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The impact of the 2014-15 Federal Budget on South Australian vulnerable households

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The impact of the 2014-15 Federal Budget on South Australian vulnerable households

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The ***Australian Workplace Innovation and Social Research Centre (WISeR)*** *focuses on work and socio-economic change. WISeR is particularly interested in how organisational structure and practices, technology and economic systems, policy and institutions, environment and culture interact to influence the performance of workplaces and the wellbeing of individuals, households and communities.*

WISeR also specialises in socio-economic impact assessment including the distributional impacts and human dimensions of change on different population groups and localities. Our research plays a key role in informing policy and strategy development at a national, local and international level.

CONTENTS

List of Tables

List of Figures

List of Maps

List of Boxes

Key findings at a glance

Case studies

How do families cope against the backdrop of greater economic insecurity with reduced government income support, public services and public sector employment? We present case studies exploring the lived experiences of six families giving a personal perspective of the impacts of the 2014-15 Federal Budget.

Teagan and **Lalia -** single-parent families with dependent children

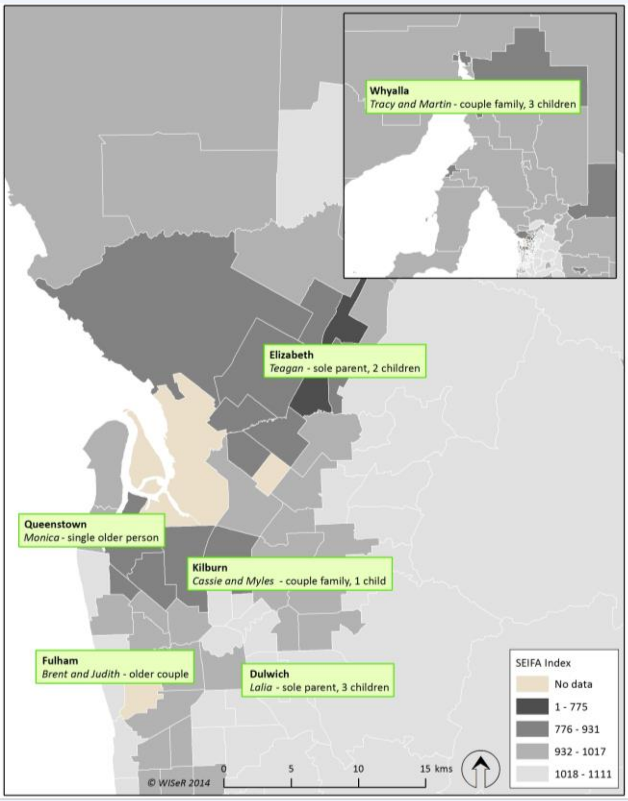
Teagan and Lalia's stories are examples of single parent families who are not the poorest bottom 20 percent of households in the income distribution. Their stories demonstrate how single parents, in spite of the many challenges they face, make a significant contribution to the unpaid provisioning economy. However, despite Teagan and Lalia being highly skilled in managing the family budget, their constrained circumstances mean that cutbacks in government income support and services leave them vulnerable to a downward slippery-slope financially from which it would be difficult to recover.

Brent and Judith (married) and **Monica** (single pensioner) - persons 65 years and over

There are many factors such as sources of private income, age, gender and location that influence the impact of the Federal Budget on older persons. Two stories illustrate the different circumstances and capacities that exist in the lives of older persons as they try to manage the Federal Budget changes. The stories of married couple Brent and Judith and single pensioner Monica demonstrate that while careful budget management, some independent income, relatively good health and family support can provide a buffer zone against the adverse Federal Budget changes, they also reveal that these changes will inevitably lead to greater vulnerability and force them to increase their level of prudent management.

Tracy and Martin and **Cassie and Myles** - low-income families with dependent children

Families with children will be affected by the Federal Budget differently according to their particular circumstances and in many ways not captured by the economic models. Two stories of employed couple families with children, Tracy and Martin and Cassie and Myles, explore the different ways the Federal Budget impacts on such families. This analysis highlights how factors such as location, labour market participation and housing tenure in South Australia can serve to aggravate or reduce the Federal Budget impacts on families with children.



About this study

- This study focuses on the impact of the 2014-15 Federal Budget on three groups of vulnerable South Australian households: single parent families, people on the age pension, and low income couple families with dependent children. These households have been identified as being amongst the most severely affected by the changes introduced in the Federal Budget.
- The study employs a mixed method approach to examine the impact of the 2014-15 Federal Budget changes on these three vulnerable household types, beginning with an analysis of the policy changes that will most directly affect them. The study then uses quantitative data from the last Census and elsewhere to provide a detailed profile of each of these vulnerable groups in South Australia. The study also includes qualitative data in the form of six detailed interviews with people in each of these types of households in order to better understand the lived experience of those most affected by these changes. Finally the study utilises data and modelling from NATSEM and elsewhere to detail the impact of the Federal Budget measures on each of these vulnerable groups.

The rationale and criticisms of the Federal Budget savings measures

- The newly elected Abbott government established a National Commission of Audit on 22 October 2013. The Audit Commission's recommendations provided the inspiration for many of the actual changes contained in the 2014-15 Federal Budget introduced to parliament by Treasurer Joe Hockey on 13 May 2014. Hockey made it clear the budget's aim was to see a significant tightening of federal government expenditure that would be felt by all sectors of the community. More than three quarters of the projected savings in the 2014 Federal Budget were to be from cuts to government spending.
- The justification for these changes was built around three arguments. Firstly, there existed a 'budget crisis' in the form of an unsustainable budget deficit. Secondly, the Abbott government has argued that Federal Budget cutbacks are required because of the existence of unsustainable levels of debt in Australia. The third argument for the Federal Budget approach adopted reflects a fundamental difference in values that has emerged recently in conservative political discourse. In delivering the Federal Budget Speech to Parliament, Treasurer Joe Hockey said that he wanted Australia to be a country of 'lifters, not leaners'.
- The 2014-15 Federal Budget has been subjected to criticism from a variety of sources. The criticisms have been of three types. Firstly, the assumptions of debt and deficit crises that underpin the rationale for its fiscal approach have been criticised. Secondly, critics have condemned the ideological nature of its attacks on the legitimacy of the welfare system and the accompanying hostility expressed towards those who benefit from it. However, most of the criticism directed at the Federal Budget has been about its perceived inequity. Commentators across a very broad spectrum have pointed out that the Federal Budget's measures will have an unequal impact on the most vulnerable groups in society while having little or no impact on the highest income groups.

The 2014-15 Federal Budget and South Australia

- A study of the impact of the Federal Budget on South Australia by the Australian Workplace Innovation and Social Research Centre (WISeR) using NATSEM modelling has concluded that the total cost of the Federal Budget measures and other Coalition government changes to South Australian households is $2.1 billion in 2014-15. This cost will rise to $4.3 billion in 2017-18. Thus the total impact over the next four years will amount to $14.6 billion (WISeR 2014).
- The research conducted by NATSEM for WISeR reveals that, overall, more than 265,000 (29.4%) South Australian families will be worse off in 2017-18 as a result of the Federal Budget. South Australian families were second only to New South Wales families (30.0%) in terms of the proportion worse off by 2017-18.
- A major conclusion of the NATSEM (2014) study is to confirm the widespread view that the impact of the Federal Budget is highly inequitable. This is certainly also true for South Australia. The impact will be felt most severely in areas of socio-economic disadvantage.

Key measures in the 2014-15 Federal Budget and South Australia affecting the most vulnerable groups

- A vast range of Federal Budget measures will directly and indirectly impact on single parent households, low income couple families with dependent children and the aged. However, this report focuses on the direct budgetary impacts. With few exceptions the majority of direct impacts of the Federal Budget on vulnerable households are likely to have negative impacts on the finances and well-being of these households.
- The direct impacts of the Federal Budget on households occur through changes in the quantity and quality of public income support and concessions, public sector jobs, public services, infrastructure (housing, transport etc.) and taxation. Details of these changes are outlined in Appendix B of this report. The particular impacts will depend on the circumstances of the households as illustrated in the case studies in Sections 4, 5, and 6.

The Federal Budget and single parents with dependent children in South Australia

A profile of single parents with dependent children

- Single parents are amongst the most vulnerable groups in South Australian society. According to the 2011 Census there were 70,082 single parent households in South Australia. Of these, 47,301 households comprised single parents with dependent children and these households comprised a total of 130,647 adults and children.
- Single parents with dependent children in South Australia are more likely to have incomes below the poverty line, to have lower labour force participation and education than parents in couple families, and are less likely to own or be buying a home. This is particularly the case for those single parents who are female or young.
- The suburb in which a vulnerable family is located is of importance since living in a disadvantaged environment can further exacerbate economic vulnerability that results from low income and/or burdensome expenses. The distribution of single parent families with dependents within Adelaide is heavily concentrated in disadvantaged areas.
- In the Adelaide metropolitan area, the areas with high numbers of single parent families with dependent children are concentrated in three lower socio-economic clusters. These clusters are located in the outer northern suburbs, the north-western suburbs and the outer southern suburbs.
- Single parents with children constitute one of the most vulnerable groups likely to have incomes below the poverty line. A high percentage of South Australian single parent families exist below existing estimated poverty lines. Amongst the almost 25,000 single parents with one child, approximately 40% or 10,000 families were below the estimated poverty line of $573 per week at the time of the last Census.
- For the more than 15,000 single parents with two dependent children it is estimated that almost half or 7,500 families were living below the poverty line. For the just over 5,000 single parents with three dependent children it is estimated that approximately half or 2,500 families were living below the poverty line. For the just over 1,400 single parents with four dependent children it is estimated that approximately 70% or 980 families were living below the poverty line.
- This study concludes therefore that there were a total of approximately 21,290 single parent families living on incomes below the poverty line in South Australia at the time of the last Census. The combined number of adults and children living below the poverty line in these single parent households was approximately 59,265 persons.

Federal Budget impacts on single parent families with dependent children

- Modelling undertaken by NATSEM (2014) for the immediate impact on single parent families of Federal Budget and some previously announced non-budget measures introduced by the Coalition government indicates that 94.7% of single parent families will be worse off as a result of these measures in 2014-15. It is evident that the impact is more severe on households in the three lowest income quintiles compared to the two highest income quintiles.
- The modelling for the longer term impact again reveals a much more severe impact on single parent families. For those with two dependent children aged four and six years the longer term impact in 2017-18

is a loss of between $1,850-$2,300 per year. However, the loss in percentage terms is considerably higher for those with less private income.

The vulnerability of single parent families

- There are numerous measures in the Federal Budget itself that potentially will adversely impact on single parent families.
- Assessments of the 2014-15 Federal Budget's impact on different family groups consistently show families on benefits will be doing the heaviest lifting. Women comprise a larger proportion of those in receipt of government benefits including being single parent recipients.
- The study by Whiteford and Netherby (2014) which replicates Treasury's methodology previously used to analyse family impacts of budget changes since 2005 (and not included in the 2014 Federal Budget papers) found that by 2017-18, single parents in all but the highest income bracket will lose around $3,700 of their annual disposable income under the proposed changes.

The Federal Budget and persons aged 65 years and over in South Australia

A profile of persons aged 65 and over

- South Australia has a significantly higher percentage of older persons than other states.
- At the time of the last Census (2011), 194,181 South Australians or 76.9% of those aged 65 and over were in receipt of the age pension.
- The localities with the highest proportions of their populations aged 65 years or over are primarily on the South Australian coast, outside of the capital city.
- Along with single parent households and low income families, persons 65 years and over constitute one of the most vulnerable groups likely to have incomes below the poverty line. A single person entirely dependent upon the age pension will have an income level that is virtually on the poverty line. For a couple entirely dependent upon the age pension their income level will be slightly above the poverty line.
- The level of labour force participation of persons 65 years and over has increased significantly over recent years. The percentage of males aged 65-69 in the labour force almost doubled from 16.7% in 2001 to 29.0% in 2011. Similarly, the percentage of women aged 65-69 in the labour force increased from 7.8% to 16.7% over that decade.

The vulnerability of older households

- Against a backdrop of high levels of poverty among the aged and a greater proportion of those 65 years and over amongst South Australia's population, the 2014-15 Federal Budget included a range of measures that will impact on the current and future generation of aged persons. These measures include changes to the age pension, health care, hospital funding, superannuation, employment, aged care, affordable housing, senior's concessions and the downscaling of the Human Rights Disability Commissioner position.
- While there is a high level of home ownership among South Australia's 65 years and older population, a number of changes in the 2014-15 Federal Budget will adversely impact on low income retirees suffering housing stress.
- Research by the Council of the Aged (COTA) concludes that changes to age pension indexation will make single pensioners $80 a week worse off in 10 years time.
- There are major changes in the Federal Budget that there will make it more difficult for lower income groups and women in particular to accumulate superannuation for their retirement.

The Federal Budget and low income families with dependent children in South Australia

A profile of low income couple families with dependent children

- The past few decades have seen an increase in the proportion of lower income households in South Australia and a polarisation of income levels and opportunities between richer and poorer households.
- Social and economic polarisation in South Australia is evident particularly in the geographical distribution of low income couple families with children.
- The LGAs with the highest concentration of low income families were Elizabeth (City of Playford), Salisbury and Port Adelaide-Enfield where over 30% of families with children earned less than $1,250 per week and

over 40% earned less than $1,500 per week. The lowest concentration of low income families with children was in the more affluent suburbs of Glenelg (City of Holdfast Bay), Mitcham, Unley and Burnside.

- Along with single parent households, low income couples with children constitute one of the most vulnerable groups likely to have incomes below the poverty line.
- The level of financial vulnerability of couple families with children is influenced by a number of factors other than simply the household income level. The number of children in the family is a critical factor in determining the standard of living of that family.
- The more children in a family, the greater likelihood the family will be living below the poverty line. There was a total of approximately 13,440 couple families with children living on incomes below the poverty line in South Australia at the time of the last Census. The combined number of adults and children living below the poverty line in these couple family households was approximately 56,300 persons.
- The relationship of couples with children to the labour market can be one of the key factors in creating vulnerable low income households. The percentage of vulnerable households was much higher amongst those where both partners were employed part-time (33.9%), or where there was only one employed partner either full-time (30.8%) or part-time (49.3%), or where both were unemployed (61.8%).
- The cost of housing makes a significant impact on the living standards of low income families. Around one-fifth of lower income couples with children owned their own homes outright but there were significantly fewer lower income families purchasing their homes and paying off a mortgage. Conversely there was a much larger proportion of lower income families having to pay for rental accommodation.

The Federal Budget impact on couple families with dependent children

- NATSEM (2014) modelling of the Federal Budget's impact on families with children shows that along with single parents, low income couples with children will bear the brunt of the Coalition's budget cuts, an indication of the Federal Budget's unfairness.
- Modelling for the immediate impact of the Federal Budget impact on couple families with dependent children suggests that 50.6% of couples with children will be worse off as a result of these measures. The mean annual impact amounts to a $432 loss of these households' income per year.
- The modelling for the longer-term impact (2017-18) reveals a much more severe impact on couples with children on lower incomes.

The vulnerability of low income working couple families with dependent children

- Government support is crucial for low income families in offsetting the costs of raising children. Low income working couple families with children are severely impacted by various measures contained in the 2014-15 Federal Budget. In particular, the impact is likely to be felt from measures that reduce support for children.
- This study shows families in the bottom 20% of the income distribution rely heavily on payments for children with the main one being Family Tax Benefit A and B.
- Modelling indicates that this vulnerability will increase over time with the full implementation of the Federal Budget measures and as children become older.

Conclusion

- The 2014-15 Federal Budget is likely to have significant negative direct and indirect impacts on the majority of South Australian households. In particular, the vulnerable households examined in this study, sole parent families, aged persons and low income couple families with dependent children, face increased risk of economic hardship. This risk increases from 2017 when all the Federal Budget measures come on stream.
- These Federal Budget measures contain large cuts to health, education, income support and family assistance that will reduce the social safety net for all South Australians. As the social safety net shrinks, risk is shifted to individuals and families, or privatised. How families manage risk in the context of greater economic insecurity varies but these case studies show that marked increases in vulnerability are the likely outcome from with the budget strategy adopted by the federal Coalition government.
- Finally, the federal Treasurer's rhetoric about 'lifters and leaners' that provides one of the underpinning rationales for this Federal Budget ignores the vast amount of productive, but unpaid, contributions South Australians make to the state's economic and social well-being. This study highlights the social and economic contributions made by vulnerable households and in particular by women in caring for children,

the sick, the disabled, the elderly and those others who contribute to building sustainable and resilient communities. The Coalition's budget strategy, by putting already vulnerable households under further financial and time pressures, is likely to undermine South Australia's social and economic fabric.

1 INTRODUCTION: ABOUT THIS STUDY

This study focuses on the impact of the 2014-15 Federal Budget on three groups of vulnerable South Australian households: single parent families, people on the age pension, and low income couple families with dependent children. These households have been identified as being amongst the most severely affected by the changes introduced in the Federal Budget (WISeR 2014).

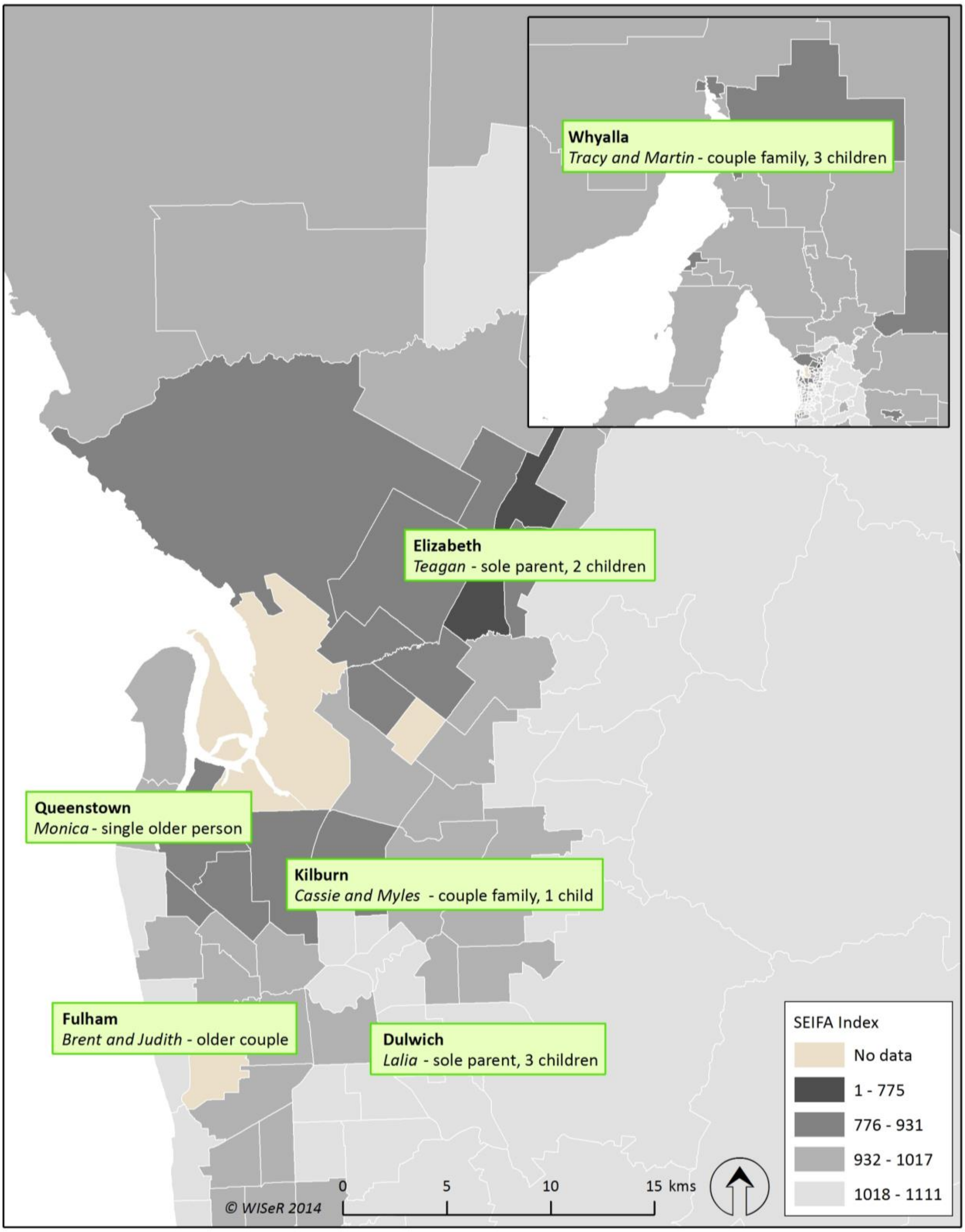
These three most vulnerable groups comprise a significant sector of the South Australian community. As discussed in more detail below, at the time of the 2011 Census there were 130,647 adults and children in single parent households with dependent children, approximately a quarter of a million persons aged 65 years and over, and approximately 197,000 adults and children who were members of low income couple families with children who had household incomes below $1,500 per week. Therefore, of a total South Australian population of just over 1.5 million, in excess of half a million individual persons are in one of these three vulnerable groups.

The definition of a vulnerable family or household is, of course, problematic and the subject of much debate in the literature. Of course, individual and household income is a major determinant of most people's living standards and policy changes that directly or indirectly affect a person's or household's income can significantly change their level of economic security or vulnerability. However, many other factors influence economic well-being. In particular, the expenses that a household faces can be as important as income in influencing standard of living. Expenses, in turn, are affected by many variables including the level of non-financial economic resources the household possesses, the number of children or dependents in a family, the cost of housing, childcare, education and so on. Similarly, the level of public infrastructure and support networks available to the household can be extremely important. Policy changes in any of these areas can dramatically change the level of financial security experienced by a household or individual.

The study employs a mixed method approach to examine the impact of the 2014-15 Federal Budget changes on these three vulnerable household types, beginning with an analysis of the policy changes that will most directly affect them. The study then uses quantitative data from the last Census and elsewhere to provide a detailed profile of each of these vulnerable groups in South Australia. The study also includes qualitative data in the form of six detailed interviews with people in each of these types of households (see Map 1 and Sections 4.3, 5.2 and 6.2) in order to better understand the lived experience of those most affected by these changes. Finally the study utilises data from NATSEM[1] and elsewhere to detail the impact of the Federal Budget measures on each of these vulnerable groups.

[1] National Centre for Social and Economic Modelling.

MAP 1: CASE STUDY TYPE AND LOCATION BY SEIFA



Note. The Socio-Economic Indexes For Areas (SEIFA) - Index of Relative Socio-Economic Disadvantage provides a ranking of social and economic wellbeing for areas across Australia. It is derived from measures including low income, low educational attainment, unemployment and dwellings without motor vehicles. SEIFA scores are standardised to a distribution where 1000 is the average (mean) for Australia with a standard deviation (SD) of 100. Just over two-thirds of a given population fits within one standard deviation of the mean – in this case they will have a SEIFA score of between 900 and 1100, and around 2% of any population will have a SEIFA score of less than 800. South Australia has a lower average score of 983.

2 A brief summary of the rationale for, and the criticisms of, the Federal Budget savings measures

The election of the federal Liberal-National Coalition government in 2013 saw a marked change in the direction of economic policy in Australia. The newly elected Abbott government established a National Commission of Audit on 22 October 2013. The Commission was chaired by the former head of the Business Council of Australia, Tony Shepherd. On 2 May 2014 the Commission's final report was released containing 'a raft of potentially explosive spending cuts to government services and payments'.[2] Proposed cuts included those to family payments, childcare, health care, education, unemployment and pension payments, aged care and the National Disability Insurance Scheme. The audit also recommended cuts to industry assistance and the public service and a 'radical shake-up of the way all governments tax and do business' (ibid).

The Audit Commission's recommendations provided the inspiration for many of the actual changes contained in the 2014-15 Federal Budget introduced to parliament by Treasurer Joe Hockey on 13 May 2014. Hockey made it clear the budget's aim was to see a significant tightening of federal government expenditure that would be felt by all sectors of the community. More than three quarters of the projected savings in the 2014 Federal Budget were to be from cuts to government spending.

The justification for these changes was built around three arguments. Firstly, there existed a 'budget crisis' in the form of an unsustainable budget deficit. Treasurer Joe Hockey stated that widespread spending cuts were required in response to what he described as an unsustainable growth in government expenditure. Two years ago, in a speech in the UK, Hockey had argued that the existing level of public welfare provision was unsustainable and therefore that the 'age of entitlement' had to come to an end. More recently, in a speech to the Sydney Institute in June 2014, Treasurer Hockey noted, with 'feigned amazement', that the amount spent on welfare amounted to 35% of the Federal Budget, and that more is spent on welfare than on any other single policy area including health, education or defence.

Secondly, the Abbott government has argued that Federal Budget cutbacks are required because of the existence of unsustainable levels of debt in Australia. The Treasurer has argued that the size of the Australian government debt underpins the necessity to cut Federal Budget spending. Speaking at a function in Sydney on 23 April 2014 Hockey said: 'Only by getting back to surplus can we stop borrowing money and begin the process of paying back our debt'.[3] When challenged by critics who point to the relatively small size of government debt in Australia compared to other OECD countries, Hockey replied that our debt is of concern because it is growing more rapidly than elsewhere: 'The IMF's most recent assessment of Australia showed that for the six years from 2012 to 2018, Australia is forecast to have the third largest increase in net debt (in percent of GDP) among 17 advanced economies. That means our debt is growing more quickly than the likes of the United States and Canada' (ibid).

The third argument for the Federal Budget approach adopted reflects a fundamental difference in values that has emerged recently in conservative political discourse. In delivering the Federal Budget Speech to Parliament, Treasurer Joe Hockey said that he

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[2] http://www.abc.net.au/news/2014-05-01/commission-of-audit-report-released-by-federal-government/5423556
[3] http://www.liberal.org.au/latest-news/2014/04/23/case-change-address-hon-joe-hockey-mp-treasurer

wanted Australia to be a country of 'lifters, not leaners'. Elsewhere, such as in his recent speech to the Sydney Institute, Hockey summarised the government's philosophical position as 'for equality of opportunity rather than equality of outcome' (*The Age* June 13 2014). Reflecting also the ideological view of the Commission of Audit report, Hockey has sought to redefine the definition of 'fairness' that has been the underpinning principle of the Australian welfare system. Rather than seeing fairness as based upon the preparedness of Australians to support those in a vulnerable position in society, Hockey has argued that fairness involves removing the burden of supporting the 'leaners' from the backs of the 'lifters' in society. This view has been promoted also in the conservative media in Australia – and in the News Limited newspapers in particular. For example, *The Australian* (June 13 2014) enthusiastically endorsed Joe Hockey's speech to the Sydney Institute, in June, in its editorial the next day:

> *Most Australians are fed up with 'leaners' and will be amenable to the message it is no longer viable for one in 10 households to rely entirely on the government for their income. Many would also disapprove of some single parents receiving almost $55,000 in handouts and 830,000 people of working age receiving the Disability Support Pension.*

The 2014-15 Federal Budget has been subjected to criticism from a variety of sources. The criticisms have been of two types. Firstly, the assumptions of debt and deficit crises that underpin the rationale for its fiscal approach have been criticised. Secondly, the Federal Budget approach has been widely characterised as unfair since the budget cutbacks it contained appear to be directed primarily at the most vulnerable groups in society.

The argument that the Australian economy has a debt and deficit crisis has little credibility even amongst conservative economists. As numerous economists have observed, compared to other OECD countries, the Australian economy has survived the GFC in a remarkably healthy state. Even those who concede that there may be an underlying structural budgetary problem caused by an overreliance on mining exports do not see this as an immediate crisis of the order that requires such a dramatic budgetary response.

Furthermore, as noted by analyst for the *Guardian Australia*, Greg Jerico, 'Australia's debt-to-GDP ratio - a key indicator of how well a country can pay back its debt without incurring more debt - is significantly lower than the OECD average and also much lower than countries such as Japan. In fact, Australia's position is the envy of other countries in the OECD'.[4]

Labor has criticised the Coalition's 'debt and deficit' rationale by arguing that in its early months of office the Coalition's own spending and taxing decisions added $68 billion to the deficit, thereby doubling it. These measures included repealing the carbon tax, providing a grant to the Reserve Bank of Australia, increasing road infrastructure, implementing border protection policies and funding of the Students First package. An ABC 'fact check' supports Labor's claim that there had been an additional $68 billion of spending by the new government. It also concluded that the government changed the economic assumptions in the Mid Year Fiscal Outlook (MYEFO) from those contained in the Pre- Election Economic and Fiscal Outlook (PEFO). This negatively affected forecasts of the Federal Budget forward estimates on the size of the deficit (ABC Online 6.5.14).

Critics of the Federal Budget have also argued that Australia has a smaller and more highly targeted welfare budget than almost all OECD countries. Furthermore, our

[4] http://www.theguardian.com/business/grogonomics/2014/jun/09/government-debt-it-all-depends-on-how-you-look-at-it

spending on welfare actually has declined over the past decade as a percentage of both the budget outlays and GDP (*The Guardian* 16 June 2014).

Similarly, critics have condemned the ideological nature of the Federal Budget, with its implicit attacks on the legitimacy of the welfare system and the accompanying hostility expressed towards those who benefit from it. Elements of this critique have featured even in the editorials of some of the mainstream media, including the Sydney Morning Herald.

Unequal Burdens
Editorial, Sydney Morning Herald, May 18, 2014

You can see an ideological drive to end the age of entitlement no matter the effect on struggling families; the breaking of promises and denial of same; the hiding behind myriad reviews of policy as though it knew not of what would be produced; the arrogant dismissal of the beer and cigarettes cost of visiting a bulk-billing GP; and the extravagant Liberal Party fund-raisers that reek of gloating over the budget pain for jobless youth trying to survive on no income.

Read more: http://www.smh.com.au/comment/smh-editorial/joe-hockey-deserves-budget-backlash-20140518-zrg6r.html#ixzz3IXcstcT3

However, most of the criticism directed at the Federal Budget has been about its perceived inequity. Commentators across a very broad spectrum have pointed out that the Federal Budget's measures will have an unequal impact on the most vulnerable groups in society while having little or no impact on those better off.

A broader critique emerging internationally is the challenge to the 'trickle down' notion of economic growth. The Managing Director of the International Monetary Fund (IMF), Christina Lagarde, is now warning against economic growth without equity, calling for 'inclusive growth'. Rising income and wealth inequalities have been occurring in Australia, EU countries and the USA and there is an increasing body of evidence that rising inequality is detrimental to economic growth. Thomas Piketty's theory is reframing the debate, arguing that the returns to capital are exceeding the rate of growth of output (Wolf 2014). As a result, a few percent of the world's population is gaining a very large share of national wealth at the expense of the middle and low income and wealth classes. Importantly, Picketty adds that in the USA this inequality is undermining economic growth and has major implications for democracy as it can lead to the high income and high wealth elites capturing the political process.

Low-income couples with children and single parents will bear the brunt of the Abbott Government's first budget, losing up to 15 percent of their disposable income when the measures hit in full, according to independent modelling.

The findings from NATSEM at Canberra University stand in contrast to the Government's insistence that the budget is "fair" and "shares the burden".

The Coalition has cut almost $7.5 billion over the forward estimates by freezing family payments and axing some benefits altogether, with most measures beginning on July 1, 2015.

Eligibility thresholds for payments will also be frozen for two years, a measure which effectively lets inflation reduce the cut-off for benefits over time.

NATSEM principal research fellow Ben Phillips has studied the effects of the budget and says it is "not fair at all".

"We'd estimate around 1.2 million families that would be on average around $3,000 a year worse off by 2017-18, whereas the top income groups - so the top 20 percent of households - would have either no impact or a very small positive impact," he told PM.

Emma Griffiths. *ABC Online* 22 May 2014

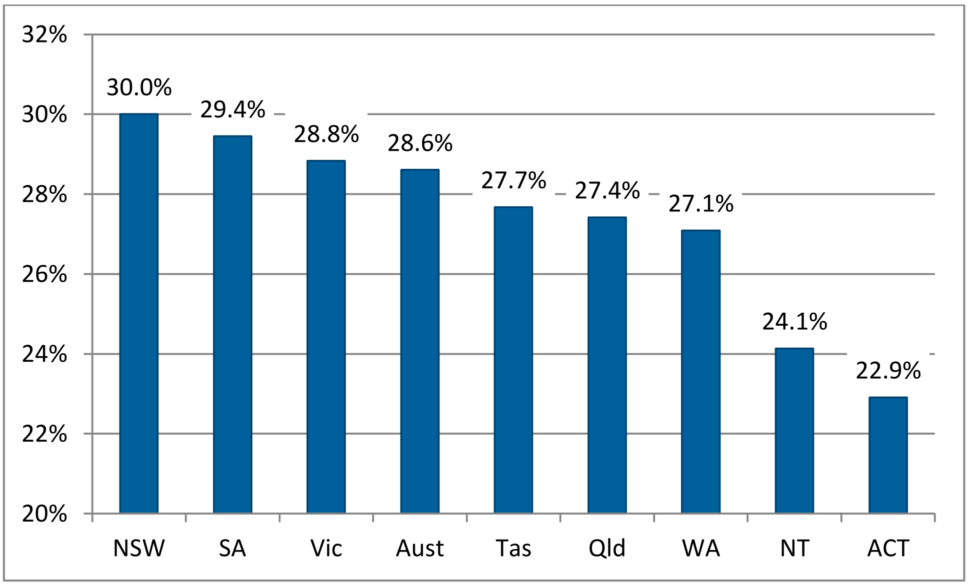
3 The 2014-15 Federal Budget and South Australia

A study of the impact of the Federal Budget on South Australia by the Australian Workplace Innovation and Social Research Centre (WISeR) using NATSEM modelling has concluded that the total cost of the Federal Budget measures and other Coalition government changes to South Australian households is $2.1 billion in 2014-15 (for more information see Appendix A) . This cost will rise to $4.3 billion in 2017-18. Thus the total impact over the next four years will amount to $14.6 billion (WISeR 2014).

The WISeR study notes that Federal Budget changes will have a disproportionately negative impact on South Australia as a result of higher than average unemployment, lower labour force participation rate, and lower average growth rates. Similarly, a greater proportion of South Australian residents rely on unemployment benefit than the national average. There is also a higher incidence of single parent families with young children and children in jobless households, along with a higher incidence of dependence on public housing. More South Australians are also more reliant on disability support. Therefore, the impacts are expected to be felt the most in South Australia by single parents, low income couple families, older person on low incomes, young people, other low income individuals, and those with a disability.

The research conducted by NATSEM for WISeR reveals that, overall, more than 265,000 (29.4%) South Australian families will be worse off in 2017-18 as a result of the Federal Budget (see Figure 1). South Australian families were second only to New South Wales families (30.0%) in terms of the proportion worse off by 2017-18.

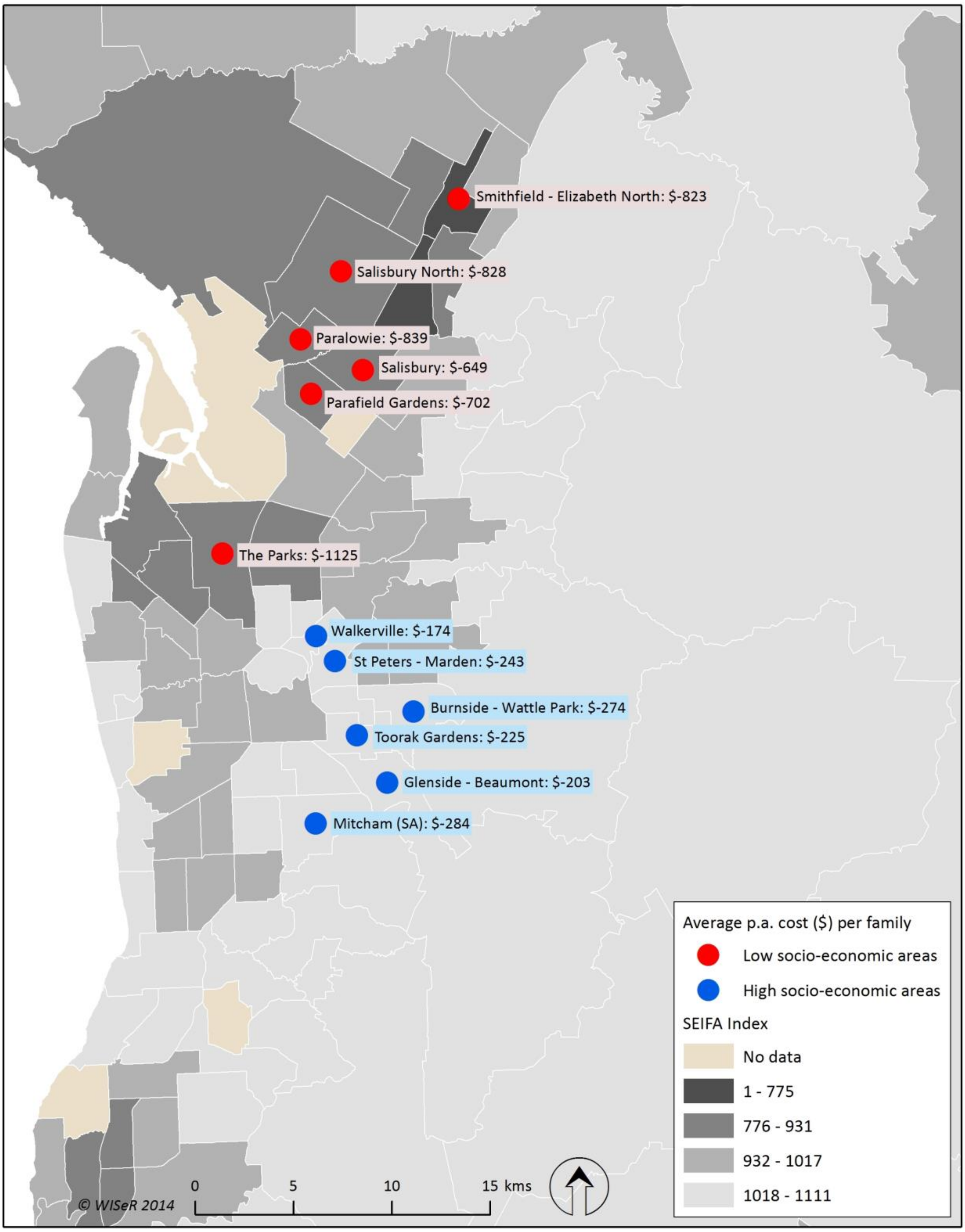
Figure 1: Proportion of families worse off by state and territory, 2017-18



Source: NATSEM data (WISeR 2014). Note 'families' is used to denote 'income units'.

A major conclusion of the NATSEM study is to confirm the widespread view that the impact of the Federal Budget is highly inequitable. This is certainly also true for South Australia. Map 2 and Table 1 illustrate the unequal impact of these Federal Budget measures on some of Adelaide's lowest socio-economic areas (demonstrated by the SEIFA Index) compared to the impact on more affluent suburbs.

Map 2: Impact of the 2014-15 Federal Budget measures on low and high socio-economic suburbs, South Australia, 2017-18



The impact will be felt most severely in areas of socio-economic disadvantage. According to the NATSEM analysis, between 30-40% of families in a number of low socio-economic areas will be worse off immediately. By 2017-18, the numbers worse off will increase considerably. For example, 54.1% of families in The Parks will be worse off by 2017-18. Families in this area will be worse off on average by $1,124.90 per annum (or 2.2% of family income). By contrast, in the more affluent area of Walkerville, only 27% of families will be worse off by 2017-18 and by the considerably lesser amount on average of $173.80 per annum (equating to 0.2% of family income).

Table 1: Impact of the 2014-15 Federal Budget measures on low and high socio-economic suburbs, South Australia, 2014-15 and 2017-18

	2014-15			2017-18		
	% families worse off	Average cost per family $ per annum	% of income lost	% families worse off	Average cost per family $ per annum	% of income lost
Low socio-economic areas (SA2)						
The Parks	40.1%	$-159.30	-0.3	54.1%	$-1124.90	-2.2%
Paralowie	34.0%	$-230.80	-0.4	39.9%	$-839.10	-1.3%
Salisbury North	33.1%	$-195.00	-0.3	40.4%	$-827.60	-1.4%
Salisbury	32.8%	$-271.50	-0.5	35.5%	$-649.40	-1.1%
Smithfield – Elizabeth North	31.9%	$-186.40	-0.4	38.0%	$-822.50	-1.6%
Parafield Gardens	28.8%	$-225.30	-0.4	34.4%	$-701.90	-1.1%
High socio-economic areas (SA2)						
St Peters – Marden	24.4%	$-249.50	-0.3%	26.1%	$-242.70	-0.3%
Toorak Gardens	25.1%	$-259.10	-0.3%	26.5%	$-224.70	-0.3%
Burnside – Wattle Park	26.8%	$-267.00	-0.3%	27.1%	$-273.50	-0.3%
Mitcham	25.8%	$-251.70	-0.3%	26.6%	$-283.90	-0.3%
Walkerville	25.0%	$-286.50	-0.4%	27.0%	$-173.80	-0.2%
Glenside – Beaumont	27.3%	$-338.20	-0.4%	27.0%	$-203.30	-0.2%

Source: NATSEM data (WISeR 2014). Note 'families' is used to denote 'income units'. SA2 refers to Australian Statistical Geographic Standard (ASGS) regional structure Statistical Area Level 2.

The widespread negative impacts of the Federal Budget on South Australia are related to the state's disproportionate share of its population being in receipt of government income support. When income support is reduced along with cutbacks in key services used by these recipients of government income support, a complex interaction occurs reinforcing low socio-economic disadvantage. This in turns puts pressure on services within South Australia.

Table 2 shows how changes to income support arrangements contained in the Federal Budget will have a number of detrimental impacts for both residents and the public housing system as a whole in South Australia.

Table 2: 2014-15 Federal Budget measures impacting on public housing in South Australa

Impacts on individuals	
Reduction or cancellation of payments	
Increase age of eligibility for NewStart from 22 to 25 years from 1 January 2015.	Young jobseekers remain on Youth Allowance ($414.40/fortnight) rather than moving to NewStart ($510.50/fortnight). Approximately 300 Housing SA residents in this age group currently receive NewStart.
'six months off, six months on' for jobseekers under 30 years from 1 January 2015.	Place young jobseekers on a zero payment for up to six months per year ($0 per fortnight compared to $414.40 or $510.50). Housing SA has approximately 2,500 residents aged between 16 and 30 who could be affected.
Review Disability Support Pension (DSP) eligibility for under 35s from 2014.	Those deemed ineligible for DSP ($829/fortnight) may be moved to a lower payment (eg. Youth Allowance, NewStart) or zero payment. Housing SA has approximately 1,600 DSP recipients aged under 35.
Reduce child age limit for Family Tax Benefit Part B (FTB B) from 18 years to 6 years; and Introduce new payment for single parents with children aged between 6 and 12 years from 2017; Both measures are phased in from 2015 (new applicants) to 2017 (existing recipients)	Families with children 0-5 will keep same FTB B (approx. 1,900 households) Families with children aged 6+ will receive zero FTB B, a reduction of between $3,000- and $4,300 per annum (approx. 3,800 households). Single parents with children aged 6-12 get new payment of $750 per eligible child rather than $3,000 to $4,300 for the family unit (approx. 1,700 households, 2,300 eligible children).
Reduced indexation	
Index all Pensions and Parenting Payment Single at CPI rather than Male Total Average Weekly Earnings from 2014 and 2017 respectively.	Reduced rate of growth in payments from approximately 5% per annum to approximately 2.5% per annum (approx. 35,000 pensioners and single parents in Housing SA accommodation)
Freeze payments rates and income thresholds for two years from 2014.	FTB payment rates, and income thresholds at which payments reduce, will have zero increase rather than CPI (approx. 2.5%) from July 2014 to July 2016. Approximately 5,700 Housing SA households receive FTB.

Source: WISeR (2014)

These cuts place considerable financial stress on public-housing residents who will find it more difficult to meet rental payment commitments, increasing their vulnerability to homelessness. At the same time, demand for affordable housing is likely to increase significantly as a consequence of rising unemployment when the full effects of the auto manufacturer GMH's closure begins to be felt in South Australia over the next few years. It is estimated that the South Australian public housing system is expected to face rental income losses of around $130 million over ten years (WISeR 2014: 70-73) at a time when there will be increasing pressure on its services.

Overall, there are numerous proposed changes in the 2014-15 Federal Budget that will likely result in a significant deterioration in the incomes of low income households. For example, cuts to family assistance (Family Tax Benefit A and B), the introduction of a six month waiting period before receiving Newstart for unemployed under-30s, reduced levels of disability support payments, and lower pension indexation rates that will reduce the incomes of housing trust tenants. See Appendix B for more details.

A vast range of Federal Budget measures will directly and indirectly impact on single parent households, low income families with children and the aged.

The indirect impacts on households operate via macroeconomic impacts of the Federal Budget on the levels of investment, consumer spending and the balance of international trade and thus on job creation and economic growth. The government has adopted a conservative theoretical economic framework that assumes that the macroeconomic impacts of its measures will increase jobs and the levels of economic growth and that the benefits will trickle down to everyone. These indirect or macroeconomic impacts of the budget are highly contentious.

However, this report focuses on the direct budgetary impacts on single parent households, low income families with children and the aged person households. With few exceptions the majority of direct impacts of the Federal Budget on vulnerable households are likely to have negative impacts on the finances and well-being of these households.

The direct channels of the impact of the Federal Budget on households occur through changes in the quantity and quality of public income support and concessions, public sector jobs, public services, infrastructure (housing, transport etc.) and taxation. Details of these key changes are outlined in this section, including the government's savings and revenue costs over the Federal Budget's forward estimates. The particular impacts will depend on the circumstances of the households as illustrated in the case studies in Sections 4, 5 and 6.

4 The Federal Budget and single parents with dependent children in South Australia

4.1 A profile of single parents with dependent children

Single parents are amongst the most vulnerable groups in South Australian society. According to the 2011 Census there were 70,082 single parent households in South Australia. Of these, 47,301 households comprised single parents with dependent children and these households comprised a total of 130,647 adults and children.

Single parents with dependent children in South Australia are more likely to have incomes below the poverty line, to have lower labour force participation and education than parents in couple families, and are less likely to own or be buying a home. This is particularly the case for those single parents who are female or young.

Single parents comprise almost 5% of the South Australian population. Single parents and their dependent children together comprise 8.5% of the population. South Australia has a significantly higher percentage of single parent families than most other states. Single parent families with children aged less than 15 years comprise 23.4% of all families with children aged less than 15 years in South Australia compared to 21.3% nationally (WISeR 2014: 21).

Over the past decade, single parent families have been increasing as a proportion of all families in South Australia – rising from 15.9% of all families in 2001 to 16.6% in 2011.[5] Single mothers constitute the overwhelming majority (81%) of single parents; 10.0% of the female population between the ages of 15-54 are single parents. However, the proportion of male single parents is increasing – rising from 13.5% in 1996 to 19% in 2011.

In a special study of single parent households in South Australia, the ABS in 2009 reported that the majority of lone parents with dependent children had experienced a marriage breakdown, with 54.6% of single parents recording that they were divorced or separated. Another 37.3% had never married (ABS 2009 Cat. 1345.4).

4.1.1 Location of single parent families with dependent children

The suburb in which a vulnerable family is located is of importance since living in a disadvantaged environment can further exacerbate economic vulnerability that results from low income and/or burdensome expenses. The distribution of single parent families with dependents within Adelaide is heavily concentrated in disadvantaged areas.

In the Adelaide metropolitan area, the areas with high numbers of single parent families with dependent children are concentrated in three lower socio-economic clusters. These clusters are located in the outer northern suburbs, the north-western suburbs and the outer southern suburbs. As shown in Table 3, the 2011 Census identified seven local government areas with large numbers of single parent families with dependents. The more affluent south eastern and south western suburbs of Adelaide have much fewer numbers of single parent families (also see Map 3 and Table 40 for more information).

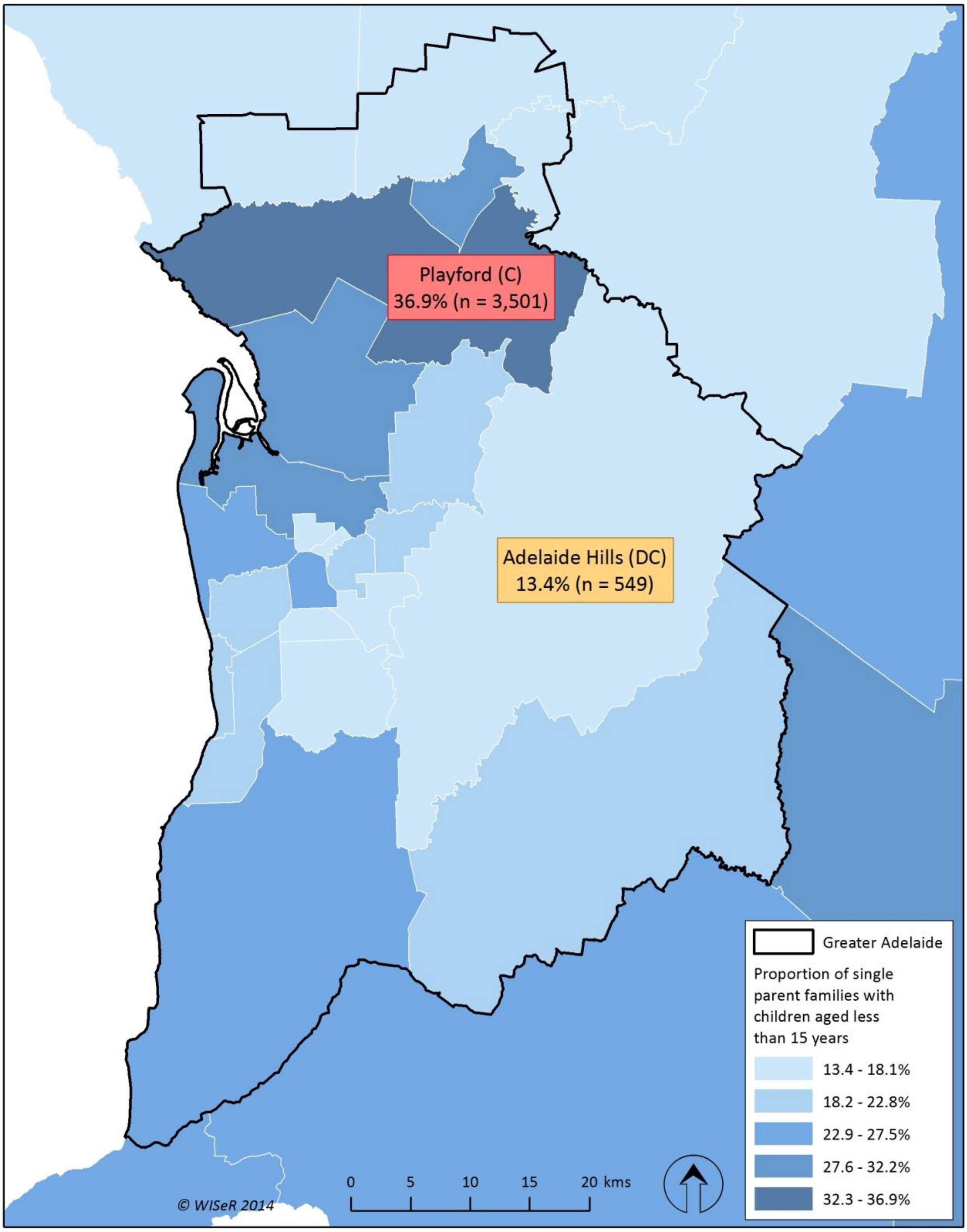
[5] ABS 2011 Census 2003.0 Time Series Profile South Australia Table T29.

Table 3: Numbers of single parents with dependent children under 15 years, selected Adelaide LGAs, 2011

	Single parents with children under 15
Onkaparinga	4,473
Salisbury	4,035
Playford	3,501
Port Adelaide/Enfield	3,081
Charles Sturt	2,229
Tea Tree Gully	1,999
Marion	1,710
West Torrens	911
Mitcham	890
Campbelltown	861
Burnside	566
Norwood, Payneham, St Peters	552
Unley	505
Holdfast Bay	489
Prospect	290
Adelaide Metro Area	28,401
South Australia	37,118

Source: ABS 2011 Census 2001.0 Basic Community Profile Table B25 and PHIDU 2014 Social Health Atlas of Australia: South Australia. Local Government Areas.

MAP 3: SINGLE PARENT FAMILIES WITH CHILDREN AGED LESS THAN 15 YEARS, SOUTH AUSTRALIA LGAS, 2011



Source: PHIDU (2014) Social Health Atlas of Australia: South Australia. Data by Local Government area.

In numeric terms, there are fewer single parent families with dependents aged under 15 years residing outside of the metropolitan area. However, as evident in Table 40 high proportions of families with dependents of this age are evident in some regional locations.

4.1.2 Poverty and single parent families with dependent children

Single parent families with dependent children in South Australia, not surprisingly, have income levels considerably below the rest of the population. Table 4 shows that proportionately single parent households with dependent children are over four times more likely to earn below $400 per week compared to all family households at the time of the 2011 Census. Three quarters of single parent households with dependent children earned less than $1,250 per week. At the other end of the income scale, while one quarter of all family households earned over $2,000 per week, only 4% of single parent households with dependent children did.

Table 4: Low income single parent families with dependent children by income group, South Australia, 2011

Single parents with dependent children	Single parents with dependents N	Single parents with dependents %	All families %
< $400 per week	8,359	17.7%	4.1%
< $600 per week	18,882	39.9%	13.7%
< $800 per week	26,499	56.0%	24.3%
< $1,000 per week	31,352	66.3%	33.3%
< $1,250 per week	35,427	74.9%	40.5%
< $1,500 per week	38,083	80.5%	48.9%
> $2,000 per week	1,784	3.8%	25.8%

Source: ABS 2011 Census Cat. 2005.0 Expanded Community Profiles. South Australia. Tables X10

Single parents with children constitute one of the most vulnerable groups likely to have incomes below the poverty line. In its estimations of Australia's poverty lines, the Melbourne Institute of Applied Economic and Social Research makes adjustments for the number of children in a household. At the time of the most recent Census, the estimated poverty lines for single parents with dependent children were as follows:

Table 5: Poverty lines for single parents, Australia, June quarter 2011

Family unit	Income per week
Single parent, one child	$573.18
Single parent, two children	$693.77
Single parent, three children	$814.44
Single parent, four children	$935.11

Source: Melbourne Institute of Applied Economic and Social Research, Poverty lines: Australia. June quarter 2011.

Using these estimates as a guide in conjunction with the most recent Census data on incomes, Table 6 indicates that a high percentage of South Australian single parent families exist below these estimated poverty lines. Amongst the almost 25,000 single parents with one child, approximately 40% or 10,000 families were below the estimated poverty line of $573 per week.

While the majority of single parents have only one dependent child, there are many single parent households in South Australia with more than one dependent child, including over 500 with five or more dependent children. For the more than 15,000 single parents with two dependent children it is estimated that almost half or 7,500 families were living below the poverty line. For the just over 5,000 single parents with three dependent children it is estimated that approximately half or 2,500 families were living below the poverty line. For the just over 1,400 single parents with four dependent children it is estimated that approximately 70% or 980 families were living below the poverty line.

Assuming the poverty line for single parent families with five or more children was the same as that for four children, it is estimated that at least 60% or over 300 single parent families with five or more dependent children were also living below the poverty line. This indicates that there was a total of approximately 21,290 single parent families living on incomes below the poverty lines in South Australia at the time of the last Census. The combined number of adults and children living below the poverty line in these single parent households was approximately 59,265 persons.

TABLE 6: INCOMES OF SINGLE PARENTS BY NUMBER OF DEPENDENT CHILDREN, SOUTH AUSTRALIA, 2011

Number of dependent children	Number of families	% earning less than					
		< $400 per week	< $600 per week	< $800 per week	< $1000 per week	< $1250 per week	< $1500 per week
One	24,943	20.2%	41.0%	55.2%	65.2%	74.3%	80.3%
Two	15,356	15.7%	40.0%	56.2%	66.7%	75.2%	80.7%
Three	5,075	13.1%	37.4%	59.3%	69.6%	77.0%	81.3%
Four	1,405	13.0%	34.2%	59.5%	69.8%	76.5%	80.4%
Five	395	12.9%	29.9%	52.4%	66.1%	73.7%	77.5%
Six or more	123	8.9%	21.1%	39.0%	56.9%	70.7%	76.4%

Source: ABS 2011 Census Cat. 2005.0 Expanded Community Profiles. South Australia. Table X10

4.1.3 LABOUR MARKET PARTICIPATION AND SINGLE PARENT FAMILIES WITH DEPENDENT CHILDREN

Employment is of course one of the key providers of income for a household. The majority of single parents with dependent children work, but often this is part-time and at a low wage level. A substantial number of single parents however are primarily dependent upon government support. At the 2011 Census, 57.6% of female lone parents with dependent children were in the labour force, an increase from 51.3% in 1996. Factors that may have influenced this change include increasing availability of part-time work for women, more available childcare places and government financial assistance in the form of childcare rebates.

Table 7 compares the labour market position of female single parents, male single parents and all persons aged 15 years and above. Less than one-fifth of female single parents are employed full-time compared to almost half of male single parents and 41% of the adult population as a whole. Single mothers are far more likely to be employed part-time (29%) and even more likely to be either unemployed or outside the labour market completely.

TABLE 7: COMPARISON OF THE LABOUR MARKET STATUS OF FEMALE AND MALE SINGLE PARENTS WITH DEPENDENT CHILDREN AND ALL PERSONS AGED 15-64, SOUTH AUSTRALIA, 2011

Labour market status	Female single parents %	Male single parents %	All persons aged 15-64 %
Employed full-time	19.1	47.9	41.4
Employed part-time	29.0	14.8	22.3
Unemployed	6.5	6.9	4.2

Not in the labour force	41.1	24.5	23.9
Other	4.3	5.9	8.1
Total	**100.0**	**100.0**	**100.0**

Source: ABS 2011 Census 2001.0 Basic Community Profile Table B42 and ABS 2011 Census 2005.0 Expanded Community Profile Table X34

4.1.4 Housing and single parent families

One of the single biggest expenses for most vulnerable households is the cost of housing. In a study of single parent households in South Australia, the ABS in 2009 reported that considerably fewer single parent families with dependent children owned their dwelling compared to couple families with dependent children (ABS 2009 Cat. 1345.4). Single parent families with dependent children were far less likely to be purchasing their home than couple families with dependent children. Younger single parents under the age of 35 years were considerably less likely to own or be purchasing their house than older single parents.

The study found that single parent families with dependent children were more likely to reside in rental accommodation compared to couple families with dependent children. Among single parent families with dependent children who rented their dwelling, 27.1% rented from the State housing authority, compared with 13.9% of couple families with dependent children.

Table 8 compares the housing situation of single parent families at different income levels. In general it shows that those single parents with dependents on the lowest incomes are less likely to own their home or to be purchasing it and are more likely to be renting. Approximately, one quarter of single parents with dependent children are paying a mortgage and over half are renting.

Table 8: Housing tenure of single parent families on different income levels, South Australia, 2011

	Housing tenure of single parent families earning			
	< $400 per week	<$600 per week	< $1250 per week	< $1500 per week
Own outright	13.1%	12.0%	17.5%	18.2%
Purchasing	21.2%	21.8%	26.4%	27.8%
Renting	61.3%	62.6%	52.9%	50.9%
Other	4.4%	3.6%	3.2%	3.1%
Total	100.0%	100.0%	100.0%	100.0%

Source: ABS 2011 Census Cat. 2005.0 Expanded Community Profiles. South Australia. Table X11c

The following table shows the range of rent paid by those single parents with dependent children who are renting in the private rental market. Approximately one-third were paying what might be regarded as relatively cheap rent while another third were paying quite a high cost for accommodation. The other third were paying a medium rent.

Table 9: Rent paid by single parents with dependents, South Australia, 2011

Weekly rent paid	Number	%
Less than $200	6,875	32.1%
$200-$349	6,757	31.5%
More than $350	7,182	33.5%
Not stated	609	2.9%
Total	21,436	100.0%

Source: ABS 2011 Census Cat. 2003.0 Time Series Profiles. South Australia. Table T21

4.2 Federal Budget impacts on single parent families with dependent children

The following tables based on modelling undertaken by NATSEM (2014) show the impact on single parent families of Federal Budget and non-budget measures introduced by the Coalition government in the short term (2014-15) and longer term (2017-18).

The modelling for the immediate impact suggests that 94.7% of single parent families will be worse off as a result of these measures in 2014-15 (see Table 10) with a slightly higher proportion (95.2%) worse off in 2017-18 (see Table 11). The mean annual impact amounts to almost $300 or 0.6% of household income. It is evident that the impact is more severe on households in the three lowest income quintiles compared to the two highest income quintiles.

Table 10: Change in disposable income – impact of Federal Budget and non-budget measures, Australia, 2014-15

	No. of families in each income quintile	% worse off in each income quintile	Mean annual impact	Mean weekly disposable income	% change
Single Parent Q1	123,464	93.2%	-$223	$599	-0.7%
Single Parent Q2	224,002	99.0%	-$275	$770	-0.7%
Single Parent Q3	192,899	96.8%	-$360	$1,042	-0.7%
Single Parent Q4	112,438	92.3%	-$300	$1,313	-0.4%
Single Parent Q5	28,071	62.5%	-$377	$1,935	-0.4%
ALL	680,874	94.7%	-$298	$954	-0.6%

Source: NATSEM National and Regional Analysis of the 2014-15 Federal Budget

TABLE 11: CHANGE IN DISPOSABLE INCOME – IMPACT OF OF FEDERAL BUDGET AND NON-BUDGET MEASURES, AUSTRALIA, 2017-18

	No. of families in each income quintile	% worse off in each income quintile	Mean impact	Mean disposable income	% change
Single Parent Q1	115,749	96.4%	-$3,747	$665	-10.8%
Single Parent Q2	213,892	99.0%	-$3,283	$836	-7.5%
Single Parent Q3	174,145	98.9%	-$3,824	$1,106	-6.7%
Single Parent Q4	124,270	92.2%	-$3,733	$1,448	-5.0%
Single Parent Q5	36,337	62.2%	-$1,916	$2,142	-1.7%
ALL	664,394	95.2%	-$3,515	$1,063	-6.4%

Source: NATSEM National and Regional Analysis of the 2014-15 Federal Budget

NATSEM also modelled the differential impact of Federal Budget and non-budget measures introduced by the Coalition government on single parent families at different income levels with children of different ages. The modelling for the immediate impact (2014-15) shows that single parents with two dependent children aged 4 and 6 years will experience a loss of around $1,000 per year whether their non-government income is zero or up to $80,000 pa. However, the loss in percentage terms is considerably higher for those with a lower private income.

For single parents with older children the immediate impact is a loss of around $1,700-$1,800 per year depending on whether their non-government income is zero or up to $80,000 pa. However, again, the loss in percentage terms is considerably higher for those with less private income, amounting to around 5-6% for those with no or little private income and 2-3% for those on an income closer to $80,000 pa.

Table 12: Impact of Federal Budget and non-budget measures on single parent families at different income levels with children of different ages, Australia, 2014-15

Family Type	Private income per annum	Disposable income pre-Budget	Disposable income after Budget	% Reduction	Difference per annum
Sole parent - two dependants ages 4 & 6	0	$35,281	$34,342	-2.7%	-$939
	$10,000	$43,456	$42,476	-2.3%	-$980
	$20,000	$49,239	$48,272	-2.0%	-$967
	$30,000	$53,054	$52,093	-1.8%	-$961
	$40,000	$56,264	$55,303	-1.7%	-$961
	$50,000	$59,580	$58,614	-1.6%	-$966
	$60,000	$61,517	$60,539	-1.6%	-$978
	$70,000	$66,017	$65,039	-1.5%	-$978
	$80,000	$70,817	$69,839	-1.4%	-$978
Sole parent - two dependants ages 8 & 12	0	$30,634	$28,868	-5.8%	-1,766
	$10,000	$37,279	$35,512	-4.7%	-1,766
	$20,000	$42,194	$40,428	-4.2%	-1,766
	$30,000	$46,876	$45,110	-3.8%	-1,766
	$40,000	$51,319	$49,774	-3.0%	-1,545
	$50,000	$57,093	$55,315	-3.1%	-1,778
	$60,000	$61,349	$59,541	-2.9%	-1,808
	$70,000	$65,849	$64,041	-2.7%	-1,808
	$80,000	$70,649	$68,841	-2.6%	-1,808

Source: NATSEM National and Regional Analysis of the 2014-15 Federal Budget

The modelling for the longer term impact again reveals a much more severe impact on single parent families. For single parents with two dependent children aged four and six years the longer term impact in 2017-18 is a loss of between $1,850-$2,300 per year. However, the loss in percentage terms is considerably higher for those with less private income – around 5% for those with less than $10,000 in private income and around 3% for those up to $80,000pa.

For single parents with older children (aged eight and 12) the longer term impact is more severe again, involving a loss of around $4,200-$6,300 per year depending on whether their non-government income is zero or up to $80,000 pa. The loss in percentage terms is considerably higher for those with less private income, amounting to around 10%-13% for those with no or little private income and 9%-10% for those on income closer to $80,000 per annum.

Table 13: Impact of Federal Budget and non-budget measures on single parent families at different income levels with children of different ages, Australia, 2017-18

Family Type	Private income per annum	Disposable income pre-Budget	Disposable income after Budget	% Reduction	Difference per annum
Sole parent - two dependants ages 4 & 6	0	38,075	36,210	-4.9%	-1,865
	$10,000	38,075	36,210	-4.9%	-1,865
	$20,000	51,603	49,693	-3.7%	-1,911
	$30,000	55,153	53,281	-3.4%	-1,873
	$40,000	58,363	56,491	-3.2%	-1,873
	$50,000	61,900	59,996	-3.1%	-1,904
	$60,000	63,399	61,134	-3.6%	-2,265
	$70,000	67,899	65,634	-3.3%	-2,265
	$80,000	72,699	70,434	-3.1%	-2,265
Sole parent - two dependants ages 8 & 12	0	32,855	28,612	-12.9%	-4,243
	$10,000	39,500	35,257	-10.7%	-4,243
	$20,000	44,372	40,129	-9.6%	-4,243
	$30,000	48,890	44,647	-8.7%	-4,243
	$40,000	53,258	49,015	-8.0%	-4,243
	$50,000	58,522	54,532	-6.8%	-3,990
	$60,000	63,218	56,940	-9.9%	-6,278
	$70,000	67,718	61,440	-9.3%	-6,278
	$80,000	72,518	66,240	-8.7%	-6,278

Source: NATSEM National and Regional Analysis of the 2014-15 Federal Budget

The following table based on a study of the impact of the 2014-15 Federal Budget changes by Whiteford and Nethery illustrates the longer term impact on single parent households in different circumstances. The most severe impact is on those with children six years and over who will lose their Family Tax Benefit B. This will particularly affect those on the Newstart allowance.

TABLE 14: IMPACT OF 2014-15 FEDERAL BUDGET ON SELECTED SINGLE PARENTS WITH CHILDREN FAMILIES

	Disposable income per week (2014 values)		Difference pre and post Budget	
	Pre-Budget	2016-17	$ per week (2014 values)	%
Single parent, one child aged 8, Newstart	$446	$392	-$54	-12.2%
Single parent, one child aged 6, Parenting payment, single	$530	$476	-$54	-10.2%
Single parent, one child aged 8, (67% AWOTE)	$957	$889	-$67	-7.0%
Single parent, one child aged 6, (67% AWOTE)	$990	$935	-$56	-5.6%
Single parent, one child aged 3, Parenting payment, single	$553	$540	-$13	-2.4%
Single parent, one child aged 3, (67% AWOTE)	$1,113	$999	-$15	-1.5%

Source: Whiteford, P., & Nethery, D. (2014). Sharing the Budget Pain Canberra: Australian National University. Notes: Results are estimate for the 2016-17 year (but are deflated to 2014 $). AWOTE=Average weekly ordinary time earnings

4.3 TWO CASE STUDIES OF SINGLE PARENT FAMILIES WITH DEPENDENT CHILDREN

The NATSEM modelling discussed in Section 4.2 shows that the adverse Federal Budget impacts on single parent families increase over time with most budget measures being fully implemented by 2017-18. Different types of single parent families are also estimated to experience different amounts of financial losses in both the dollar amount and percentage of their disposable income (income after taxes). The NATSEM modelling indicates that the differences between single income families reflect their relative position in the distribution of national income, levels of public and private sources of income and the ages and numbers of children.

There are many other factors that influence how single parent families will be affected by measures in the 2014-15 Federal Budget that are not included in the modelling. Some of there were discussed above. They include where these families live in South Australia (see Section 4.1.1), the labour market participation of the primary care giver (Section 4.1.3) and housing tenure of the family (Section 4.1.4). In this section qualitative data is included to illustrate how families cope against the backdrop of greater economic insecurity with reduced government income support, public services and public sector employment. The stories of two single parent families from different suburbs of Adelaide below explore this issue and give a broader perspective of the impact of the Federal Budget on these vulnerable households.

4.3.1 TEAGAN'S STORY: A SOLE PARENT OF TWO CHILDREN, ELIZABETH SA

Teagan, age 34, is a dedicated mother of a six year old daughter, Emma, and a carer of her 13-year old niece, Megan. She is new to the suburb of Elizabeth having shifted there a few years ago in order to buy an affordable house. Teagan has been a single parent since her daughter was an infant. A year ago, when her niece ran away from her home situation, Teagan took responsibility for the teenager.

Prior to the birth of her child, Teagan worked in a car component factory in northern Adelaide. She enjoyed the work and she and her then husband were financially comfortable. It was a marked contrast to her earlier life. Teagan had been raised in financially strapped circumstances by her single parent mother as one of six children. She had left school when she was 15. Teagan's divorce left her with some equity in the family home but after a few years on the single parent payment paying the mortgage became too difficult.

Teagan now receives the Parenting Payment Single and Family Tax Benefit - A (FTB-A) and Family Tax Benefit - B (FTB-B). She also receives allowances such as the school kids bonus, clean energy allowance, school card, telephone allowance and an end of year FTB supplement (see Box 2). She gets FTB-A and B for her niece. Emma’s father pays child support and sees her every fortnight. This support can be variable depending on the father’s earnings as a tradesman. Last year Teagan’s finances were thrown into crisis when the father could not work for a year because he had lost his driver’s licence. As Teagan is buying her house she is not eligible for rental assistance but she gets government assistance in the form of discounts on council rates, water and the emergency services levy.

Teagan’s daughter Emma goes to a local private primary school and Teagan shares the $1,800 school fees with the child’s father. She is prepared to make the financial sacrifices because she wants ‘the best education she can manage’ for Emma. All her allowances (clean energy supplement, FTB, end of year pension supplement and SA government school card) are channelled towards her daughter’s education. Her niece, Megan, continues her education at the state high school she previously had been attending but this does mean higher transport costs than if she attended a local school. The Smith Family charity provided a $500 scholarship to pay for Megan’s school uniforms and other education costs.

Teagan is clear that she has made a ‘choice’ in becoming a single parent and a carer of another child. She was not prepared to stay with a partner who ‘did not value their relationship’. The family crisis that led to Megan coming to live with Teagan and Emma has added an additional strain on the family’s resources. Although she didn’t want to be in the situation of raising someone else’s child again (she had been a foster parent in the past) she believed her niece needed protection when negotiations within the family broke down, so she took on the job. She is passionate about spending maximum time with her daughter to provide informal education and security and build a close relationship. An additional strain is that Emma suffers from migraines and can spend time in hospital or need care at home. In addition to providing care for her daughter and niece, Teagan makes significant unpaid contributions through volunteering at Emma’s primary school five days a week.

Managing her finances consumes a lot of Teagan’s emotional energy. Every fortnight she puts money on every single bill. If she can’t pay a bill she phones to organize a payment plan as she has done recently with her council rates. Paying the mortgage is a priority but the challenge to do so is daunting at times. She sees prices rising for basics like food, electricity and petrol. The family’s healthcare is supported by her health card’s subsidized prescription medicines and by utilising doctors who are willing to bulk-bill for her and the children. However medication for her daughter’s migraines is relatively expensive. The impact of the proposed Medicare $7 co-payment likely would be a disincentive to seek medical attention if the illness occurred in the second week of the pension payment system. After monies are allocated to all the main bills, Teagan has about $300 a fortnight to pay for food, clothing, health care, petrol, travel, birthdays, school excursions, sporting activities for the children and so on. By halfway through the second week of the pension payment cycle she has no money left. Any emergencies are paid for on credit card. She uses her annual supplementary benefit payments to pay down the credit card. There are no savings for car repairs, replacement of household goods or anything else.

Community support plays an important role in the survival of Teagan’s household. An Aunt provides modest financial help if needed by giving Teagan some jobs for her to do. Similarly a neighbor pays for some cleaning from time to time. Neighbors help in other ways also, ranging from gifts of eggs to help in erecting a shed. A friend put her in touch with the Smith Family and Mission Australia when her financial situation was particularly precarious.

Now that Emma is six and a half years old Teagan has been told by Centrelink to begin looking for paid work or study for a minimum of 15 hours per week. When her daughter turns eight Teagan's work as a volunteer will not be counted and if she is not studying or employed she will shift from the Single Parent Benefit to the much lower Newstart payment. Through a job network, Teagan has undertaken a course that she described as 'completely useless and badly presented'. She was initially told by the job network that she would need to apply for 40 jobs a month if she was not studying. Teagan has applied for numerous jobs and has not received one reply.

The school where Teagan volunteers has been helpful in assisting her to study in areas that could open up pathways to paid work in the future. She has completed studies in child protection and she hopes to begin a Certificate III course that could lead to opportunities in childcare. She says she learnt some good things in her child protection courses that she has applied to her own parenting. She is also applying for a course that could lead to becoming a special support officer (SSO) at a school. Teagan says that studying is difficult for her as she does not read and write easily. She suspects that she is dyslexic but has never been assessed. Her daughter is also showing some indications of dyslexia and Teagan wants to have her assessed and if necessary tap into any early intervention programs.

Before her daughter was born Teagan worked in many jobs including fruit picking and factory work. Until the children she cares for are independent, Teagan strongly believes that she is restricted to work that fits with school hours. Paying others to care for the children would erode any financial gains from paid work. She adds that even if she tried to go back to work in the car components industry there would not be any jobs. 'The closure of Holden's is going to turn the place to shit. They have no idea how many people are going to be affected'.

Teagan is optimistic about the future of her daughter and niece if she can maintain her care of them. Her niece has begun to improve at her schooling and is looking to undertake TAFE studies through the school to follow her dream of being a childcare worker. Teagan believes her daughter is getting a good education and has excellent support at home. She does not know what the future holds for herself and says she can't think much beyond the day to day responsibilities as managing financially can dominate her attention. 'If I start looking at the big picture everything will just fall apart and I will have a meltdown. Today I have electricity, food in the cupboard and my daughter is happy. So it's about now, not later. Sure I want to do an SSO course but I have to get into it first'.

When asked about the implications of the Federal Budget for her household, Teagan says that, while she doesn't yet know the details, 'at the end of the day it's all going to impact' and she will have to work out how to deal with it. That will mean 'I will just have to tighten up'. She acknowledges that she feels powerless to participate in the decisions that will affect her and her community. She describes the proposal to make under 30 year olds wait six months for unemployment benefits as 'ridiculous' and will inevitably lead to 'more crime and more kids going hungry and being abused. They (the government) have no idea. They do not live in the real world. They live in the expensive world'. She explains that 'government benefits and services make a difference to kids and their parents but parents are under increasing financial stress and this is limiting what our kids can do'.

4.3.2 Lalia's story: a sole parent of three children, Dulwich SA

Lalia, age 42, is an educated woman who speaks several languages. She has lived in various countries for 15 years supporting herself as an artist. She married a Japanese national and two sons were born in Japan. A few years after she and her husband returned to Australia in the late 1990s they had a third child with a disability. Her husband, who had been experiencing mental illness, returned to Japan within months of their daughter's birth. Overnight, Lalia's circumstances changed and she became a single parent of three children under six years of age. She now had limited time to earn an adequate living from art. Over the following seven years the main financial support for her family has been the single parent benefit.

Five years ago, Lalia switched from the sole parent benefit to the carer's payment. Fortuitously a friend had told her that she might be eligible for a carer's pension because of her daughter's Down Syndrome disability. Putting in an application to Centrelink was not easy to do as Lalia was scared that a change would mean she would be worse off. When asked a question by Centrelink about how many hours of care she provided to her daughter, Lalia burst into tears as she realised it was 24/7. The shift to the carer's pension and allowances has meant Lalia's family was $50 a week better off (see Box 2). Furthermore, Lalia has not had to experience the unexpected eligibility and benefit level changes associated with the single parent pension in recent years.

After 25 years as an artist Lalia gave up her passion in 2012 as she could not make its time demands fit with family life. Lalia enrolled part-time in a research Master's postgraduate degree and plans to later upgrade to a PhD. She has been awarded an Australian Post-Graduate scholarship for her studies that pays $200 per week. She likened the scholarship to a pillow of emotional and financial protection. The study has allowed her to 'use her brain' by developing new skills and engaging with ideas and the scholarship 'makes her life liveable'. She now feels that it's possible to provide the family with a takeaway cooked chicken occasionally.

The three children attend local public schools. Lalia's eldest son is about to complete year 12 and plans to go to University next year. He is currently completing a first aid course and applying for jobs to support his studies. When he turns 18 he will be eligible for Youth Allowance while studying. Lalia expects that her income support will be reduced accordingly. As the son will continue to live at home she will ask him to contribute financially to the family. Her middle child is in year 10 and he 'learns, earns and skates'. His earnings cover his skating activities with small inputs of funds from his mother. The daughter is 12 years old and has 10 hours a week school support for her disability with eight hours funded directly by the Department for Education and Child Development (DECD) and two hours from school funds. Lalia spends as much money and time as she can on activities including gymnastics and dance for her daughter to improve her functioning and capabilities. In Lalia's view the community around these activities are vital for her daughter's care in the future.

Lalia describes the family as being fortunate with respect to their rental accommodation. She rents an older style home in Dulwich directly from the owners for $350 per week. She is particularly grateful that they have kept the rent at the same level for five years. She is entitled to the full amount of state government rent assistance ($70 per week). She is on a seven year waiting list for housing trust accommodation but does not expect to ever get an offer of a place.

While Lalia's ex-husband does not contribute to the family because of his mental health situation she regards herself as having crucial support from her sister who is 'there for me and the children' emotionally and financially. Lalia's elderly parents live nearby and have at times given financial support. More recently her parents have developed dementia and are receiving home based care services from local government and a part aged pension and health care card from the federal government. Her Dad recently experienced a series of small strokes leaving him with memory loss and her Mum has frontal lobe damage which is making tasks like being able to open the front door difficult. This has increased the emotional and time demands on Lalia to provide care including meal organization, household arrangements, health appointments, sorting out problems and organizing care services.

The income easing of her scholarship has enabled her to pay for private health insurance that she feels is essential protection as her 'health and capacity to look after the children is central to the functioning of the family'. She is also aware that paying for private health insurance rises with penalties applied to late joiners. The children have been looked after 'pretty well in the public health system' with doctor visits and hospital stays fully covered by bulk-billing but there have been times when she has paid for surgery for the children to avoid the stress of long delays. A health care card involving a $6 gap keeps the cost of PBS medications down for Lalia and the children.

Caring for a Downs Syndrome child is described by Lalia as extremely intense emotionally and extraordinarily time-consuming as her child's disability makes her highly dependent. Hanging the washing on the line at 5 am on days when her daughter has appointments is normal. Lalia is continually looking for services because they tend to work for a short time only. She often feels despairing when trying to find something that works. Respite care is particularly difficult to obtain. Recently, after three years without any respite and a great deal of time invested in finding it, Lalia has been able to secure two nights of respite a month for her daughter with a new person. A friend likes to take her daughter but she has recently developed a major illness.

Lalia says she has become cynical about the disability sector. Apart from the amount of time involved in accessing services it is very emotionally demanding to engage with. She gave the example of long hours spent at the hospital waiting for a stressful procedure that was unlikely to work because it had not before, and not being listened to by the staff. Although her daughter will be eligible to join the National Disability Insurance Scheme pilot, its starting date has been delayed until April 2015. Lalia has been to one information meeting but is waiting to see what the changes are before investing more time and emotional energy.

Lalia describes herself as a skilled manager of her limited resources – of both time and money. Money is set aside each fortnight for the regular bills of rent, utilities, insurances and education related expenses leaving her with around $300 per week for groceries, household goods, clothing, health costs, transport and unexpected expenses. She prepares from scratch three meals a day for the family. She values this as a way of saving money and keeping them healthy.

Lalia does not follow public discussions about the Federal Budget. She thought that the Schoolkids bonus, which was very important to her family budget being valued at $2,000, had already been axed and was relieved to find that at least it would be paid for another year. She says it's too hard to listen to the radio and watch the TV news because of its stories of vulnerable people and children being treated badly. She refers to the benefit changes proposed for the unemployed, the treatment of the refugees, child abuse and the increased spending on defence as measures particularly upsetting. She also feels very upset when she hears about kids who don't have family support and worries that the punitive Federal Budget measures will make criminals of them.

While she says that she doesn't worry too much about her own boys because they have her and their education will help them gain employment, nevertheless Lalia is uncertain about the future that is rapidly unfolding for her children. Her eldest son's plans go to University next year are shadowed by uncertainty about what costs he will face. Even without this uncertainty there will be a need to budget more carefully for expenses such as student fees, computers and transport. It is unknown what the changes mean for the life-choices of her younger son still at school. Her daughter's future depends on being part of a community that will care for her. Lalia's hope is that the NDIS will enable her daughter to become more independent.

Lalia's commitment to her children and her parents is taking a toll on her. For herself she believes she can't look ahead to the future as it generates anxiety. 'If you stop and think you would start crying'. Her strategy is to take one day at a time. She has no superannuation for retirement. The hope for her is her studies even though being able to study requires considerable juggling of her time. She likes to think, develop ideas, speak different languages and enjoys writing. She does not have expectations about where it will lead to in the future. However, she admits that a few times when she achieved something in her studies she has let the thought arise that maybe there will be an interesting job at the end of it.

Lalia thinks a new government may or may not change things. She feels too burdened to engage politically. Carers, in her view, are not well placed to take to the street with placards. What makes her life better is that she currently has a 'pillow of financial and emotional protection through her family support, her resilient boys and her study'.

4.4 The vulnerability of single parent families

Assessments of the 2014-15 Federal Budget's impact on different family groups consistently show families on benefits will be doing the heaviest lifting. Women comprise a larger proportion of those in receipt of government benefits including being single parent recipients. Research on the experiences of countries implementing austerity budgets demonstrates that when countries cut expenditures it is usually bad for women and for gender equality (see for example Karamessini and Rubery 2014).

Box 1: From the Parenting Payment to Newstart

On 1 January 2013 the Federal Government's Fair Work Incentives Bill came into effect. This moved all single parent families whose youngest child was eight years of age off a modest payment known as the Parenting Payment Single (PPS) and mostly onto the lower payment of Newstart .

Overnight, 64,422 families that were already battling the cost of living had their income cut by a minimum of $60 per week. For mums who were in paid work, the financial loss was even greater. Many mums did not understand the impact and most were informed by a phone call from Centrelink in November and December 2012. No time to plan, no money for Christmas or for pending school needs.

The announcement came at the same time as the Australian Council of Social Service (ACOSS) revealed that 2.2 million people, including 575,000 children (17.3%) were living below the poverty line in Australia.

ACOSS' *Poverty in Australia Report* found that 37% of people in households whose main income was social security were living below the poverty line. Among these 52% were on Newstart Allowance, and 45% on Parenting Payment. It is extremely difficult for a family on Newstart to work their way out of poverty.

On 1 Jan 2013 the Parenting Payment Single (PPS) was $321 a week. Newstart was just $279 - a staggering 77% below the poverty line. Sixty percent of single parents who were moved onto Newstart were already working, with most working in part-time and casual jobs trying to meet the parenting and cost pressures of raising a family.

Under Newstart their family budgets are even more stretched because the rate of Newstart is reduced after they earn just $31 a week – that's two hours at the minimum wage. Previously, a mother on PPS with three children could earn and retain $122 per week before their payments started being cut.

Struggling families got some small relief when the amount they can earn before Newstart is reduced was raised to $50 a week in March 2014. However, this is far too low and does not replace what was lost in 2013.

Source: http://www.10storiesofsinglemothers.org.au/the-facts/

The study (Whiteford and Netherby 2014) which replicates Treasury's methodology previously used to analyse family impacts of Federal Budget changes since 2005 (and not included in the 2014 Federal Budget papers) found that by 2017-18, single parents in all but the highest income bracket will lose around $3,700 of their annual disposable income under the proposed changes. Whiteford and Netherby's study shows a greater impact on single parent families than the NATSEM analysis even though their calculations are conservative, leaving out many changes such as those affecting education and health services.

As demonstrated in Section 4.1 above, prior to the 2014-15 Federal Budget single parent families were already facing a tough time. Labor's 2013 Federal Budget changes shifted 100,000 single parents from the Parenting Payment to the lower Newstart Allowance when their youngest child was eight (since 2006 the cut-off age was 12 years and before that it was 16 years). If they are unable to gain adequate employment the result is increased vulnerability to poverty under the much lower Newstart.

In addition, the abolition of benefits that were announced by the Coalition government before the 2014-15 Federal Budget (described as off-budget) will impact on single parent families and other low income groups. One such example is the abolition of the Schoolkids Bonus which was intended to help families and students with the education related costs of primary and secondary school studies, such as school fees, uniforms, books and sports, music or other lessons. Legislation has been passed to end these payments of $422 for each child in primary school and $842 for each child in secondary school. An income test will be introduced in January 2015 and the payment will be abolished altogether at the end of 2016. The stories of Teagan and Lalia demonstrate that the removal of such payments will threaten family budgets that are already very constrained.

There are numerous measures in the Federal Budget itself that potentially will adversely impact on single parent families. These are outlined in Appendix B. The Council of Single Mothers and their Children (Victoria) has identified over 30 specific social security budget measures that impact on single parents (see also the National Foundation for Australian Women Budget 2014-15).

However, a full assessment of the impact of the 2014-15 Federal Budget on single parents would require a much more detailed and complex analysis that would include the broader effects of the federal Coalition government's austerity approach.

For example, the renouncing of the needs-based schools funding proposed under the Gonski Better Schools Plan and replacing it with CPI indexing after 2017 (noting it was the post-2017 period that was to have seen the major expenditures in reducing disparities in school student funding) will reduce educational opportunities for students living in low socio-economic areas. This is a particular problem for South Australia which has a higher-than-national average proportion of disadvantaged and vulnerable students, and has in recent years been the only state to record an increase in the proportion of vulnerable children. The effect of the reduction in expected funding will be amplified by abolition of the Schoolkids Bonus and other funding reductions to social security payments, such as the Family Tax Benefits, Parts A and B. Reduced funding here and in vocational training will interact with punitive employment measures (such as denial of Newstart for the first six months for the under 30s) to significantly reduce the prospects of job seekers.

Teagan and Lalia's stories are examples of single parent families who are not the poorest bottom 20 percent of households in the income distribution. Teagan is buying her home having shifted to a more affordable location in Elizabeth with modest savings accumulated prior to becoming a single parent and she has not as yet had to move to the lower, Newstart payment. Lalia receives a carer's payment that is a little higher than the PPS and has a tax free scholarship to study for two years. In other words they have a small cushion of income that keeps them above the poverty line. But both these single parent families have longer-term commitments in raising children. In contrast Australia's social welfare system is lean, highly targeted and designed to provide a temporary support system as people are expected to exit it to paid work. It is not surprising that single parent families feel vulnerable in such a system and find thinking about their own future in particular as a cause of anxiety. Although Teagan and Lalia put all their energies into their children their future opportunities are also under a cloud with cutbacks in the quantity and quality of education and health services. Plans for university could be undermined with increases in course fees and debt repayments which are likely to serve as a particular disincentive for students from low socio-economic groups as the risk associated debt can be perceived to be much higher.

Both Teagan and Lalia make outstanding unpaid work contributions with Teagan's five days of volunteering at the local school and Lalia's care of her ageing parents. In addition, both these parents contribute to other communities in which their children participate as well as caring for their own children, and in Teagan case caring for her niece. Unpaid work, most of it care work done by women, in Australia has been estimated to account for a similar number of labour hours as paid work. Unpaid work has been conservatively estimated at half the dollar amount of the country's gross domestic product. The unpaid work of households by producing goods and services serves to support the paid economy, reproduces the society socially and ensures the care of the old, young, disabled and the sick. International research shows that cutbacks in government services and their quality tend to undermine the unpaid sphere and inflate the efficiency claims of austerity budgets by shifting costs to the unpaid work of households and communities that increase women's time burdens.

Despite Teagan and Lalia being highly skilled in managing the family budget their constrained circumstances mean that cutbacks in government income support and services leave them vulnerable to a downward slippery slope financially from which it would be difficult to recover. Added to their vulnerability both Teagan and Lalia acknowledge they do not feel empowered to engage actively with budgetary and policy decision making that directly impacts on them, instead resigning themselves to deal with the changes when they happen.

Box 2: Payments for Single Parents

Payments for Single Parents (income and assets tested maximum payments as at 20 September 2014)

- **Parenting Payment- Single** $720.30 per fortnight (includes pension supplement)
- **Carer's Payment** $776.70 per fortnight
    - **Carer Allowance** $118.20 per fortnight and a Health Care Card for the child
    - **Carer supplement** $600 pa to assist carers of children with a disability or medical condition
- **Disability Support Pension** (over 21 years)
    - **Single (over 21)** $776.70 plus DSP supplement $63.50 per fortnight
    - **Single (18-21) and independent** $532.60 per fortnight and include youth allowance disability supplement

Other relevant maximum payments (income tested and related to age of child and number of children)

- **Family Tax Benefit A** $176.82 per child under 12 years per fortnight and $230.02 for children 13-15 years
- **Family Tax Benefit B** $105 for each child 5-18 years and $150.36 for children under 5 years.
- **Schoolkids Bonus** $422 pa for each child in primary school $842 for each child in secondary school until December 2016 when it will be abolished.
- **Energy Supplement** $13.90 per fortnight and $3.50 per fortnight for each child aged 0-12 years and $4.48 for 13-15 years (Previously the Clean Energy Supplement)
- **Telephone allowance** $27.20 per quarter

Source: DSS https://www.dss.gov.au/our-responsibilities/families-and-children/benefits-payments/

5 The Federal Budget and persons aged 65 and over in South Australia

5.1 A profile of persons aged 65 and over

South Australia has a significantly higher percentage of older persons than other states. Those aged 65 years and over comprise 17% of the population in South Australia compared to Victoria 15%, NSW 15%, Queensland 14%, Western Australia 12%, and Tasmania 17%.[6]

At the time of the last Census (2011), 194,181 South Australians or 76.9% of those aged 65 and over were in receipt of the age pension[7]. As shown in Table 15, over the decade 2001-2011 the number of persons aged 65 and over in South Australia increased by 19.5% from 211,363 to 252,634. By June 2013 the number of South Australians aged 65 years or over was 279,600. Although there are only slightly more females than men aged between 65-69, there is a much greater number of women aged 75 years and over with 72,164 women of that age compared to 50,672 men in 2011.

Table 15: Changes in the population of males and females 65 years and over, South Australia, 2001-2011

	Males			Females			Total		
	2001	2006	2011	2001	2006	2011	2001	2006	2011
65-69 years	26,548	29,166	35,303	28,206	31,299	37,384	54,754	60,465	72,687
70-74 years	25,537	24,150	27,068	28,952	26,878	30,043	54,489	51,028	57,111
75+ years	39,265	46,454	50,672	62,855	69,928	72,164	102,120	116,382	122,836
Total	**91,350**	**99,770**	**113,043**	**120,013**	**128,105**	**139,591**	**211,363**	**227,875**	**252,634**

Source: ABS 2011 Census Cat. 2003.0 Time Series Profiles. South Australia. Table T32

The gender imbalance in the numbers of older South Australians also means that twice as many women than men are without partners in their later years. Table 16 and Table 17 show that 38.5% of all women 65 and over are living alone compared to only 19.3% of men. Similarly, because of the age difference that normally exists between older couples, only 16.7% of women 85 years and over were in a couple relationship compared to 56.1% of men of that age. Clearly, older women are more likely than men to be in the particularly vulnerable situation of living alone without a partner.

[6] ABS 3235.0 - Population by Age and Sex, Regions of Australia, 2013.
[7] Australian Government Department of Social Services, Statistical Paper No. 11 Income Support Customers: A Statistical Overview 2012.

Table 16: Household circumstances of *males* 65 years and over, South Australia, 2011

Males	65-74 years	75-84 years	85+ years	Total over 65 years (n)	Total over 65 years %
In a couple relationship	44,783	25,277	5,583	75,643	73.9%
With relative(s)	777	501	292	1,425	1.4%
With other(s)	144	47	14	205	0.2%
Living alone	9,384	6,918	3,458	19,760	19.3%
Other	3,004	1,608	598	5,355	5.2%
Total	58,092	34,351	9,945	102,388	100.0%

Source: ABS 2011 Census Cat. 2004.0 Place of Enumeration Profile. South Australia. Table P23

Table 17: Household circumstances of *females* 65 years and over, South Australia, 2011

Females	65-74 years	75-84 years	85+ years	Total over 65 years (n)	Total over 65 years %
In a couple relationship	35,517	17,480	2,707	55,704	45.6%
With relative(s)	1,809	1,656	1,019	4,310	3.5%
With other(s)	67	40	14	121	0.1%
Living alone	17,274	19,109	10,601	46,984	38.5%
Other	9,100	3,898	1,847	15,019	12.3%
Total	63,767	42,183	16,188	122,138	100.0%

Source: ABS 2011 Census Cat. 2004.0 Place of Enumeration Profile. South Australia. Table P23

There are relatively few indigenous people in South Australia in this age group due to very high levels of early mortality amongst the indigenous population. The percentage of all indigenous men 65 years and over is only 3.5% compared to the non-indigenous figure of 14.6%. For indigenous women the percentage is 4.7% compared to 17.4% for non-indigenous women.

Table 18: Indigenous and non-Indigenous persons 65 years and over, South Australia, 2011

	Indigenous persons 65 years and over		Non-indigenous persons 65 years and over	
	N	% of all indigenous persons	N	% of all non-indigenous persons
Males	531	3.5%	107,284	14.6%
Females	721	4.7%	132,015	17.4%

Source: ABS 2011 Census Cat. 2002.0 Aboriginal and Torres Strait Islander Peoples (Indigenous) Profile. South Australia. Table I03

5.1.1 Locality of persons aged 65 years and over

The localities with the highest proportions of their populations aged 65 years or over are primarily on the South Australian coast, outside of the capital city. Victor Harbor has the highest proportion with 37%, followed by Goolwa - Port Elliot (35%), Yorke Peninsula - South (31%), Moonta (30%) and Yorke Peninsula - North (29%). These proportions have all increased since June 2008.

Table 19: Number and percent of persons 65 years and over by location, South Australia, 2011

	Number of persons 65 and over	% of population of persons 65 and over
Adelaide	193,227	15.8
Northern Adelaide	54,388	13.7
Western Adelaide	39,170	17.3
Eastern Adelaide	41,865	17.2
Southern Adelaide	57,804	16.4
Outer Adelaide	25,920	18.4
Barossa	6,551	14.4
Kangaroo Island	819	18.1
Mt Lofty Ranges	6,278	13.3
Fleurieu	12,272	28.2
Northern	12,287	15.4
Whyalla	3,478	15.4
Pirie	4,958	19.7
Flinders Ranges	3,166	15.7
Far North	685	5.9
Yorke and Lower North	11,062	23.5
Murray Lands	12,884	18.6
South East	10,498	16.3
Eyre	5,739	16.3

Source: ABS 2011 Census Cat. 2001.0 Basic Community Profiles. South Australia. Table B03

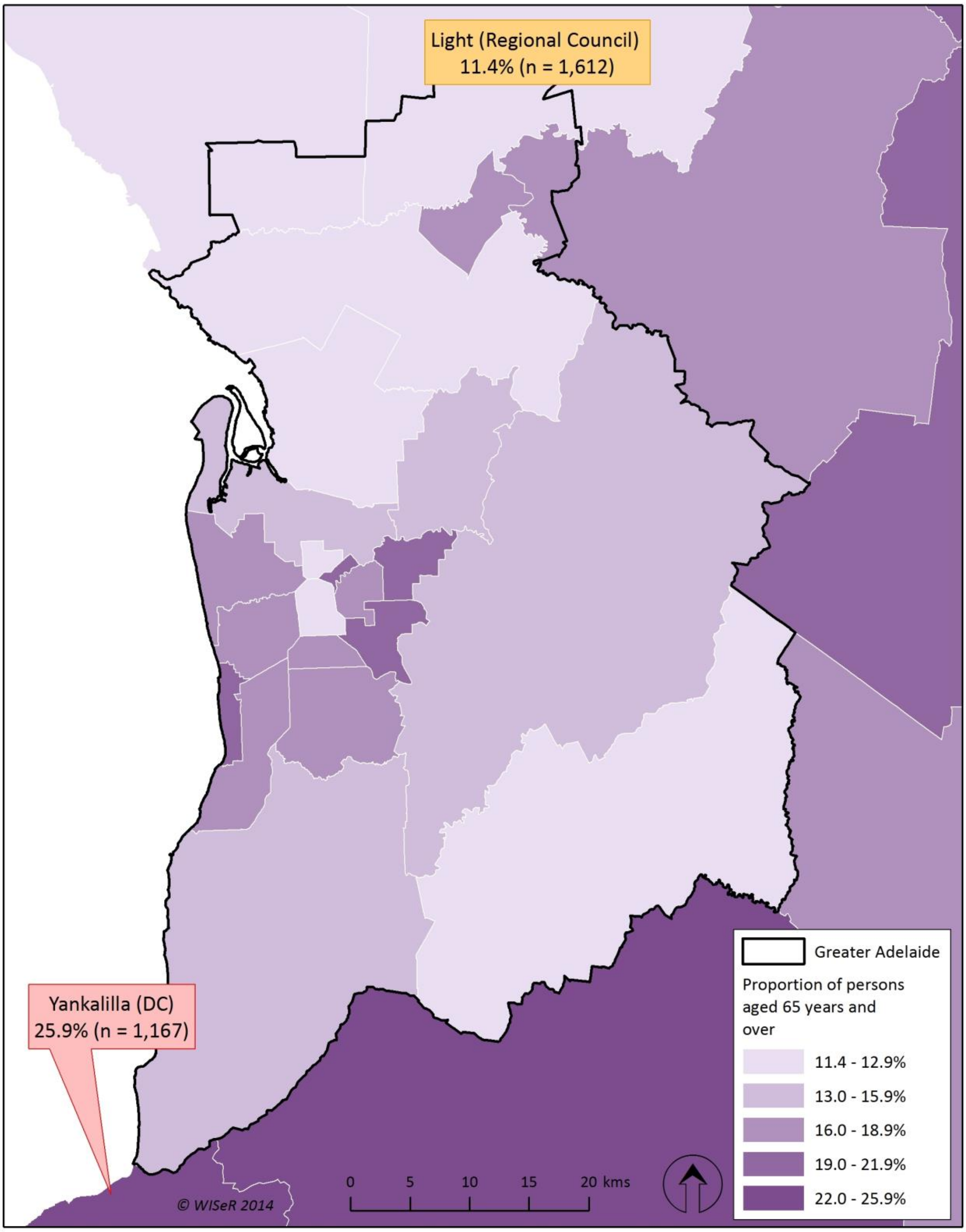
Within Greater Adelaide, the suburbs with the highest proportion of people aged 65 years or above are Fulham (27%) and West Lakes (25%) in the west, Panorama (24%) and Brighton (23%) in the south, Toorak Gardens (23%) in the east, and Hope Valley - Modbury (23%) in the north. The distribution is further demonstrated in Map 4 and Table 41.

TABLE 20: NUMBER AND PERCENT OF PERSONS 65 YEARS AND OVER BY LOCATION, ADELAIDE LGAS, 2011

	Number of persons 65 and over	% of population of persons 65 and over
Adelaide	2,528	11.5
Burnside	9,209	20.8
Campbelltown	9,925	19.7
Charles Sturt	20,172	18.3
Holdfast Bay	7,967	21.8
Marion	14,427	16.6
Mitcham	11,748	18.0
Norwood, Payneham, St Peters	6,518	17.8
Onkaparinga	23,662	14.3
Playford	9,649	11.6
Port Adelaide/Enfield	17,665	14.9
Prospect	2,639	12.6
Salisbury	16,890	12.6
Tea Tree Gully	15,145	15.3
Unley	6,161	16.0
Walkerville	1,592	21.5
West Torrens	10,162	17.7
Adelaide Metro Area	193,227	15.8
South Australia	271,617	16.4

Source: ABS 2011 Census Cat. 2001.0 Basic Community Profiles. South Australia. Table B03

Map 4: Proportion of persons aged 65 years and over, Greater Adelaide SA2, 2012

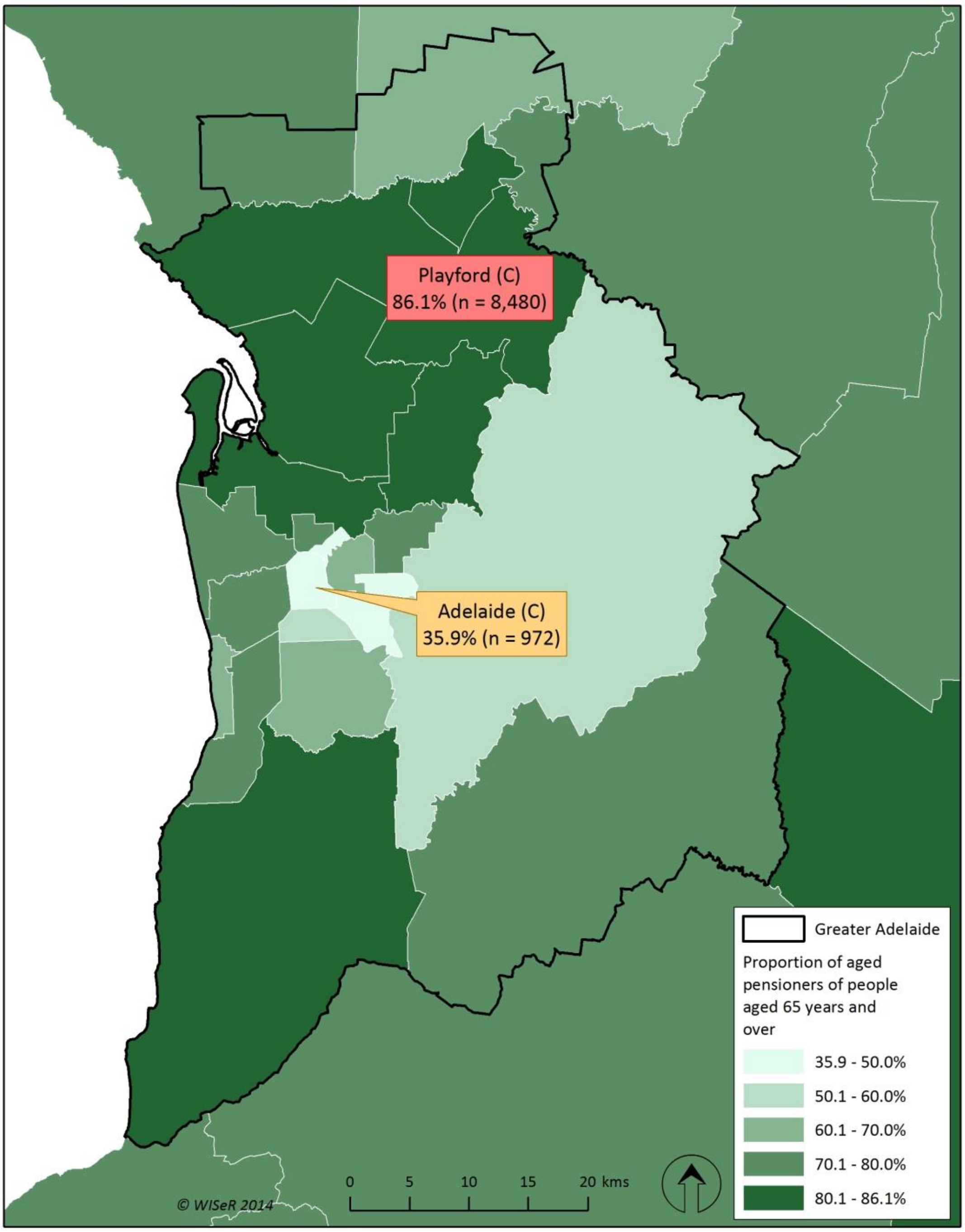


5.1.2 Poverty and persons aged 65 years and over

Along with single parent households and low income families, persons 65 years and over constitute one of the most vulnerable groups likely to have incomes below the poverty line. A Report from the Organisation of Economic Cooperation and Development (OECD) in 2009 stated that 'nearly 27% of over 65s in Australia have incomes below the OECD poverty threshold (half of median household income). Only Ireland, Korea and Mexico of the 30 OECD countries have higher old-age poverty rates.' (Salvation Army 2010).

As noted above, the age pension is the primary source of income for the majority of South Australians aged 65 years and over with 194,181 (76.9%) South Australians aged 65 and over receiving it at the 2011 Census. Map 5 presents the proportion of persons aged 65 years and over receiving the age pension with further details shown in Appendix C. Table 21 shows the basic pension rate compared to the poverty lines for single persons and couples for the June quarter 2014. It shows that a single person entirely dependent upon the age pension will have an income level that is virtually on the poverty line. For a couple entirely dependent upon the age pension their income level will be slightly above the poverty line.

MAP 5: PROPORTION OF PERSONS AGED 65 YEARS AND OVER RECEIVING THE AGE PENSION, GREATER ADELAIDE LGAS, 2013



Source: PHIDU (2014) Social Health Atlas of Australia: South Australia. Data by Local Government area.

TABLE 21: COMPARISON OF BASIC AGE PENSION RATES WITH EXISTING POVERTY LINES, AUSTRALIA, JUNE QUARTER 2014

Family unit	Poverty line (Income per week)	Basic pension rate (per week)
Single person	$413.16	$414.45
Couple	$585.24	$624.80

Source: Melbourne Institute of Applied Economic and Social Research, Poverty lines: Australia. June quarter 2014.
Note: The basic pension rate includes the maximum applicable Pension Supplement but take no account of non-cash benefits to which some recipients are entitled such as concessions for health and welfare services, housing, transport, education and other goods and services. The poverty line shown here is for income units where the household head is not in the workforce (ie lower than for income units where the household head is in the workforce). The basic pension rate shown does not include possible rent assistance of between $50-$60 per week that might be available to the approximately 10% of persons aged 65 and over in rental accommodation (see Section 5.1.4).

As shown in Table 22, at the time of the last Census well over half (57.3%) of those aged 65 years and over in South Australia had incomes of less than $400 per week which is well below the poverty line for single persons ($446 per week) at the time of the 2011 Census. Of course, almost 60% of those 65 and over were living in a couple relationship and so, for some, their combined income would likely have taken them above the poverty line for couples. While figures for the combined household incomes of persons 65 years and over are not available from published Census data it can be estimated from the table below that somewhere between one-third and one half of all persons and couples aged 65 and over were living on incomes below the poverty line.

TABLE 22: NUMBER AND PERCENT OF PERSONS AGED 65 YEARS AND OVER ON LOW INCOMES, SOUTH AUSTRALIA, 2011

Income for persons 65 years and over	Number	%
< $300 per week	80, 259	31.2%
< $400 per week	147,460	57.3%
< $600 per week	191,933	74.5%
< $800 per week	208,966	81.1%
< $1,000 per week	217,643	84.5%
< $1,250 per week	223,352	86.7%
< $1,500 per week	226,489	87.9%

Source: ABS 2011 Census Cat. 2001.0 Basic Community Profiles. South Australia. Table B17

The numbers of women 65 years and over earning less than $400 per week were higher than for men. This is partly the result of the larger number of older women who were living by themselves and receiving only a single pension. As shown in Table 23, 61.1% of women had incomes of less than $400 per week compared to 52.5% of men of the same age.

Table 23: Comparison of incomes of males and females aged 65 years and over on low incomes, South Australia, 2011

Average income	Males %	Females %
Earning less than $400 per week	52.5%	61.1%
Earning less than $600 per week	69.6%	78.5%
Earning less than $1,300 per week	86.1%	87.2%
Earning less than $1,500 per week	87.8%	88.0%

Source: ABS 2011 Census Cat. 2001.0 Basic Community Profiles. South Australia. Table B17

5.1.3 Labour market participation and persons aged 65 years and over

The level of labour force participation of persons 65 years and over has increased significantly over recent years. The percentage of males aged 65-69 in the labour force almost doubled from 16.7% in 2001 to 29.0% in 2011. Similarly, the percentage of women aged 65-69 in the labour force increased from 7.8% to 16.7% over that decade.

Table 24: Changes in the labour market participation of persons 65 years and over, South Australia, 2001-2011

	% of age group in labour force					
	Males			Females		
	2001	2006	2011	2001	2006	2011
65-69 years	16.7%	22.9%	29.0%	7.8%	10.9%	16.7%
70-74 years	8.2%	9.6%	12.6%	3.3%	4.1%	5.9%
75+ years	3.8%	3.7%	3.7%	1.5%	1.2%	1.2%

Source: ABS 2011 Census Cat. 2003.0 Time Series Profiles. South Australia. Table T32

Just over 50% of men aged between 65-70 who remain in the labour market continue to work full-time while almost 70% of women in that age group who work are in part-time employment.

Table 25: Labour market participation of persons 65 years and over, South Australia, 2011

	Males				Females			
	Nos. in f/t work	Nos. in p/t work	Total in labour force	% of age group in labour force	Nos. in f/t work	Nos. in p/t work	Total in labour force	% of age group in labour force
65-69 years	5,083	4,293	10,234	29.0%	1,757	3,900	6,240	16.7%
70-74 years	1,252	1,820	3,419	12.6%	393	1,138	1,780	5.9%
75+ years	587	980	1,870	3.7%	150	495	895	1.2%

Source: ABS 2011 Census Cat. 2003.0 Time Series Profiles. South Australia. Table T32

5.1.4 Housing and persons aged 65 and over

The cost of housing is a critical factor in influencing the level of financial vulnerability experienced by a low income person or family. This is certainly true for those 65 years and over. Given the very low income that most older persons and couples have, home ownership can make a huge difference to their standard of living.

The following table provides details of housing tenure for persons 65 years and over for Australia as a whole[8]. Compared to the average for all age groups (32.6%), the level of outright home ownership for older persons is extremely high (78.1%). The level of outright home ownership is even higher for couples (84%) although slightly lower for single older persons (71.8%).

There are far fewer older persons with a mortgage (6.5%) or renting (4.8%) than in the population generally (36.2% renting and 23.7% with a mortgage).

Table 26: Housing tenure of persons 65 years and over, Australia, 2011

Housing tenure	Housing tenure of person 65 years and over		
	Living alone	Couple families	All
Own outright	71.8%	84.0%	78.1%
Purchasing with mortgage	4.1%	7.3%	6.5%
Renting private	8.3%	2.0%	4.8%
Renting housing authority	9.3%	3.9%	6.3%
Other	6.5%	2.8%	4.3%

Source: ABS Cat. 1301.0 Year Book Australia 2012: Housing and life cycle stages

5.2 Two case studies of persons 65 years and over

Against a backdrop of high levels of poverty among the aged (see Section 5.1) and a greater proportion of those 65 years and over amongst South Australia's population, the 2014-15 Federal Budget included a range of measures that will impact on the current and future generation of aged persons. These measures include changes to the age pension, health care, hospital funding, superannuation, employment, aged care, affordable housing, senior's concessions and the downscaling of the Human Rights Disability Commissioner position (see Appendix B of this report).

The level of changes, particularly to the age pension from 2017, has taken many people by surprise as the Prime Minister promised before the election that the age pension would not change.

A broken promise

"Pensions don't change." Tony Abbott, National Press Club, 2 September 2013

"No change to pensions" Tony Abbott, SBS, 6 September 2013

"The biggest surprise to me is how stingy they have been with the age pension, even more stingy than the Audit Commission recommended ...That's going to really wack the age pension" Jessica Irvine, National Economics Editor, News Ltd, Budget night.

As discussed in Section 5.1 there are many factors such as sources of private income, age, gender and location that will influence the impact of the Federal Budget on older persons. Below are two stories that illustrate the different circumstances and capacities that exist in the lives of older persons as they try to manage the budget changes.

[8] Census data for home ownership levels for older persons in South Australia are not available in published form.

5.2.1 Brent and Judith's story: an older couple living in Fulham SA

Brent and Judith are an active couple both in their 80s who live in their own home in the Adelaide suburb of Fulham. They have been married for 55 years and retired for 25 years. They moved to Fulham as a young married couple and bought a former SA Housing Trust home. Brent worked as a manager for an agricultural machinery company and Judith worked part-time as a teachers' aid. She was the primary carer of their three children. Fulham provided an ideal community in which to live and raise their children, sending them to the local public schools. They love the area and regard themselves fortunate to have been able to buy there.

Brent and Judith describe themselves as 'reasonably comfortable'. They have a small amount of superannuation from Brent's employment and have received a part age pension since they retired. They also see their economic security in a large part due to owning their home. They have systematically paid off their mortgage for 30 years in order to own it freehold by the time they retired. It is a 'big thing to own your own home'. In their view it was the best thing both financially and socially - they had an asset that could be used to finance any increased care needs in the future and owning their own home gave them a stable place in a community they valued. Nevertheless, home maintenance is something they still have to plan and budget around.

This couple experience good physical health with regular exercise and healthy eating. They are socially connected with their family and community of friends describing themselves as having 'full diaries'. The extended family 'is going well with no demands for financial support' being made on Brent and Judith and the six grandchildren, now being older, no longer require childcare. Judith's pastoral activities with her local church have lessened but they still regularly see friends and have the occasional meal out. They pride themselves on good financial management where modest expenditure on socializing with friends, golf and an annual holiday is part of living a healthy and rounded life.

They consider themselves modest users of health services. They each go to the doctor about eight times a year as well as using allied health services of physiotherapy and dental from time to time. They see the Commonwealth health card as making an important difference to their current health costs as well as providing some insurance against the cost of rising health needs in the future.

Recently they have experienced increased health costs. Until recently PBS prescriptions have been available for an affordable $6, but Judith has now been prescribed a new medication that costs $50 per/month. Similarly, until recently they were bulk billed for GP visits but their doctors' clinic now has moved to the private Western Hospital and they now pay a gap of $18 per visit. They are upset that no explanations for this cost change was offered. In their area they know there are other doctors who bulk bill but it is their experience that these doctors don't welcome more patients. They also like the doctor they go to.

Brent and Judith are concerned about future health care needs and costs. They are angry about the proposed $7 co-payment for GP visits and tests even though they do not think it will be a disaster for them. 'We will get by but we are not happy about it'.

More concerning is Judith's memory loss diagnosis. Judith has joined a trial at a public hospital which she attends a half day a month. They are concerned that she may have increased medication costs when the trial ends. Her condition if it worsens is likely to require increased care needs in the future.

Brent and Judith feel a sense of security in being able to access government services to support them to continue to live in their community and own home. Their local West Torrens council provides subsidized cleaning once a fortnight that costs them $20 for two hours. In addition they get their gutters cleaned at a subsidized rate and a discount on their local government rates. Their SA government Seniors Card provides other discounts including on leisure activities and public transport. While they do not know the details they understand there are other support services around that they might need to tap into later. In particular, Judith's memory loss may increase their need for these in the future.

The large spending items that this couple face are insurances and utility bills. Insurances include private health, house (including flood protection) and car. They watch their utility bills closely. They took up the government incentive to install solar panels so they would save over the long run and not have to skimp on heating and cooling, although they notice the gas and water bills continue to rise. Brent feels strongly that essential services should not be privatized as the drive for profits in these particular industries means people end up paying a lot more for basics.

More generally Brent and Judith expressed strong concerns about government stepping back from regulation and leaving people vulnerable to being exploited. Brent sees the federal government's recent watering down of regulations for financial advisors as an example of irresponsible legislation in the wake of the Commonwealth Bank customers losing their life savings.

Brent and Judith followed the Federal Budget coverage initially and, while they were sympathetic to the need to rein in some government expenditures overall, they were concerned that the Federal Budget was unfair. Of particular concern were the proposals for schools and universities as this could impact on the future opportunities of their grandchildren. It was the expectation that their 'very bright' two eldest grandchildren would be the first in the family to go to university in the next couple of years. Brent was unhappy with the proposed fee increases that could lead to the creation of 'haves and have-nots' and a situation where university was not seen as an option for most people.

More recently, Brent thought public discussion of the Federal Budget had 'gone off the boil as the business in Iraq has distracted us from matters going on in Australia'. In this context Brent and Judith remained unclear about measures that might affect them. They were not aware that the annual supplement to the age pension would disappear. While Brent knew about the changes to the indexation of the age pension he had not been able to work out how much worse off they would be over time. He thought the strategy was to gradually sneak Federal Budget cuts in so people won't notice it as much. In their community there was a 'reluctance to talk about the budget' as many older people don't like to 'rock the boat' but Brent believed that if the pension payments changed then people would start speaking out.

5.2.2 Monica's story: a single older person living in Queenstown SA

Monica is 87 years old and lives by herself in a small housing trust unit that she rents in Queenstown, a working class area close to Port Adelaide. She shifted to her current home nearly 20 years ago with her husband after a decade of being on the waiting list for a place. Her husband died two years ago. Married for 40 years she misses him keenly but keeps socially connected. She has good friends in the neighborhood and continues to be part of a community associated with her husband's blue-collar working life in Port Adelaide that they helped to build. She is supported by a large extended family, who while busy working and raising children, are in regular contact with her.

Financially, Monica leads a frugal life. Her main source of income is the age pension that she initially received when she was 60 years old. Her husband left a small annuity when he died and she describes this money as making 'all the difference'. She says 'if I didn't have this bit extra I don't know how I would survive'. This $37 per week is kept in a separate account and enables her to manage utility and insurance bills.

Monica is no stranger to frugal living and hard work. She raised six children and would get a paid job to supplement her husband's wage when the bills piled up. This would be as a temporary cook in a hotel or whatever was available. Raising the family and keeping the bills paid often left her exhausted. When retired she and her husband had an opportunity to caravan around Australia after selling up everything. The idea of affording a holiday is remote these days. She laughs that in order to fund a holiday, something she admits to occasionally fantasizing about, she would have to raid her only savings set aside to pay for her funeral.

While Monica lives independently she does have a degenerative eye disease that will make her blind at some stage. Her vision is now very poor and she can no longer enjoy her love of reading. The condition affects her mobility. She walks her dog in the neighborhood but to venture further she needs assistance. Her daughters provide important support in this regard by taking her shopping and on outings.

Monica believes she is a good manager of money but feels the strain of meeting bills. She puts $80 aside from her age pension each fortnight to make sure the phone and electricity accounts are covered. She finds she is no longer in credit with this amount. Monica loves her modest housing trust unit but says the rent keeps going up and takes 25% of her pension. However, she sees herself as fortunate to have a housing trust place for a house to rent in this location and knows a family with four children who has waited for 13 years with no success.

After paying for utilities and insurances, Monica has less than $250 leftover each fortnight to pay for food, clothing, travel, household items and health care. There is no treatment for her eye disease and she currently pays $20 a fortnight in prescription gaps. She describes Medicare as 'a wonderful system of health care' and believes it has played an important part in her relatively good health and financial survival. The Seniors Supplement ($876.20) was described as a yearly 'catch-up' which provided 'a little stash in case of some financial disaster'. However, she sees the Medicare co-payment, increased prescription costs, the age pension indexation changes as measures that threaten her financial management strategy.

Government benefits and services provided by state and local governments are also important for Monica but she is unsure what the Federal Budget means for them. Monica draws on the Port Adelaide local government services such as subsidized cleaning and home maintenance. The library delivers talking books. Funding for public housing can affect the ability of the housing trust to provide maintenance services and the shortage of public housing affects neighborhoods with increasingly extremely vulnerable groups being allocated vacated dwellings.

Monica's adult children provide care and a financial safety net if she needs anything extra. However, Monica is fiercely independent and makes sure she manages so she does not have ask for help. She is proud of her daughters being the first generation to gain a university education. She tells how they did this the hard way as mature age students working and raising their children while studying. Monica and her husband helped with childcare. She is alarmed at the proposals for raising university fees and HECS/HELP debt saying one daughter only last year paid off her HECS debt after 20 years. Tertiary education has been central to changing the opportunities of Monica's children especially her daughters. 'Education is everything' she believes.

When asked about the future Monica said her ambition is to live long enough to vote against the Abbott government's policies. While she juggles her finances she is aware of many in her community doing it much tougher and this is of concern to her. A neighbour she knows who has no other income but the age pension would not survive without her adult daughter. She is also aware that those on the disability pension supporting children are under great pressure. In her view people go into debt with pay-day loans with exploitative interest rates because they are desperate. She herself follows a life-long strategy of not taking out loans after one experience when it was a 'terrible worry'. The unemployment benefit proposed change for under-30s she viewed as 'scandalous' as it assumed that the parents of young adults could pick up the shortfall. Monica knows family support is crucial for people living on benefits but many, even working families are struggling, and do not have the capacity to provide financial support.

5.3 The vulnerability of older households

These stories of two older person households illustrate the importance of home ownership and small amounts of private income for managing financially and having a degree of security for the future on a full age pension. Owning your own home provides security against rent rises something that Monica does not have even as a Housing Trust tenant. It provides an asset to fund changed circumstances in the future including increased health care needs which is a situation that Judith and Brent may face. Importantly, home ownership secures a place in a community and promotes social connectivity which is a value stressed by Brent, Judith and Monica and recognised as a contributor to positive ageing.

While there is a high level of home ownership among South Australia's 65 years and older population (see Section 5.1), a number of changes in the 2014-15 Federal Budget will adversely impact on low income retirees suffering housing stress. These include the decision to not proceed with Round 5 of the National Rental Affordability Scheme and to only extend the National Partnership Agreement on Homelessness for one year. Research commissioned by the Mercy Foundation shows that single older women who are not home owners and cannot afford private rental are the fastest growing cohort of the homeless (Petersen and Parsell 2014).

Daryl Dixson has commented ironically that the Coalition Federal Budget will have a positive impact on housing purchases by high-income earners because the temporary income tax levy makes negative gearing even more attractive. Those on incomes over $180,000 will receive a tax refund at the 50% marginal rate instead of the 48% rate with negative gearing (Dixson 2014).

Small amounts of superannuation or private income made a big difference to the finances of those who, like as Brent, Judith and Monica, receive the full pension. This buffer will come under threat with Federal Budget changes that reduce the value of the age pension and superannuation balances for the next generation of retirees. Research by the Council of the Aged (COTA) concludes that changes to age pension indexation will make single pensioners $80 a week worse off in 10 years time[9].

The Federal Budget includes some measures to deal with poorly targeted assistance such as the abolition of the Seniors Supplement that was received by non-pensioners (age pensioners will continue to receive the pension supplement). Increased targeting will also occur with the inclusion of untaxed superannuation income in the income tests for the pension and the seniors' health card.

However, there are major changes in the Federal Budget that there will make it more difficult for lower income groups and women in particular to accumulate superannuation. These measures include the delay in raising the Superannuation Guarantee Contribution to 12% and the abolition of the Low Income Superannuation Contribution (also see Appendix B).

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[9] www.cota.org.au/australia/news/newslist/2014/budget-2014-pensioners-in-firing-line.aspx

The Federal Budget also increases the vulnerability of poorer older persons in the longer run through its failure to redress the inequity between the cost to the budget of the age pension and superannuation tax concessions (see Box 3). Currently, the age pension costs the public purse $39 billion per year while the more rapidly rising superannuation tax concessions cost $35 billion per year. However, while the age pension provides benefits to nearly 80% of those aged 65 years and over, the majority of whom are women, superannuation tax concessions benefit only a small proportion of very high income earners, the majority of whom are men.

The stories of Brent and Judith and Monica demonstrate that while careful budget management, some independent income, relatively good health and family support can provide a buffer zone against the adverse Federal Budget changes they also reveal that these changes will inevitably lead to greater vulnerability and force them to increase their level of prudent management. They are also concerned that university education opportunities for their grandchildren may be denied because of rising prices under deregulation and the spectre of high debt levels. But they also know that other aged people are likely to become increasingly vulnerable with cutbacks in public services and increased costs as a result of changes to the PBS, introduction of a GP co-payment, increases to the PBS safety net thresholds and cuts to hospital funding. The Council of the Aged (COTA) reports that already one in 12 people do not always fill prescriptions because they cannot afford it (COTA 2014). Even the more ideological measure such as abolishing the Medicare Locals - a primary health care initiative of Labor, and replacing them with organisations (termed the Primary Health Care Networks) that will include private health funds and move away from the more multidisciplinary approach of the Medicare Locals by putting GP's at their centre, will potentially impact on the scope and type of healthy ageing initiatives in the state.

Paid work is an alternative means by which persons aged 65 years and over can reduce their financial vulnerability and Section 5.1 of this report shows the increased participation of older women in the workforce and the significant levels of participation of older men. Towards this end the Coalition's Federal Budget abolished the Mature Age Worker Tax offset (maximum $500) which was paid to older individuals to encourage them to stay in the workforce and replaced it with Restart which is a graduated payment to business (up to $10,000) to hire a person over 50 years of age on Newstart. The removal of the Mature Age Worker Subsidy saves a little more than the cost of introducing Restart (see Appendix B) effectively amounting to a transfer from individual older workers to businesses and between groups of older persons. Importantly, the business subsidies when provided without skills development and changes in attitudes towards older workers will not shift the structural barriers that exclude older workers from paid employment.

Box 3: What do changes in the Federal Budget mean for age pensioners?

What do the changes in the budget mean for age pensioners?

- The cut in the pension indexation will dramatically reduce the standard of living of Pensioners every six months. If the CPI had been used since 2009 the Pension would already be $30 per week or $1560 per year less
- Full Pensioners will be affected the worst, people with the least assets and other income will be hardest hit
- The measures include blunt instruments that reduce the income of all part pensioners, rather than tackling community concerns about people with high assets receiving a part pension
- Older people unemployed due to age discrimination and lack of jobs will stay on Newstart for years longer rather than moving to the Age Pension.
- The living standards of pensioners will be decreased while leaving intact huge superannuation tax concessions to high income earners and well off superannuants. Many tens of thousands of high income earners get tax concessions bigger than the value of the single pension.

http://www.cota.org.au/australia/hotp/default.aspx

6 The Federal Budget and low income working families with children in South Australia

6.1 A profile of low income couple families with children

The past few decades have seen an increase in the proportion of lower income households in South Australia and a polarisation of income levels and opportunities between richer and poorer households. The definition of a vulnerable family or household is, of course, problematic and the subject of much debate in the literature. A NATSEM study in 2012 defined low income families with children as those with incomes in the lowest quintile of all families with children (Philips et al 2013). Hence, for the purposes of this study a pragmatic definition of 'low income' has been adopted at the level of $1,250 per week for a couple family with dependent children. The following table based on 2011 Census data for South Australia shows that approximately one-quarter of families with dependent children had household incomes of less than $1,250 per week. Just over 35,000 families with children in South Australia had incomes below this relatively modest level. At the other end of the spectrum, over one-third of families with children had incomes over $2,000 per week.

Table 27: Incomes of couple families with dependent children, South Australia, 2011

	Total families with children	Income <$1,250 per week	Income between $1,250-$2,000 per week	Income >$2,000 per week	Other (Not stated etc)
N	146,490	35,720	39,869	53,392	17,509
%	100%	24.4%	27.2%	36.4%	12.0%

Source: ABS 2011 Census Cat. 2005.0 Expanded Community Profiles. South Australia. Table X09

6.1.1 Location and low income couple families with children

Social and economic polarisation in South Australia is evident particularly in the geographical distribution of low income couple families with children. Table 28 showing income figures from the 2011 Census for all Adelaide Local Government Areas (LGAs) reveals the considerable income polarisation that exists between regions.

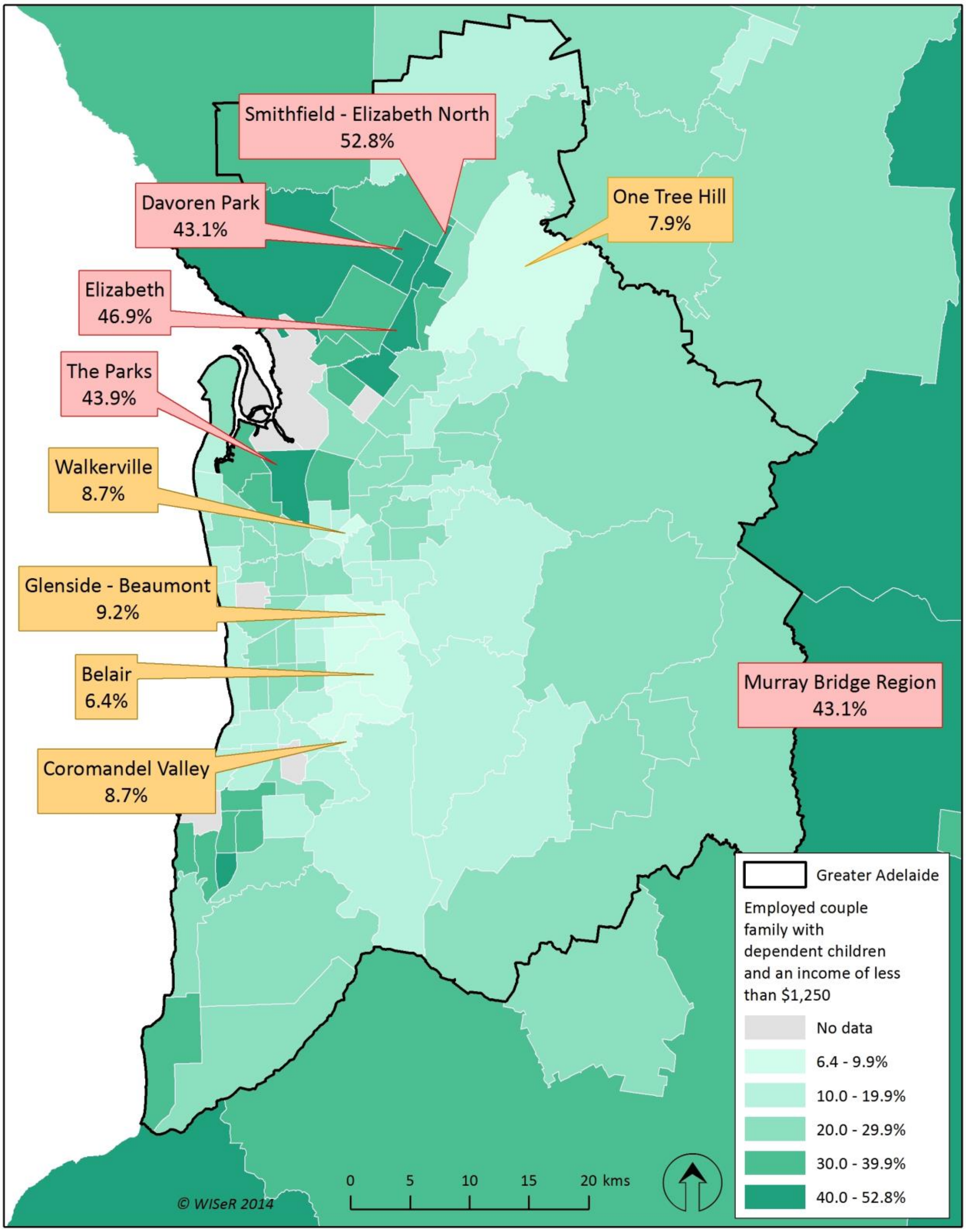
The LGAs with the highest concentration of low income families were Elizabeth (City of Playford), Salisbury and Port Adelaide-Enfield where over 30% of families with children earned less than $1,250 per week and over 40% earned less than $1,500 per week. The lowest concentration of low income families with children was in the more affluent suburbs of Glenelg (City of Holdfast Bay), Mitcham, Unley and Burnside. The percentage of vulnerable low income couple families with children in regional and non-metropolitan areas of the state was about 10% higher than in the metropolitan area as a whole.

TABLE 28: TOTAL FAMILY INCOME FOR WORKING COUPLES WITH CHILDREN, ADELAIDE LGAS AND SOUTH AUSTRALIA, 2011

	No. of families earning less than $1250 per week	% of families earning less than $1250 per week
Playford	2476	35.7
Salisbury	3972	32.9
Port Adelaide/Enfield	2916	30.7
Onkaparinga	3830	24.6
West Torrens	1333	24.6
Charles Sturt	2153	23.5
Campbelltown	1099	23.0
Adelaide	142	22.6
Marion	1598	21.0
Tea Tree Gully	1833	18.7
Prospect	327	15.6
Norwood, Payneham, St Peters	443	15.4
Holdfast Bay	327	11.9
Mitcham	799	11.8
Unley	369	10.3
Burnside	442	10.2
Adelaide Metro Area	25,899	22.6
Non-metro South Australia	9821	31.0
South Australia	35,720	24.4

Source: ABS 2011 Census Cat. 2005.0 Expanded Community Profiles. Table X09

MAP 6: PROPORTION OF EMPLOYED COUPLE FAMILIES WITH DEPENDENT CHILDREN WITH INCOMES LESS THAN $1,250 PER WEEK, SOUTH AUSTRALIA SA2, 2011



Source: ABS 2011 Census

6.1.2 POVERTY AND LOW INCOME WORKING COUPLES WITH CHILDREN

Along with single parent households, low income couples with children constitute one of the most vulnerable groups likely to have incomes below the poverty line. The level of financial vulnerability of couple families with children is influenced by a number of factors other than simply the household income level. The number of children in the family is a critical factor in determining the standard of living of that family.

At the time of the most recent Census, the Melbourne Institute of Applied Economic and Social Research estimated that the poverty lines for families with different numbers of children were as follows:

TABLE 29: POVERTY LINES, AUSTRALIA, JUNE QUARTER 2011

Family unit	Income per week
Couple, one child	$717.92
Couple, two children	$838.59
Couple, three children	$959.26
Couple, four children	$1079.94

Source: Melbourne Institute of Applied Economic and Social Research, Poverty lines: Australia. June quarter 2011.

Using the above June 2011 estimates of Australia's poverty lines as a guide, Table 30 indicates the percentage of South Australian couple families with children that were living below these estimated poverty lines at the time of the last Census. Amongst the more than 52,000 couple families with one child, it is estimated that approximately 7% or 3,640 families were below the estimated poverty line of $718 per week. For the almost 65,000 couple families with two dependent children it is estimated that over 8% or 5,200 families were living below the poverty line. For the more than 22,000 couple families with three dependent children it is estimated that over 15% or 3,300 families were living below the poverty line. While for the more than 5,000 couple families with four dependent children it can be estimated that over 20% or 1,000 families were living below the poverty line. Assuming the poverty line for families with five or more children was at least the same as for that for four children it is estimated that at least 20% or 300 families were also living below the poverty line.

Accordingly, the more children in a family, the greater likelihood the family were living below the poverty line. Moreover, this means that there were a total of approximately 13,440 couple families with children living on incomes below the poverty line in South Australia at the time of the last Census. The combined number of adults and children living below the poverty line in these couple family households was approximately 56,300 persons (not including other non-dependent family members).

TABLE 30: INCOMES OF COUPLE FAMILIES BY NUMBER OF DEPENDENT CHILDREN, SOUTH AUSTRALIA, 2011

Couples with nos of dependent children:	Number of families	% earning					
		< $400 per week	< $600 per week	< $800 per week	< $1000 per week	< $1250 per week	< $1500 per week
One	52,634	2.1	5.0	10.6	16.8	25.4	34.5
Two	64,464	1.5	3.6	7.7	13.4	22.4	32.4
Three	22,568	1.7	4.2	9.0	15.4	25.2	35.5
Four	5,266	2.3	6.5	12.5	19.4	30.7	41.8
Five	1,075	2.6	8.6	15.1	24.5	36.2	45.4
Six or more	483	0.4	11.4	21.7	31.7	43.1	53.8

Source: ABS 2011 Census Cat. 2005.0 Expanded Community Profiles. South Australia. Table X09

6.1.3 LABOUR MARKET EXPERIENCES OF LOW INCOME WORKING COUPLES WITH CHILDREN

Changes to family wellbeing are closely associated with changes in household members' relationship to the labour market and income levels. The relationship of couples with children to the labour market can be one of the key factors in creating vulnerable low income households. Table 31 shows the changing labour force patterns of couples with children between 2001-2011. It reveals that in 2001, 26.5% of couples with children had one partner working (either full-time or part-time) while the other partner remained at home – the traditional male breadwinner pattern. By 2011 this percentage had declined to 23%. The number of families with children who have two full-time breadwinners has increased over the past decade. The percentage of families with children with both parents working full-time has increased from 17.9% to 18.6%.

A much larger percentage of households (32%) in this low income working couples with children cohort continue to conform to a 'modern' male breadwinner model in which one partner works full-time while the other works part-time. The percentage of couples with children in this category has also been rising over the past decade – from 28% to 32% over the decade 2001-2011. The percentage of households in which partners with children both work part-time has grown from 3.6% to 4.1% over the past decade.

TABLE 31: COUPLE FAMILIES WITH CHILDREN AND LABOUR FORCE PARTICIPATION, SOUTH AUSTRALIA, 2001-2011

	2001		2011	
Couple families with children	**No.**	**%**	**No.**	**%**
Both parents employed full-time	31,437	17.9	33,151	18.6
Both employed part-time	6,238	3.6	7,333	4.1
One employed full-time, one part-time	49,001	27.9	56,772	31.8
One employed full-time, one not working	36,662	20.9	32,408	18.2
One employed part-time, one not working	9,827	5.6	8,878	5.0
Both not working	21,183	12.1	15,190	8.5
Other (not clearly defined)	20,819	11.9	24,705	13.8
Total	**175,167**	**100.0**	**178,437**	**100.0**

Source: ABS Cat. 2003.0 Census Time Series Profile. South Australia. Table T29

The number of families with children where both partners are without paid work remains quite high in South Australia. In 2001, 12.1% of couple households with children had both partners without paid work. By 2011, however, this percentage had reduced to 8.5%.

There is of course a close relationship between the labour force participation of couples in a household and their standard of living. As illustrated in Table 32, for those households in which both partners work full-time or where one works full-time and the other part-time, a relatively small percentage (6.2% and 13.5% respectively) earned a household income of less than $1,250 per week. However, for households where both were employed part-time (33.9%), or where there was only one employed partner either full-time (30.8%) or part-time (49.3%), or where both were unemployed (61.8%), the percentages that were in this low income category were much higher.

Table 32: Labour force status of low income couple families with children, South Australia, 2011

Couple families with children	% of families earning less than $1,250 pw	% of families earning less than $1,500 pw
Both parents employed full-time	6.2	11.7
Both employed part-time	33.9	46.8
One employed full-time, one part-time	13.5	23.9
One employed full-time, one not working	30.8	43.8
One employed part-time, one not working	49.3	59.4
Both not working	61.8	70.4
Total	**23.0**	**32.4**

Source: ABS 2011 Census Cat. 2005.0 Expanded Community Profiles. South Australia. Table X41

6.1.4 Housing and low income working couples with children

The cost of housing makes a significant impact on the living standards of low income families. Table 33 shows that around one-fifth of lower income couples with children owned their own homes outright. This was similar to home ownership amongst couple families with children across all income categories. However, there were significantly fewer lower income families purchasing their homes and paying off a mortgage. Conversely there was a much larger proportion of lower income families having to pay for rental accommodation.

Table 33: Housing tenure of low income couple families with children, South Australia, 2011

Housing tenure	Housing tenure of all couple families with children	Housing tenure of low income couple families with children earning less than $1,250 pw	Housing tenure of low income couple families with children earning less than $1,500 pw
Own outright	22.2%	21.0%	20.8%
Purchasing with mortgage	58.2%	43.0%	47.3%
Renting	17.4%	32.6%	28.9%
Other	2.2%	3.4%	2.9%
Total	100.0%	100.00%	100.00%

Source: ABS 2011 Census Cat. 2005.0 Expanded Community Profiles. South Australia. Table X14

6.1.5 The Federal Budget impact on low income couple families with children

The following tables based on modelling undertaken by NATSEM (2014) show the impact, in the short term (2014-15) and over the longer term (2017-18) of Federal Budget and non-budget measures introduced by the Coalition government, on couple families with children. The modelling for the immediate impact (2014-15) suggests that 50.6% of couples with children will be worse off as a result of these measures. The mean annual impact amounts to $432 or 0.4% of these households' income. As Table 34 shows, the dollar impact is greatest for households in the highest income quintile although as a percentage of income the lowest income quintile will lose twice as much (0.8%).

Table 34: Change (%) in disposable income – impact of Federal Budget and non-budget measures on couple families with children, Australia, 2014-15

	No. of families in each income quintile	% worse off in each income quintile	Mean annual impact	Mean weekly disposable income	% change
Couple/Children Q1	109,261	88.8%	-$297	$739	-0.8%
Couple/Children Q2	187,129	89.2%	-$286	$1,133	-0.5%
Couple/Children Q3	521,558	84.4%	-$445	$1,470	-0.6%
Couple/Children Q4	764,761	31.9%	-$163	$1,933	-0.2%
Couple/Children Q5	836,963	33.0%	-$721	$3,351	-0.4%
ALL	**2,419,672**	**50.6%**	**-$432**	**$2,208**	**-0.4%**

Source: NATSEM National and Regional Analysis of the 2014-15 Federal Budget

The modelling for the longer term impact (2017-18) reveals a much more severe impact on couples with children on lower incomes. It suggests that by 2017-18 just over 40% of all couples with children will be worse off as a result of these measures. The mean annual impact amounts to about $800 or 0.6% of all couples with children's income. However, for couples with children in the second and third lowest income quintiles this loss amounts to between $2,300 and $2,560 per year or between 2.8% and 4.0% of income from 2014-15. At the same time though, those in the top quintile actually end up almost $500 pa better off.

Table 35: Change (%) in disposable income – impact of Federal Budget and non-budget measures on couple families with children, Australia, 2017-18

	No. of families in each income quintile	% worse off in each income quintile	Mean impact	Mean disposable income	% change
Couple/Children Q1	-	94.8%	-$2,780	$810	-6.6%
Couple/Children Q2	176,165	91.6%	-$2,559	$1,220	-4.0%
Couple/Children Q3	575,056	88.4%	-$2,356	$1,591	-2.8%
Couple/Children Q4	814,830	32.9%	-$507	$2,108	-0.5%
Couple/Children Q5	923,467	3.4%	$478	$3,641	0.3%
ALL	**2,489,518**	**41.4%**	**-$806**	**$2,419**	**-0.6%**

Source: NATSEM National and Regional Analysis of the 2014-15 Federal Budget

The following tables based on modelling undertaken by NATSEM show the different impact on low income working couples with children of different ages of the Federal Budget and non-budget measures introduced by the Coalition government in the short term (2014-15) and longer term (2017-18). The modelling for 2014-15 shows that for low income working couples with children six years and under the immediate impact is a loss of between $978 and $1,113 per year depending on whether their non-government income is zero or up to $80,000 pa. Of course only those couples who are both unemployed would have zero private income. So, for the majority of these lower income couples with two children under six years the immediate loss of income would be just less than $1,000 per annum.

For low income working couples with older children the immediate impact is a loss of around $1,800-$2,000 per year depending on their non-government income. However, again, the loss in percentage terms is considerably higher for those with a lower private income, amounting to over 4% for those with very low private income and 2-3% for those on income closer to $80,000 pa.

TABLE 36: IMPACT OF FEDERAL BUDGET AND NON-BUDGET MEASURES ON WORKING COUPLES WITH CHILDREN AT DIFFERENT INCOME LEVELS WITH CHILDREN OF DIFFERENT AGES, AUSTRALIA, 2014-15

Family Type	Private income per annum	Disposable income pre-Budget	Disposable income after Budget	% reduction	Difference per annum
Couple - 2 dependants ages 4 & 6	0	39,313	38,200	-2.8%	-1,113
	$10,000	44,769	44,150	-1.4%	-619
	$20,000	48,570	47,857	-1.5%	-713
	$30,000	51,641	50,712	-1.8%	-929
	$40,000	53,813	52,913	-1.7%	-900
	$50,000	57,260	56,313	-1.7%	-948
	$60,000	61,517	60,539	-1.6%	-978
	$70,000	66,017	65,039	-1.5%	-978
	$80,000	70,817	69,839	-1.4%	-978
Couple - 2 dependants ages 8 & 14	0	40,556	38,582	-4.9%	-1,973
	$10,000	46,012	44,038	-4.3%	-1,973
	$20,000	49,813	47,840	-4.0%	-1,973
	$30,000	52,884	51,095	-3.4%	-1,789
	$40,000	55,056	53,296	-3.2%	-1,760
	$50,000	58,503	56,696	-3.1%	-1,808
	$60,000	62,760	60,922	-2.9%	-1,838
	$70,000	67,260	65,422	-2.7%	-1,838
	$80,000	72,060	70,222	-2.6%	-1,838

Source: NATSEM National and Regional Analysis of the 2014-15 Federal Budget

The modelling for the longer term impact of these measures reveals a much more severe impact on working couples with children. For those with children six years and under, the longer term impact is a loss of between $1,993 - $2,265 per year. However, the loss in percentage terms is relatively even at around 3.0% - 3.3% across all private income levels up to $80,000 – with the exception of those with private income of around $50,000 (2.5%) and $60,000 (3.6%).

For working couples with older children (for example, eight and 15), the longer term impact is more severe again, involving a loss of around $4,534 - $6,350 per year with those with higher non-government income losing more. The loss in percentage terms is quite similar for all those with private income levels up to $80,000, ranging from 8.6% for those with private incomes of $20,000 to 10% for those on $40,000.

Table 37: Impact of Federal Budget and non-budget measures on working couples with children at different income levels with children of different ages, Australia, 2017-18

Family Type	Private income per annum	Disposable income pre-Budget	Disposable income after Budget	% reduction	Difference per annum
Couple - 2 dependants ages 4 & 6	0	42,210	40,217	-4.7%	-1,993
	$10,000	47,666	46,167	-3.1%	-1,499
	$20,000	51,294	49,701	-3.1%	-1,593
	$30,000	54,332	52,541	-3.3%	-1,791
	$40,000	56,783	55,076	-3.0%	-1,707
	$50,000	58,703	57,226	-2.5%	-1,477
	$60,000	63,399	61,134	-3.6%	-2,265
	$70,000	67,899	65,634	-3.3%	-2,265
	$80,000	72,699	70,434	-3.1%	-2,265
Couple - 2 dependants ages 8 & 14	0	43,547	39,013	-10.4%	-4,534
	$10,000	49,003	44,469	-9.3%	-4,534
	$20,000	52,631	48,097	-8.6%	-4,534
	$30,000	55,669	50,679	-9.0%	-4,990
	$40,000	58,120	52,329	-10.0%	-5,791
	$50,000	60,040	54,479	-9.3%	-5,561
	$60,000	64,736	58,387	-9.8%	-6,350
	$70,000	69,236	62,887	-9.2%	-6,350
	$80,000	74,036	67,687	-8.6%	-6,350

Source: NATSEM National and Regional Analysis of the 2014-15 Federal Budget

6.2 Two case studies of low income families with dependent children

The NATSEM modelling of the Federal Budget's impact on families with children outlined in Section 6.1.5 highlights the importance of the federal government assistance to families though the tax-benefit system to offset some of the costs of raising children. The Coalition's Federal Budget involves significant changes to Family Tax Benefits- A and B with an estimated savings of $7.4 billion across the forward estimates (see Appendix B of this report). These large reductions in assistance to families with children are the second largest contributor to savings after the $7.6 billion cuts to the foreign aid budget. The modelling shows that along with single parents, low income couples with children will bear the brunt of the Coalition's Federal Budget cuts, an indication of the budget's unfairness.

Families with children will be affected by the Federal Budget differently according to their particular circumstances and in many ways not captured by the economic models. The analysis in Section 6.1 highlights how factors such as location, labour market participation and housing tenure in South Australia can serve to aggravate or reduce the Federal Budget impacts on families with children.

Below are two stories of employed couple families with children that further explore the different ways the Federal Budget impacts on such families.

6.2.1 Tracy and Martin's story: a couple family with three children in Whyalla SA

Tracy and Martin live in the regional centre of Whyalla working and raising their family.

While both of them have spent time living away from Whyalla they have deep roots in the town with a large extended family of parents and siblings. They have experienced the town in different stages of growth and decline. Their parents lived with the threat of unemployment with the loss of the shipbuilding industry and restructuring of OneSteel. This family now faces increasing uncertainty around their own jobs in the public health and education sectors.

Tracy and Martin are both in their mid 30s and each have a child from a previous marriage having experienced a period of being single parents before they married two years ago. They are the primary carers of their children now aged ten and seven. As a couple they are expecting a baby soon.

Tracy studied at the Whyalla campus of the University of South Australia for her first degree and as a distance education student for her postgraduate qualification, making her the first member of her family to get a university education. Martin has a post secondary qualification gained at the local TAFE.

Both parents work part-time as full-time work is not easily obtained and full-time work would make it difficult to manage their care commitment around their children. They recognize that if had to put their children in after school care then these costs would chew up any extra income. Tracy works at the local hospital on a permanent part-time basis with regular hours. She is the main income earner. Martin's work in education sector is less secure with casual six or 12 month fractional contracts without pay during school holidays. Their combined household income, including benefits is around $80,000. Tracy will take a combination of maternity and long service leave for five months when the baby is born, a workplace benefit which she acknowledges is central to their budgeting and the well-being of their family.

Both parents receive government income support in the form of FTB-A and expect that this will increase with the third child with this helping with the grocery bill. Tracy receives a child support payment for her daughter from the child's father as required under the federal government child support system. They also receive the Schoolkids Bonus and the Clean Energy Bonus. The children, and Tracy being a health worker, access bulk-billing for doctor and Medicare services, Child Health Services are utilized and the new baby will receive free immunizations. The baby will be born at the Whyalla hospital providing it is not a premature or difficult birth. The older children attend the local public primary school.

Tracy is the household money manager and prides herself as being a good manager of a tight budget. Debt was a problem in her first marriage and she is determined not to be in a similar situation again. Her strict budget has sub-accounts covering all expenditures and income that enables her to track spending and stay out of debt. The couple live in the home that Tracy has been buying since her first marriage and their mortgage is the largest single expenditure item. Tracy pays more than the required monthly payment when she can to insulate them against future financial contingencies that would deplete their budget, including a rise in home loan interest rates. Insurances are seen to be a necessary large area of expenditure (house, car, mortgage, health extras) as is food. The School Kids Bonus is used to cover school fees and uniforms. School camps costing over a $100 have to be budgeted for carefully as unexpected costs can easily become a financial pressure. The children's sports and extra curricular activities involving uniforms, equipment, fees, attending performances and costumes, are expensive but so far they are managing. Utility costs have been kept under control with a solar hot water system while one of the retired parents caravanning around Australia is currently parked in the backyard and making a financial contribution to utility costs. Tracy sees their mobile phones and internet as an area that could be cut if savings have to be made.

Living in Whyalla costs this household more in some ways than living in Adelaide. Petrol is an added cost of $200 with each visit to Adelaide for a specialist or a special treat like taking the children to the annual show. Visits to Adelaide also involve accommodation costs. Fruit and vegetables are dearer and there is less variety. Transport costs can be high for bringing household goods from Adelaide to Whyalla. A particular issue of concern for this family has been the pregnancy because deliveries at 34-37 weeks require a trip and stay at the Port Augusta hospital. There is no support for travel or accommodation if Tracy has to go to Port Augusta to have her baby. More premature births require attendance at an Adelaide hospital with the state government Patient Assistance Transport Scheme (PATS) proving assistance with travel and accommodation. Tracy and Martin consider themselves fortunate that there are no serious health problems for their family as they have seen others experience high health costs when regular visits to Adelaide have been necessary.

This household is strongly supported by unpaid care activities contributed by both Tracy and Martin and the extended family. The household does not have to pay for after school care during the school term or in the holidays. Tracy and Martin's retired parents are active and assist with the children's care. Tracy will need to return to work after five months and either the extended family will provide childcare or Martin, being the casual worker and lower income earner, will reduce his hours of work.

Job uncertainty in Whyalla is the issue that most concerns this couple. Martin already lives from contract to contract in the education sector. The early childhood area where he works is under threat with rising fees forcing parents to make other arrangements for childcare. Combined with the low pay of childcare workers he feels considerable job insecurity. While Tracy feels relatively secure with a permanent position she knows colleagues at the Whyalla hospital facing job losses and that the cuts to employment impact adversely on public services. The new hospital theatre is now only operating for four days a week. The worse case scenario for this couple would be loss of their jobs forcing them to leave the town but losing working hours would make things very difficult.

While Tracy and Martin were aware of the proposed cuts to benefits and public services in the Federal Budget and this was the source of concern for the future they were unclear about the details. Tracy said if she watches the domestic and international news while pregnant she feels particularly emotionally vulnerable and ends up in tears. Martin is unhappy about the future axing of the Gonski education reforms and believes they will adversely impact on Whyalla public schools. He thinks the quality of education needs more attention. Some children in the public school system also need more resources in the form of one-on–one attention to finish their schooling. Tracy and Martin are concerned that their children may be locked out of educational opportunities in the future. Tracy has put a bit of money away each week for her daughter since she was born with the view that it might have helped her buy a house or some asset to set herself up. Now Tracy thinks she will need to draw on this money for children's education. It took Tracy six years to pay off her HECS debt when she returned to full time work. Higher university fees would likely to be a barrier for her children attending university especially if they had to live in Adelaide to undertake their degrees and needed support for paying accommodation and travel costs. 'It would be sad if they couldn't reach their full potential' Tracy commented.

While this couple were not concerned about costs associated with the care of their parents in the medium term as they were thought to have 'good superannuation', Tracy and Martin were struggling to build up their own superannuation at this stage of their lives. Both receive employer SGC contributions on their fractional time incomes and Tracy makes an additional contribution to her fund but Martin does not. Their savings are less than Martin's weekly income and they do not see themselves being able to do more over the next few years.

The Federal Budget is seen by this couple as 'definitely important as it does impact on their household finances and services'. However, they believe they are experienced and skilled at managing a tight household budget if government benefits and services decline. Their extended family provides them with time and they know that the family would assist with short-term financial support if they asked for it. However, if Tracy and Martin were to lose their public sector jobs this would be an problem of a much larger scale as would be the a policy direction which in the future priced their children out of post-secondary education.

6.2.2 Cassie and Myles' story: a couple family with one child, Kilburn SA

Cassie 31 and Myles 42 are a recently married couple who met 10 years ago through a shared love of live music. They live in Kilburn in a rental housing trust home with Cassie's 13 year-old son, Tim, from a previous relationship. Over the past decade this couple has faced many challenges and have responded by making positive changes in their lives. They are now at a point where their lives could become financially less constrained but sharp reductions in employment opportunities and in government services and benefits, particularly in areas of health and education, could severely undermine this possibility.

When Cassie and Myles formed a household with Cassie's young son they lacked money and other resources and lived a very frugal lifestyle in a housing trust rental. Cassie had been receiving the single parent benefit and allowances for two years and had tried to finish high school, initially through a program for young single mothers. Myles was working for a T-shirt company where he learnt, on-the-job, graphic design and computer programming for the embroidery machines but his wage was very low. He too had left school early. At the beginning of year 11 he took the advice of the Principal of his north western suburbs school to get a job. For 25 years Myles has worked in various jobs (as a gardener, warehouse packer and textile worker). These jobs have frequently disappearing with the business folding or being taken over by another company. However, Myles had always sought another job and prided himself on 'never having received a dole cheque'. He adds that his band made a financial loss so there was no alternative to having a day job. Cassie, in the context of a supportive relationship with her son beginning school attended Marden High School and finished year 11 and 12. In 2007 Cassie was accepted into a degree at the TAFE School of Art. She studied full-time, parented her son who had been diagnosed with special needs, and worked part-time in the retail industry. Myles' minimum wage in the textile industry made Cassie eligible to receive a parenting benefit at a similar level to the sole parent payment.

After graduating with her art degree Cassie was unable to find full-time work and worked casually in retail for a couple of years. She then applied to do a Masters Degree in teacher education to enhance her job opportunities. She is now a registered teacher but has not been able to find teaching work so continues to work casually in retail to support the family. The seasonal nature of casual retail work means Cassie is underemployed for half the year effectively making her a half time income earner. Cassie receives a carer's payment of $59 per fortnight for her special needs son and Family Tax Benefit A of $29 per fortnight. After seven years in the textile industry Myles has got a new job in the state government in medical warehousing with a higher wage. Cassie and Myles's combined income is $75,000.

Cassie shares parenting time with Tim's father although the father's shift work has made genuinely shared care arrangements difficult. When Tim was eight years old he was assessed as Asperger's and ADHD. It took a long time to get 'through the system' and Myles commented that if Cassie had been from a middle class family with resources it would have happened earlier. The relatively late age for the assessment meant he missed out on early intervention strategies. Cassie and Myles have been concerned that the northern primary school Tim has attended has not been well resourced for special needs children. Tim has been able to receive some services through Autism SA who help the school but the waiting list for additional services is very long. Cassie has come to the view that Tim doesn't need these support services as much as other children so she believes in making way for families of greater need. For these reasons, for example, she has also never accessed respite care for Tim.

Tim begins high school next year and has been accepted into a public school that specializes in an area for which he has a passion. Cassie is worried about his low level of literacy skills. Myles is more optimistic about Tim as he believes that having a passion for something 'changes how you respond'. Cassie is hopeful that with good support at the new school it could lead to work opportunities that will allow Tim to be independent in the future. Neither Cassie nor Myles were aware of the NDIS roll-out or Tim's potential eligibility, having received no information through the school or other service providers.

Cassie and Myles pay the full housing trust rental of $250 per week for their poorly maintained attached dwelling that has neither heating or cooling. Cassie and Myles describe the neighborhood as 'not the most pleasant'. In their view it used to be 'terrible' with high unemployment, drugs, domestic violence and child abuse. Since it has undergone some redevelopment into a wider mix of private and public housing and greater diversity of race, cultures and age, it has improved. However, it is noisy to all hours with a large unemployed family 'living in compete squalor' nearby being visited by the police and the DFCS. There is little community support and no playgrounds for the children, although they have friendly exchanges with the immediate neighbors. Both Cassie and Myles have family support. Cassie's parents are divorced but she has regular contact and childcare assistance from them, particularly from her father. Myles regularly sees his family but his mother died this year. He now shares decisions about care of his father with his brother - a single father who has shifted back to the family home.

After rent the larger expenditures of the household are groceries, petrol, utilities and health. Living in the area they do they have a local GP who bulk-bills which keeps their health costs down. They pay for basic private health insurance because Cassie has a skeletal problem that requires regular physiotherapy and she needs glasses. Tim has a regular medication but has his own health care card because of his shared parenting. Cassie and Myles believe that the introduction of a $7 GP and Medicare services co-payment would affect their budget and reduce their access to health care.

Cassie manages the money she earns carefully. Myles says he is 'bad with money' but both recognize there is little spare capacity so they live a fairly frugal existence financially. They took out a modest personal loan that financed their wedding and their car after Cassie qualified as a teacher. The rent and food 'get paid first and foremost' along with the loan repayments and sometimes they use their credit card to fund unexpected large bills. They always make the minimum payments on the credit card. They do not have any savings. Both have negligible superannuation balances as a result of low pay and casual work for many years.

They would love to buy their own home but even if they had a deposit the 'mortgage would kill them at the moment'. Myles says he sees this with the families he works with where the 'breadwinner' earns similar wages (less than $50,000 a year). Some have had to sell their houses and move in with their parents in order to get out of debt. Their aspiration is to buy a home in Enfield which is where Cassie grew up but realize that affordable housing for them is a long way off and would mean moving a long way out of the city.

Cassie and Myles believe the Federal Budget will impact negatively on them as it is about reducing benefits and services. They perceive their ability to manage any negative impacts as being strongly related to their employment prospects over the next few years. Myles is developing new skills in his job with SA health implementing a new warehousing package system for hospitals and health units. It may lead to new opportunities and a higher pay in the future. He is aware of cuts proposed for the federal and state public service but does not know what it might mean for his area. He thinks the work of his unit is vulnerable to being contracted out to the private sector. In the second half of 2014 Cassie's casual work hours in retail were reduced as her employers responded to the drop in sales and she believes she could be made redundant if retail sales continue to decline. She knows there are few teaching contracts being offered in her area. Also she is restricted to metropolitan schools in order to parent Tim under the shared parenting arrangement with his father. Cassie's strategy is to find temporary relief teaching (TRT) and she plans to go to conferences to make contacts and develop networks in order to secure TRT and begin her teaching career.

6.3 The vulnerability of low income working couple families with children

Low income working couple families with children are severely impacted by various measures contained in the 2014-15 Federal Budget. In particular, the impact is likely to be felt from measures that reduce support for children. The AMP-NATSEM wealth report in 2013 shows that the cost of raising children between 2007-2012 has risen much faster than the incomes of low and middle income parents. These costs are substantial with low income working families like Tracy and Martin (quintile 2 in Table 34 and Table 35) facing an average weekly cost of $362 for their two children and a further cost of $112 per week for their newborn, totaling $474 per week in 2012 dollar values.

Cassie and Myles' teenager on average would cost $194 per week but his special needs would involve additional costs (see Box 4). Government support is crucial for low income families in offsetting the costs of raising children. Box 4 shows families in the bottom 20% of the income distribution rely heavily on payments for children with the main one being Family Tax Benefit A and B. Low income couples with both parents working like Tracy and Martin and Cassie and Myles do not receive FTB-B. Other payments included in the AMP-NATSEM wealth study are the School Kids Bonus, Baby Bonus and the Clean Energy payments that are generally paid at the full amount for low and middle income families.

The cost of raising children and the importance of government family payment means reductions in family payments will increase the vulnerability of low income couple families with children. The modeling in Section 6.1.5 indicates that this vulnerability will increase over time with the full implementation of the Federal Budget measures and as the children become older.

Box 4: Government assistance toward the cost of raising children in Australia

The cost of raising two children for a typical middle income family has risen by around 50% between 2007 and 2012 but household incomes over the same period have only grown 25%. It costs a middle income family $812,000 to raise their two children, while the costs are $474,000 for lower income families and $1,097,000 for higher income families.

Table 38 shows the average low-income family spends $320 per week on children while the average government benefit received is $274 per week leaving a net cost of $46 per week and a lifelong cost of $55,392. Middle income families spend a great deal more on their children and receive vastly less government assistance with a net cost of $375 per week and a lifelong cost of $449,513. The high income family spends $734 per week and receives, on average, just $1 per week in assistance. The high income family spends $878,862 over the life course of their children.

Table 38: Average cost of children and government support

Gross	Average cost $ per week	Subsidy $ per week	Net cost $ per week	Lifelong $
Low	320	274	46	55,392
Middle	458	83	375	449,513
High	734	1	733	878,862
Average	488	111	377	452,388

Source: Philips, B, Li, J, Taylor, M (2013) Cost of Kids: The cost of raising children in Australia, AMP.NATSEM Wealth Report, Issue 33, May, Sydney pp 1, 7
Notes:
(1) The estimated average weekly gross income in December 2012 of couples with children in the lowest income group is $1,160, $2,274 for middle income groups and $4,984 for high income families.
(2) The main payment in 2012 is Family Tax Benefit. The other family payments included this study are the School Kids Bonus, Baby Bonus and clean energy payments which are generally paid at the full amount for low and middle income families.

The superannuation measures in the Federal Budget, while not in the modelling, will serve to increase the vulnerability of low income working couples over the long run. Related to the repeal of the Minerals Resources Rent Tax and linked to the revenue budgeted for that tax are two changes. One is the delay to the increase in the Superannuation Guarantee Charge so that the 12% rate is not reached until 2025 or 6 years after the previous government's time frame. The other is the abolition of the Low income Superannuation Contribution (LISC) in 2017 which refunds $500 to those earning less than $38,000 to their superannuation funds effectively rebating the higher tax paid on their contributions.

According to Jim Minifie from the Grattan Institute, the reduced SGC will lower superannuation contributions by 13 percent over the next decade for an average worker who has recently joined the workforce. This could result in a reduced retirement balance of about five percent, or $40,000 (White 2014).

The stories of the low income working couples in Section 6.2 highlights their reliance on the SGC contributions as budgets are limited for extra contributions. The abolition of the LISC will amplify the impact of the SGC on retirement savings for part-time and other low income workers as they will pay more tax on contributions to superannuation than they would on their income. Women are disproportionally represented amongst low income earners and accumulate half the superannuation savings as men so the changes to superannuation will increase their economic vulnerability in retirement and potentially cost the public purse more down the track.

Both Tracy and Martin and Cassie and Myles are low income couples with children, both parents working with the mother having gained a university education. These women are very good managers of the household budget and are careful about debt. These families are not the poorest of the low income couples with children being located in the second quintile of the income distribution. They are cautiously optimistic about their opportunities to improve their family finances in the future.

In a myriad of ways however the finances and future well-being of these families can turn out badly. The threats to public sector employment in health and education can leave any of these two families with one parent or both unemployed or with insecure jobs. Both families live in local government areas – Whyalla and Port Adelaide- Enfield with high unemployment. Decreased government support for offsetting the cost of raising children will increase the vulnerability of these working families. Neither Tracy and Martin nor Cassie and Myles have used, or plan to use, childcare, after school care or respite care outside of the extended family because of its high cost or difficulties in accessing it. They juggle their paid work in order to fulfil their unpaid work commitments.

Over the next few years both families will lose the Schoolkids bonus, experience a decline in the value of FTB-A and the Clean Energy Supplements and potentially face higher health costs and difficulties in accessing hospital services. They may become increasingly concerned with the quality of their children's education with failure to implement the Gonski reforms and funding. As a result these families may become less resilient and more vulnerable with family members less able to take up opportunities.

7 CONCLUSION

The 2014-15 Federal Budget is likely to have significant negative direct and indirect impacts on the majority of South Australian households. In particular, the vulnerable households examined in this study, sole parent families, aged persons and low income couple families with dependent children, face increased risk of economic hardship. This risk increases from 2017 when all the Federal Budget measures come on stream.

These Federal Budget measures contain large cuts to health, education, income support and family assistance that will reduce the social safety net for all South Australians. As the social safety net shrinks, risk is shifted to individuals and families, or privatised. How families manage risk in the context of greater economic insecurity varies but these case studies show that marked increases in vulnerability are the likely outcome from with the Federal Budget strategy adopted by the federal Coalition government.

Finally, the federal Treasurer's rhetoric about 'lifters and leaners' that provides one of the underpinning rationales for this Federal Budget ignores the vast amount of productive, but unpaid, contributions South Australians make to the state's economic and social well-being. This study highlights the social and economic contributions made by vulnerable households and in particular by women in caring for children, the sick, the disabled, the elderly and those others who contribute to building sustainable and resilient communities. The Coalition's budget strategy, by putting already vulnerable households under further financial and time pressures, is likely to undermine South Australia's social and economic fabric.

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Appendix A. Modelling impact of Budget measures on South Australians

There are two NATSEM analyses used in this report that model the impact of Federal Budget and other measures introduced by the Coalition on South Australians. The NATSEM (WISeR 2014) *National and Regional Analysis of the 2014-15 Federal Budget* focuses on South Australia. It is based on the same assumptions and modelled changes as per earlier post-budget modelling undertaken by the NATSEM Budget 2014-15 Analysis (NATSEM, 2014) with a few important changes to adjust for post-budget announcements and with the Newstart allowance modelled as per the new policy with a 6 month waiting period for persons aged under 30 (see Table 39 for budget measures included in the modelling).

Table 39: Changes modelled in the NATSEM analysis (WISeR 2014)

2014-15 Budget Specific measures:		Commencing
1	Family Tax Benefits (FTB) special supplement moved onto a lower special supplement of $750 per child for maximum rate FTB A recipients	1 July 2015
2	FTB B $100,000 income limit on primary income earner (reduced from $150,000)	1 July 2015
3	FTB B removed from families with children aged over five years (most families are grandfathered through 2015 and 2016 and not transferred to (1) until 2017.	New recipients from 1 July 2015; existing recipients from 1 July 2017
4	FTB payment freeze for two years.	1 July 2014 to 30 June 2016
5	Remove higher income per child add-on for top income threshold for FTB A	1 July 2015
6	Reduce FTB A and B supplements	1 July 2015
7	Large family supplement – remove from families with three children only	1 July 2015
8	Clean Energy Supplement freeze.	1 July 2014
9	Shift Newstart Allowance recipients under the age of 25 to the lower Youth Allowance	1 January 2015
10	Apply CPI indexation to pensions	Single parents from 1 July 2014; Pensions from 1 July 2017
11	Maintain eligibility thresholds for income support payments (rather than indexing with CPI)	1 July 2014
12	Pension Education Supplement removed.	1 January 2015
13	Start-up scholarship removed.	1 July 2014
14	Senior Supplement removed.	20 September 2014
15	Dependent Spouse Offset removed.	1 July 2014
16	Mature Age Worker Tax Offset removed.	1 July 2014
17	Temporary Budget Levy introduced as 2% for dollars earned above $180,000 per annum	2014 to 2016 only
18	Excise on automotive fuel indexed with CPI	1 July 2014
19	A six month waiting period for young unemployed persons in receiving the Newstart and Youth (other) Allowances.	1 January 2015
Non-budget measures introduced prior or adjusted post- 2014-15 Budget by the Coalition:		
20	Carbon price removed (assuming a 2014 transition to an Emissions Trading Scheme and Pre-election Fiscal Outlook assumed prices)	1 July 2014
21	School Kids Bonus income tested at $100k (previously removed in 2014-15)	1 January 2017
22	Income support bonus (previously removed in 2014-15)	1 January 2017

To analyse these measures NATSEM uses the STINMOD model of the Australian tax and benefits systems. This model is based on very detailed information from a sample of 44,450 actual families in the two latest ABS Income surveys (2009-10 and 2011-12) and further data on non-private dwellings from the 2006 ABS Census.[10]

The surveys are updated with respect to their population, price and income data to 2014-15 using appropriate assumptions around wages, prices, ATO taxation data and demographic population change. NATSEM developed this model for the Commonwealth of Australia and the model has been used by Treasury, social services, employment departments and NATSEM for over 20 years.

The model is a 'static' model of policy change. It is budget convention that measures in the budget do not include 'second-round' effects. It would be expected that the savings listed in the budget papers would take the same approach.

NATSEM used its standard version of STINMOD that has been updated using the most recent data available on wages, CPI, taxation data, unemployment statistics, population data and government sourced administration data for government benefits such as family payments and pensions. For the forward estimates, NATSEM makes a number of assumptions. The most important assumptions relate to the CPI and wages. For CPI, annual growth of 2.5% is assumed while wages growth of 3.5% is assumed. For 2013-14 CPI (year-on-year) growth is expected to be 3.2%. Unemployment is expected to continue at 5.8% (the budget is moderately higher over the short-term and about the same by 2017) while the participation rates is expected to remain at its current rate of 64.7%.[11]

To develop the regional impact, NATSEM uses its Spatial MSM (Spatial Microsimulation Model) which aligns the STINMOD model with detailed ABS Census benchmarks at the regional level. Spatial MSM removes the weights (which apply to Australia) and replaces those with weights that apply to each region. The new regional weights are estimated using a regression estimator that minimises the difference between the original weights (scaled down to the regional population) and the regional weights subject to a range of benchmarks from the Census. In the case of this budget analysis the impact on families depends heavily on the family income, family type and the labour force status of persons in the family, all of which are benchmarked variables. In this instance, NATSEM believes these estimates should have a high degree of accuracy at the regional level.

[10] Families are defined in STINMOD as 'income units' which includes couples with children, couples only, single parents and single persons. The Budget forecasts a slightly higher unemployment rate projection of 6.25% for 2015 and 2016 and dropping to 5.75% by 2017. The budget participation rate is in the longer term 64.5%. These differences would be expected to make little more than a 'rounding' error of difference to the NATSEM analysis. The unemployment assumption uses the current unemployment rate at the time of STINMOD 14 development – April 2014.

[11] Weights are applied to each sampled record to ensure the sample accurately reflects the population of interest by key known characteristics (e.g. number of persons/households, sex, age).

Appendix B. Key measures in the 2014-15 Federal Budget affecting the most vulnerable groups

Parenting Payment Single (PPS), Carer's Payment and Disability Support Pension and Age Pension indexation changes

1. Parenting Payment Single (PPS), Carer's Payment and Disability Support Pension (DSP) and equivalent pension payments will be indexed by the consumer price index (CPI) instead of the higher increases associated with the male total average weekly earnings (AWE) or the Pensioner and Beneficiary Living Cost index (PBLC) which has been used to calculate the twice yearly indexation (from 1 July 2014 saving $449 million).
2. Freezing of the eligibility thresholds for pension and non pension payments for 3 years (beginning 1 July 2017 saving $1.5 billion).

Disability Support Pension (DSP)

3. Reduced portability with the amount of time to travel overseas by DSP recipients limited to a maximum of 4 weeks in any one year without financial penalty (from 1 January 2015 saving $12.3 million).
4. Comprehensive review of all DSP recipients age 35 and younger who were granted payments between 2008-2011 for continued eligibility (exemptions for severe impairment and DSP recipients prior to 1 January 2008). This would involve a review against the revised impairment tables and an assessment of their work capacity (from 2014 saving $46.4 million).
5. Introduction of compulsory participation in work and a Program of Support requirements for those under 35 years (some exemptions).

Age and Veteran's Pensions, supplements, tax offsets and CSHC eligibility

6. The Assets Test Deeming Rate Threshold setting what pensioners can currently earn from their assets and claim the pension will be reduced to $30,000 from $48,000[12] for singles and $50,000 from $79,600 for couples (from 20 September 2017 with savings of $32.7 million).
7. The age at which people can claim the pension will be raised six months every 2 years from 1 July 2025 to 70 years at 1 July 2035 for people born after 1966.
8. National Partnership Agreement on Certain Concessions for Pensioners Concession Care and Seniors Card Holders (funding council rates, energy, water and sewage, motor vehicle registrations and public transport concession) will be terminated (from 1 July 2014 with savings of $1.3 billion).
9. Enhanced Compliance Review for veterans to ensure change in assets and earnings does not result in overpayment (from 1 July 2014 with savings of $42.1 million).
10. Veteran's Disability Pension to be effective from date of lodgement (from 1 January 2015 saving $38.8 million).
11. Commonwealth Seniors Health Card (CSHC) holders income threshold eligibility will rise in line with the CPI making more people eligible for the CSHC.
12. Untaxed superannuation (account-based pensions or allocated pensions) will be included in the income test for the age pension and for CSHC eligibility making less

[12] Current rate from 1 July 2014 (http://www.humanservices.gov.au/customer/enablers/deeming)

people eligible but doesn't apply to people already with an account-based super pension or receiving the SCHC at 1 January 2015 (from 1 January 2015 saving $20.9 million).

13. Abolition of the Seniors Supplement for CSHC holders including Veterans- $876.20 for singles and $1,342.80 for couples (from 20 September 2014 with savings of $1.1 billion). Age pensioners will continue to receive the Pension Supplement.
14. Abolition of the Dependent Spouse Tax Offset (DSTO) - reduces the tax of tax-payers (maximum $2,286) with dependent spouses born before 1952 with taxable incomes below $9,430 pa (from 1 July 2014 saving $370 million).

Employment of older workers

15. Abolition of the Mature Age Worker Tax Offset (from 1 July 2014 boosting revenues by $255 million).
16. Establishment of a Restart program where employers are paid up to $10,000 to hire people over 50 on unemployment benefits for 2 years or more (from 1 July 2014 costing $220.7 million)

Family Tax Benefit A & B

17. Sole parents and families with one parent at home with incomes between $100,000 and $150,000 will lose Family Tax Benefit B (FTB-B from 1 July 2015 saving $1.2 billion).
18. FTB-B will no longer be paid to families when the youngest child turns 6 years, instead of 18 (from 1 July 2015 with 2 years transitional arrangement and saving $1.9 billion).
19. Single parents on the maximum FTB-A will get a new allowance of $750 for each child aged between 6 and 12 years when they become ineligible for FTB-B (from 1 July 2014 costing revenues $155 million).
20. Freezing of FTB-A & B payments for 2 years (from 1 July 2014-1 July 2016 saving $2.6 billion).
21. Families with 3 children will no longer receive the FTB-A large family supplement (from 1 July 2015 saving $377.8 million).
22. Extra earnings that can be kept per child before FTB payments are affected will no longer apply (from 1 July 2015 saving $211.2 million).
23. End of year FTB supplements are reduced and no longer indexed to cost of living rises (from 1 July 2015 saving $1.2 billion).

Unemployment Benefits (Newstart, Youth Allowance)

24. Eligibility thresholds for non pension payments (childcare benefit and rebate, NewStart Allowance, FTB, Parenting Payments, Youth Allowance) will be frozen for 3 years (from 1 July 2014)
25. Increased waiting period for all working age payments (including Newstart Allowance, Sickness Allowance, Parenting Payment, Widow Allowance and Youth Allowance) with a One-Week Ordinary Waiting Period (OWP) (from 1 October 2014 with savings of $231.7 million over five years)
26. Unemployed people under 30 will only be able to claim Newstart or Youth Allowance (under 24 years and under) for six months of the year, and will have to participate for 25 hours a week in Work for the Dole programs if not studying or training (some exemptions including the principal carer for a child). All new claimants (under 30 years) must demonstrate job search and participation in employment services support for six months before receiving payments After six months, to receive payment, claimants must engage in 25 hours per week Work for the Dole increasing to 25 hours per week (from 1 January 2015; existing claimants subject to arrangements from 1 July 2015 and saving $1.2 billion).
27. The age for Newstart allowance and Sickness Allowance will rise from 22 years to 25

years. Youth Allowance is a maximum of $414.40 per fortnight (from 1 January 2015 with current recipient's 22-24 years remaining on these allowances saving $508.1 million).

28. Eight week loss of payments for all jobseekers who refuse work 'without any good reason' with only one chance to waive the penalty by doing additional activities or proving financial hardship (from 15 September 2014 saving $20.9 million)
29. Job seeking support programs will be ceased including: (1) Career Advice for Parents Program from 2014-15 - saving $5.8 million over four years; (2) Connection Interviews and Job Seeker Workshops from 30 June 2014– saving $4.4 million in 2014-15; (3) Experience+ Career Advice initiative ceased from 1 July 2014 – saving $3.9 million.
30. Access to Job Services Australia (JSA) limited to one occasion for persons not accessing income support saving $52.5 million over four years from 2014-15.
31. Redundancy payments under the Fair Entitlements Guarantee scheme will be aligned to the National Employment Standards reducing the maximum payment for insolvency under the scheme to 16 weeks (from 1 July 2014 with savings of $87.7 million).

Childcare

32. Freezing of the childcare benefit threshold and the cap ($7,500) for the childcare rebate.
33. Family day care fees will increase by $30 plus.
34. Jobs, Education and Raining Child Care Fee Assistance (JETCCFA) childcare additional funding of $35.3m offset by savings from reducing the hours from 50 to 36 hours per week per child; funding capped at eight dollars per hour per child; increased compliance for parents eligible for JETCCFA childcare funding.
35. Cuts to outside school hours care (saving $450 million).
36. Cuts to Indigenous child and family centres with closures of around 38 centres (saving $78 million).

Paid Parental Leave (PPL) Scheme

37. Abolition of Labor's PPL scheme and replacing it with a new earnings related scheme where primary carers (earning up to $100,000) are eligible for 6 months of paid parental leave on full pay i.e. $50,000 (from 1 July 2015 paid for by a 1.5% levy on big business). This is an announced policy in the budget speech but not included in the budget papers.

Education

38. Abolition of the pensioner education supplement (from 1 January 2015 saving $281.2 million).
39. Abolition of education entry payment (from 1 January 2015).
40. Abolition of specialised career advice for single parents (JSAs will continue with a general service).
41. Abolition of the Schoolkids bonus (linked with the abolition of the Mineral Resources Rent Tax) in January 2016 and income testing introduced 1 January 2015.
42. Higher education loan program (HELP) repayment thresholds lowered so that students repay HECs debt sooner and the annual HELP indexation of debt repayments raised in line with the 10 Australian Government bond yield and capped at 6% (from 1 June 2016).
43. Deregulation of university fees and students to pay a greater proportion of course fees (from 14 May 2014).
44. The Commonwealth Grant Scheme subsidies will be extended to higher education courses at the diploma, advanced diploma and associate degree level and will make funding available to non-university providers, including private providers.

45. The rate of spending on schools will decrease from 2018 and the last two years of spending recommended by Gonski and committed to in the previous Labor Government budgets will cease.

Clean Energy Supplement (renamed the Energy Supplement)

46. Ceasing of the indexation of the Clean Energy Supplement (introduced by the previous Labor government to compensate low income households for the carbon tax) fixing it at the rate payable 1 July 2014. The supplement is paid to all welfare recipients (students and adults) at various rates (eg $361.40 per year for single age pensioners and $273 per year for couple pensioners (saving $479.1 million).

Health

47. Increase in co-payments for PBS prescriptions for general (by $5 to $42.70) and concessional patients (by 0.80 to $6.90) and raise the PBS safety net thresholds.
48. Introduction of a $7 Medicare co-payment with visits to the GP and accessing out of hospital services such as x-rays and blood tests (limited to 10 services for concession card holders and children under 16).
49. The Medicare co-payment amount will be used to fund a new 'medical research future fund' (from 1 July 2015 costing $276.2 million).
50. Abolition of Medicare Locals, Labor's primary health care initiative, and the establishment of 'Primary Health Care Networks' encouraged to 'partner with private health insurance' (from 1 July 2015 and funded from existing resources).
51. Full implementation of the National Bowel Cancer Screening program (costing an additional $95.9 million).
52. Restrictions removed on state and territory government's charging emergency department patients (from 1 July 2015).
53. Cease funding guarantees for public hospitals under the National Health Reform Agreement 2011 and revise Commonwealth Hospital funding arrangements (from 1 July 2017 saving $1.8 billion).
54. Abolition of federal funding to the state and territory government under the National Partnership Agreement on improving Public Hospital Services and the National Partnership Agreement on Preventive Health (from 2015 saving $201 million and $367.9 million respectively)
55. Increase the Medicare levy low income household threshold for families to $34,367 for couples with no children and by $3,156 for each additional child to take account of CPI movements – not applicable to individuals and pensioners who have already had their thresholds increased by more than the growth in the CPI (from 2013-14 costing revenue $48 million).

Housing

56. Withdrawal of federal funding for affordable housing by not proceeding with round 5 of the National Rental Affordability Scheme (there are 24,000 people on the waiting list in SA).
57. Termination of the First Home Saver Account Scheme which provides a government co-contribution of 17% of personal contributions (maximum $1,020 pa) and tax concessions and income and asset test exemptions for government benefits associated with these accounts,
58. Removal of the Housing Help for Seniors pilot (an income and assets text exemption for age pensioners who downsize their homes) (from 2014 saving $173.1 million),
59. Extension of the National Partnerships on Homelessness funding for 1 year (cost of $115 million) and return to budget uncommitted funds for the National Homelessness Research Strategy (saving $3.1 million)

Aged Care

60. Reduced rate of growth in the Commonwealth Home Support Program (HACC) from 6% to 3.5% per annum, in addition to annual price indexation (from 1 July 2018 saving $1.7 billion).
61. Abolition of payroll Tax Supplement payments to eligible aged care providers ceased (from 1 January 2015 saving $652.7 million).
62. Improve the allocation of home care places by bringing the Home Care packages forward to address the shortages of care for people in their own homes.

Superannuation

63. Termination of the low income superannuation contribution (LISC is a refund of the 15% superannuation tax paid by workers on the Superannuation Guarantee Charge (SGC) earning under $37,000 pa) with the repeal of the Minerals Resource Rent Tax.
64. Three year delay in increasing the SGC to 12% which will now occur in 2022 as a result of the abolition of the Minerals Resource Rent Tax (from 1 July 2014 with a net revenue gain of $90 million resulting from workers and companies paying a higher tax rate on income as apposed to superannuation).

New Taxes

65. Reintroduction of fuel excise tax indexation for petrol (from 1 August 2014 generating revenues of $2.2 billion).
66. Introduction of a 3 year temporary budget repair levy for individuals with an annual income over $180,000. The tax is paid on 2% of any amount over $180,000. For example, for a person on $200,000, 2% of $20,000 is $400 in levy (from 1 July 2014 raising revenue of $3.1 billion).

Reduced Taxes

67. Abolition of the carbon tax (from July 1 2014 costing $7 billion in the first year and $2 to $3 billion each year when linked to an international carbon trading scheme resulting in a budget shortfall of around $20 billion by 2020.
68. Abolition of the Minerals Resources Rent Tax introduced in 2010 (linked with funding of $10 billion in expenditure for which savings have to be found).
69. Lowering of the company tax rate by 1.5% is a government policy announcement in the budget speech but not included in the budget papers.

The Public Service

70. 16,500 job losses in public service over four years, including 2,000 as a result of changes in the budget. 4,700 of those jobs will go at Australian Tax Office.
71. Government agencies will be abolished, merged, privatised or consolidated, including 36 announced in the budget (saving $19.4m).
72. A submission will be made to the Independent Remuneration Tribunal to freeze for one year the salaries and allowances of public office holders such as departmental secretaries and politicians (saving $20m).
73. Efficiency dividend increased across public service by 0.25% for three years (saving $569m).
74. Selling of 40 commonwealth properties (saving $22.5m).

Legal aid

75. Withdrawal of additional funding and tightening of funding criteria for community legal services engaged in advocacy and policy work (from 1 July 2014).

Human Rights Commissioner

76. Reduce the number of Human Rights Commissioners at the AHRC by one with an existing commissioner taking on a dual appointment when the next vacancy occurs in July 2014. The next vacancy will be the Disability Commissioner.

Climate and energy policy

77. Introduction of an Emissions Reduction Fund paying subsidies to polluters (from 2014 costing revenue $2.55 billion over 10 years).

Appendix C. Additional tables

Table 40: Single parent families with children aged less than 15 years, South Australia LGA, 2011

Code	Name	Single parent families with children under 15 years	Total families with children under 15 years	% single parent families
40070	Adelaide (C)	155	673	23.0
40120	Adelaide Hills (DC)	549	4,099	13.4
40220	Alexandrina (DC)	501	2,160	23.2
40250	Anangu Pitjantjatjara (AC)	112	324	34.6
40310	Barossa (DC)	413	2,373	17.4
40430	Barunga West (DC)	41	203	20.2
40520	Berri and Barmera (DC)	324	1,084	29.9
40700	Burnside (C)	566	3,772	15.0
40910	Campbelltown (C)	861	4,670	18.4
41010	Ceduna (DC)	88	371	23.7
41060	Charles Sturt (C)	2,229	9,624	23.2
41140	Clare and Gilbert Valleys (DC)	164	847	19.4
41190	Cleve (DC)	17	167	10.2
41330	Coober Pedy (DC)	33	128	25.8
41560	Copper Coast (DC)	343	1,183	29.0
41750	Elliston (DC)	15	109	13.8
41830	Flinders Ranges (DC)	46	157	29.3
41960	Franklin Harbour (DC)	19	114	16.7
42030	Gawler (T)	640	2,095	30.5
42110	Goyder (DC)	96	387	24.8
42250	Grant (DC)	110	855	12.9
42600	Holdfast Bay (C)	489	2,603	18.8
42750	Kangaroo Island (DC)	81	418	19.4
43080	Karoonda East Murray (DC)	12	97	12.4
43220	Kimba (DC)	7	109	6.4
43360	Kingston (DC)	45	196	23.0
43650	Light (RegC)	236	1,623	14.5
43710	Lower Eyre Peninsula (DC)	82	547	15.0
43790	Loxton Waikerie (DC)	259	1,111	23.3
43920	Mallala (DC)	157	906	17.3
44000	Maralinga Tjarutja (AC)	0	6	0.0
44060	Marion (C)	1,710	7,892	21.7
44210	Mid Murray (DC)	154	638	24.1
44340	Mitcham (C)	890	6,224	14.3
44550	Mount Barker (DC)	710	3,547	20.0
44620	Mount Gambier (C)	840	2,816	29.8
44830	Mount Remarkable (DC)	44	242	18.2
45040	Murray Bridge (RC)	573	1,962	29.2
45090	Naracoorte and Lucindale (DC)	144	855	16.8
45120	Northern Areas (DC)	63	418	15.1
45290	Norwood Payneham St Peters (C)	552	2,854	19.3
45340	Onkaparinga (C)	4,473	17,425	25.7
45400	Orroroo/Carrieton (DC)	8	58	13.8
45540	Peterborough (DC)	70	153	45.8
45680	Playford (C)	3,501	9,478	36.9
45890	Port Adelaide Enfield (C)	3,081	11,158	27.6

Code	Name	Single parent families with children under 15 years	Total families with children under 15 years	% single parent families
46090	Port Augusta (C)	432	1,382	31.3
46300	Port Lincoln (C)	415	1,525	27.2
46450	Port Pirie City and Dists (M)	532	1,777	29.9
46510	Prospect (C)	290	1,970	14.7
46670	Renmark Paringa (DC)	234	903	25.9
46860	Robe (DC)	16	120	13.3
46970	Roxby Downs (M)	27	557	4.8
47140	Salisbury (C)	4,035	14,247	28.3
47290	Southern Mallee (DC)	26	212	12.3
47490	Streaky Bay (DC)	27	198	13.6
47630	Tatiara (DC)	119	717	16.6
47700	Tea Tree Gully (C)	1,999	9,897	20.2
47800	The Coorong (DC)	97	523	18.5
47910	Tumby Bay (DC)	40	233	17.2
47980	Unley (C)	505	3,380	14.9
48050	Victor Harbor (C)	274	974	28.1
48130	Wakefield (DC)	161	669	24.1
48260	Walkerville (M)	84	564	14.9
48340	Wattle Range (DC)	261	1,177	22.2
48410	West Torrens (C)	911	4,775	19.1
48540	Whyalla (C)	759	2,385	31.8
48640	Wudinna (DC)	10	143	7.0
48750	Yankalilla (DC)	88	364	24.2
48830	Yorke Peninsula (DC)	186	858	21.7
49399	Unincorporated SA	88	352	25.0
49999	*Unknown SA/ ABS cell adjustment*	*-1*	*-3*	*..*
	South Australia	**37,118**	**158,630**	**23.4**
	Adelaide	***27,272***	***115,739***	***23.6***
	Non-metropolitan SA	***9,847***	***42,894***	***23.0***

Source: PHIDU (2014) Social Health Atlas of Australia: South Australia. Data by Local Government area.

Table 41: Persons aged 65 years or older, South Australia LGA, 2012

Code	Name	Number of persons aged 65+	Total persons	% of persons aged 65+
40070	Adelaide (C)	2,528	21,590	11.7
40120	Adelaide Hills (DC)	5,667	39,798	14.2
40220	Alexandrina (DC)	6,016	24,603	24.5
40250	Anangu Pitjantjatjara (AC)	129	2,692	4.8
40310	Barossa (DC)	3,947	22,703	17.4
40430	Barunga West (DC)	673	2,479	27.1
40520	Berri and Barmera (DC)	1,948	10,724	18.2
40700	Burnside (C)	9,209	44,263	20.8
40910	Campbelltown (C)	9,925	50,393	19.7
41010	Ceduna (DC)	459	3,625	12.7
41060	Charles Sturt (C)	20,172	109,956	18.3
41140	Clare and Gilbert Valleys (DC)	1,675	8,933	18.8
41190	Cleve (DC)	337	1,743	19.3
41330	Coober Pedy (DC)	364	1,768	20.6
41560	Copper Coast (DC)	3,329	13,401	24.8
41750	Elliston (DC)	127	1,062	12.0
41830	Flinders Ranges (DC)	334	1,697	19.7
41960	Franklin Harbour (DC)	250	1,291	19.4
42030	Gawler (T)	3,873	21,271	18.2
42110	Goyder (DC)	931	4,218	22.1
42250	Grant (DC)	1,086	7,995	13.6
42600	Holdfast Bay (C)	7,967	36,509	21.8
42750	Kangaroo Island (DC)	819	4,531	18.1
43080	Karoonda East Murray (DC)	205	1,043	19.7
43220	Kimba (DC)	210	1,098	19.1
43360	Kingston (DC)	542	2,375	22.8
43650	Light (RegC)	1,612	14,196	11.4
43710	Lower Eyre Peninsula (DC)	715	5,071	14.1
43790	Loxton Waikerie (DC)	2,224	11,467	19.4
43920	Mallala (DC)	992	8,565	11.6
44000	Maralinga Tjarutja (AC)			
44060	Marion (C)	14,427	86,721	16.6
44210	Mid Murray (DC)	1,772	8,248	21.5
44340	Mitcham (C)	11,748	65,331	18.0
44550	Mount Barker (DC)	3,904	30,933	12.6
44620	Mount Gambier (C)	4,095	25,881	15.8
44830	Mount Remarkable (DC)	665	2,893	23.0
45040	Murray Bridge (RC)	3,585	20,347	17.6
45090	Naracoorte and Lucindale (DC)	1,353	8,365	16.2
45120	Northern Areas (DC)	967	4,554	21.2
45290	Norwood Payneham St Peters (C)	6,518	36,594	17.8
45340	Onkaparinga (C)	23,662	164,896	14.3
45400	Orroroo/Carrieton (DC)	208	886	23.5
45540	Peterborough (DC)	417	1,745	23.9
45680	Playford (C)	9,649	83,006	11.6
45890	Port Adelaide Enfield (C)	17,665	118,330	14.9
46090	Port Augusta (C)	2,079	14,425	14.4
46300	Port Lincoln (C)	2,375	14,574	16.3
46450	Port Pirie City and Dists (M)	3,348	17,671	18.9
46510	Prospect (C)	2,639	20,904	12.6
46670	Renmark Paringa (DC)	1,613	9,453	17.1
46860	Robe (DC)	277	1,437	19.3
46970	Roxby Downs (M)	45	4,932	0.9
47140	Salisbury (C)	16,890	134,300	12.6

Code	Name	Number of persons aged 65+	Total persons	% of persons aged 65+
47290	Southern Mallee (DC)	398	2,104	18.9
47490	Streaky Bay (DC)	364	2,208	16.5
47630	Tatiara (DC)	1,080	6,743	16.0
47700	Tea Tree Gully (C)	15,145	98,696	15.3
47800	The Coorong (DC)	1,127	5,659	19.9
47910	Tumby Bay (DC)	635	2,629	24.2
47980	Unley (C)	6,161	38,620	16.0
48050	Victor Harbor (C)	5,089	14,376	35.4
48130	Wakefield (DC)	1,254	6,783	18.5
48260	Walkerville (M)	1,592	7,392	21.5
48340	Wattle Range (DC)	2,065	11,789	17.5
48410	West Torrens (C)	10,162	57,525	17.7
48540	Whyalla (C)	3,438	22,716	15.1
48640	Wudinna (DC)	190	1,275	14.9
48750	Yankalilla (DC)	1,167	4,499	25.9
48830	Yorke Peninsula (DC)	3,200	11,186	28.6
49399	Unincorporated SA	381	4,538	8.4
	South Australia	**271,617**	**1,656,299**	**16.4**
	Adelaide	***193,227***	***1,219,730***	***15.8***
	Non-metropolitan SA	***78,390***	***436,569***	***18.0***

Source: PHIDU (2014) Social Health Atlas of Australia: South Australia. Data by Local Government area.

TABLE 42: AGE PENSIONERS, SOUTH AUSTRALIA LGA, 2013

Code	Name	Number on age pension	Total persons aged 65 +	Proportion of persons aged 65+ on age pension
40070	Adelaide (C)	972	2,709	35.9
40120	Adelaide Hills (DC)	3,612	6,023	60.0
40220	Alexandrina (DC)	4,821	6,273	76.8
40250	Anangu Pitjantjatjara (AC)	90	143	62.9
40310	Barossa (DC)	3,129	4,112	76.1
40430	Barunga West (DC)	533	682	78.1
40520	Berri and Barmera (DC)	1,675	1,996	83.9
40700	Burnside (C)	4,101	9,459	43.4
40910	Campbelltown (C)	7,697	10,107	76.2
41010	Ceduna (DC)	345	469	73.5
41060	Charles Sturt (C)	15,945	20,463	77.9
41140	Clare and Gilbert Valleys (DC)	1,206	1,726	69.9
41190	Cleve (DC)	217	345	62.9
41330	Coober Pedy (DC)	252	373	67.6
41560	Copper Coast (DC)	2,755	3,432	80.3
41750	Elliston (DC)	121	132	91.4
41830	Flinders Ranges (DC)	273	333	81.9
41960	Franklin Harbour (DC)	205	245	83.5
42030	Gawler (T)	3,342	4,004	83.5
42110	Goyder (DC)	663	943	70.3
42250	Grant (DC)	636	1,166	54.5
42600	Holdfast Bay (C)	4,940	8,113	60.9
42750	Kangaroo Island (DC)	551	899	61.3
43080	Karoonda East Murray (DC)	178	210	84.6
43220	Kimba (DC)	147	213	69.0
43360	Kingston (DC)	377	558	67.6
43650	Light (RegC)	1,159	1,694	68.4
43710	Lower Eyre Peninsula (DC)	472	720	65.5
43790	Loxton Waikerie (DC)	1,815	2,300	78.9
43920	Mallala (DC)	798	1,037	77.0
44000	Maralinga Tjarutja (AC)			
44060	Marion (C)	11,356	14,609	78
44210	Mid Murray (DC)	1,496	1,893	79.0
44340	Mitcham (C)	7,549	12,050	62.6
44550	Mount Barker (DC)	2,972	4,084	72.8
44620	Mount Gambier (C)	3,407	4,224	80.7
44830	Mount Remarkable (DC)	504	663	76.1
45040	Murray Bridge (RC)	3,025	3,664	82.6
45090	Naracoorte and Lucindale (DC)	893	1,408	63.4
45120	Northern Areas (DC)	683	997	68.5
45290	Norwood Payneham St Peters (C)	4,561	6,600	69.1
45340	Onkaparinga (C)	20,093	24,842	80.9
45400	Orroroo/Carrieton (DC)	147	213	69.2
45540	Peterborough (DC)	382	455	83.9
45680	Playford (C)	8,480	9,854	86.1
45890	Port Adelaide Enfield (C)	14,677	17,938	81.8
46090	Port Augusta (C)	1,690	2,177	77.6
46300	Port Lincoln (C)	1,905	2,443	78.0

Code	Name	Number on age pension	Total persons aged 65 +	Proportion of persons aged 65+ on age pension
46450	Port Pirie City and Dists (M)	2,966	3,428	86.5
46510	Prospect (C)	1,927	2,682	71.9
46670	Renmark Paringa (DC)	1,415	1,681	84.2
46860	Robe (DC)	160	295	54.1
46970	Roxby Downs (M)			
47140	Salisbury (C)	14,850	17,739	83.7
47290	Southern Mallee (DC)	264	411	64.3
47490	Streaky Bay (DC)	230	392	58.7
47630	Tatiara (DC)	701	1,096	64.0
47700	Tea Tree Gully (C)	12,790	15,710	81.4
47800	The Coorong (DC)	789	1,174	67.2
47910	Tumby Bay (DC)	487	682	71.4
47980	Unley (C)	3,661	6,183	59.2
48050	Victor Harbor (C)	4,066	5,329	76.3
48130	Wakefield (DC)	919	1,297	70.8
48260	Walkerville (M)	769	1,606	47.9
48340	Wattle Range (DC)	1,552	2,092	74.2
48410	West Torrens (C)	7,841	10,178	77.0
48540	Whyalla (C)	2,989	3,511	85.1
48640	Wudinna (DC)	145	175	83.0
48750	Yankalilla (DC)	946	1,217	77.8
48830	Yorke Peninsula (DC)	2,529	3,269	77.4
49399	Unincorporated SA	288	406	70.9
	South Australia	**209,141**	**279,600**	**74.8**
	Greater Adelaide	**152,906**	**206,034**	**74.2**
	Rest of SA	**56,235**	**73,566**	**76.4**

Source: PHIDU (2014) Social Health Atlas of Australia: South Australia. Data by Local Government area.