



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

MOTIONS

Newstart

SPEECH

Tuesday, 18 September 2018

BY AUTHORITY OF THE SENATE

SPEECH

Date Tuesday, 18 September 2018	Source Senate
Page 6645	Proof No
Questioner	Responder
Speaker Storer, Sen Timothy	Question No.

Senator STORER (South Australia) (16:49): I move:

That the Senate—

(a) notes that:

(i) the Newstart payment has barely increased in real terms in the past 24 years,

(ii) nearly half of Newstart recipients have been on their respective payments for at least two years, and more than 15% for at least five years,

(iii) the Business Council of Australia has stated that 'we need a robust and targeted welfare safety net that ensures displaced workers don't fall into poverty while finding their feet. This could include increasing the inadequate Newstart allowance', and

(iv) a report released in September 2018 by Deloitte Access Economics, commissioned by the Australian Council of Social Service, found that increasing a range of allowance payments, including Newstart, by \$75 a week would:

(A) increase the size of the economy by \$4 billion a year from an initial injection of \$3.3 billion a year, this being a conservative appraisal of the size and life of the prosperity dividend flowing from the increase,

(B) see the lowest quintile receive 28 times the relative boost to its disposable incomes, providing a tightly targeted fairness impact, with the bulk of relative improvements in disposal incomes overwhelmingly going to Australia's lowest income families, and

(C) increase regional income per head to the least well-off districts across Australia, meaning that regional communities most in need of help would receive it; and

(b) urges the Government to immediately increase Newstart by \$75 a week to generate the above prosperity and fairness impacts.

Senator STORER: I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator STORER: The level of Newstart has not increased for a quarter of a century, leaving some jobseekers to live in poverty without money for the clothes or the bus tickets that they need to try to get work. As long ago as 2012 the Business Council of Australia argued that Newstart may now be so low as to represent a barrier to employment for people wanting to get into the workforce. The profoundly inadequate level of Newstart one of the key reasons that I opposed the government's company tax cuts, seeing better use of government revenue. The Deloitte Access Economics' report of yesterday puts the direct cost to the budget of increasing a range of benefits related to Newstart at \$3.3 billion a year, but the prosperity dividend would see the Australian economy grow by \$4 billion a year. In my own state of South Australia, an increase of \$75 a week would increase consumption by \$333 million. I urge the government to act, and act now.