

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2010-2011**

Outcome 4 - Employment & Participation Policy

DEEWR Question No.EW0530_11

Senator Siewert provided in writing.

Question

HENRY TAX REVIEW

What would be the annual cost (for 2009-10 and 2010-11) of implementing Recommendation 83 of the Henry Report to raise single rates of Allowance payments to a higher proportion of the married couple rate of each allowance (assume for these purposes the same proportion, 66.33%, as applies to pensions), disaggregated by each allowance payment? How many recipients of each allowance would gain income and what would be the average gain? What would be the remaining gap between each of those payments and the single pension rate?

Answer

- Costings for raising the single rates of allowances to 66.33% of combined partnered rates are not available.
- As at November 2010, if the allowance rates for single persons were increased to 66.33 per cent of the combined partnered rates, as implied in Recommendation 83 of the Henry Report:
 - the NSA rate for single unemployed people would be increased to \$281.24 per week (currently \$234.85 per week for those without children and \$254.10 per week for those with children), which would be \$76.81 per week below the maximum single pension rate (at \$358.05 per week = \$329.20 maximum basic rate + \$28.85 maximum pension supplement);
 - the YA rate for single people without children would be increased to \$250.07 per week (currently \$188.50 per week), which would be \$107.98 per week below the maximum single pension rate;
 - the YA rate for single people with children would be increased to \$274.54 per week (currently \$246.95 per week), which would be \$83.51 per week below the maximum single pension rate.