

LIST OF RECOMMENDATIONS

Recommendation 1

5.84 The committee recommends that there should be analysis of income inequality in Australia as a result of budget changes. The evidence provided to the committee raises issues around the best way to provide this analysis. There has been support for this work to be undertaken by the Treasury or the Australian Bureau of Statistics. The committee believes that consideration should be given to the most effective process to achieve this analysis.

Recommendation 2

5.85 The committee recommends that the Australian Government not proceed with the following 2014-15 Budget measures, to avoid further hardship for Australians in receipt of income support payments:

- in Schedules 1 to 8 of the Social Services and Other Legislation Amendment (2014 Budget Measures No. 4) Bill 2014, measures that:**
 - maintain at their current levels for three years the income free areas for all working age allowances (except student payments) and the income test free area for Parenting Payment Single, from 1 July 2015;**
 - index Parenting Payment Single to the Consumer Price Index only, from Royal Assent;**
 - maintain at their current levels for three years several FTB free areas, from 1 July 2015;**
 - maintain at their current levels for three years the income free areas and other means-tested thresholds for student payments, including the student income bank limits, from 1 January 2015;**
 - maintain the standard FTB child rates for two years in the maximum and base rate of FTB Part A and the maximum rate of FTB Part B, from 1 July 2015;**
 - revise the FTB end-of-year supplements to their original values and cease indexation, from 1 July 2015;**
 - limit FTB Part B to families with children under six years of age, with transitional arrangements applying to current recipients with children above the new age limit for two years, from 1 July 2015;**
 - introduce a new allowance for single parents on the maximum rate of FTB Part A for each child aged six to 12 years inclusive, and not receiving FTB Part B, from 1 July 2015;**

- extend and simplify the ordinary waiting period for all working age payments, from 1 January 2015;
 - provide for 26-week waiting periods and non-payment periods, from 1 January 2015;
 - cease the pensioner education supplement, from 1 January 2015;
 - cease the education entry payment, from 1 January 2015;
 - extend Youth Allowance (Other) to 22 to 24 year olds in lieu of Newstart Allowance and Sickness Allowance, from 1 January 2015;
 - require young people with full capacity to learn, earn or Work for the Dole, from 1 January 2015; and
 - remove the three months' backdating of disability pension under the *Veterans' Entitlements Act 1986*, from 1 January 2015.
- in Schedules 1 and 2 of the Social Services and Other Legislation Amendment (2014 Budget Measures No. 5) Bill 2014, measures that:
- index all pensions to the Consumer Price Index only, from 20 September 2017;
 - maintain for three years the current income test free areas for all pensioners (except Parenting Payment Single), and the deeming thresholds for all income support payments, from 1 July 2017;
 - reset the income test deeming thresholds for single income support recipients (\$30 000), pensioner couples (\$50 000), and a member of a couple other than a pensioner couple (\$25 000), for social security and veterans' entitlements, from 20 September 2017; and
 - increase the age pension qualifying age and the non-veteran pension age from 67 to 70 years, by six months every two years, commencing 1 July 2025.
- cessation of payment of the seniors supplement for holders of the Commonwealth Seniors Health Card or the Veterans' Affairs Gold Card, from 20 September 2014 (Schedule 1 of the Social Services and Other Legislation Amendment (Seniors Supplement Cessation) Bill 2014).

The committee recommends that the proposed changes to the HECS-HELP study assist scheme and the proposed GP co-payment do not proceed.

Recommendation 3

6.46 The committee recommends that the Australian Government review the level of working age payments to examine the rate of payment to the poverty line.

Recommendation 4

6.47 The committee recommends that the Australian Government establish a consultation process to engage key stakeholders in discussions on how to set minimum levels for social security payments in Australia, including Commonwealth Rent Assistance payments and student assistance payments. In determining the optimal basis for benchmarking payment levels, these discussions should consider the merit and weight to be placed on each of the following measurements:

- replacement rates;
- poverty lines;
- budget standards; and
- financial stress indicators.

Recommendation 5

6.50 The committee recommends that the Australian Government urgently review the amount of funding allocated to Financial Crisis and Material Aid including for the provision of Emergency Relief and Food Relief (including over the forward estimates), to ensure that vulnerable Australians in need are able to access assistance.

Recommendation 6

6.60 The committee recommends that in its response to the findings of the Review of Australia's Welfare System, the Australian Government ensure that those facing the greatest hardship are better off.

Recommendation 7

6.70 The committee recommends that the Commonwealth Government establish a series of national and regional rental indexes to track the increase of rents. The committee recommends that consideration, including of cost implications, be given to indexing Commonwealth Rent Assistance according to the geographically most suitable index.

Recommendation 8

6.72 The committee recommends that the Commonwealth Government develop National Urban Planning Guidelines ensuring that new and existing developments have access to public transport, health, education and other services.

6.73 The committee also recommends that the Commonwealth Government develop National Planning Guidelines that all new housing developments have a

minimum target of affordable and public and social housing for low income and other disadvantaged groups.

Recommendation 9

6.80 The committee recommends that the Commonwealth Government reconsider its decision to terminate the *Youth Connections* programme and other youth transition programmes. These programmes should be continued or at least rebadged. The focus of the programme must remain on one-on-one mentoring to help young people to overcome the barriers that make it difficult for them to stay in, or return to, school or training.

6.81 The committee recommends that the Commonwealth Government establish TAFE programmes that build on the mentoring approach of the *Youth Connections* programme. The objective of this approach at TAFE level is to ensure that young people remain engaged in vocational training and are able to identify and pursue their employment options.

Recommendation 10

6.91 The committee recommends that Australian schools—particularly those in regions of socio-economic disadvantage—establish alliances with employers and vocational education providers to deliver programmes that encourage young people to remain at school, develop contact with employers and support young people to transition to the workforce or further education or training. These programs should encourage employers and vocational education institutions to take a lead role in designing courses that identify future job opportunities for these young people.

Recommendation 11

6.95 The committee recommends that the Office of the Age Discrimination Commissioner articulates a National Jobs Checkpoint Plan, with costings, that can be put to the Commonwealth and State governments for their consideration. These costings should emphasise the savings that will arise from a preventative approach where older workers can move smoothly to training opportunities and further work, as distinct from these workers being made redundant and reliant on income support payments.

Recommendation 12

6.99 The committee recommends that the Australian Government assess the success and the financial and social benefits of programmes that provide individualised support for the long-term unemployed and those at risk of long-term unemployment. Pending this analysis, the committee recommends that the Australian Government consider the case for funding these programmes on a more secure, longer-term basis.

Recommendation 13

6.122 The committee recommends that as part of the planned discussions leading to a White Paper on taxation reform in 2015, the federal government have regard to how the existing tax system is affecting inequality in Australia. This should include an analysis of existing tax concessions.

