

Manager
Resource Tax Unit
Indirect, Philanthropy and Resource Tax Division
The Treasury
Langton Crescent
Parkes
ACT 2600

31 October 2013

Dear Mr Rob Heferen,

**SUBMISSION REGARDING THE *MINERALS RESOURCE RENT TAX REPEAL AND OTHER MEASURES BILL*
AND EXPLANATORY MEMORANDUM**

UnitingCare Australia welcomes the opportunity to be involved in the public consideration process and to comment on the exposure draft of the *Minerals Resource Rent Tax Repeal and Other Measures Bill* and explanatory memorandum.

The guiding principles of UnitingCare Australia's work are that all people have:

- intrinsic value;
- physical, spiritual and social needs;
- a just claim to be heard;
- the right to participate in community as fully as they wish and are able; and,
- the right to opportunities that will enhance their life chances and quality of life.

UnitingCare Australia therefore supports moves to address the fairness and efficiency of the Australian taxation system in relation to the outcomes that we seek: a fair and just society in which no one is left behind and where children get a positive start in life as part of a generous society that respects the dignity of all people at all stages of life.

UnitingCare Australia is one of the largest providers of social services in Australia, via a network that employs 35,000 staff, supported by 24,000 volunteers, to more than 2 million people each year in 1,300 sites in every state and territory in remote, regional, rural, and urban Australia.

We embrace changes which drive genuine efficiency of government processes and practices, in pursuit of a just and fair society, and support the implementation of a taxation framework that uses revenue received by Government via the mining of Australia's finite resources to support necessary services and supports for the common good of the broader community.

Amid the Government's move to repeal the Minerals Resource Rent Tax and repeal and rephase MRRT-related measures, UnitingCare Australia encourages the Government to particularly consider the impact on our society's most disadvantaged and vulnerable people of:

- the repeal of the low income superannuation contribution;
- the repeal of the schoolkids bonus; and,
- the repeal of the income support bonus.

The low income superannuation contribution is a targeted means of assisting those who are currently not well-served by a compulsory superannuation system that relies on contributions derived from paid work. Whether due to family commitments, health or other matters, there are members of our community who need additional support in saving for when they become elderly or infirm. We encourage the Government to consider the value of an equitable outcome for all when it considers alterations to the superannuation system.

An increasing number of children and young people are caught up in the financial hardship faced by their parents – including being affected by family violence and breakdown, unstable housing, inadequate food, medical and dental care, and being unable to participate in community or educational activities. We know that growing up in poverty is a key risk factor for living with long-term financial hardship as an adult, so actions that reduce the risk of poverty in families are crucial, including direct financial support via measures such as the schoolkids bonus.

The repeal of the income support bonus would impact on people who may already be disadvantaged or in hardship, including affected recipients of Newstart, sickness, youth, Austudy, parenting, farm-related or emergency income support payments.

Adequate income support payments enable people to access the resources they need to live a decent life and improve their capacity to fully participate in society. People need adequate income to live with dignity. People should also be able to access adequate income support to transition out of welfare and into stable employment and/or education. We can have a society in which everyone belongs, is valued and can contribute.

When considering alternative income support measures, if the repeal of the MRRT-related measures proceeds, UnitingCare Australia recommends that the Government considers:

- Aligning income earning entitlements across all income support payment types;
- Increasing the Newstart and Youth Allowance so that people can live with dignity;
- Indexing all income support payments in line with the Aged Pension;
- Increasing the Transition to Independent Living Allowance for young people leaving out of home care to ensure they get the support they need to achieve good educational, employment and social outcomes;
- Increasing utility allowances and concessions on other bills including car registration and council rates and provide access to this support to all recipients of benefits and pensions;
- Increasing and sustaining emergency relief and financial counselling services;
- Increasing affordability and availability of childcare for people moving from welfare to work and other low income households; and
- Increasing access to emergency payments and bereavement allowances, including financial support for funerals.

UnitingCare Australia urges the Government to consider fair and just income support outcomes as it moves to repeal and rephase the MRRT suite of legislation.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lin Hatfield Dodds', written in a cursive style.

Lin Hatfield Dodds
National Director
UnitingCare Australia