



C/-102/55 Holt Street, Surry Hills NSW,2010

Phone: (02) 9211 5300 Fax: (02) 9211 5268

Toll Free: 1800 226 028 TTY: (02) 9211 0238

ABN: 76 002 708 714

welfarerights@welfarerights.org.au www.welfarerights.org.au

**Submission to the Inquiry by the Standing Committee on Education,
Employment and Workplace Relations on *the Social Security
Amendment (Supporting More Australians into Work) Bill 2013***

11 June 2013

The National Welfare Rights Network (NWRN) welcomes the opportunity to provide comments on the *Social Security Amendment (Supporting More Australians into Work) Bill 2013*. The Bill gives effect to a number of small but welcome initiatives announced in the 2013 Federal Budget.

The Bill increases the “income free threshold” for people on the Newstart Allowance from \$31 per week to \$50 per week. Currently, over 150,000 people on the Newstart Allowance report some earnings and will benefit from the proposed changes. Other jobseekers in the future who gain some casual shifts will also benefit.

Under the current rules, the amount that a job seeker can earn before the Newstart Allowance begins to reduce is effectively the same now as it was 30 years ago. (There was an increase by \$1 to \$31 in 2000 for the introduction of the goods and services tax.) This means that currently, a single adult on the Newstart Allowance begins to lose some of the Allowance after they have \$31 per week of other income which is just about two hours of work at the minimum wage.

The failure to adjust for years the amount that a person can earn before their social security payment is reduced constitutes a serious work disincentive especially in an era where much of the paid work available may be casual or irregular shifts.

Currently, just one in five job seekers in receipt of Newstart Allowance report earnings. The NWRN also hopes that more jobseekers will be encouraged to work some casual shifts if they are available while they are seeking full-time paid employment. The people who may particularly benefit are mature age workers, people with disabilities and single parents who were moved from the Parenting Payment (Single) to the much lower Newstart Allowance payment in 2006.

Unfortunately, the single parent families taken off the Parenting Payment (Single) as of 1 January 2013 have seen very little of their losses restored. Parents who are not able to combine paid work with their caring responsibilities are now receiving \$72 per week less to meet essential family expenses. Those who do have some casual or part-time work hours will be able to earn an extra \$19 per week from March 2014. However, under the Parenting Payment (Single), these parents were able to retain \$87 per week of their

earnings plus \$12 per week for each child before the payment started to reduce. They are now able to retain \$31 per week and in March 2014 this amount will increase to \$50 per week. While the increase is welcome across the board for Newstart Allowance recipients, \$19 per week is minimal compensation for the 60% of working single parents moved to Newstart on 1 January 2013.

Failure to increase the actual rate of Newstart Allowance.

The most significant problem with the *Social Security Amendment (Supporting More Australians into Work) Bill 2013* before the Committee is not what it covers, but what ignores, which is the unsustainably low rate of the single rate of the Newstart Allowance.

People reliant on social security payments are recognised as being amongst the poorest in our community. Age disability and carer pensioners have always received higher payments rates than unemployed people. But since 1997, pensions have been indexed to average weekly earnings but allowances are indexed to the consumer price index, widening the gap significantly.

The replacement rate of the Newstart Allowance relative to the minimum wage was at its lowest level since 1990 when the Newstart Allowance represented 41.6 per cent of the earnings of a worker on the Minimum Wage at March 2012. The Newstart Allowance has fallen to under 40 per cent of the National Minimum Wage (NMW) which now stands at \$622.20 per week. At just \$248.50, the Newstart Allowance is now 39.93 per cent of the national minimum wage.

The historic September 2009 increase to the single rate of Age Pension by \$32.50 per week was greatly needed and it halved income poverty among older people. However, because unemployed people missed out on this increase, the gap widened between the Newstart Allowance and pensions to the point where the deficit is now in excess of \$300 per fortnight. This gap is now \$150 per week, and by 2030, unemployed people will receive just half of what is paid to age, disability and carer pensioners. This is unfair and unacceptable in a prosperous nation like Australia which has traditionally prided itself on its ethos of a “fair go”.

It is not just that unemployed people looking for work are falling behind other social security recipients in terms of their rates of payment. They are also falling behind every other group in the community on virtually any comparable measure. For instance, the Newstart Allowance is about \$74 per week below the austere ‘poverty line’.

In 1997, a single unemployed person received 92% of what was paid to a pensioner. Now it is just 62.5%.

The evidence to the 2012 Senate Education, Employment and Workplace Reference Committee into the Adequacy of the Newstart Allowance and a number of other recent inquiries into the 1 January 2013 changes for Parenting Payment Single recipients have provided compelling evidence of the damage caused by the low rate of the Newstart Allowance.

The OECD has also raised this issue of a number of occasions, as has the Federal Government's own Social Inclusion Board. These bodies have, argued that the low rate of the Newstart Allowance is a major barrier to participation and employment.

NWRN, along with many in the community sector, have argued for a package of measures to lift unemployed Australians out of poverty and into the economic mainstream of the community.

Measures proposed included:

- a \$50 per week increase to the single Newstart Allowance and other single allowance recipients (including Widows Allowance, Special Benefit, Youth Allowance, Austudy and Abstudy for young people living independently);
- indexation of the above payments to wages, instead of the Consumer Price Index;
- lifting the \$31 per week 'income free area' (initially by \$50 per week); and
- a significant expansion and re-focussing of the \$5.4 billion employment assistance programs provided by Job Services Australia. This requires a focus on supporting highly disadvantaged jobseekers through better education and training opportunities, such as the successful Wage Connect Subsidy which has been a success, with 47 per cent of participants in the program still employed after the wage subsidy ceases.

The cost of increasing the Newstart Allowance has received some attention over the past 12 months.. Welfare groups have been seeking an increase for the single rate of allowances only. Such an increase, together with a more beneficial measure of indexation, would cost approximately \$2 billion per annum. A \$50 per week increase to all allowance payments, including partnered recipients, would cost around \$15 billion over four years.

Behind the 2013-14 Budget “workforce transition” package

The Government points to three measures in the 2013 Federal Budget that are being examined by this Committee are a workforce “transition” package, focused particularly on improving the employment prospects of single parents.

The NWRN has been clear that its first priority for social security reform is the need to increase the rate of the single rate of Allowances by \$50 per week.

On 13 May 2013, in response to pre-Budget leaks about the measures in this Bill, the NWRN said: "Increasing the income free area to \$100 per fortnight will assist many of the people who call our Centres across Australia who are struggling to find full-time work. The increase may also encourage more people on Newstart to take up casual shifts."

"Lifting and indexing to the earnings thresholds, access to education support through the Pensioner Education Supplement and extending access to the valuable Pensioner Concession Card are important reforms. They could have been properly applauded if they had been accompanied by the much-needed increase to Newstart.”¹

About the Social Security Amendment (Supporting More Australians into Work) Bill 2013

The Committee is assessing three initiatives, costing \$299.9 million over four years, to 2016-17.

Schedule 1. Increase and index the income free area for Allowances

¹ ACROSS, NWRN and NCSMC Media Statement, *Lack of Action on Newstart fails the most disadvantaged*, 13 May 2013. Also see: National Welfare Rights Network, Media Statement, *Allowing jobseekers to keep more casual income is good news*, 8 May 2013. Also see: Community Welfare Sector Media Statement, *Not an either-or: Newstart must be lifted*, 7 March 2013. (Attached at Appendix 1).

From 20 March 2014 the income free area will increase from \$62 per fortnight to \$100 per fortnight for recipients of Newstart Allowance, Widow Allowance, Partner Allowance, Parenting Payment (partnered) and Sickness Allowance.

From 1 July 2015 the income free area will be indexed by annual percentage changes in the Consumer Price Index. This will assist 150,000 people, at a cost of \$258 million over four years. The average individual benefit per year will be \$494. Any unemployed person who takes up paid employment after 20 March 2014 will benefit from this increase in the free area.

The most significant of the measures before the Committee is the increase the income free area for recipients of Newstart Allowance, Widow Allowance, Partner Allowance, Parenting Payment (Partnered) and Sickness Allowance. An increase to the income free area was the consensus recommendation from the 2012 Senate inquiry into the adequacy of Newstart and other allowances, which reported on 29 November 2012.²

NWRN has been a long standing advocate for an increase in the amount that a person can earn on the Newstart Allowance before their payments start to reduce under the income test arrangements.

The current income free area only allows a person to work for two hours at the National Minimum Wage and that industrial awards mandate that the minimum shift is of three hours duration.

The changes announced are particularly welcome for people struggling to get a foothold in the permanent workforce. Many people who seek assistance from a Welfare Rights Centre manage to get some casual shifts but are also reliant on some income support.

From March 2014 all Newstart and other Allowance recipients can keep \$100 per fortnight (the income free area) before they start to lose some of their income support payment. That equates to just over 6 hours at the minimum wage before the Allowance starts reducing.

The \$100 per fortnight income free area will also be indexed. We support annual indexation in line with movements in the Consumer Price Index, starting from 1 July

² Education, Employment and Workplace Relations References Committee *Inquiry into the adequacy of the allowance payment system for jobseekers and others, the appropriateness of the allowance payment system as a support into work and the impact of the changing nature of the labour market*, August 2012.

2015. Indexation of payments and benefits, including of thresholds and ‘free areas’, is critical in ensuring that their value is maintained over time. The legislation recognises that indexation is critical to maintaining the real value of the benefit.

The reform represents a very modest increase, and it is unclear whether changes of this magnitude would have significant work incentive impacts. Compared to the \$154 per fortnight “income free area” allowed for pension recipients, and the \$250 per fortnight “Work Bonus” for older Australians, these reforms are modest, though much welcomed by NWRN.

Unemployed people and single parents who are working will have to wait over 9 months to obtain any benefit from this reform. The Bills Explanatory Memorandum notes that the date of effect of 20 March 2014 is “to allow sufficient time for changes to administrative systems and communications for the large number of people on these payments.”³

Compared to other recent social security changes (such as the 1 January 2013 Parenting Payment reforms), this seems a lengthy delay into implementing a beneficial and non-controversial change. The recent 1 January 2013 decision to move single parents onto the lower Newstart Allowance was very complex yet was implemented in a few months.

Recommendation: That the Committee obtain the cost of implementing the reforms on 20 September and 1 January and recommend introducing this schedule earlier than 20 March 2014.

Schedule 2. Pensioner Education Supplement for single parents

Pensioner Education Supplement (PES) provides financial assistance to some recipients of social security payments with the ongoing costs associated with education study and so to improve their future employment prospects. The PES is paid at the current full-rate of \$62.40 per fortnight or the current concessional rate of \$31.20 per fortnight depending on a person’s study load.

Almost half of those eligible for the PES are receiving Parenting Payment Single. At August 2012, around 11,000 single Parents on Parenting Payment who were “grandfathered” were receiving the Pensioner Education Supplement. The Government agreed to allow these parents to complete their courses.

³ House of Representatives, *Social Security Amendment (Supporting More Australians into Work) Bill 2013*, Explanatory Memorandum, p. 2, May 2013.

Currently, only those single principal carer parents who were in receipt of PES at the time they moved from Parenting Payment (single) to Newstart Allowance on 1 January 2013 are entitled to receive PES until they finish their current studies.

From 1 January 2014 eligibility for the Pensioner Education Supplement will be extended to all Newstart Allowance single principal carer parents undertaking approved study, at a cost of \$39.7 million over four years, and assisting around 25,000 single parents.

National Welfare Rights is particularly pleased to see the Pensioner Education Supplement extended to all single parents on the Newstart Allowance. This will have a beneficial impact for those parents who had their payments reduced in 2006 and in 2013...

Schedule 3. Pensioner Concession Card (PCC) for single parents

The PCC provides a range of concessions to holders for services at Commonwealth, State and local government level, including for medical services, transport, telephone, utilities and rates.

The Pensioner Concession Card (PCC) provides concessions on discounted PBS prescription items as well as valuable core concessions, including include reductions on fares on public transport, council and municipal rates including water and sewerage, electricity bills, and motor vehicle registration charges. State, Territory and Local Governments, and some private providers may also offer additional health, household, transport, education and recreation concessions to PCC holders.

From 1 January 2014 single principal carer parents will be able to keep their Pensioner Concession Card for 12 weeks once they move off payment because the age of their child and their earnings prevent them from receiving another income support payment. Around 2000 single parents each year who become ineligible for the Newstart Allowance because their youngest child turns 8 will benefit from this measure, at a cost of \$2.2 million over four years.

Access to the PCC is extremely important for many single parents who have contacted Welfare Rights Centres. This is why NWRN had called for the Federal Government to grant access to the card for 12 months after a single parent ceased to be eligible under the harsher Newstart Allowance income test.

This approach would be more consistent with the treatment of Disability Support Pension recipients, who can keep the card for 12 months after they lose eligibility due to the operation of the income test.

These concessions are vital in protecting the living standards of many low income and disadvantaged families. The card assists low income families to meet electricity and gas bills, which are rising much faster than other goods and services.

The value of the Pensioner Concession Card varies considerably, though the 2008 Pension Review reported that the concession card was worth, on average, \$30 per week.

The decision to allow single parents with earnings who are cut off all income support when their youngest child turns 8 years, to keep the Pensioner Concession Card for 12 weeks is also welcome although NWRN had been calling for a 12 month extension.

After the 12 weeks period single parents will face much higher costs for medicines, paying \$36.10 instead of the concessional rate of \$5.80 per script. Where the parent or child has a disability, meeting the costs of medicines is going to be that much harder.

On top of this, after 12 weeks, some single parents also lose the Telephone Allowance, worth up to \$38 a month for a parent with a home telephone service and an internet connection for their children's schooling. Telephone Allowance is a quarterly payment to assist with the costs of maintaining a telephone service. The basic rate is \$100.80 per year (\$25.20 per quarter), with a higher rate of \$151.50 (\$37.80 per quarter) for home internet subscribers.

The timing of payment of household expenses such as on council rates, utilities, car registrations and licenses may not fall within the 12 week extension period, so many parents will miss out on help with significant expenses. A more beneficial approach that would provide greater financial security for single parent families would be to grant extended eligibility for the Pensioner Concession Card for 12 months, instead of just 12 weeks as provided for in Schedule 3.

Another related concern is the failure to index the Pensioner Education Supplement. Unlike most social security payments, the PES is not indexed to the Consumer Price Index. While costs of education, transport and books have increased, the PES has remained static and is of declining value and assistance in meeting the objectives of encouraging the transition to employment.

Recommendation: That the Committee recommend that Government index the Pensioner Education Supplement to the Consumer Price Index from March 2014.

Recommendation: That Schedule 3 be amended to extend eligibility for 12 months, rather than 12 weeks.

Who benefits from the social security changes, and by how much?

The answer to this question is complex and variable, and depends upon what income support payment a person is receiving, and whether they are in paid employment. Below we assess the three 2013 Budget measures in terms of their impacts upon a number of distinct groups: Newstart Allowance recipients with and without earnings; Newstart Allowance (partial capacity to work); Newstart Allowance (principal carers) on payment before 31 December 2012, and Parenting Payment Single recipients impacted by the 1 January 2013 changes.

| Policy description | Newstart Allowance | Newstart Allowance (partial capacity to work) | Newstart Allowance (principal carer) before 31 December 2012 | Newstart (principal carer) impacted by 1 January 2013 changes |
|--|---------------------------|--|---|--|
| How many Impacted? | 446,000 | 112,000 | 48,000 | 72,000 |
| Increase in income Free Area to \$100 per fortnight, from 20 March 2014 | Yes. | Yes. | Yes. 1 in 3. | Yes. 3 in 5 |
| Access to the Pensioner Education Supplement, from January 2014 | Not Eligible | Not Eligible. | Yes | Yes |

| | | | | |
|--|---------------|---------------|-----|-----|
| Eligibility for the Pensioner Concession Card for 12 weeks, from January 2014 | Not Eligible. | Not Eligible. | Yes | Yes |
|--|---------------|---------------|-----|-----|

Table 1. Benefits of 2013-14 Budget Newstart Initiatives

At April 2013, there were 677,500 people receiving the Newstart Allowance, and almost 440,000 had been receiving income support for more than 12 months.⁴ A further 105,700 were receiving Youth Allowance (Others), a payment for young unemployed people aged 22 and under.

Below, NWRN looks at which groups of Newstart Allowance recipients are likely to benefit from the recent 2013 Budget measures. There are clearly winners and losers. Four out of five people on the Newstart Allowance will not see an immediate improvement in their immediate financial circumstances

The Government estimates that around 150,000 people on Newstart Allowance who are working will benefit financially from the changes to income free area and are set to be on average \$9.50 per week, or \$494 better off if they work for a full 12 months.

Around 122,000 are single parents currently on the Newstart Allowance. Whether they are better-off under social security changes due 2014 depends upon whether they were on the Newstart Allowance before or after 1 January 2013 and, most importantly, whether or not they were working some causal shifts or will be able to gain such shifts in the future.

Single Parents moved to NSA prior to 1 January 2013

About 48,000 single parents were receiving Newstart Allowance before the 1 January 2013 changes. We estimate about one-in-three, or about 17,000 of these single parents will benefit from the \$19 per week increase to the “income free area” changes.

This group have already also benefited from the 1 January 2013 taper rate changes for single Parents on the Newstart Allowance. In addition, they will be eligible for the Pensioner Education Supplement if they start an approved education or training course. If

⁴ Department of Education, Employment and Workplace relations, *Labour Market and Related Payments – a monthly profile*, April 2013, p. 3.

their income from employment excludes them from income support they may also be able to access benefits attached to the Pensioner Concession Card for a further 12 weeks.

These single parents are set to reap the most significant benefits from recent social security changes.

Single Parents moved to NSA after 1 January 2013

Around 72,000 single parents moved from Parenting Payment to the Newstart Allowance since 1 January 2013. Today, these parents were worse off between \$72 and \$115 per week.

Single parents not in employment receive no extra financial assistance from the 2013 Federal Budget changes. For a single parent on the maximum rate, the weekly loss of income is around \$72 per week. Every six months, when payments are indexed to rises in the cost of living, the amount lost by being transferred to the lower payment increases.

If these parents were eligible for the Pensioner Education Supplement on 1 January 2013, they will be able to finish their course.

However, after January 2014 these parents will also now undertake an approved course of study and be eligible to receive the Pensioner Education Supplement of either \$31 or \$62 per fortnight, to assist with study expenses.

Approximately 43,000 single parents moved to the Newstart Allowance on 1 January 2013 are in paid work and will receive an increase of around \$19 per week under the income free area changes. As a result of the payment reductions and tighter income free area on Newstart, compared to Parenting Payment Single, these parents lost up to \$115 per week under the 1 January 2013 social security changes. The Budget changes restores only a fraction of what was taken away from these parents back on January, and what will be taken away from single parents in the future as 'grandfathered' single parents youngest child turns 8 in future years.

Access to the Pensioner Education Supplement

Naris particularly pleased to see the Pensioner Education Supplement extended to all single parents on the Newstart Allowance. This will have a beneficial impact for those parents who had their payments reduced in 2006 and in 2013

The Bill seems to create a number of unfair anomalies which the Committee should explore. For instance, partners of low income workers and households where both parents

are on the Newstart Allowance may not be eligible for the Pensioner Education Supplement.

Additionally, there are currently over 121,000 people on the Newstart Allowance with a ‘partial capacity to work’. People with disabilities who are trying to survive on the Newstart Allowance should be supported in study and training and also need access to the Pensioner Education Supplement. They would also benefit by the higher taper rates available to single parents receiving the Allowance.

By 2014, one-in-five people on Newstart Allowance will have a recognised disability and have reduced job search requirements. These people have access to the Pensioner Concession Card but will not be able to access beneficial arrangements as proposed by this legislation and will lose access immediately.

| |
|--|
| <p>Recommendation: That the Committee recommend extending the benefits of access to the Pensioner Education Supplement and the access to the Pensioner Concessions Card in limited circumstances for Newstart Allowance recipients with a “partial capacity to work”.</p> |
|--|

Statement of Compatibility with Human Rights and the *Social Security Amendment (Supporting More Australians into Work) Bill 2013*

The Explanatory Memorandum on this Bill, on pages 8-12, offers a comprehensive assessment of the measures to be enacted. The examination of the human rights dimension of the Bill accounts for almost half of the Explanatory Memorandum on the Bill.

The Explanatory Memorandum reports on the compatibility of the *Social Security Amendment (Supporting More Australians into Work) Bill 2013* with human rights and freedoms and with international instruments as listed in the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Welfare and community groups have been actively engaged in recent debates about human rights with respect to our income support system, so it is appropriate to provide comment on the content of the Bill.

The NWRN, along with the Australian Council of Social Services, the National Council of Single Parents and Their Children, Beth Goldblatt, Visiting Fellow, Australian Human Rights Centre, University of New South Wales and others, challenged the *Social Security*

Legislation Amendment (Fair Incentives to Work Act) 2012 by calling for an inquiry by the Parliamentary Joint Committee on Human Rights.

The organisations argued that legislation impacting on a previously “grandfathered” group of single parents was not only unfair, but that it breached a number of fundamental human rights. Ninety-five per cent of those impacted were women. \$728 million over four years was being removed from a recognised vulnerable group in the community.

The Joint Parliamentary Human Rights Committee agreed to an inquiry into the Parenting Payment Bill and in June last year about the human rights problems with the legislation in June last year. The human rights arguments related to the right to Social Security which is found in the universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights and a number of other treaties to which Australia is a party. The groups posited the 1 January Parenting Payment Single cuts were a retrogressive measure and a violation of this groups rights.

In addition, there are women’s rights and children’s rights that are affected by the cuts. Because women make up the majority of the group affected by the payment cuts they face indirect sex discrimination as they are being denied a measure that had been assisting them based on the recognition that they are an extremely vulnerable group.

Equally, young children in single parent families faced losing benefits which they expected would assist in keeping them out of poverty and maintain them in education and social engagement.

The Joint Parliamentary Human Rights Committee requested that the Government halt proceeding with the cuts to parenting payment legislation until the Senate Committee inquiry into the adequacy of the Newstart Allowance was completed. A Government-dominated Senate Education, Employment and Workplace Relations Committee also recommended deferral of the parenting payment cuts, which would leave around 72,000 single parents and their families worse off by between \$60 and \$110 per week.⁵

That report said: “The committee notes, but is not convinced, by the department’s assertion that this measure is fair and would promote workforce participation”. On 5 October 2012, ACOSS members and community stakeholders, including NWRN wrote to the United Nations Special Rapporteur on Extreme Poverty and Human Rights. The letter called on the Special Rapporteur to send an ‘urgent appeal’ to the government

⁵ Senate Education, Employment and Workplace Relations Legislation Committee Inquiry into the Social Security Legislation Amendment (Fair Incentives to Work) Bill 2012, August 2012.

to delay the Bill pending the Senate Newstart inquiry. However, the Government proceeding with the legislation, which passed Parliament.⁶

On 19 October 2012, the UN Special Rapporteur wrote to the Australian government on stating there were “serious concerns” that the change to single parents would “impede the enjoyment of human rights of those sole parents on social security payments.”

The Federal Government has not yet responded to the UN about their concerns with Australia’s treatment of vulnerable single parents.

In March 2013, the Parliamentary Joint Human Rights Committee released its report on the cuts to parenting payment single.⁷ The Committee found that the changes left single parents ‘without essential levels of social security’, and that “the committee is unable to conclude that these measures are compatible with human rights”.⁸

On 29 May 2013, the Australian Human Rights Commission raised serious concerns in the Parliament about the rate of the low Newstart Allowance, the ongoing impact of recent social security payment changes on single parents, and the implications for human rights in Australia. The Human Rights Commission raised deep concerns over the lack of formal monitoring and reporting on the impact of recent welfare policy changes upon single parents and their children.

Concluding remarks

The changes in the Bill are welcome but not sufficient by any means.

Based on the evidence and arguments in this submission, we find that while the measures in the Bill are welcome and will benefit some people, it is still our contention that the right to an adequate level of income support is not being achieved for people on the Newstart Allowance, including single parents. We urge the Government to take steps to address this matter as a national priority.

Further, we urge the Government to develop and publicise a transparent process to monitor the impacts of its policies on unemployed people, and in particular, on single parents and their children impacted by the 1 January 2013 policy reforms.

⁶ Ibid,

⁷ Parliamentary Joint Human Rights Committee on Human Rights, *Examination of legislation in accordance with the Human Rights (Parliamentary Scrutiny) Act 2012, Social Security Legislation Amendment (Fair Incentives to Work) Act 2012, Final Report*, March 2013.

⁸ Ibid, p. 30.

NWRN accepts that the Bill engages the following human rights as contained in the *International Covenant on Economic, Social and Cultural Rights (ICESCR)*:

- the right to work and rights in work
- the right to social security and the right to an adequate standard of living
- the right to physical and mental health
- the right to education

The Bill also engages the rights of the child as contained in the *Convention on the Rights of the Child (CRC)*.⁹

For people on the Newstart Allowance, being able to keep an additional \$19 more of the earnings will help marginally with financial stresses, especially for people raising children alone.

Extending eligibility for the Pensioner Education Supplement for single parents on the Newstart Allowance who were previously denied access will undoubtedly assist with training, education and skills acquisition that may increase attractiveness to employers in a tight labour market.

Having access to the highly valued medical, transport and other concessions that are attached to the Pensioner Concession Card for an additional 12 weeks will also assist single parents.

However, these parents would have remained eligible for the card under the previous more generous Parenting Payment rules. A key consideration for this Committee is the proportionality of the reforms, that is, to what extent do the changes in this Bill actually restore or 'give back', benefits that were taken away by previous legislation.

The answer to this question is complex and variable, and depends upon what income support payment a person is receiving, and whether they are in paid employment.

Recommendation: That the Committee urge the Department of Education, Employment and Workplace Relations for consult with the Human Rights Commission and community groups about implementing measures to monitor the impacts of the 1 January changes to single parents and their families.

⁹ House of Representatives, *Social Security Amendment (Supporting More Australians into Work) Bill 2013*, Explanatory Memorandum, p. 10.

Recommendation: That Schedules 1, 2 and 3 be supported, and that the Committee consider supporting other recommendation in this submission.

Appendix

National Welfare Rights Network, *Submission to the Senate inquiry into the Adequacy of the Newstart Allowance*, 2012.