

## 2016 Pre-Budget Submission

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# *Supporting Australian Families*

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## INTRODUCTION

The Shop, Distributive and Allied Employees' Association (SDA) is Australia's largest trade union with over 200,000 members. These members are, with few exceptions, low income earners and most live in low income families. The majority of SDA members are women.

## SUMMARY

### Support for Australian Families a Core Role of Government

The primary responsibility of the Australian government is to ensure that every Australian can live decently and with dignity. As the fundamental group unit of society the family should receive sufficient government assistance to allow it to function effectively.

The provision of income support to families, to allow them to effectively carry out their functions, should not be seen as providing welfare. Rather, this should be seen by the government and the community as a long term investment in the future of the nation.

### Family Support Payments

Government should be acting to restore the real value of Family Payments and to ensuring that their value over time is maintained by restoring the indexation link between Family Payments and the movement of wages or the couple pension.

The SDA is completely opposed to the Social Services legislation Amendment (Family Measures) Bill 2015 currently before the parliament. This is inherently anti-family legislation. It will leave over 1.5 million Australian families financially worse off.

We call on the government to withdraw its proposed changes to paid parental leave.

A Maternity payment should be introduced and paid at the same level as the paid parental leave payment to those women who do not qualify to receive paid parental leave.

### Taxation Reform

As illustrated in "Re:think" Australia is a low tax country.

Australia needs to generate sufficient revenue to allow government to fulfil its basic obligations to the people and families of Australia.

It would be counter-productive to the long term needs of Australian families for the government to pursue an approach designed to reduce or even retain at the current levels the current taxation revenue.

As the population ages Australia will need greater revenue if all Australians are to receive adequate levels of support.

This then must be the starting point for any review of the current taxation system.

Australia needs a more progressive taxation structure. Tax rates for low and middle income earners should be reduced.

There is a need to ensure indexation of thresholds, at least at the lower threshold levels.

Poverty traps caused by the "stacking" of income tests should be ended.

Adjustment of income test thresholds to ensure that low income earners are not penalised for working would also be a major step forward.

Closing down taxation loopholes must become a priority.

Imposition of a wealth tax on those with substantial wealth is justified on equity grounds.

All Australians and all companies should pay their fair share of tax.

Artificial contrivances which enable individuals and or corporations to avoid this fundamental obligation should be removed immediately.

It is imperative that the taxation system guarantee the government sufficient revenue to achieve its fundamental responsibilities and goals.

The SDA supports the concessional treatment of superannuation, on the basis that it is aimed at maximizing retirement incomes and ensuring a greater number of Australians have more adequate retirement incomes.

However, the current system is economically unsustainable as many wealthy individuals are using the superannuation system to avoid paying their fair share of tax.

Excessive superannuation earnings should be subject to taxation at the relevant individual's marginal rate.

The SDA supports any moves which bring about multinationals paying their fair share of corporate tax.

We do not support any expansion of the GST, either by raising the current figure of 10% or by expanding its coverage.

### **Accessible, Affordable, Quality Child Care**

We emphatically say that decision making in the area of child care must be driven in the first instance by what is in the best interests of the child.

Childcare should be of high quality, accessible and affordable.

The SDA supports the proposal to create a single child based subsidy.

We strongly support the principle of government payments being means tested.

We endorse the case that such subsidies should support up to 100 hours of care per fortnight.

We strongly support the position that government provided subsidies should only be available where the ECEC service satisfies the requirement of the National Quality Framework.

There should be increased financial support for low and middle income families in the area of childcare.

Childcare funding should be limited to funding approved childcare services which are compliant with the national quality standards for childcare.

The SDA strongly supports an effective and robust NQF system.

## Welfare System Reform

Consideration should be given to reducing the complexity of the current system by simplifying and integrating payments where possible.

## Superannuation

Superannuation should be increased to 12% as soon as possible.

Legislating to provide for payment of superannuation contributions for workers on parental leave would be a significant step forward.

## Newstart

There should be a substantial increase in the Newstart payment.

## Health

A dental health service, easily accessible to all Australians, should be established.

Access to pharmaceuticals, as required, on an affordable basis, should be made possible for all Australians.

# TOWARDS BETTER SUPPORTING AUSTRALIAN FAMILIES

## Introduction

It is our view government policy and action in all areas should be underpinned by a commitment to the following core principles:

- recognition that the family is the fundamental group unit of society;
- a standard of living consistent with human dignity is a fundamental right of all Australians;
- support should be provided by government to families on an equitable basis with priority given to low income families.
- poverty is abhorrent and completely unacceptable;
- respect for the various choices families make in respect of work and caring for family members;
- easy access for all families to the various types of support open to them;
- given the scarcity of government resources, there is no argument for any family support payment to be made on a universal basis.

## Support for Australian Families a Core Role of Government

1. Most Australians live in families and most think those families are important. The centrality of the family is recognised in the Universal Declaration of Human Rights.
2. Government has a key role to support families. In framing policy, government must start from the position of seeking to protect and strengthen Australian families.
3. Strong families are important.
4. They fulfil a range of functions such as caring for and raising children; emotional security; refuge; nurturing and love; providing a place where people can find identity and value; socialisation skills; and care for the sick and elderly.
5. Families are the building blocks of strong communities. Human capital is firstly formed within and by the family. In the formation and development of children the family is central. The effective functioning of families is clearly and widely recognised as being critical to the well-being of society.
6. As such, there is an overwhelming need for government to put in place strategies to support families. Such strategies must be designed to build social capital by promoting families and extending their capacity to function effectively. In doing so it should take a long term as well as a short term view. The over-riding aims of government action should be to build community support for families, including their capacity to interconnect and network; establish greater fairness for families by providing equitably based support, with a focus both on prevention and early intervention; and empower families so as to improve their effectiveness, resilience and capacity for self-development.
7. To function effectively a family must be able to live decently with dignity.
8. A wide range of factors influence whether a family is able to function effectively.

9. The well-being of families is crucial to the well-being of the nation. As such, **there is an overwhelming need for government to put in place strategies to support families.**

Such strategies must be designed to build social capital by promoting families and extending their capacity to function effectively.

## Family Income Support payments

10. Today a considerable number of families are facing substantial economic difficulties, primarily due to inadequate income. A large number of Australian families are living below, or close to, the poverty line.
11. Based on the OECD database, of the 34 developed countries considered by the OECD in 2010. Australia ranked 26<sup>th</sup> in terms of the poverty rate with 14.4 per cent of persons in poverty compared with an average of 11.3%.<sup>1</sup>
12. The 2011-12 ABS data suggests that around 2.6 million (11.8%) of Australians live under the poverty line.<sup>2</sup>
13. According to NATSEM the general trend is that poverty rates have increased.<sup>3</sup>
14. ACOSS has calculated that in 2010, after taking housing costs into account an estimated 2,265,000 or 12.8% of all people, including 575,000 children (17.3%) were living below a poverty line calculated at 50% of the nation's median income.<sup>4</sup>
15. An OECD report released in March, 2014 estimated that 14% of Australians get by on less than half the nation's median income, significantly above the OECD average of 11%.<sup>5</sup>
16. A much larger proportion of families with children are living on incomes that are just above (less than 10% higher than) the relevant Henderson Poverty Line (HPL), suggesting that a more substantial proportion of families are at risk of poverty. Henderson regarded those with incomes of less than 20% above the HPL as 'poor'.
17. A range of factors are key drivers in the achievement or otherwise of adequate family income.
18. The type of family that individuals live in is a major factor. Persons living alone or single parents are more likely to be in poverty than other groups.
19. The presence and number of children are major factors in the determining of adequate family income. Families with children are more likely to be living in poverty than those without children. The larger the family the more likely it is to be facing financial hardship.

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<sup>1</sup> Poverty, Social Exclusion and Disadvantage in Australia, B. Phillips, NATSEM, 2013

<sup>2</sup> Op Cit

<sup>3</sup> Op Cit

<sup>4</sup> The Australian, 24 January, 2014

<sup>5</sup> Sydney Morning Herald, 19, 3, 2014

- 20.** In terms of number of persons in poverty, the numbers remain large and concentrated in couples with children (831,318) and single parent families (295,964).<sup>6</sup>
- 21.** Two thirds of all children living in poverty come from families whose principal source of income is government payments.
- 22.** There are also clear linkages between the nature of employment and poverty. The contemporary period has been characterised by a decline in full-time employment and the rise of insecure, non-traditional and more precarious casual employment practices. Many prime income earners do not have full time jobs.
- 23.** The distribution of work is also a critical factor influencing the attainment of adequate income. In Australia the availability and distribution of work is becoming increasingly concentrated. On one hand we have what might be described as job rich households where more than one person in the household is employed and on the other hand we have job poor households where no-one is employed. Further, those in employment are also often required or expected to "do extra hours" which result in them having inadequate time to interact with their partner and children.
- 24.** Overall, poverty rates in capital cities tend to be lower than for regional and rural areas. However due to the concentration of population in the capital cities there are actually more people who are poor in the big cities.
- 25.** The opportunities and incomes facing Australians are influenced by the State, suburb or region in which they live There is an income gap between those living in the inner metropolitan areas and people living in the outer metropolitan areas. The most affluent postcodes are all inner metropolitan.
- 26.** Households of similar economic status tend to cluster. In turn, this has the capacity to create low income suburbs and neighbourhoods. In these areas, the social infrastructure provided by wealth is often missing. This leads to deprived neighbourhoods characterised by poverty, disadvantage and social exclusion.
- 27.** There is a clear relationship between level of educational attainment and income. Low educational attainment generally results in low income earning capacity.
- 28.** The percentage of disposable income expended upon necessities by the first quintile of households is significantly greater than that expended by higher quintile groups. In general the proportion of disposable income expended upon food and non-alcoholic drinks, housing, household services and domestic fuel and power declines as household income rises while the proportion spent on transport, recreation, clothing and footwear and alcohol increases. This is clearly due largely to the presence of more discretionary income in higher income households. Low income families have little discretionary disposable income.
- 29.** Australia has a large wealth gap.
- 30.** The gap in living standards between the richest and the poorest grew by around 13% over the 10 years to 2015.<sup>7</sup>

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<sup>6</sup> Op Cit

<sup>7</sup> Living Standards Trends in Australia, B. Phillips, NATSEM, 2015

- 31.** Wealth inequality impacts adversely upon families and children who are at the bottom of the income and wealth ladder.
- 32.** The Australian Bureau of Statistics in Australian Social Trends publication for 2007 reported upon the impact of financial stress upon families. The report shows that low income families experience very different living conditions compared to the rest of the community. It reported that:
- 52.1% of low income people are unable to raise \$2000 for something important in a week compared to 8.6% of all others;
  - 37.8% of low income people cannot pay electricity, gas or telephone bills on time compared to 7.8% of others;
  - 13.5% of low income earners cannot pay for car registration or insurance on time compared to 4.6% of others;
  - 8.9% of low income people are unable to heat their home compared to 1.2% of all others;
  - 11.8% have gone without meals compared to 1.8% of others;
  - 11.7% of low income people have pawned something compared to 2.3% of all others;
  - 26.4% of low income people have sought financial help from friends or family compared to 7.8% of all others; and
  - 14.7% of low income people have sought assistance from welfare or community groups compared to 1.2% of all others.<sup>8</sup>
- 33.** NATSEM suggests that children born into socio-economically disadvantaged families:
- often start with below average birth weight;
  - are likely to be less well nourished;
  - do less well in school;
  - are more prone to sickness - with inadequate emphasis on prevention;
  - are more likely to become overweight and do less exercise than other children.<sup>9</sup>
- "Such children often start their lives with below average health, experience earlier onset of conditions and progression to more severe stages and, on average, die earlier than the rest of the population."
- 34.** Government policy must address the issue of poverty and adequate family income, especially as its impacts upon children.
- 35.** Growth in poverty has a deleterious impact upon families and the individuals therein. It leads to problems in areas such as community safety, educational achievements and health. Apart from the direct impact on the people affected, crime impacts upon the rest of the community in greater risks of danger, increased insurance premiums and greater costs in maintaining community and personal security.

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<sup>8</sup> The Age, Wednesday, 8 August, 2007

<sup>9</sup> AMP-NATSEM Income and Wealth Report "Health and Income in Australia", Agnes Walker, Simon Kelly, Anne Harding, Annie Abello, April 2003

- 36.** Ultimately, poverty and the resultant fall-out can lead to social alienation and division. Families or individuals in poverty are inimical to the development of a socially cohesive nation.
- 37.** The government has a responsibility to ensure that all Australians have sufficient income to live decently and with dignity. As the fundamental group unit of society the family should receive sufficient government assistance to allow it to function effectively.
- 38.** The presence of children places a significant economic burden upon families.
- 39.** The costs of children increase with their age and are also related to the overall family income and the attendant lifestyle of the family.
- 40.** Food is the biggest expense in all demographics and, for low-income families, it amounts to a quarter of the overall cost of the child. Transport, recreation, housing, clothing and other costs, such as medical and dental, are the other big-ticket expenses. These figures do not include the estimated costs of parents' lost earnings.
- 41.** Children are a major expense for families. This expense grows as children become older. As such it is important to take this factor into account when determining appropriate support payments to families.
- 42.** Governments must be prepared to recognise the cost benefits of investing in and supporting Australian families.
- 43.** The provision of income support to families, to allow them to effectively carry out their functions, should not be seen as providing welfare. Rather, this should be seen by the government and the community as a long term investment in the future of the nation.
- 44.** "Social security is very important for the well-being of workers, their families and the entire community. It is a basic right and a fundamental means for creating social cohesion, thereby helping to ensure social peace and social inclusion. It is an indispensable part of government social policy and an important tool to prevent and alleviate poverty. It can, through national solidarity and fair burden sharing, contribute to human dignity, equity and social justice."<sup>10</sup>
- 45.** In a paper presented to the 7<sup>th</sup> Australian Institute of Family Studies Conference on 26 July, 2000, NATSEM (The National Centre for Social and Economic Modeling) showed clearly that introducing and then increasing payments to low-income working families with children had been a resounding social policy success.<sup>11</sup>
- 46.** NATSEM shows that government initiatives in regard to increasing family support payments and in improving access to education and health services for all members of the community during the 1980's significantly ameliorated the financial position of many low income families, especially for those with dependent children.

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<sup>10</sup> International Labor Organisation, Report of the Committee on Social Security, Conclusions Concerning Social Security, 6 June 2001.

<sup>11</sup> Social Policy Matters, The Changing Face of Child Poverty in Australia: 1982 to 1997-98, Anne Harding and Aggie Szukalska, NATSEM, University of Canberra.2000

- 47.** Low income families are very reliant upon adequate government payments to make ends meet.<sup>12</sup> Without these payments many more families would be in poverty and many low income working families would be better off relying totally on social security. Public education and health services also play a hugely important role in income redistribution.
- 48.** For SDA members and their families, an effective social welfare or social security system is critical. Income support payments from government often make the difference between whether low income families can enjoy a basic but reasonable standard of living or otherwise.
- 49.** Government payments have helped many low income families escape poverty. Nevertheless there are still large numbers of Australians, many of them children, living below the poverty line.
- 50.** Maintenance and improvement in our family payments and support structures is critical if large numbers of families are not to fall back into poverty and if those below the poverty line are to be given a better chance at a reasonable standard of living.
- 51.** Over the past two decades Australia's family payments system has played an important role in reducing child poverty levels.
- 52.** However, it is important to note that while spending on families increased significantly between the 1980's and the mid-nineties, it then broadly remained at a plateau until 2003/4.
- 53.** From 2003-04 the real value of family assistance payments actually started to fall.
- 54.** The declining value of family assistance payments is a cause for serious concern and must be addressed now.
- 55.** Major changes to family payments were introduced in the 1980's. These changes had the effect of greatly increasing the income of many low income families.
- 56.** The Hawke government legislated to set the level of family payments for low income families as a percentage of the married rate of the pension payment. The level of payment was subject to movements in the wage rate. The percentage rate for each child under 13 years was 16.6% of the couple pension rate and for each child 13-15 years it was 21.6% of the couple pension rate. This represented a significant change to the previous system where payments were much lower, in part because while pensions were indexed to both wage and CPI movements family payments were not.
- 57.** Under the Howard government the value of family payments dropped for low income families as an attempt was made by the Howard government to spread family payments to a wider section of the community, albeit at the cost of reducing the real value of payments to low income families. This is middle class welfare.
- 58.** The trend to reduce the actual real value of family tax payments to low income families continued under the Rudd-Gillard government.
- 59.** In 2009 the Rudd-Gillard government removed the legislative link between the rates of the Family Tax Benefit Part A and the pension rate.

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<sup>12</sup> ABS Income Distribution - 6523 - 1999-2000.

- 60.** In the absence of ad hoc increases such as the one off increase in the 2012 Budget of \$300 per year to maximum Family Tax benefit part A recipients family payments family payments have been declining in real terms.
- 61.** To restore the value of Family Tax Payments to the level they were at when the Rudd-Gillard government came into office there would need to be an increase in Family Payments of about \$6.78 pw.
- 62.** To restore family payments to the level they reached under Hawke there would need to be an increase of about \$7.63 pw.
- 63.** As such government should be moving to substantially increase family payments.
- 64.** There are no valid grounds to withdraw the money previously allocated to family payments.
- 65.** Government should be acting to restore the real value of Family Payments and to ensuring that their value over time is maintained by restoring the indexation link between Family Payments and the movement of wages or the couple pension.
- 66.** The SDA is completely opposed to the Social Services legislation Amendment (Family Measures) Bill 2015 currently before the parliament. This is inherently anti-family legislation. It will leave over 1.5 million Australian families financially worse off.
- 67.** The Department of Social security has previously told a Senate committee that 136,000 single parents will see a reduction in their Family Tax Benefit B once their youngest child turns 13 if this legislation is passed. Single parents of teenagers would have their payments reduced from more than \$3,000 per year to \$1,000.<sup>13</sup>
- 68.** This means that in 2016 there will be 136,000 single parents who will immediately drop almost \$2,000. Further there will be another group, those with children over 16 who will lose their entitlement completely, a drop of over \$3,000.
- 69.** When all the changes are fully phased in a sole parent with one child will lose roughly \$2,500. Those with two children will lose around \$3,000. Low income couples will lose between \$3,500 and \$4,000 per year.<sup>14</sup>
- 70.** Families with younger children would lose from the abolition of the Part A Supplement of nearly \$730, offset to some extent by the additional \$262 per child per year increase in the base rates of Family Tax Benefit A. Large families would lose more.<sup>15</sup>
- 71.** The Family Tax Benefit A Supplement will be dropped to \$602.25 in July 2016, to \$302.95 in July 2017 and altogether in 2018.
- 72.** In total, there will be about 1.5 million Australian families who will lose their family Tax Benefit A Supplement and be left worse off.
- 73.** In addition, about 1.3 million families will lose their Family Tax Benefit B Supplement.
- 74.** In total there will be 1.6 million Australian families left worse off by the changes. This is estimated to adversely impact on nearly 3 million children.

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<sup>13</sup> Sydney Morning Herald, 22/10/2015

<sup>14</sup> Sunshine Coast Daily, 22/10/2015

<sup>15</sup> Op Cit

- 75.** Grandparent carers would have their payments cut once their grandchild turns 13.<sup>16</sup>
- 76.** It is bizarre that a government which promotes itself as family friendly could propose such changes. These changes are anti-family.
- 77.** They leave many Australian families worse off, at a time when families are facing enormous economic pressures.
- 78.** Many of the families impacted will be low income families.
- 79.** Australia already has many families and children living in poverty. These changes, if enacted will only make the situation worse.
- 80.** The current structure of family support payments is appropriately progressive. All such payments should continue to be means tested.
- 81.** As CEDA has pointed out, Australia has a well- targeted tax and transfer system.<sup>17</sup>
- 82.** The provision of income support to families, either through the taxation system and/or the social security system, to allow them to effectively carry out their functions, should not be seen as providing welfare. Rather, this should be seen by the government and the community as a long term investment in the future of the nation.
- 83.** For low income families an effective social welfare system is critical. Income support payments from government often make the difference between whether low income families can enjoy a basic but reasonable standard of living or otherwise.

## A Fair Taxation System

- 1.** Every Australian must have the right to live decently with dignity. A fair taxation system plays a crucial role in the achievement of this outcome.
- 2.** Australians are looking for a taxation system which is characterised by the concepts of equity, fairness, transparency and adequacy.
- 3.** As illustrated in “Re:think” Australia is a low tax country.
- 4.** Australia needs to generate sufficient revenue to allow government to fulfil its basic obligations to the people and families of Australia.
- 5.** It would be counter-productive to the long term needs of Australian families for the government to pursue an approach designed to reduce or even retain at the current levels the current taxation revenue.
- 6.** As the population ages Australia will need greater revenue if all Australians are to receive adequate levels of support.
- 7.** This then must be the starting point for any review of the current taxation system.
- 8.** This is not to say that future economic growth is not important. Any reform of the taxation system should seek to maximise opportunity for future economic growth.

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<sup>16</sup> Op Cit

<sup>17</sup> Addressing Entrenched Disadvantage in Australia, CEDA, April 2015

9. In regard to individuals the principal goal must be the ensuring that individuals are taxed according to their capacity to pay.
10. The Australian taxation system lacks this basic principle of equity.
11. The history of tax changes over recent years highlights this fact.
12. In a series of "tax cut" announcements, the Howard government delivered very substantial tax cuts to high income earners and relatively modest cuts to low and middle income earners.
13. The impact of the tax cuts between 2003 and 2007 is set out for a range of income levels in the table below. It is clear from this table that while low income workers benefited by only \$13 per week over the period, higher income earning people received much larger benefits, with the highest income earners receiving over \$142 per week tax cuts over the period.

### TAX CUTS BETWEEN 2004 -2007

Annual Income	Tax Cuts per Week - From 1 July					
	2003	2004	2005	2006	2007	Total
\$25,000	\$4.00	-	\$6.00	-	2.88	\$12.88
\$50,000	\$4.00	-	\$6.00	-	14.42	\$24.42
\$60,000	\$8.62	\$13.85	\$10.60	-	14.42	\$47.49
\$70,000	\$11.02	\$21.06	\$17.50	\$16.15	14.42	\$80.15
\$80,000	\$11.02	\$21.06	\$27.15	\$16.15	24.04	\$99.42
\$90,000	\$11.02	\$21.06	\$36.76	\$16.15	24.04	\$109.03
\$100,000	\$11.02	\$21.06	\$41.57	\$20.96	24.04	\$118.65
\$125,000	\$11.02	\$21.06	\$41.57	\$45.00	24.04	\$142.69

14. Ross Gittins, writing in the Sydney Morning Herald, observed after the 2007 Budget was delivered that *"the big winners are people....earning more than \$85,000 a year....the relative losers are the great bulk of taxpayers who are on middle incomes between about \$40,000 and \$70,000 a year"*.
15. During that period high income earners benefited from the lifting of the second top tax rate from \$50,000 p.a. to \$80,000 p.a. and the lifting of the top tax rate from \$60,000 p.a. to \$180,000 p.a. They also benefited from the cutting of the second top rate from 42% to 40% and the cutting of the top rate from 47% to 45 %.
16. Gittins pointed out that as a result those high income earners then paid between 2 cents and 4.5 cents less tax on every dollar than they paid in the year 2000. The greatest savings went to those on an annual income of \$180,000.
17. Over time the top marginal tax rate has dropped from 65 cents in the dollar to 45 cents.
18. On the other hand the bottom tax rate has risen from 15 to 19 per cent.

19. By comparison, in the same period middle income earners had overall tax savings of about 0.5 per dollar and no change on the 30% rate they paid on any increase in their earnings.<sup>18</sup>
20. The tax cuts introduced by the Rudd Gillard government went some way towards restoring equity to the taxation system.
21. However the fundamental imbalances and inequities in the system remain.
22. Australia needs a more progressive taxation structure. Tax rates for low and middle income earners should be reduced.
23. The absence of tax indexation has led, over the years, to low income earners moving into brackets where they are paying a greater share of their income in tax than previously.
24. "Re:think" has highlighted the impact of "Bracket creep" and acknowledged that this impacts most harshly on low and middle income earners.<sup>19</sup>
25. The structure of the tax system should be re-visited to provide greater equity to low income families.
26. Some workers and their families continue to face high effective marginal tax rates. This problem becomes particularly acute when some of these EMTR's effectively "stack" upon one another. These developments can create effective poverty traps and may act as disincentives for people to work.
27. Poverty traps caused by the "stacking" of income tests should be ended. Adjustment of income test thresholds to ensure that low income earners are not penalised for working would also be a major step forward.
28. Families are much more severely impacted upon by high EMTRs than single individuals.
29. There is a need to ensure indexation of thresholds, at least at the lower threshold levels.
30. The problem of bracket creep is compounded by the impact it has upon the effective marginal tax rates. The interplay of the tax system and then social welfare system often acts as a double whammy to working parents who not only find themselves moving into higher tax brackets over time but also find that while their relative income remains static or even declines they are also losing social welfare entitlements because of the impact of the threshold and taper rates which apply to such payments. Where more than one welfare payment is impacted this stacking of income tests leaves families significantly disadvantaged.
31. The impact of effective marginal tax rates acts as a strong disincentive for people, especially mothers as the second income earners, to participate in the paid workforce.
32. Low income families are very reliant upon adequate government payments to make ends meet.<sup>20</sup>

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<sup>18</sup> The Sydney Morning Herald, Wednesday, May 15,2007

<sup>19</sup> Re:think, p22

<sup>20</sup> ABS Income Distribution - 6523 - 1999-2000.

33. *"Social security is very important for the well-being of workers, their families and the entire community. It is a basic right and a fundamental means for creating social cohesion, thereby helping to ensure social peace and social inclusion. It is an indispensable part of government social policy and an important tool to prevent and alleviate poverty. It can, through national solidarity and fair burden sharing, contribute to human dignity, equity and social justice."*<sup>21</sup>
34. Without these payments many more families would be in poverty and many low income working families would be better off relying totally on social security. Public education and health services also play a hugely important role in income redistribution.
35. For SDA members and their families, an effective social welfare or social security system is critical. Income support payments from government often make the difference between whether low income families can enjoy a basic but reasonable standard of living or otherwise.
36. The social security system should not prevent or discourage an individual from entering, re-entering or remaining in the workforce or from taking additional part-time work. The current system, in some circumstances, does exactly this.
37. There is a strong case to argue that poverty traps caused by the "stacking" of income tests should be removed or at least seriously reduced.
38. Inequality in wealth within the Australian community is substantial and increasing. Australia's richest households are acquiring an ever greater share of the nation's wealth and the gap between the haves and the have-nots continues to grow.
39. Research shows that the top 20% of people have five times more income than the bottom 20% of the population and seven times the wealth. The richest seven people in Australia hold more wealth than the 1.73 million households in the bottom 20%.<sup>22</sup>
40. Australia is now estimated to have more than 100,000 millionaires, and the number of people with annual incomes of more than \$1 million has more than doubled in just five years to about 600. The richest 10 percent of our families have 44 percent of the wealth.
41. A wealth tax would reduce the wealth gap and help fund the establishment of greater vertical and horizontal equity in the system.
42. The imposition of a wealth tax on those with substantial wealth is justified on equity grounds.
43. All Australians and all companies should pay their fair share of tax.
44. Artificial contrivances which enable individuals and or corporations to avoid this fundamental obligation should be removed immediately.
45. It is imperative that the taxation system guarantee the government sufficient revenue to achieve its fundamental responsibilities and goals.

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<sup>21</sup> International Labor Organisation, Report of the Committee on Social Security, Conclusions Concerning Social Security, 6 June 2001.

<sup>22</sup> Income and Wealth Inequality in Australia, D. Richardson and R. Denniss, The Australia Institute, Policy Brief 64, July 2014

46. In bringing this about it should be noted, that by international standards, Australia “has a relatively low tax burden compared to other developed countries.”<sup>23</sup>
47. “The tax system imposes economic costs by distorting the decisions of individuals and entities”<sup>24</sup>
48. The current system is structured to give every opportunity to maximize deductions and thus reduce assessable income. Overwhelmingly this benefits higher income earners.
49. Bringing provisions which lead to distortions and hence some people to paying less than their fair share of tax to an end must be a priority of tax reform.
50. A range of initiatives are required to achieve this outcome.
51. Fringe Benefits Tax is payable on the Fringe benefits provided to an employee by their employer. Due to the structure of the FBT many employees are able to minimize or remove their tax obligations. For example, the current FBT arrangements allow for the exemption for employer provided childcare and the concessional treatment of company cars. In practice it is normally better paid and more senior employees who reap the benefits of FBT.
52. Fringe Benefits Tax should be remodelled to prevent the extensive salary packaging currently allowed.
53. While we acknowledge that it is generally wage and salary earners who claim deductions, it is higher income earners who benefit most from such claims.
54. This is particularly the case in respect of those who claim financial and rental property losses and or business deductions.<sup>25</sup>
55. Most low income workers have a relatively low total value of legitimate work related expenses. On the other hand we believe many higher income earners benefit disproportionately from being able to make claims which are legitimate under the current arrangements.
56. Re:think has raised the issue of a standard deduction for work related expenses. We believe this is worth further consideration.
57. The current system allows for earnings within private companies to be delayed. Discretionary trusts can also be used for a similar purpose. They can delay payments or direct payments in ways that minimize tax obligations.
58. Capital gains tax is payable on a “realization basis”. However, in certain circumstances exemptions and concessions apply.
59. Capital gains tax should not allow exemptions or concessions.
60. Investment properties are the third most popular savings vehicle after the family home and superannuation. In our view the capacity to negatively gear such properties has

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<sup>23</sup> Re:think ,p16

<sup>24</sup> Re:think, p24

<sup>25</sup> Re:think, p50,Tables 3.5 and 3.6

been a major driver of their popularity. The proportion of tax filers with negatively geared properties increases as taxable income increases.<sup>26</sup>

- 61.** Almost 300,000 people have five or more homes negatively geared for tax offsets, costing the nation up to \$5 billion a year in lost revenue. ATO figures show 15,264 landlords own at least six investment properties, which they claim run at a loss. Another 14,555 own five.<sup>27</sup>
- 62.** Negative gearing is used to avoid paying tax. It overwhelmingly benefits middle and higher income earners. Such arrangements are unfair. They enable some people to avoid paying their fair share.
- 63.** Negative gearing pushes up the cost of housing. In the decade to 2012 the average house price rose 92% and the average cost of flats rose 40%. Home ownership, especially for working families is declining due to the increased costs of such dwellings.
- 64.** Negative gearing should be abolished.
- 65.** Employee share schemes allow employers to provide shares or options to employees at a discount rate. The provided shares are taxed at the discount rate. In due course the employee may dispose of the shares at their full rate.
- 66.** Concessions associated with employee shares and share options should be abolished.
- 67.** A range of concessions apply in regard to superannuation.
- 68.** Those on the highest incomes receive the greatest benefit from these arrangements.
- 69.** It has been estimated that the nation's wealthiest retirees are collecting \$10 billion a year as a result of these concessions. About 24,000 of the richest superannuation holders – each with more than \$2 million in their accounts – are receiving about \$5.2 billion a year in tax free income. A further 51,700 retirees with balances between \$1 million and \$2 million receive \$4.9 billion a year tax free.
- 70.** The 24,000 people with the largest balances receive average annual payments of \$216,000 and those in the second group receive average annual payments of \$95,000. ASFA has argued that people will need about \$58,000 per annum for a comfortable retirement.<sup>28</sup>
- 71.** This all follows from a government decision in 2006 to scrap taxes on the retirement income from superannuation.
- 72.** The SDA recognizes that industry superannuation was established to ensure adequate retirement incomes for all working Australians. In the introduction of industry superannuation workers "traded" wage increases for the introduction of superannuation.
- 73.** The SDA supports the concessional treatment of superannuation, on the basis that it is aimed at maximizing retirement incomes and ensuring a greater number of Australians have more adequate retirement incomes.

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<sup>26</sup> Re:think, p64

<sup>27</sup> Herald Sun, 15 April, 2015

<sup>28</sup> The Australian, 1 April, 2015

74. However, the current system is economically unsustainable as many wealthy individuals are using the superannuation system to avoid paying their fair share of tax.
75. AIST (Australian Institute of Superannuation Trustees) has pointed out that the cost of the superannuation tax concessions is expected to rise to more than \$50 billion by 2018-2019.<sup>29</sup>
76. Excessive superannuation earnings should be subject to taxation at the relevant individual's marginal rate.
77. Australian Tax Office data shows 300,000 self-managed super funds legally eliminated or reduced their tax bill in 2012-2013, the most recent year for which data is available. In addition there were 450,000 funds which generated gross taxable income of \$25.8 billion of which \$16.8 billion was totally exempt from income tax because the funds were in the pension phase, which does not incur tax.<sup>30</sup>
78. The current tax breaks available to SMSF's should be removed.
79. It is of great concern to the SDA and we believe the Australian community that not all corporations pay their fair share of tax.
80. In our view it is pie in the sky to suggest that lower tax rates for corporations would bring about any change in the behaviour of those who seek to avoid paying their fair share.
81. Stronger compliance measures which had the effect of effectively policing the corporate tax payment regime are necessary.
82. In recent times the issues of multinationals avoiding tax has received broad media coverage.
83. There is an extraordinary amount of money being moved out of Australia on a regular basis by multinational corporations so that they can avoid paying the proper amount of tax.
84. The Australian Tax office has listed 10 companies alone which, in the 2011-2012 financial year moved \$31.4 billion from Australia to Singapore.<sup>31</sup>
85. The SDA supports any moves which bring about multinationals paying their fair share of corporate tax.
86. All of these concessions listed above provide substantial benefits to high income earners. Few low or genuine middle income earners benefit from such schemes.
87. The removal of these provisions would substantially improve the equity, simplicity and fairness of the overall system.
88. **In his 2015-2016 Budget speech the Treasurer announced plans to levy tax on digital products and services. We support this decision.**
89. However, that announcement leaves the job half done.

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<sup>29</sup> AIST Special Budget Bulletin, 13 May 2015

<sup>30</sup> The Age, 25 May 2015

<sup>31</sup> The Age, 7 April, 2015

- 90.** The retail industry in Australia is facing a significant disadvantage against overseas on-line retailers.
- 91.** Australian retailers are required to pay G.S.T. on all merchandise they handle, plus pay any import duty on this merchandise.
- 92.** Overseas-based on-line retailers do not pay the G.S.T. on merchandise priced under \$1,000. They do not pay import duty. This gives them a price advantage of up to 20% over Australian-based retailers who must pay both the G.S.T. and any import duty.
- 93.** Therefore, we have an uneven playing field. This is unfair competition.
- 94.** The magnitude of the disadvantage suffered by Australian retailers is substantial for an industry where profit margins are generally quite small. It is not a sustainable situation.
- 95.** International on line in retail should not be given preferential treatment at the expense of Australian workers and businesses.
- 96.** Overseas operators are taking advantage of the unfair competitive environment to grow their business. It is not uncommon for overseas operators to ensure GST and import duties are avoided. For example, if an order is over \$1000, it is automatically split into two orders to fall below the \$1000 threshold. A system that actively and willingly condones such approaches is wrong.
- 97.** Having inefficiencies that give overseas competitors an advantage in that they can avoid GST and import duties is something that the Australian retail industry should not have to contend with.
- 98.** Many countries deliberately protect domestic companies from overseas competition. Here, we are doing the opposite. Government policy actually penalises Australian retailers against their overseas on-line competitors.
- 99.** The Australian Retail Industry is already a modern and competitive industry with an extremely flexible workforce and an efficient mode of operation. It is as advanced as any retail industry in North American or Western Europe.
- 100.** The Government legislates to impose various taxes and duties. In doing so, it has an obligation to the retail industry and its employees to ensure that this taxation regime does not disadvantage any companies, whether domestic or foreign. It has a duty to ensure there is a level playing field.
- 101.** Overseas on-line retailers should pay the same taxes and duties as their Australian-based competitors.
- 102.** There is a need to introduce a requirement for G.S.T. to be paid on all goods and services purchased on-line from overseas.
- 103.** The GST is Australia's primary tax on consumption.
- 104.** The SDA opposed the introduction of the GST in 2000. We continue to maintain our opposition to the concept of a GST.
- 105.** We do not support any expansion of the GST, either by raising the current figure of 10% or by expanding its coverage.

- 106.** As a consumption tax the GST impacts most heavily upon those on lower incomes who have less financial capacity to absorb its impact.
- 107.** In particular the GST impacts most heavily upon young families, where the family income tends to be lower than in the latter years of the parents who over time generally progress in their employment with consequent increases in wages or salaries.
- 108.** As Re:think points out at page 135 broad based consumption taxes increase prices and by consequence this has the effect of reducing the real value of the stock of existing household savings.<sup>32</sup>
- 109.** Given Australia has a major problem with the overall low level of household savings, moves which would have the effect of further reducing such savings stock would have a detrimental impact upon the economy
- 110.** Home ownership is becoming increasingly difficult for many families. Low income families in particular are finding it extremely difficult to enter the housing market. Home ownership is generally regarded as a major bulwark against poverty and a major factor in bringing about family stability.
- 111.** Government has a responsibility to help and support families into home ownership. In particular, mechanisms should not be put in place which make it unreasonably difficult for young families to achieve home ownership.
- 112.** The existence of negative gearing which encourages investors into the housing market to compete against families works against families achieving home ownership. Likewise the requirement upon purchasers to pay stamp duty on house acquisitions leads to the same outcome.
- 113.** Taxation reform should aim to bring about an end to stamp duties being paid on the acquisition of the family home.
- 114.** Re:think has raised the issue of user charges being more widely used to meet the costs of services.
- 115.** User charges fall disproportionately on low income earners. In most cases the costs of services do not vary according to the income of the individual involved. The higher the income the more able an individual is able to comfortably meet the costs of services.

### Accessible, Affordable, Quality Child Care

- 1.** We emphatically say that decision making in the area of child care must be driven in the first instance by what is in the best interests of the child.
- 2.** Childcare should be of high quality, accessible and affordable.
- 3.** The SDA supports the proposal to create a single child based subsidy.
- 4.** We strongly support the principle of government payments being means tested.
- 5.** We endorse the case that such subsidies should support up to 100 hours of care per

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<sup>32</sup> Re:think 135

fortnight.

- 6.** We strongly support the position that government provided subsidies should only be available where the ECEC service satisfies the requirement of the National Quality Framework.
- 7.** We support the principle of an activity test.
- 8.** We agree with the decision to exclude grandparents from the test.
- 9.** The proposal to make the payment direct to the centre or carer is supported.
- 10.** The RIS correctly identifies that childcare is becoming increasingly unaffordable for families.
- 11.** Without financial assistance many families would find the cost of childcare prohibitive.
- 12.** The RIS correctly points out that the level of provided fee assistance has not kept pace with the increase in fees and that the existing system place little downward pressure on fees.
- 13.** The high demand and the high costs continues to make childcare very difficult for many families to access.
- 14.** In our view the proposed cap on subsidies is unrealistic.
- 15.** The cap as proposed will deliver subsidies of little more than \$100 per day for a long day care place.
- 16.** It is very difficult to find long day care for less than \$100 a day and in some parts of Sydney and Melbourne the daily cost is nearly double that.
- 17.** There should be increased financial support for low and middle income families.
- 18.** It is clear that there is a great need for additional funding to be available in the child care space if quality child care is to be accessible and affordable for all families who wish to access it.
- 19.** We are concerned that the legislation does nothing to try and limit price rises in this area.
- 20.** Under the proposed legislation there is a serious likelihood that "gap" fees will continue to rise, pricing even more families out of the formal childcare system.
- 21.** Many retail workers are employed on a part time or casual basis, often outside regular working hours. Casual hours may fluctuate during the course of the year.
- 22.** There may be times of the year when it is more in demand than other times. For example in holiday resort areas there is more employment available at certain times of the year and the demand for care may be greater at those times.
- 23.** Casual and part time workers may need access to child care but the requirement to take a full place is neither practical nor affordable.
- 24.** As such these workers face enormous pressures finding childcare, especially centre based care which adequately caters to their needs.

- 25.** The system needs the flexibility to cater for these needs.
- 26.** There is a need for centre based care to be available on a part time basis.
- 27.** We are concerned that the proposed legislation does not address this point.
- 28.** Unless this matter is addressed the capacity of many women to participate in the paid workforce will be limited.
- 29.** The system has previously recognised that for a variety of valid reasons parents sometimes wish to utilise childcare services for non-work related reasons. There should be some scope in the system to allow for this going forward.
- 30.** Parents sometimes wish to utilise occasional care services for a variety of valid reasons. There should be some scope in the system to allow for this going forward.
- 31.** It should be noted that current occasional care providers usually only provide services in line with school term dates, thereby making occasional care unavailable for 12 weeks per year.
- 32.** Most parents who do access formal child care, tend to limit their usage of it. Of all children receiving formal care most do so for about 2 days per week. Only a relatively small number utilize it for 35 hours or more in a week and very few utilize it for 45 hours or more each week. There are clearly a range of factors at play here.
- 33.** The child care system needs to be more flexible so that it caters effectively for the full diversity of child care needs including the needs of part time and casual workers.
- 34.** Funding arrangements must be flexible enough to meet the need of all families.
- 35.** While nationally it may be arguable that Australia has sufficient child care places, there are still areas of high local need, especially in rural and remote communities.
- 36.** In the provision of childcare there needs to be a proper planning process which links need and cost in order to ensure maximum return for investment in infra structure and to ensure children's services are provided where they are necessary and on an equitable basis for all families. Childcare facilities need to be established where there is real need.
- 37.** Childcare funding should be limited to funding approved childcare services which are compliant with the national quality standards for childcare.
- 38.** The SDA strongly supports an effective and robust NQF system.
- 39.** Maintenance of an effective quality system should not be seen as "imposing Regulation" but rather as ensuring the continued well-being of children.
- 40.** Salary sacrifice for child care purposes is inequitable as the greatest beneficiaries are high income parents. Any move to extend Fringe Benefits Tax exemption to employer supported child care should be regarded in the same light. Tax concessions for child care automatically benefit high income earners the most. There should be no personal tax concessions relating to child care. On the same basis tax deductibility of child care would deliver the greatest benefits to high income earners.

- 41.** Tax concessions also potentially could lead to a stratification of the child care system. Wealthy parents would pay more, knowing they could claim such costs on their tax. Over time this would lead to the children of high income families being grouped together in certain centres and the children of lower income families being grouped together in other centres.

## Paid Parental Leave

- 1.** Paid parental leave was a great step forward for many families.
- 2.** However in our view there are at least two major issues which need to be addressed important to look at past practice.
- 3.** Firstly, the SDA is totally opposed to the changes currently being pursued by the government. We call on the government to withdraw its proposed changes to paid parental leave.
- 4.** Paid parental leave was a great step forward for many families.
- 5.** Recent research shows that many families will be considerably worse off if changes proposed to paid parental leave by the government are implemented.

The research, commissioned by Fair agenda and conducted by the Sydney University Women and Work Research group, shows mothers who work in jobs such as healthcare, teaching and retail could between \$3,942 and \$10,512 under the proposed changes<sup>33</sup>

- 6.** The second major area of concern we have is that the current payment is inequitable and discriminatory. To consider this fact it is important to look at history.
- 7.** The Howard government introduced the Maternity Payment in 2004. This replaced the First Child Tax Rebate and the Maternity Allowance. At the time of its introduction it was worth \$3,000. This amount increased over time due to indexation.
- 8.** In 2007 the Howard government renamed it the "Baby Bonus".
- 9.** The Maternity Payment or "Baby Bonus" originally went to all eligible women having a child. With the introduction of Paid Parental Leave it became a payment for eligible parents who did not receive Paid Parental Leave.
- 10.** However the payment of the "Baby Bonus" was always less than the paid Parental Leave Payment, albeit Paid Parental Leave was subject to tax.
- 11.** The abolition of the Baby Bonus constituted a major reduction in the overall payments to families. The removal increased the inequity between recipients of Paid Parental Leave and other families.
- 12.** Many families do not qualify for paid parental leave. Previously they were forced to rely on the Baby Bonus. While some such families are high income families, many recipients of the Baby Bonus are low and middle class families. These families

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<sup>33</sup> The Age newspaper 15 January 2016

received the Baby Bonus because they do not meet the workforce attachment rules applicable to the provision of paid parental leave. These mothers may be casual employees, they may be unemployed who have been seeking work, and they may be mothers who have had a further child after their last before returning to work.

13. It is grossly unfair that they received a payment less than those receiving paid parental Leave and even more unfair that now they receive nothing.
14. A Maternity Payment should be introduced and paid at the same level as the Paid Parental Leave payment.

## A More Effective Social Welfare System

1. The provision of income support to families, either through the taxation system and/or the social security system, to allow them to effectively carry out their functions, should not be seen as providing welfare. Rather, this should be seen by the government and the community as a long term investment in the future of the nation.
2. **For low income families an effective social welfare system is critical.** Income support payments from government often make the difference between whether low income families can enjoy a basic but reasonable standard of living or otherwise.
3. The current social welfare system is exceedingly complex. It makes no sense to have different income tests and taper arrangements for different payments unless they are absolutely necessary.
4. A more integrated payments system which takes into account the need for basic payments plus the additional costs applying to children, those living alone, single parents, remoteness, housing, disability and the like would be a significant step forward.
5. Consideration should be given to reducing the complexity of the current system by simplifying and integrating payments where possible.

## Adequate Retirement Incomes

1. The number of older people living in poverty has substantially decreased since the government increased the age pension in 2009. However a significant number of older people are still living in poverty. Long term, this raises two critical issues – the cost of provision of adequate living standards to older Australians, and who will provide the care which will be needed.
2. Government should act to encourage and expand industry superannuation.
3. The government should support the increase in the superannuation payment to 12%
4. Many women face bleak retirements because they lack adequate superannuation.
5. Women who have had interrupted working lives because they stopped work to raise children are generally the hardest hit. Consequently it is imperative that government should address the position of those with non-standard employment careers such as those who have interrupted labour market involvement in order to be able to raise children or to care for other family members.
6. Research shows that 90% of women will have inadequate retirement savings and that

many women are retiring into poverty. 29% of women over 65 years living below the poverty line.<sup>34</sup>

7. A greater proportion of women rely on the age pension with little or no other form of income. 37% of women report having no personal income at the age of retirement.<sup>35</sup>
8. Due to the financial necessity women are often forced to work beyond an age they would like to or are capable of. As the union which represents employees working in retail, hairdressing and beauty, pharmacy and warehousing we have many members who continue to work well beyond 65 and 70 years of age. Most of these members do so due to economic necessity and as a means of achieving an income to allow them to live with dignity.
9. Legislating to provide for payment of superannuation contributions for workers on parental leave would be a significant step forward.

## Newstart Reform

1. The unemployed are much more likely to be living in poverty than other groups.
2. There is a clear relationship between unemployment and adequacy of family income.
3. In cases where the wage earner(s) is unemployed, a family is more likely to be living in poverty than in cases where families have at least one wage earner. The level of poverty increases where the family income earner works only part-time.
4. More than half of all Australians who are unemployed live in a family that is poor.
5. Australia today has a large number of people on unemployment benefits who have been unemployed for five years or more. The outcome of entrenched unemployment is socially disengaged citizens, poverty and social alienation.
6. Statistics also show that ill-health is higher among the unemployed.
7. There is also a tendency towards the transfer of welfare dependency across generations.
8. Large numbers of children are affected by these fundamental developments in workforce structure.
9. Newstart is important in keeping many families and children out of poverty.
10. The current Newstart rate is significantly below the rate paid to allowees.
11. The SDA supports a substantial increase in the Newstart payment.
12. Increased Newstart payments would ease the financial burden on families and that is important.

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<sup>34</sup> Industry Superannuation Australia, *The gender superannuation gap-without policy action now, women will retire with far less than men for decades to come*, Media Release 10 March 2015

<sup>35</sup> Ibid. p 9

## Affordable Access to Adequate Health Care

- 1.** The health gap between the poorest 40% of Australians and the rest of the population is significant.
- 2.** The evidence shows that low income families with children are especially vulnerable to the ravages of poor health.
- 3.** It is critical that Australia maintain a health system which is easily accessible to all members of the community and where no-one is denied access because they cannot afford to pay.
- 4.** A bulk billing capacity within the health system is a crucial component of this.
- 5.** A dental health service, easily accessible to all Australians, should be established.
- 6.** The Pharmaceutical Benefits Scheme (PBS) was introduced to provide safe and effective drugs to all people being treated by a doctor. The scheme ensured that Australians benefited from the availability of a large range of drugs at prices much below those charged in many other countries. Today many crucial drugs are outside the financial range of many Australians.
- 7.** Access to pharmaceuticals, as required, on an affordable basis, should be made possible for all Australians.

## Appendix A

	1985		1995
Maximum payment	\$19.26pw / \$1001.52 pa		\$57.90pw / \$3010.80 pa
Receive maximum payment when earnings below	\$223.00 / \$11596		\$435.57pw / \$226.50 pa
Withdrawal rate	No means test on first \$5.26pw. Lose rest at 50c in \$1		Means test applies. Those in receipt lose at 50c in \$1
Average weekly earnings	\$397.10		\$653pw / \$33956 pa (July 95)
	\$19.26 is <b>4.85%</b> of AWE		\$57.90 is <b>8.87%</b> of AWE
	\$223 is <b>56.16</b> of AWE		\$435.57 is <b>66.7%</b> of AWE

	2006	2013
Maximum payment	\$80.77pw / \$4200 pa	\$86.10pw / \$4477.20 pa
Receive maximum payment when earnings below	\$769.23pw / \$40000pa	\$939.17pw / \$48837 pa
Withdrawal rate	20c in \$1	20c in \$1
Average weekly earnings	\$1025pw / 53300 pa (Feb 06)	\$1420.90pw / \$73886.80 pa
	\$80.77 is <b>7.88%</b> of AWE	\$86.10 is 6.06 of AWE
	\$769.23 is <b>75%</b> of AWE	\$939.17 is 66% of AWE