

Labor's Jenny Macklin accuses Coalition of planning welfare cuts

theguardian.com/australia-news/2016/sep/27/labors-jenny-macklin-accuses-coalition-of-planning-welfare-cuts

27/09/2016

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Senior Labor frontbencher Jenny Macklin has accused the Coalition of planning another round of welfare cuts after social services minister Christian Porter's recent criticism of supplementary payments for Newstart recipients.

Porter, who last week flagged plans to reform the social security system, released figures on the numbers of recipients receiving other supplementary payments.

But social services shadow minister, Jenny Macklin, accused him of preparing for more cuts. She said the Newstart allowance was very low and the supplementary payments were very small and not luxuries.

The fortnightly rate for the Newstart allowance is now \$528.70 for singles and \$477.40 each for couples.

The supplementary payments include rent assistance, family tax benefits and allowances for carers, remote area, telephone, pensioner education and literacy and numeracy assistance.

"Mr Porter is manipulating the numbers to suit his own political argument," Macklin said. "Christian Porter knows that many of these supplementary payments are very small. Rent assistance is designed to cover the cost of housing and family tax benefits is designed to help with the cost of raising children – these aren't luxury payments.

"This is really all about the Turnbull government laying the groundwork for another round of cruel cuts to vulnerable Australians, just like the 2014 budget."

According to government figures, as of March 2016 there were about 768,000 Newstart allowance recipients. Of these:

- about 75% received Newstart plus the energy supplement and two or more other supplementary payments;
- about 20% received Newstart plus the energy supplement and one other supplementary payment;
- about 5% received Newstart allowance plus the energy supplement.

The government figures also claim around 20% of Newstart recipients reported earnings in the last fortnight and more than half of Newstart recipients reported other income in the last fortnight such as "rental income, interest and dividends".

Porter has said of the 5% of Newstart recipients who receive the energy supplement and no other supplement, around 96% leave Newstart allowance within six months, "indicating that they are very motivated to find work as soon as possible".

Before the election, Labor promised an independent review into the adequacy of the Newstart allowance but has not committed to raising the payment.

On Sunday, Porter said calls by the Australian Council of Social Services (Acss) to increase the rate of Newstart lacked "imagination".

But the Acss chief executive, Cassandra Goldie, said the social security system was there to provide income required during unemployment.

She said on official figures, which count people as employed with an hour a week of paid work, there was one job for every four people who are out of work.

"Once you consider people who say they are not getting enough work, the figure is one job for every 10 people," Goldie told Sky News.

She said Porter's decision to fund the \$96m **Try, Test, Learn Fund** in the last budget was "a drop in the ocean" to replace the \$1.5bn cut from community support services since 2014, much of which was focused on early intervention for job seekers.

Goldie rejected the idea that welfare recipients were passive when it came to taking income support payments.

"If you are receiving the employment payment, you are obliged to apply for one job a day in order to receive income support," she said.

"You've got to get out 20 job applications in a fortnight as well as attending all sorts of interviews with employment services ... there is a huge amount of compliance. We need to ensure people who are locked out of paid work are not falling into destitution.

Supplementary payments include:

- Family tax benefit: maximum rate \$182.84 (max rate of FTB part A per fortnight per child aged 0-12)
- Pharmaceutical allowance: \$6.20 a fortnight
- Rent assistance: max payment \$130.60 fortnight
- Telephone allowance: basic rate (single or couple combined) \$28.20 (amount a quarter)
- Carer allowance: \$123.50 a fortnight when providing care for a person 16 years or over.
- Approved program of work supplement – \$20.80 a fortnight.
- Remote area allowance: single \$18.20 a fortnight
- Language literacy and numeracy supplement: \$20.80 a fortnight.
- Mobility allowance: \$20.80 a fortnight.
- Pensioner education supplement (plans to abolish): \$62.40 a fortnight.

Committee: Community Affairs

Tabled Document

Inquiry: Supplementary Estimates

Date: 20/10/16

Witness: Senator Watt

Organisation: _____