian households.⁷ According to the most recent Household, Income and Labour Dynamics in Australia (HILDA) survey, 13.5 per cent of children under 15 years live with a single parent and no others.⁸

The rate of poverty among lone parent households is 32 per cent, or almost two and a half times the rate of poverty in the general population (based on a poverty line of 50 per cent of median household disposable income). It rises to 59 per cent in households where the parent is unemployed.⁹

Of the 739,000 children in Australia living in poverty, 39 per cent are in a lone parent household.¹⁰ According to the Australian Institute of Health and Welfare:

Children under 15 in single-parent families were more than 3 times as likely to be in relative income poverty as those in two-parent families (41% compared with 13%) in 2013–14.¹¹

The vast majority of lone parent families, 81.8 per cent, are headed by a single mother.¹²

The data alone makes a compelling case for providing additional support to these most disadvantaged children and families. Instead of additional support, social security reform has largely focused on developing extra participation rules and non-compliance penalties, many of which are specific to lone parents and, by implication, single mothers and their children.

Reform measures have prioritised reconnecting parents who do not have paid work with training and employment, in pursuit of the high-level policy belief that jobs provide the best insulation against long-term welfare dependence. This is evident in Prime Minister Scott Morrison's regular reference that 'the best form of welfare is a job'. Single mother households have been disproportionately targeted by reform measures, driven by a focus on women's workforce participation. The approach contains limited acknowledgement of the responsibilities of parents with young children, the needs of those children, or the relative paucity of family friendly employment options.

For low income families, the Commonwealth government's approach to welfare reform is an additional cause of stress.¹³ It is especially challenging for single parents with young children who face additional participation requirements accompanied by the threat of financial penalties for non-compliance.¹⁴ There are long-term benefits for single mothers and their children in securing appropriate employment, yet there is no evidence that threats to suspend payments provide an effective incentive. Rather it appears contrary to the evidence that efforts to improve outcomes for children and families are at their most effective when the following 'design principles' are employed:

- Support responsive relationships for children and adults
- Strengthen core life skills (executive function and self-regulation)
- Reduce sources of stress in the lives of children and families.¹⁵

⁷ ABS 2017.

⁸ Wilkins, R, Lass, I, Butterworth, P & Vera-Toscano, E 2019, *The Household, Income and Labour Dynamics in Australia survey: selected findings from waves 1 to 17: the 14th annual statistical report of the HILDA survey*, Melbourne Institute: Applied Economic & Social Research, Melbourne.

⁹ Davidson et al. 2018.

¹⁰ Davidson et al. 2018.

¹¹ Australian Institute of Health and Welfare (AIHW) 2017, *Australia's welfare 2017*, AIHW, Canberra, p. xii.

¹² Davidson et al. 2018.

¹³ Brady, M & Cook, K 2015, 'The impact of welfare to work on parents and their children', *Evidence Base*, no. 3.

¹⁴ McLaren, J, Maury, S & Squire, S 2018, *"Outside systems control my life": the experience of single mothers on Welfare to Work*, Good Shepherd Australia New Zealand, Melbourne.

¹⁵ Center on the Developing Child 2017, *Three principles to improve outcomes for children and families*, Center on the Developing Child at Harvard University, Cambridge, MA.



Rates of poverty among lone parent households have increased as compliance requirements have been extended and eligibility rules have tightened.¹⁶ The most pronounced increase occurred when Parenting Payment switched to the much lower Newstart Allowance for parents with children who had reached eight years of age.¹⁷ This switch was first introduced by the Howard government in 2006, although parents receiving Parenting Payment Single before July that year could keep receiving it until their youngest child turned 16. The Gillard government removed the grandfathering provision and extended the change to all families in 2013.

This is not simply a story of material disadvantage. Research indicates that the additional compliance obligations, backed up by suspension or even cancellation of benefit payments, have impacted the health and wellbeing of lone parent families and the development of children in those families.¹⁸

The Centre's interest in the issues

As the peak body for child and family services in Victoria, the Centre has advocated for over 100 years for the rights of children and young people to be heard, to be safe, to access education and to remain connected to family, community and culture.

Our member organisations are increasingly concerned about the impacts of social security reforms, such as increased compliance requirements and the introduction of programs with automatic monetary penalties for non-compliance. Over a number of years, feedback from the Centre's members has shown how these Commonwealth decisions affect the ability of state-funded services to meet the needs of families, an issue with significant implications for child wellbeing and safety. Suspending a parent's payments is inconsistent with the best interests of children, a test defined in Victorian legislation, and threatens children's rights under Article 26 of the United Nations Convention on the Rights of the Child.¹⁹ There is no acceptable way to cancel Parenting Payments that would not negatively affect a child's right to safety and adequate provisions.²⁰

In mid-2017, a group of service providers and academics working in the child and family services sector came together at the Centre to form a network focused on these identified issues. The Treating Families Fairly network monitors and critically examines the evidence and rationale for various welfare policies and programs and advocates for change on behalf of the child and family services workforce where policies and programs are found to be harmful or ineffective.²¹

Survey design, audience and methodology

Through the Treating Families Fairly network, the Centre and FamilyCare sought further information from member groups about the impact of social security policies on single mothers and their children. The primary vehicle for gathering that information was a survey of practitioners working directly with children and families, including single mother families. The survey was open for four weeks, included fifteen questions and attracted 169 responses.²² The survey instrument can be found in Appendix 1. A

¹⁶ Brady & Cook 2015.

¹⁷ Brady & Cook 2015; Davidson et al. 2018.

¹⁸ Brady & Cook 2015; Jovanovski, N & Cook, K 2019, 'How Australian welfare reforms shape low-income single mothers' food provisioning practices and their children's nutritional health', *Critical Public Health*.

¹⁹ s10 *Children, Youth and Families Act 2005* (Vic); United Nations 1989, Convention on the Rights of the Child, viewed 3 September 2019, <<https://www.ohchr.org/en/professionalinterest/pages/crc.aspx>>.

²⁰ Centre for Excellence in Child and Family Welfare 2018 (CFECFW), *Submission to the National Children's Commissioner on the state of children's rights in Australia*, CFECFW, Melbourne, p. 10.

²¹ For more information, visit <https://www.cfecfw.asn.au/treating-families-fairly/>.

²² Six questions were completed by all respondents. The remaining nine questions attracted a response rate of between 76-99 per cent. Quotes included in this paper have been edited for minor spelling and grammatical errors and appear in italics.

total of 15 of the 17 Department of Health and Human Services regions in Victoria were represented in the responses, with three from New South Wales. Participation in the survey was voluntary and anonymous.

The survey was distributed through a variety of means, including an email to member CEOs, a feature in the Centre's widely distributed e-newsletter, practice forums and advocacy network groups. Due to the nature of survey distribution, the majority of respondents are likely to work in organisations that are members of the Centre.

The survey sought to explore the concerns of the sector in more detail and to:

- Investigate the extent to which research linking policy changes with increased hardship for single mothers and their children is consistent with the observations of service providers; and
- Whether there have been noticeable impacts on service delivery, family outcomes and state government spending.

Child and family services include a diverse group of practitioners working in a wide range of organisations and programs. The largest proportion of survey responses was received from practitioners employed to deliver family services programs.

For readers unfamiliar with family services, the Victorian Department of Health and Human Services offers the following description:

Family Services promotes the safety, stability and development of vulnerable children, young people and their families, with a focus on building capacity and resilience for children, families and communities.²³

Survey results and findings

A large majority of respondents, 96 per cent, indicated that they regularly provide services to single mothers and their children. Around 95 per cent of respondents indicated that 'all' or 'most' of these families received income support payments from Centrelink. Many of these families seek support from services because of financial need, with 79 per cent of respondents reporting that this occurs 'all the time' or 'regularly'.

The survey asked respondents for insights and observations based on their experiences providing support to single mothers and their children:

▪ Adequacy of income support

When asked to what extent the income support system is sufficient to meet needs and provide an adequate standard of living for single mothers and their children, 78 per cent of respondents believed it to be insufficient, or barely sufficient. One respondent said:

The current income support system is not sufficient to meet their basic needs let alone work towards independence, job readiness and/or further education.

It was noted by some that payments must be consistently and reliably provided to maintain any standard of living that payments offer.

A small number of respondents (four per cent) indicated that the income support system is sufficient.

²³ Department of Health and Human Services 2019, Family services, viewed 7 August 2019, <<https://providers.dhhs.vic.gov.au/family-services>>.

▪ Experiences of living on income support

Respondents provided consistent descriptions of how difficult it is for single mothers to care for themselves and their children on income support. The most common themes included financial difficulty and the stress and anxiety associated with a constant struggle to make ends meet. The descriptions strongly supported the majority view that income support was inadequate to meet the basic needs of families.

The following quotes are indicative of common responses:

It's very difficult to get by. Financial pressures make everything else seem impossible.

That maintaining their income support is draining and humiliating and that it increasingly feels insecure with government changes. Also that they are more afraid now than they have ever been about their ability to provide for their children.

A different view put forward by a very small number of respondents was that families continue to ask for support, rather than make sound financial decisions. Making sound decisions is however undermined by the stressors associated with low or unreliable income.²⁴ While most of the respondents appear to recognise this, one response was striking in its contrast with the majority view:

Constantly saying they don't have enough but they have enough to get their nails and hair done. Buy takeaway coffees and spend far too much time on their mobile phones.

Of significant concern, 15 per cent of respondents were aware of a family or families who had opted out of the social security system, without securing another means of income, due to administrative barriers or compliance requirements. Further comments from respondents indicated that navigating the system had become too much for these families, faced with a range of barriers from literacy to challenges accessing technology, resulting in a significantly increased level of vulnerability.

▪ The frequency and impact of payment suspensions

More than half (63 per cent) of practitioners indicated that they had worked with one or more single mothers who had experienced a payment suspension. This can occur as the result of simple administrative errors or mothers failing to meet their participation requirements for whatever reason.

The majority of respondents noted that a suspension caused immediate crisis. Commonly cited impacts are illustrated in the following quotes:

The more immediate issue is around feeding children – when a mother is living week to week, even a suspension of two or three days can mean there is no food in the house for children.

They have had to prioritise buying food for the family, cannot pay their rent and other payments, which results in them falling further behind financially. There have been instances of mothers and their children being threatened with homelessness, if they do not pay their rent.

A number of survey responses referred specifically to single mothers having to contact violent ex-partners, asking for money to make ends meet. This is consistent with a report from the National Social Security Rights Network, which states that 'economic abuse is a key reason why women stay in, and return to, violent relationships. This difficulty tends to be exacerbated by the lack of adequate social security support in Australia'.²⁵

²⁴ Gandy, K, King, K, Hurle, PS, Bustin, C & Glazebrooke, K 2016, *Poverty and decision-making: how behavioural science can improve opportunity in the UK*, The Behavioural Insights Team, London, p. 13; Shafir, E & Mullainathan, S 2013, *Scarcity: why having too little means so much*, Henry Holt and Company, New York.

²⁵ National Social Security Rights Network (NSSRN) 2018, *How well does Australia's social security system support victims of family and domestic violence?*, NSSRN, Sydney, p. 28.

The extensive range of impacts on the wellbeing of single mothers and their children resulting from payment suspensions can be found in Figure 1 below.

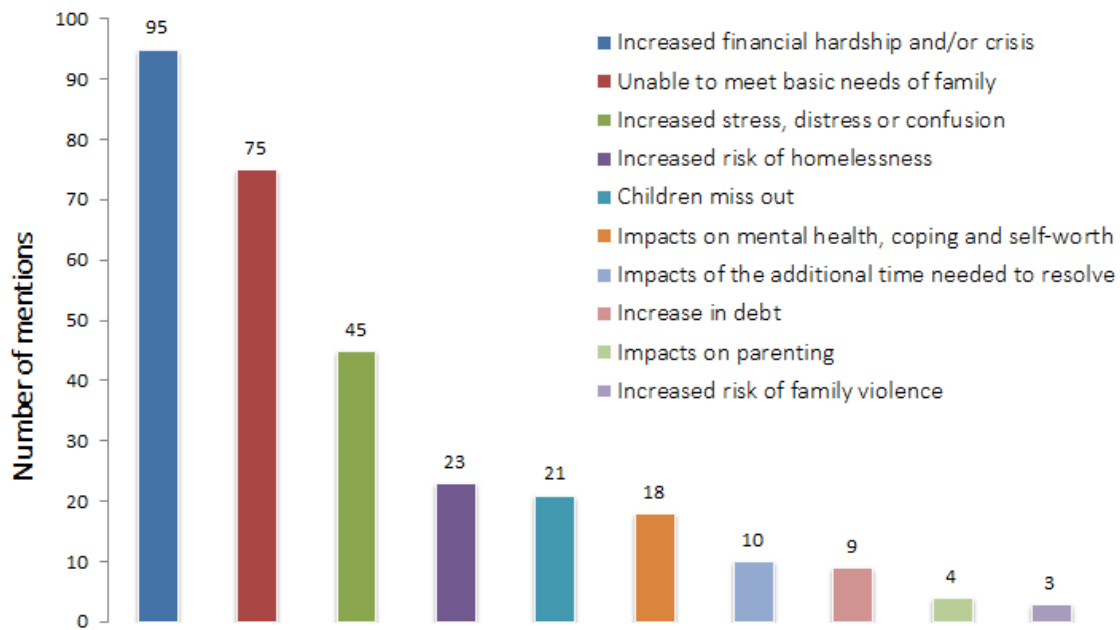


Figure 1 – The impacts of payment suspensions

▪ Responses used to assist families who have experienced suspension

The graph below (Figure 2) shows the responses used by service providers to help single mothers manage their family's day-to-day needs while suspended from income support. These include:

- Emergency relief, including provision of material aid, food and petrol vouchers, payment of rent and referrals to food banks
- Time, including individual advocacy, emotional support, referrals and financial counselling
- Use of brokerage and other funds, including use of flexible funds, securing family violence and other funding packages and grants.

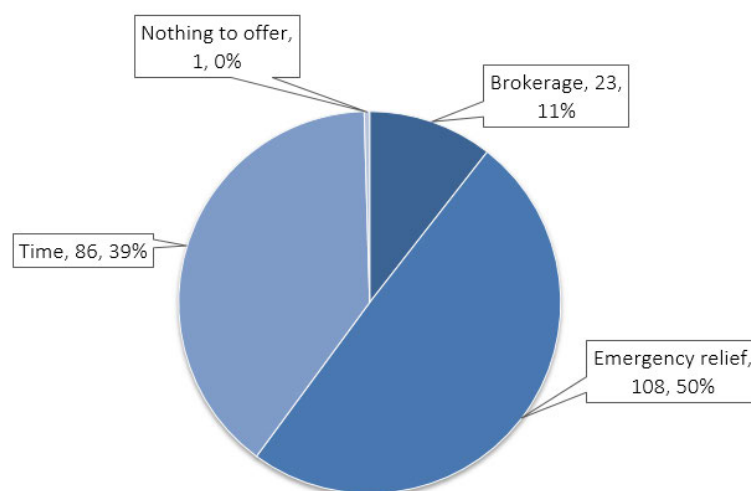


Figure 2 – Support offered by child and family services in response to payment suspensions

Respondents noted that funding provided for client brokerage and other service resources are commonly being used to support the immediate practical needs of families in a crisis. Program requirements from the Department of Health and Human Services state that service brokerage and flexible funding are intended to address the holistic needs, outcomes and objectives of families included in their case plan. Such funding 'should enable families to make positive and enduring change that will increase parenting capacity and promote the safety and wellbeing of their children and young people'.²⁶ While brokerage can be used to support the practical needs of families at short notice, it can also be used proactively to pay for such things as driving lessons for a parent, or specialist trauma counselling for a child. The implication of a significant amount being spent on emergency relief, as indicated by the survey, is that these funds are not being spent on long-term goals that can improve a family's capacity to be self-supporting.

The amount of time allocated to providing support post-suspension was also significant. For respondents, it is likely this operational activity is resourced by state government funding. The data clearly highlights intersections between Commonwealth policy and state-funded service delivery. In the words of one respondent:

Just substituting one source of government money for another really.

▪ Changes over time

When asked whether they had noticed changes over time relating to the challenges or complexities single mother families experience, the top six changes identified by practitioners were:

- Higher costs of living, especially rent, while payment rates have stayed the same
- Increased complexity of challenges
- Increased difficulty meeting the needs of themselves and their children
- Increased pressure to find work and lack of flexible/suitable jobs available
- Increased difficulty accessing and affording child care
- Increased demands around reporting and compliance requirements.

Overall, the results show significant concern about the impacts of social security policy on single mothers and their children and on the ability of state-funded services to meet their needs. The geographic spread of responses to the survey suggests that these concerns are widespread and not isolated to particular areas of the state.

The survey results raised a number of other issues with significant implications for policy and with links to existing research findings.

²⁶ Department of Health and Human Services 2018, *Program requirements for family and early parenting services in Victoria*, Victorian Government, Melbourne, p. 57.

Implications

Poverty, financial vulnerability and welfare conditionality

Taken as a whole, the survey responses pointed to elevated poverty among single parent families, linked to current social security settings. The inadequacy of payment rates is further exacerbated when suspensions occur.

The threat of payment suspensions raises the level of financial vulnerability experienced by families. Financial vulnerability is defined as 'insecurity, and exposure to risk, shocks and stress'.²⁷ Research has established that financial vulnerability has negative impacts on mental health and wellbeing for those experiencing it.²⁸ If payments are suspended, families can be left without financial resources to support themselves until the issue is resolved and their payments reinstated. This is clearly inconsistent with the Universal Declaration of Human Rights, to which Australia is a signatory, which establishes the right to social security under Article 22.²⁹

The social security system in Australia is intended to operate as a 'safety net'.³⁰ Despite this, just over half (52 per cent) of all households receiving Parenting Payment are living in poverty. This increases to 55 per cent for those on Newstart.³¹ The following excerpt powerfully describes the impacts of poverty and stress on the brain:

When a person lives in poverty, experiences family violence, or is exposed to other severe or prolonged stressors, research suggests the body is constantly sending fear and stress messages to the brain. This overloads the brain's ability to solve problems, set goals, exercise self-control and complete tasks in the most efficient ways.³²

The impacts of poverty and financial vulnerability present significant barriers to seeking and securing suitable employment. For children, living in poverty can increase the likelihood of stressful experiences that affect a child's developing brain architecture, increasing the risk of mental health problems in later life.³³

There is growing evidence that welfare conditionality results in poorer outcomes for children and families, is excessively costly to administer and does little to motivate people to find work.³⁴ The Welfare Conditionality Project, a collaboration involving six universities, recently completed a study in the United Kingdom considering the ethics and efficacy of welfare conditionality and found that:

²⁷ Chambers 1989 cited in Treanor, M 2016, 'The effects of financial vulnerability and mothers' emotional distress on child social, emotional and behavioural well-being: a structural equation model', *Sociology*, vol. 50, no. 4, pp. 673-694, p. 694.

²⁸ Treanor 2016.

²⁹ United Nations 1948, The Universal Declaration of Human Rights, viewed 30 January 2019, <<http://www.un.org/en/universal-declaration-human-rights/>>.

³⁰ AIHW 2017.

³¹ Davidson et al. 2018, p. 12.

³² The Southern Initiative and The Auckland Co-Design Lab 2017, *Early years challenge: supporting parents to give tamariki a great start in life*, The Southern Initiative, Auckland, p. 15.

³³ National Scientific Council on the Developing Child 2012, *Establishing a level foundation for life: mental health begins in early childhood*, Center on the Developing Child at Harvard University, Cambridge, MA.

³⁴ Brady & Cook 2015; Grahame, T & Marston, G 2012, 'Welfare-to-work policies and the experience of employed single mothers on income support in Australia: where are the benefits?', *Australian Social Work*, vol. 65, no. 1, pp. 73-86; McLaren, Maury & Squire 2018; Mendes, P 2013, 'Compulsory income management: a critical examination of the emergence of conditional welfare in Australia', *Australian Social Work*, vol. 66, no. 4, pp. 495-510.

Welfare conditionality within the social security system is largely ineffective in facilitating people's entry into or progression within the paid labour market over time. Stasis, a lack of significant and sustained change in employment status, is the most common outcome for the substantial majority across the repeat interviews.³⁵

A key finding from the project was that while conditionality was successful at moving people off social security payments in some cases, this was not because they had found work but because navigating the complexities and requirements simply became too much.³⁶ This is consistent with observations about single mothers opting out of the social security system, with no alternative income source.

Survey respondents provided a number of examples of the impacts of welfare conditionality in exacerbating hardship and diverting attention from the care of children. For example:

When the main caregiver is under such pressure, it disrupts connection, attachment and the capacity for them to meet a child's holistic needs i.e. time spent on the phone or at appointments for Centrelink are extensive, and take the parent away from their ability to engage the child in learning and play experiences. Increased stress impacts emotional availability.

The recent UK Welfare Safety Net Inquiry emphasised the importance of determining the adequacy of payments based on 'inescapable costs' facing different groups of people. The following example is particularly relevant to this discussion:

Parents—especially lone parents—who want to work frequently cannot avoid the costs of childcare. Those same groups may also find that their ability to increase their income through work is limited. This is where the safety net is needed most. The Department should do more to understand whether the benefits it offers to offset these costs are adequate.³⁷

The survey responses combined with evidence from research invite the conclusion that for single mothers and their children, Australia's safety net is woefully inadequate and dysfunctional. It does not provide a basic standard of living, cannot insulate against shocks and unexpected events, is not sufficiently flexible to account for differing needs and circumstances and does not support mothers to work towards an alternative source of income.

Devaluing the caring role

Key themes to emerge from the survey responses were the devaluing of the parenting role, the increased pressure to find work and the difficulties parents experience finding suitable work. Our current system appears to prioritise paid work and paid childcare as the only valid forms of economic activity, failing to recognise the value of unpaid work, including raising children. PricewaterhouseCoopers used a market replacement approach to estimate the value of the unpaid economy, finding that unpaid childcare is Australia's largest industry.³⁸

ParentsNext is a Commonwealth-funded pre-employment program that is described as providing help to parents to plan for and prepare for a return to the workforce once their youngest child reaches school age.³⁹ The requirements associated with the ParentsNext program are particularly onerous for single mothers. For compulsory ParentsNext participants, maintaining access to Parenting Payment Single is contingent on developing and sticking to a participation plan. Self-reporting is mandatory and

³⁵ Welfare Conditionality Project 2018, *Welfare Conditionality Project 2013-2018: final findings report*, Welfare Conditionality Project, York, p. 4.

³⁶ Welfare Conditionality Project 2018.

³⁷ Work and Pensions Committee 2019, *Welfare safety net: twenty-eighth report of session 2017-19*, House of Commons, London, p. 4.

³⁸ PricewaterhouseCoopers (PwC) 2017, *Understanding the unpaid economy*, PwC, Melbourne.

³⁹ Department of Jobs and Small Business n.d.



minor infractions, such as missing an appointment or activity, can result in payment suspension.⁴⁰ Participation can commence when children are only six months of age. The *ParentsNext Evaluation Report* conducted by the Department of Jobs and Small Business and released in September 2018 acknowledged that the majority of participants were female, with the profile of participants confirming the proportion at 94.9 per cent.⁴¹

While the aim of increasing women's participation in the workforce appears commendable, the design and implementation of the ParentsNext model is inconsistent with research that shows the critical importance of the first thousand days in a child's life. As a model, ParentsNext does not support the primary parent to focus on their child's development in the most formative years.⁴²

This devaluing of the caring role is apparent in the following quote from the *ParentsNext Evaluation Report*:

As women are affected disproportionately by parenting, mothers are less likely to be able to move quickly into work and off Parenting Payment. This potentially undermines the Australian Government's strategy to reduce the gap in workforce participation between men and women, which recognises that increasing women's workforce participation leads to better living standards and will be a significant driver of economic growth.⁴³

This implies that women need government support to overcome or recover from the trials of parenting. The evaluation report positions parenting as a problem, with significant implications for women's workforce participation, while doing nothing to address the challenge of balancing paid employment and unpaid care. In the words of survey respondents:

The 'obligations' have no purpose other than to keep them busy and away from mothering duties. They don't really seek to help women prepare or find work in a supportive or meaningful way.

Even when supplementing income support with employment, while juggling the very challenging role of being a single parent, it is a very near impossible task to provide quality living for children in this situation.

Newstart is particularly hard on single mums. They are unable to find jobs that take into account that they have kids. It is often not financially viable to have children in before and after school care. It's an endless loop they can't get out of.

These responses are consistent with findings from a survey conducted by the National Council of Single Mothers and their Children. This survey received responses from 200 parents with experience of the ParentsNext program and found that 87 per cent were not assisted to build job ready confidence and skills and 84 per cent did not receive assistance with locating, organising or paying for child care when needed. Of great concern, 93 per cent agreed that ParentsNext added additional stress to their lives.⁴⁴

As previously noted, the survey findings outlined in this paper indicate that state-funded child and family services are being diverted from their core purpose towards meeting the basic needs of

⁴⁰ Department of Human Services 2019b, ParentsNext, viewed 19 September 2019, <<https://www.humanservices.gov.au/individuals/services/centrelink/parentsnext>>.

⁴¹ Department of Jobs and Small Business n.d., *ParentsNext evaluation report*, Department of Jobs and Small Business, Canberra.

⁴² Moore, TG, Arefadib, N, Deery, A, Keyes, M & West, S 2017, *The first thousand days: an evidence paper – summary*, Centre for Community Child Health, Murdoch Children's Research Institute, Melbourne.

⁴³ Department of Jobs and Small Business n.d.

⁴⁴ National Council of Single Mothers and their Children and Council of Single Mothers and their Children 2019, *ParentsNext: help or hindrance?*, Council of Single Mothers and their Children, Melbourne.



families, in circumstances where those needs should be met by the social security system. Working with families to promote the safety and wellbeing of children is made difficult when social security policies trap families in a cycle of poverty and disadvantage, increase stress and place pressure on mother-child relationships and attachment.

Conclusion

The results of the survey conducted by the Centre and FamilyCare contain a number of clear messages.

Single mother families are regularly supported, and in significant numbers, by the service providers that make up the Victorian child and family services system. The practitioners who replied to the survey, many of whom have long experience in service provision, reported that their single mother clients are routinely in financial crisis directly linked to the design and delivery of the social security system.

As well as providing descriptions of how the pressures affect families struggling to survive on a meagre and uncertain benefit, survey respondents have highlighted the disconnect between the Commonwealth and Victorian state government approaches to supporting single mother families. The state system is focused on working with families; the Commonwealth, at least through compliance rules, is focused on behaviour change. As a result, the state is increasingly being called on to respond to problems caused by benefits being too low, too difficult to access, or subject to suspension.

Families experiencing severe disadvantage and hardship are caught between duelling political philosophies with little regard for the evidence of increasing harm.

The best form of welfare might be a job. But holding single mothers and their children in poverty is neither necessary nor helpful to make that point.

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Appendix 1 – Survey instrument



Centre for Excellence
in Child and Family Welfare Inc.

**Single mothers and their children - exploring the
impact of income support policy changes**

This survey is for practitioners who work directly with children and families, at least some of whom are single mother families and their children.

The purpose of the survey is to explore the impact of income support policy changes on single mothers and their children accessing child and family services.

The survey is being conducted by the Centre for Excellence in Child and Family Welfare in conjunction with FamilyCare and the Treating Families Fairly network. Your input is anonymous and will help to inform our policy and advocacy work. The survey will take around 10 minutes to complete.

1. Which region do you primarily work in?

<input type="radio"/> Western District	<input type="radio"/> Bayside Peninsula
<input type="radio"/> Central Highlands	<input type="radio"/> Southern Melbourne
<input type="radio"/> Barwon	<input type="radio"/> Inner Gippsland
<input type="radio"/> Western Melbourne	<input type="radio"/> Outer Gippsland
<input type="radio"/> Brimbank Melton	<input type="radio"/> Ovens Murray
<input type="radio"/> Mallee	<input type="radio"/> Goulburn
<input type="radio"/> Loddon	<input type="radio"/> Outer Eastern Melbourne
<input type="radio"/> Hume Moreland	<input type="radio"/> Inner Eastern Melbourne
<input type="radio"/> North Eastern Melbourne	

2. What service or program area do you work in?

3. How long have you been working in this service or program area?

☐ Less than 2 years

☐ 2-5 years

☐ 6 years or more



4. How often do you provide services to single mothers and/or their children?

- ☐ Regularly
- ☐ Occasionally
- ☐ Rarely

Single mothers and their children - exploring the impact of income support policy changes

5. What proportion of the single mothers that you support receive income support payments from Centrelink?

- | | |
|----------------------------|------------------------------|
| <input type="radio"/> All | <input type="radio"/> A few |
| <input type="radio"/> Most | <input type="radio"/> Unsure |
| <input type="radio"/> Some | |

6. What, if anything, do single mothers tell you about the experience of living on income support?

7. Have any single mothers you have worked with experienced an income support payment suspension?

- ☐ Yes
- ☐ No
- ☐ Unsure

8. Around what proportion of single mothers that you support have experienced an income support payment suspension?

- | | |
|----------------------------|--------------------------------------|
| <input type="radio"/> All | <input type="radio"/> A few |
| <input type="radio"/> Most | <input type="radio"/> None |
| <input type="radio"/> Some | <input type="radio"/> Not applicable |

9. If single mothers have experienced an income support payment suspension, what have they told you about the impact this had on their family?

10. If single mothers have experienced an income support payment suspension, what support, if any, has your service been able to offer?

11. Are you aware of any families that have opted out of the income support system (without securing another means of income) due to administrative barriers or compliance requirements?

- ☐ Yes
- ☐ No
- ☐ Unsure
- ☐ Not applicable

If yes, please indicate the number of families.

Single mothers and their children - exploring the impact of income support policy changes

12. How often do single mother families seek support from your service because of financial need?

- | | |
|------------------------------------|------------------------------|
| <input type="radio"/> All the time | <input type="radio"/> Rarely |
| <input type="radio"/> Regularly | <input type="radio"/> Never |
| <input type="radio"/> Occasionally | <input type="radio"/> Unsure |

Further comment

13. Can you tell us about any changes you have noticed over time regarding the degree of challenges or complexities that single mother families experience?


14. Have there been any noticeable changes in the ability of your service to meet the needs of single mothers and their children?

- ☐ Yes
- ☐ No
- ☐ Unsure

If yes, please tell us about these changes.

15. Based on your experiences supporting single mothers and their children, to what extent is the income support system sufficient to meet their needs and provide an adequate standard of living?





Centre for Excellence
in Child and Family Welfare Inc.

**Single mothers and their children - exploring the
impact of income support policy changes**

Thank you very much for taking the time to complete this survey!

If there is anything further that you would like to share about your experiences supporting single mothers and their children, please get in touch with Kelly Bowey, Senior Policy and Research Officer, on

kelly.bowey@cefcw.org.au



Attachment 2

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Department of Social Services
Engage.dss.gov.au

Review team preparing the successor plan to the
National Framework for Protecting Australia's Children

By email: NationalFrameworkfeedback@dss.gov.au

26 July 2021

Dear Review Team,

To follow is FamilyCare's response to the Consultation Paper - Implementing the successor plan to the National Framework. We have chosen to focus on material disadvantage. We believe governments and in particular the Commonwealth Government, as the custodian of the social security system, can make changes that will reduce the incidence and impacts of disadvantage, in the process improving the safety and wellbeing of children.

Copies of this submission will also be provided to the National Children's Commissioner and the Victorian Commissioners for Children and Young People.

Please contact me if there is any clarification required. We look forward to further information as the process develops and thank you for the opportunity to comment.

Yours sincerely,

David Tennant
Chief Executive Officer

Cc: - National Children's Commissioner, Ms Anne Hollonds
- Victorian Principal Commissioner for Children and Young People, Ms Liana Buchanan
- Victorian Commissioner for Aboriginal Children and Young People, Mr Justin Mohamed

Implementing the successor plan to the National Framework for Protecting Australia's Children 2009-2020

Comments in response to the Consultation Paper – June 2021

Introduction:

Thank you for the opportunity to comment on the Consultation paper.

FamilyCare welcomes the commitment of all Australian governments to developing a successor plan to the National Framework for Protecting Australia's Children. We acknowledge the enormous potential in elevating issues to a national level and creating and maintaining consistent approaches. No issue is more important to our collective future, than the health and wellbeing of our children and young people.

The National Framework for Protecting Australia's Children 2009-2020 (the 'Initial National Framework') was aptly titled 'Protecting Children is Everyone's Business.' That title is just as appropriate in 2021 as it was in 2009 when the Initial National Framework was released.

There are other consistencies that are not as positive. The foreword to the Initial National Framework noted:

Over recent years the reported levels of child neglect and abuse in Australia have increased at an alarming rate. Child abuse and neglect has become an issue of national concern. Meanwhile, statutory child protection systems are struggling under the load.¹

The number of instances involving the neglect and abuse of children has continued to increase. So too have the pressures on child protection systems around Australia. Records of consultations facilitated by Families Australia and published in May 2020, confirm the causes and effects of problems undermining the safety and wellbeing of our children are multiple and complex. Families Australia reported participants as urging that the successor plan be 'transformative'. There was a clear message that 'more of the same' would not be sufficient.²

For that reason, we have decided to focus FamilyCare's comments on just one of the strategic priorities referred to in the Consultation Paper– A national approach to early intervention and targeted support for children and families experiencing vulnerability or disadvantage. Our key message is that the systems providing access to material basics require urgent attention. In particular, we join the broad coalition of voices calling for a recalibration of Australia's social security system to ensure it does not continue to cause or exacerbate disadvantage. Forcing families to live in poverty threatens the safety of children and undermines their wellbeing.

¹ Council of Australian Governments; *Protecting Children is Everyone's Business – National Framework for Protecting Australia's Children 2009 – 2020*; Canberra; April 2009; p.5

² Families Australia; *Beyond 2020: Towards a successor plan for the National Framework for Protecting Australia's Children 2009-2020 – Final Report on National Consultations*; Canberra; May 2020; p.13

About FamilyCare and its interest in the Initial National Framework and successor plan:

FamilyCare is the main provider of child and family services across the Goulburn Valley region of Victoria. FamilyCare's headquarters is in Shepparton, with offices in Cobram, Seymour and Wallan and outreach to Kinglake, Alexandra and Kilmore. The issues being considered by the successor plan are core business for FamilyCare and vitally important for our service users.

A series of tables were included in the Initial National Framework, detailing strategies, actions, responsibilities and measures, to support the intended priority outcomes.

Outcome 2 committed to ensuring:

Children and families access adequate support to promote safety and intervene early.³

The tables supporting outcome 2, made reference to the roll-out of Child FIRST that was occurring across Victoria at the time. Establishing Child and Family Information, Referral and Support Teams (Child FIRST), was an innovative approach to providing support and assistance with concerns about the wellbeing of children and young people. The role of Child FIRST was created and defined in the *Children, Youth and Families Act 2005 (Vic)*, providing a bridge between the statutory child protection system and community supports.

FamilyCare has been the host of Child FIRST across our region in the years since its inception. We have also hosted and chaired the network of service partners known as the Child and Family Services Alliance, throughout that period and acknowledge our Alliance partners, Rumbalara Aboriginal Co-operative, The Bridge Youth Service and The Victorian Department of Families, Fairness and Housing. Both the Child FIRST and Alliance roles provide FamilyCare with an informed perspective about what works and where there are gaps, stressors, or inconsistencies in approaches.

There is an additional reason for our interest in making comment, focused on the impacts of material disadvantage. Shepparton was selected as one of ten place-based welfare reform trial sites around Australia, in May 2011. The experience of the welfare trials and their impacts on our service users, have provided us with a more detailed perspective on the effectiveness of government supports available to vulnerable families and the children in those households.

Access to material basics and child safety and wellbeing

The Initial National Framework acknowledged directly the influence that access to material basics has on child safety and wellbeing. The outline of a national approach for protecting Australia's children referred specifically to the Australian Government's responsibility for providing income support payments.⁴

References to material support proposed for the successor plan are not as direct and in FamilyCare's submission, that opens a potentially significant gap. Sufficiency of access to material basics appears most logically linked to the second strategic priority – 'A national approach to early intervention and targeted support for children and families experiencing vulnerability and disadvantage'. None of the consultation questions explore the structural

³ *ibid*; Council of Australian Governments; *National Framework for Protecting Australia's Children*; pp.18-20

⁴ *ibid*; Council of Australian Governments; *National Framework for Protecting Australia's Children*; p.9

causes of vulnerability and disadvantage, or governments' roles and responsibilities in addressing those structural factors. These issues do appear to have been raised however in preceding consultations.

Families Australia was commissioned by the Australian Government Department of Social Services, to lead national consultations on the successor plan. It did so between March 2019 and March 2020. FamilyCare is a member of Families Australia and has provided feedback relevant to the Initial National Framework and the successor plan directly to Families Australia and to other relevant peak bodies.

The final Families Australia consultation forum was held in Melbourne on the 17th of February, 2020. FamilyCare was unable to attend the forum, although this comment from a participant quoted in the final report, accords with our concerns:

*'Poverty is the elephant in the room and a key driver of child maltreatment. The rate of some income support payments and allowances is working against improving outcomes for children and breaking cycles of disadvantage.'*⁵

The comment is consistent with the outcomes of a survey FamilyCare undertook with the Centre for Excellence in Child and Family Welfare and presented to the Australian Social Policy Conference on 10 September 2019. The 169 respondents, who were predominantly direct service providers working in the Victorian Child and Family Services system, shared similar stories of clients struggling to look after their children, with benefit incomes that were too low and relying on regular emergency relief and material aid. That perpetual cycle of struggle can have lifelong impacts.

For children, living in poverty can increase the likelihood of stressful experiences that affect a child's developing brain architecture, increasing the risk of mental health problems later in life.⁶

These are not new or remarkable observations. For example, ARACY released a report entitled *Measuring Child Deprivation and Opportunity in Australia* in February 2019, which observed:

Children facing more difficult life circumstances are significantly more likely to have deprivations across all areas of their wellbeing...⁷

ARACY hosts The Nest, an evidence-based framework for national child and youth wellbeing, which includes six wellbeing domains. The second of those domains is Material Basics.

The Families Australia consultations on the successor plan were largely complete before the full impacts of the COVID 19 pandemic on the way Australians live, work and interact, unfolded. The unprecedented nature of the threat the pandemic posed, produced some equally unprecedented policy responses. No single response was more unexpected or immediately impactful than the provision of a Coronavirus Supplement of \$550 per fortnight to select categories of Commonwealth support payments, including Parenting Payment (Partnered and Single) and JobSeeker. The relevant payment categories included a large number of households with dependent children, lifting many out of short-term income poverty as soon as the payments commenced.

⁵ *ibid*; Families Australia; *Final Report on National Consultations*; p.142

⁶ Tennant D and Bowey K; *The impact of Social Security reforms on single mothers and their children*; Centre for Excellence in Child and Family Welfare; Melbourne; September 2019; p.8

⁷ Sollis, K; *Measuring Child Deprivation and Opportunity in Australia*; Australian Research Alliance for Children and Youth (ARACY); Canberra; February 2019; p.vi

The Australian National University's Centre for Social Research and Methods was commissioned by the Brotherhood of St Laurence and Social Ventures Australia to investigate the links between financial stress and social security settings. The report released in April 2021, noted that many reliant on the social security system had missed the benefits of Australia's boom years.

We find severe financial stress has declined through recent decades across the whole population. However, those receiving working age social security payments such as the disability support pension, Carer Payment, Parenting Payment and JobSeeker have been left behind. Their financial stress and poverty levels have worsened through Australia's long economic boom of the last 30 years.⁸

Modelling the impacts of the coronavirus supplement provided a compelling analysis; exploring the relationship between the incidence of poverty in Australia and the social security system. The research included the following findings:

- By April 2021 there will be 124,000 more children in poverty than pre-COVID and 163,000 more than at the peak of COVID-19 in June 2020(...)
- Prior to COVID-19, 39 per cent of children in single parent families lived in poverty, with the Coronavirus supplement reducing this rate to 17 per cent.⁹

The authors also projected that removing the Coronavirus Supplement, while increasing the rate of JobSeeker by just \$50 per fortnight would have a dramatic adverse impact on the rates of poverty amongst children in single parent households, increasing from 12 per cent in June 2020 to 46 per cent in April 2021.¹⁰

A qualitative study, by Swinburne University and the Centre for Excellence in Child and Family Welfare and published just prior to the ANU research, explored how the Coronavirus Supplement and related supports altered benefit recipients' experience of the social security system and their personal time use. Respondents reported a range of positive impacts on their physical and mental health.

These dramatic changes enabled people to turn their attention away from day-to-day survival and towards envisioning and working towards a more economically secure future for themselves and their dependents.¹¹

There was a consistent theme throughout the report that children were primary beneficiaries of the increased payments. For example, one respondent reflected:

*'It has made me feel like a good parent being able to actually care for my children and buy them clothes and shoes and send them to outings with their friends when normally they miss out because they know we don't have any money.'*¹²

⁸ Phillips, B and Narayanan, V; *Financial Stress and Social Security Settings in Australia*; ANU Centre for Social Research and Methods; Canberra; April 2021; p.1

⁹ *ibid*; Phillips and Narayanan; *Financial Stress and Social Security Settings in Australia*; p.25

¹⁰ *ibid*; Phillips and Narayanan; *Financial Stress and Social Security Settings in Australia*; p.25

¹¹ Klein, E, Cook, K, Maury, M & Bowey, K; *Social Security and time use during COVID-19*; Swinburne University of Technology & Centre for Excellence in Child and Family Welfare; Melbourne; March 2021; p.6

¹² Klein, Cook, Maury and Bowey; *Social Security and time use during COVID-19*; p.16

We know that poverty and material disadvantage is fundamentally linked to health and wellbeing. We also have contemporary evidence that shows how closely Australia's social security settings are linked to relative levels of poverty and material disadvantage. Evidence collected about the impact of the Coronavirus Supplement suggests two things:

- If there is will to do so, we can dramatically reduce the incidence of poverty in Australia, and
- Turning off additional support can cause financially vulnerable people to return to poverty almost immediately.

The rate of the Coronavirus Supplement may have been too high to maintain in perpetuity. The ANU research modelled various gradations of increase to base benefits, between current settings and the Coronavirus Supplement and their impacts on poverty reduction. The small increase of \$50 per fortnight to the JobSeeker rate has however, had negligible impact. The Commonwealth has also resisted calls to provide extra support to benefit recipients in the latest round of COVID-19 restrictions and lockdowns. These decisions have consequences, consigning many thousands of families and children to a struggle for dignified existence, well below the poverty line.

As well as how much or how little people receive in social security payments, the rules to maintain access to those payments are also important and create unnecessary and avoidable stress. In May 2011, Shepparton, the regional Victorian city in which FamilyCare commenced operations and where our main office is located, was selected as a trial site for a series of welfare reform trials, under the Building Australia's Future Workforce (BAFW) package. In addition to the normal participation rules benefit recipients were required comply with, there were additional compliance obligations applicable to certain classes of benefits in Shepparton and the nine other place-based welfare reform trial sites, around the country.

The BAFW package no longer exists but some elements of the original welfare trials remain. Extra participation obligations and penalties for non-compliance apply particularly to unemployed single parents through the ParentsNext program. As an 'enhanced' ParentsNext site, parents in Shepparton who have been unemployed for more than six months must engage with a ParentsNext provider, develop and stick to a participation plan, once their youngest child reaches six months of age. Failure to engage and comply can result in the suspension or cancellation of a Parenting Payment. Those most likely to be impacted by the rules are single mothers.

Information about the exact numbers of sanctions applied in our community is not available. Correspondence from the Minister for Employment, The Hon Michaelia Cash MP to the Chair of the Parliamentary Joint Committee on Human Rights dated 11 March 2021 revealed there were 52,343 parenting payment suspensions and 1,072 suspensions applied between 2 July 2018 and 28 February 2021.¹³ Although most of the suspensions were quickly removed and payments backdated once a participant 'reconnected', every single instance is likely to have precipitated a financial crisis for the family involved. There is in FamilyCare's view, no safe, fair or appropriate way to withhold a payment intended to support parenting, without increasing risk for the children in the households impacted.

FamilyCare acknowledges that Aboriginal and Torres Strait Islander people are more likely to be impacted by welfare reform measures. The Greater Shepparton Local Government Area has the

¹³ Parliamentary Joint Committee on Human Rights; Ministerial responses; Report 5 of 2021; [2021] AUPJCHR 52.

largest proportion of people who identify as Aboriginal and Torres Strait Islander in regional Victoria, at 3.4 per cent.¹⁴

The proportion of Aboriginal and Torres Strait Islanders was not referred to as a reason for Shepparton's selection as a welfare reform trial site. Many in the local community have however presumed that to be the case. For example, an independent study of the experience of the welfare conditionality measure income-management, in Shepparton and the South Australian community of Playford noted:

There was are perception in Shepparton that the area was chosen as a trial site for the Basics Card based on its high Indigenous population.¹⁵

With almost a decade since the welfare reforms commenced in Shepparton, the indicators if disadvantage referred to as rationale for undertaking the trials, for example the incidence and duration of unemployment, have not improved. Other indicators of wellbeing amongst children in Shepparton, in particular the Australian Early Development Census data, have deteriorated. There has been no meaningful investigation of potential links between higher levels of welfare conditionality, increases in material disadvantage and the consequences for children and young people.

Conclusions and recommendations:

There is a compelling and growing body of evidence that confirms the links between material disadvantage and the safety and wellbeing of children. It is also clear that the actions of governments and especially the design and operation of the social security system, are directly related to the prevalence and experience of material disadvantage.

Our recommendations are:

1. The successor plan should recognise and measure the incidence and impacts of material disadvantage on the safety and wellbeing of children.
2. The Commonwealth should immediately apply an increase to the base rate of working age benefits, of no less than \$100 per week.
3. The Commonwealth should immediately cease the application of conditionality sanctions that reduce, suspend, or cancel benefit payments to people with dependent children in their care.
4. The Commonwealth and State and Territory governments should liaise to establish an appropriate, expert and independent process for the regular review of benefit incomes.

¹⁴ Shepparton population data is available through the Greater Shepparton City Council website here <https://profile.id.com.au/shepparton/population?BMID=230>

¹⁵ Mendes, P; Roche, S; Marston, G; Peterie, M; Staines, Z and Humpage, L; *The Social Harms Outweigh the Benefits. A Study of Compulsory Income Management in Greater Shepparton and Payford*; Australian Social Work; October 2020; p.11

More for Children Shepparton Project

A research project by the Children's Policy Centre, Crawford School of Public Policy,
Australian National University

In partnership with FamilyCare, Shepparton, Victoria and BurnieWorks, Burnie, Tasmania

Funded by the Paul Ramsay Foundation

WHAT IS THE 'MORE FOR CHILDREN' RESEARCH PROJECT?

OVERVIEW

People often talk about having a good life and well-being, and they also talk about the problems people can face when things – perhaps money, perhaps other things – are missing. In this research, we want to know what children, young people and their families think it takes to have a good life, and what it means when we talk about not having enough.

More for Children is the first stage of a long-term program of transformative research and action to better understand and significantly reduce child poverty in Australia.

The project will run from May 2022 to May 2024 and represents a distinct approach, in that it:

- is child-centred
- focuses on middle childhood
- is based in regional Australia; and
- blends lived experience with expert knowledge

More for Children is very excited to be partnering with FamilyCare in Shepparton to undertake the research with children, their families and communities in the Greater Shepparton area. The research will fill an urgent need for indicators of child poverty that are appropriate to the local context and meaningful to the community, as well as providing a robust evidence base to support local initiatives and on which to develop local narratives for transformative change. Above all, the research will elevate the voices, views and experiences of local children.



Australian
National
University



TARGET GROUPS



As mentioned above, More for Children will be working with children, parents / carers and service providers in the Greater Shepparton area, to hear their stories and experiences. No personal names will be used in any reports or documentation. Through various activities, conversation and discussion, the researchers will explore with children, parents / carers and service providers:

- What does it mean to have a life that is good or comfortable?
- What are things like when times are tough?
- What do communities need to be like? What do governments need to do?
- What (if anything) is currently missing for children in this community?



Consultation with service providers

Service providers will be invited to participate in one on one interviews with the researchers (approx 1 hour).

Consultation with children

Rights based child-centred research workshops will be used to engage children, aged between 6 and 16 years, with the research. There is one group for children aged 6 to 12 years (this group meets for 2-3 hours each day for 3 days) and another teenage group for those aged 13 to 16 years (single session of 2 hours). The workshops create a space where the children feel safe sharing ideas, identifying issues, and exploring solutions. And they also have some fun! All children who participate receive a certificate and gift voucher, and refreshments are provided for each session.



Consultation with parents / carers

Parents and carers will be invited to participate in group discussions (approx 1.5 hours) or one on one interviews (approx 30 mins to 1 hour). All parents who participate receive a gift voucher.



Poster by a primary school aged boy who participated in a previous research project.

Meet the More for Children Shepparton team

- Professor Sharon Bessell – Research Lead –
- Vijetta Bachraz – Research Fellow
- Celia Vuckovic – Research and Communications Officer
- Clara Siagian – Researcher
- Liz Cleary – Local researcher –
- Belinda Whitelaw – Community Engagement Officer –

First round of interviews completed

We have made a great start!

We recently completed the first round of interviews in Greater Shepparton. It was a fantastic start to the research project with one children's group (11 children), one teenage group (4 children), two parent interviews and one service provider interview completed.

Many thanks to the Lighthouse and Connected Beginnings for supporting us to run this first round of interviews and assisting with recruitment.

We plan to hold our second round of consultations in late January next year, and the third round in April.

How can families get involved in future consultation rounds?

We plan to work in partnership with local service providers to identify children, parents and carers who might be interested in participating in the project. Often staff have already established a rapport and trust with families they are working with, so are able to have conversations with them about different things

FamilyCare staff we need your help!

If you are working with families who have children between the ages of 6 and 16 years, and who you think might be interested in being part of the workshops, please have a conversation with them about the More for Children project. It is a great opportunity for children (and parents) to have their say, express their thoughts and opinions on 'what makes a good life'. It is amazing how powerful their voices are. You can contact Belinda Whitelaw, Community Engagement Officer for more information about what is involved with the children's groups and parent interviews.