



Submission to the Fair Work Commission re National Minimum Wage

14 March 2019

Address

Dear Commissioners,

The Council of Single Mothers and their Children Inc. (CSMC) is a non-profit organisation founded in 1969 by single mothers to secure a better life for themselves and their children. We achieve change by championing the voices and needs of single mother families and providing specialist support services.

CSMC provides:

- Information, support, referral and advocacy services for single mothers, including a support phone line open 9.30am-3.00pm weekdays.
- Accurate information and resources to single mothers including email bulletins and via our website.
- Representation of the needs and issues of single mothers and their children through working with government and community organisations, the media and research partners.
- Advocacy to overturn the social, economic and legal discrimination against single mothers and raise the status of single mothers and their children.

Council of Single Mothers and their Children envisions a society where single mother families are valued and treated equally and fairly.

While CSMC has neither the capacity to undertake the research necessary nor the economic expertise to engage with the Fair Work Commission on percentages and numbers, we welcome the opportunity to comment on the poverty facing working single parent families and to make the case for a rise in the minimum wage without relation to other wage rises.

Our thoughts are outlined below.

Regards

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Council of Single Mothers and their Children interest in the NMW

Each year CSMC receives over 2000 contacts from single mothers seeking support, information and referrals to assist them deal with problems largely arising from insufficient income.

Major presenting issues for callers are:

- Income security, poverty, emergency relief
- Housing stress and/or homelessness
- Family violence
- Sole parenting, social isolation. support
- Health and/or mental health of mothers
- Issues relating to children's education, health and well-being
- Family law
- Employment related issues, education & training
- School expenses

We deal constantly with issues facing single mother families particularly those who are low-income workers and/or receiving government income support. We know about the impacts of the real poverty affecting children in these families and watch with alarm the increasing rate of children living in poverty. The single parent family is now in Australia, the family structure most likely to be living in poverty.

Since the Global Financial Crisis, we have seen various policy, tax and transfer changes that have negatively impacted on single parent families. Current examples include:

- The Family Tax Benefit indexation freeze for two years (2017-2019) means that while the cost of living has been rising, low income families have been getting poorer.
- Cuts to the parent education supplement have increased hardship on single mothers, in particular those attempting to complete tertiary studies. They do this to give themselves a better chance to find sustainable, well-paid work which in turn, provides greater housing stability, better access to extra-curricular activities and digital access for their children, improved social inclusion for the family, and improved long-term prospects for the mother. At Council of Single Mothers and their Children we know of many who have been forced to abandon studies due to increased hardship and thus remain stuck in minimum wage jobs, and the ensuing immediate and long-term poverty.
- Changes to child care subsidies have negatively affected the lowest income families, in terms of overall access to child care and particularly to the in-home childcare that enables single parents to take shift work (such as nursing and hospitality) that entails nights and weekend shifts.
- The Schoolkids Bonus was a payment of up to \$840 a year made to families in Australia with school-age children to help pay for education costs that was phased out in July 2016.

Women ring our Support Line daily and email us for help, support, advice and referrals. Sometimes they just need to talk.

"Today I'm struggling to block out the struggles like I normally do. I have 2 kids, no friends or family close by for support, i work fulltime and my salary only just pays our rent, day-care fees and food. I drag my 3 year old to day-care at 6.45am and I feel so guilty for that. I am just so upset that this is where I've ended up. It's not supposed to be like this. I just wish I could catch my breath. Rent is late and I feel defeated. I feel like running away."

Kate*¹ (unsolicited email – typical of many calls and emails from working single mothers.)

¹ Not her real name

CSMC national survey of single mothers 2018

Council of Single Mothers and their Children opened a survey for three weeks prior to Anti-Poverty Week 2018 largely advertised on national single parent websites. Over 1100 single mothers responded and while the analysis is not completed², we think it provides a useful snapshot. Initial analysis shows the following:

Employment status		%
Full-time paid employment	284	25.27%
Part-time paid employment	281	25.00%
Full time caring for children, not looking for paid work	149	13.26%
Casual employment	120	10.68%
Not in paid work, looking for work	96	8.54%
Student	66	5.87%
Volunteer/ unpaid work	30	2.67%
Self-employed	26	2.31%
Carer	17	1.51%
Disability	16	1.42%
Not looking for work	16	1.42%
No Answer	12	1.07%
Maternity leave	6	0.53%
Retired	3	0.27%
Foster carer	2	0.18%
Total	1124	100.00%

Many of the survey insights are sobering and the position of part-time and casually employed single mothers is particularly distressing. Below is a snapshot of the full-time employed single mothers. These are arguably the most advantaged, and yet the negative impacts of a low income are felt by most of them and their children.

Survey Insights - Full-time Employed Single Mothers

In respect of full-time employment, from a cohort of 283 people we see that:

- Only 13% actually prefer full-time work, 84% work full-time due to the general cost of living;
- 55% used school and after school care as their main child-care arrangement while working, 27% used family/grandparents.

Income earned by these single mothers in full-time paid employment show that 25% of those in full-time paid employment earned less than \$60,000.

Earnings	%
\$150,001 and over	3%
\$100,001 – \$150,000	16%
\$80,001 - \$100,000	22%
\$60,001 - \$80,000	30%
\$40,001 - \$60,000	21%
\$20,001 - \$40,000	3%
\$20,000 and under	1%

² Please note: There is currently no published summary of the survey results.

In relation to savings:

- 35% have no savings
- 25% have less than 1 month's income saved
- 15.4% have 1-2 month's income in savings.

We asked about confidence in relation to a sense of financial wellbeing and despite being full-time workers found:

- 51% were 'concerned' about current financial wellbeing
- 28% were 'very concerned' about current financial wellbeing
- 39% were 'very concerned' about future (longer-term) financial wellbeing
- 45% had difficulty in meeting their general cost of living expenses in the last 12 months

General comments on the biggest impacts on your family when experiencing a shortage of money:

- *My kids miss out on opportunities to go on school excursions. They are mocked for not having the right clothing or bag.*
- *I don't eat but my children always do. I don't sleep sometimes wondering how to budget in the latest school excursion or fee that is due*
- *I struggle to pay bills though I've never been cut off. My children have medical conditions, it's very difficult to pay for all their medical appointments. Paediatricians and child psychologists are not cheap. I'm struggling to afford the \$800 I need to pay for one child to be screened for a learning disability.*
- *Stress trying to make ends meet, finding money to pay bills, going without, avoiding activities because we can't pay, not encouraging my children to play sport - too many costs - worrying about cost of presents for attending birthday parties, not having the money to buy decent clothes for work, not having enough money for car repairs for old car, not using heater in winter - dressing kids in lots of layers to keep them warm, being clever with left overs etc.*
- *Stress and anxiety from me felt by her, leading to poor performance at school. Unable to buy new clothes and shoes, participate in out of school activities, holidays etc.*
- *Can't replace expensive items*
- *Anxiety, worrying about what would happen to the mortgage if I ever fell ill or couldn't work for any reason.*
- *I have to borrow from my family, or say no to treats or skimp on ingredients. Less activities to avoid fuel costs. Emotional stress which effects the happiness of the home*
- *We don't do social activities and are worried about getting involved in social activities with others in case costs get out of hand.*
- *We are blessed that my job pays well and we are ok, but it is still shockingly tight. The main problem is a complete inability to save any money and thus an unlikelihood of ever having the security of owning my own house.*

Council of Single Mothers and their Children contends that for these low paid single mother families and all other single parent families relying on full-time or part-time work, the minimum wage decisions of the FWC are vitally important for their current standard of living and to ensure that these children are provided opportunities to become fully-contributing members of the community in adulthood. This is particularly so because of the \$1.5B (and more) in unpaid child support payments, and the government reductions and freezing of various family payments.

Recommendations

1. In order to address the entirely unacceptable levels of poverty facing low income workers, we ask that the Fair Work Commission accept that the government tax, transfers and assistance packages are manifestly not working and, on that basis and on the evidence of rising child poverty in Australia, substantially increase the national minimum wage rates for low paid workers.
2. **We recommend that the rate of minimum wage be untied from the wage relativity structure so that how much is available to the lowest paid is no longer dependant on what can be afforded for the middle and upper levels of payments.**
3. We note that in the past the Fair Work Commission has acknowledge the social problem of rising poverty and request that on the basis of international evidence that increasing inequality hurts us all, the FWC now take the next steps and join the battle to make Australia a more equal society.

Seen on twitter at 6:58 PM on Wed, Mar 13, 2019:

Scott Morrison insists that a business that employs someone full time shouldn't have to pay them a living wage. I would have thought it an essential part of the social contract - "you give your working hours to me, and I will pay you enough to live on".