



Committee Secretary
Senate Education, Employment and Workplace Relations Committees
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Parliament House
Canberra ACT 2600
Australia

WORKING FOR
A FAIR AND EQUITABLE
AUSTRALIA

Dear Mr Watling

Jobs Australia response to Social Security Amendment (Supporting More Australians into Work) Bill 2013

The Bill amends the Social Security Act 1991 as follows to implement policy announced as part of the 2013-14 Budget; namely:

1. Increasing the income free area from \$62 to \$100 per fortnight (annually indexed), from 20 March 2014 for recipients of Newstart Allowance, Widow Allowance, Partner Allowance, Parenting Payment (Partnered) and Sickness Allowance.
2. Extending eligibility for the Pensioner Education Supplement to single principal carer parents receiving Newstart Allowance Payments, from 1 January 2014.
3. Extending by 12 weeks eligibility for the Pensioner Concession Card to single parents who are no longer qualified for Parenting Payment Single because their youngest child has turned 8 years of age, and who do not qualify for another income support payment due to earnings (commencing on 1 January 2014.)

Jobs Australia welcomes and recommends the adoption of these changes: an increase of the income free area for Allowance recipients; the extension of eligibility for the Pensioner Education Supplement to single principal carer parents receiving Newstart Allowance, and also the extension by 12 weeks of eligibility for the Pensioner Concession Card to single parents who are no longer qualified for Parenting Payment Single.

However, we wish to point out that these minor additional benefits go only a very small way towards addressing the inadequacy of Allowance payments, and will not ameliorate the current and growing risks of poverty for people reliant on Allowance payments.

In our submission last year to the Inquiry by the Senate Education, Employment and Workplace Relations References Committee into the adequacy of the allowance payment system, we recommended that Allowance payments for single people (other than those on student payments) should be increased by \$50 per week from January 2014, and benchmarked to 66.3% of the combined married couple rate of Allowances as is the case for pension payments (and a higher rate in the case of sole parents).

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At \$249 per week, the current weekly rate of Newstart Allowance for singles is \$35 a day. This is clearly inadequate to meet the basic costs of living and to support the capacity of unemployed people to look for work.

We are disappointed that though the Government in 2009 acknowledged the inadequacy of the single pension rate by increasing it by \$32 per week above inflation, it will not raise the lower Allowance payments (or the Parenting Payment Single for sole parents).

We will continue to advocate for higher payments for people on Allowance payments.

David Thompson AM
CEO Jobs Australia
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