

Social Security and Other Legislation Amendment (Income Support Bonus) Bill 2012

Introduced into the House of Representatives on 29 November 2012; passed both Houses on 25 February 2013

Portfolio: Education, Employment and Workplace Relations

PJCHR comments: [Report 1/13](#), tabled on 6 February 2013

Ministerial response dated: 22 February 2013

Summary of committee view

3.1 The committee thanks the Minister for his response. The committee notes that the bill has been passed by the Parliament.

Background

3.2 This bill provides for a new income support bonus to be paid to recipients of nine types of social support, including Newstart Allowance. Under these amendments, persons receiving no more than the basic amount of the Pension Supplement will be eligible to receive a tax-free, non means tested payment twice a year.

3.3 The committee noted that the income support bonus would promote the enjoyment of the right to social security in article 9 of the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the right to an adequate standard of living in article 11 of the ICESCR. The committee however sought clarification from the Minister as to whether the total income available to the recipients of the bonus is sufficient to satisfy minimum essential levels of social security and the minimum requirements of the right to an adequate standard of living in Australia, and the basis on which the government makes that assessment.

3.4 The Minister's response is attached.

Committee's response

3.5 The committee thanks the Minister for providing information about the type of schemes and payments that are available to recipients of the income support bonus and will draw on this information when finalising its report on the *Social Security Legislation Amendment (Fair Incentives to Work) Act 2012*.

3.6 While this information is useful, the committee however notes that the Minister's response does not appear to address the specific questions that the committee had raised, namely:

- whether the combined benefits and payments available to the recipients of the bonus is sufficient to satisfy minimum essential levels of social security and the minimum requirements of the right to an adequate standard of living in Australia; and

- the basis on which on which the government makes that assessment.

3.7 The committee notes that the bill has already been passed by the Parliament.



**MINISTER FOR EMPLOYMENT AND WORKPLACE RELATIONS
MINISTER FOR FINANCIAL SERVICES AND SUPERANNUATION**

Our Ref BR13-000639

The Hon Harry Jenkins MP
Chair
Parliamentary Joint Committee on Human Rights
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr Jenkins

Thank you for your letter of 6 February 2013 on behalf of the Parliamentary Joint Committee on Human Right concerning the Social Security and Other Legislation Amendment (Income Support Bonus) Bill 2012.

You have sought clarification as to whether the total income available to recipients of the Income Support Bonus is sufficient to satisfy minimum levels of social security and an adequate standard of living.

The Income Support Bonus provides additional supplementary assistance to recipients of Newstart Allowance, Youth Allowance, Parenting Payment, Austudy, ABSTUDY Living Allowance, Sickness Allowance, Exceptional Circumstances Relief Payment, Transitional Farm Family Payment and Special Benefit. It is intended to assist recipients of these payments to manage unanticipated expenses, such as urgent repairs on the family car or appliances, bills that are higher than expected or unforeseeable medical or dental costs.

The additional assistance to be provided by the Income Support Bonus will complement the range of payments and supports available to recipients of Newstart Allowance and other payments depending on their individual circumstances. Around two-thirds of people receiving Newstart Allowance also receive Rent Assistance, Family Tax Benefits, and supplementary payments or have income from employment.

The level of assistance provided to recipients of Newstart Allowance and other payments varies according to the circumstances of each individual. Rent Assistance is available to people who are renting in the private rental market. Parents who are responsible for the care of their dependent children are eligible to receive a higher rate of payment as well as a range of family assistance payments, such as Family Tax Benefits and child care payments.

Supplementary payments, such as the Pharmaceutical Allowance, Telephone Allowance, Remote Area Allowance and Utilities Allowance, are intended to assist recipients with specific cost pressures. Individuals undertaking approved study or other activities may receive the Education Entry Payment, Pensioner Education Supplement or an additional payment to assist with the costs of participating in Work for the Dole or other activities.

Recipients of student payments may be eligible for Fares Allowance and the Student Start-up Scholarships and Relocation Scholarships to help them with the costs of buying textbooks and other supplies each semester and relocating to study.

All allowance recipients are also eligible for Clean Energy Payments to assist them to meet the impacts of carbon pricing on living expenses and either a Health Care Card or Pensioner Concession Card which provides access to valuable concessions and health-related benefits.

The rates of payment for the Income Support Bonus, Newstart Allowance and other allowances and most supplementary payments are indexed by movements in the Consumer Price Index to ensure that their value keeps up with the cost of living for recipients.

As an allowance for unemployed people of workforce age while they seek to re-enter the workforce, Newstart Allowance is designed as a transitional payment. The rate of Newstart Allowance is set so as to be sufficient to live off while maintaining the incentive to work for those who are able to do so. Additional incentives are also offered through income testing arrangements and Working Credit, which allow people to earn some income without automatically losing their payment and concessions.

In addition to financial support through Newstart Allowance and other supplementary benefits, employment services, such as Job Services Australia and Disability Employment Services, provide flexible and tailored assistance to help job seekers to find and maintain a suitable job.

I trust the information provided is helpful.

Regards

A handwritten signature in black ink, appearing to read 'Bill Shorten', with a stylized, flowing script.

BILL SHORTEN

22 FEB 2013