



7 June 2013

Committee Secretary
Senate Education, Employment and Workplace Relations Committee
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

To the Committee Secretary:

**Submission to the Senate Committee on the Social Security Amendment
(Supporting More Australians into Work) Bill 2013**

Welfare Rights Centre Qld is a community legal centre which provides advice, advocacy and representation for people who have problems accessing the Social Security System. We believe people are better off in paid work than on welfare; however for those who are unable to maintain themselves financially, Australia should have a Social Security System based upon fairness, which recognises and accommodates diversity, is transparent and facilitates economic and social contribution, according to recipients' capacities.

While our organisation supports the three key measures outlined within this amendment, we strongly maintain that these changes do little to alleviate the poverty experienced by Newstart recipients. In fact, two of these key amendments would not have been necessary without the changes to Parenting Payment implemented in January 2013.

The first key measure to increase the income free area is a small step aimed at encouraging individuals to take up more work. Its indexation to inflation is critical, however the Newstart Allowance itself remains unindexed and its real value continues to decrease. This measure also only equates to approximately \$19 per fortnight which, while helpful, is not sufficient to raise people out of poverty.

The second measure reinstates the pension education supplement to single parents who were transitioned to Newstart Allowance on January 1st. It recognises that many parents are trying hard to improve their chances of securing employment through improving their qualifications. We welcome this measure, while noting that it does not represent a new payment.

The third measure allows single parents, moved onto Newstart Allowance, to maintain a pension card for an additional three months. At the end of this period, single parents will still lose entitlement to the card and as a result, to many discounts on essentials such as rates, electricity, public transport, water and telephone. The Welfare Rights Centre welcomes this



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measure, while noting that for those unable to find sufficient paid work to make up the cash equivalent of the discounts lost, this measure only represents temporary relief.

It is a sad fact that while the House of Representatives acknowledged the inadequacy of the Newstart Allowance in a motion carried on May 16th it has still failed to act to remedy this problem. Welfare Rights Centre Qld is a signatory of ACOSS's "\$35 a day is not enough!" campaign, as we firmly believe that current allowance rates place people in poverty, and are hindering their ability to locate or transition into employment.

Welfare Rights Centre has witnessed a steady increase in the number of people accessing our service who are struggling to make ends meet on Newstart Allowance, as it has failed to keep up with the cost of living. We have provided more referrals to emergency relief agencies this financial year than previously. These amendments will do little to stem this tide.

We refer you to our submissions completed for the Inquiries into the Adequacy and Appropriateness of the Allowance payment System and to the Fair Incentives to Work Bill 2012. These central recommendations of these submissions remain relevant.

Welfare Rights Centre Qld strongly urges the Federal Government to provide real support to the unemployed and increase the Newstart Allowance by \$50 a week.

If you require further information, please contact Georgina Warrington, Director, on 07 3421 2520. We look forward to working with you in relation to these important issues.

Yours sincerely

Georgina Warrington
Director