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Senate Standing Committees on Economics  
PO Box 6100  
Parliament House  
Canberra ACT 2600

To Whom It May Concern

## **SCOA Submission to Budget Savings (Omnibus) Bill 2016**

The Superannuated Commonwealth Officers' Association (SCOA) disagrees with some of the measures contained in this Bill, namely the removal of the Energy Supplement for new recipients of certain Centrelink benefits, the change to the Carer Allowance, and the changes to the funding of dental care.

Most social commentators agree that the Newstart Allowance is already woefully inadequate, and becoming more inadequate every year, because it is indexed to the CPI, which is a measure of price inflation only, and therefore does not fully take into account increases in the prices that people actually have to pay. The Energy Supplement is currently worth an extra \$4.40 a week to a single person on Newstart. A well-paid politician may consider that to be a trivial amount of money, but it would pay for the typical meal of a person on Newstart.

Rather than abolishing the Energy Supplement, SCOA recommends adding the \$4.40 back into the base Newstart Allowance for all recipients of Newstart. Note that they would still be getting less than if Newstart had received the full CPI increase after the carbon price was first introduced (at that time Newstart was increased by CPI minus the estimated 0.7% increase in the CPI due to the introduction of the carbon price). That would not save the Government any money, but, on the other hand, we doubt that the estimated savings would be achieved if this measure were implemented.

If the Energy Supplement were removed for all new Newstart recipients, there would be two levels of Newstart, which would increase the cost of administering the allowance. In addition, the loss of the Energy Supplement would discourage the marginally employable already on Newstart from taking up offers of short-term work because when they again became unemployed, they would be on the lower rate. It does not seem sensible to provide a disincentive to looking for work.

Another consideration should be the state of the economy. It would be more sensible to maintain or even increase the level of support for the unemployed because they would spend every cent that they get and that would do more to stimulate the economy than tax cuts to the better-off who are less likely to spend their extra money.

At present, Carer Allowance claims can be backdated for up to twelve weeks before the date when the claim was lodged. This Bill removes the ability to backdate a claim.

SCOA believes that it is only reasonable to allow some backdating, say for up to four weeks, because people may become carers as a result of an unexpected illness, accident or natural disaster and, in the first few weeks, may have more important things to deal with than filling in the Centrelink form.

SCOA notes that the new dental scheme will apply only for treatment in the public system, which can result in unacceptable delays in receiving appropriate treatment. There should be some provision for urgent treatment in the private system where that is necessary.

SCOA would be happy to elaborate on any of the above comments and recommendations.

Thank you for considering our submission.

Yours sincerely

A handwritten signature in cursive script that reads "A. J. Barbetti".

(Dr) Annette Barbetti  
FEDERAL PRESIDENT