

Change the tax free threshold to only cover income earned through means of employment for all who have the capacity to work. This would mean that people who are receiving Centrelink allowance would pay tax on their allowance (at a rate lower than that paid through means of employment) to provide extra incentive for people who are not currently working to be involved in the work environment in some capacity.

When people register with Centrelink a Work Capacity Assessment would be completed (much like the current system for disability support pension registration and job capacity assessments) for all those who believe that they have some restrictions to their capacity to work. This would see that all DSP, PPP/PPS with children under the age of 5 and all on the Age Pension would be marked as 0 capacity. For these people there would not be any change to their allowance (and they would not be required to pay tax on that allowance). Anyone with a work capacity would pay some tax on their Centrelink allowance, but be eligible for the tax free threshold for the income they earn through employment. This would assist to motivate current New Start and other allowance receivers to actively participate in the work environment. It would assist to re-engage those returning to work after a period of not working. This would increase the amount of candidates available in a candidate short market and push employers to be more creative in the jobs that they offer and ways of attracting employees. This would also increase the amount of casual and part-time workers, while building on these employees employability skills and assisting to make them more competitive for full-time positions.

When registering with Centrelink all clients with a work capacity would have a maximum of 2 year (for employment related allowances) and 3 years for study related allowances (such as Austudy/Abstudy). This would decrease the amount of professional students and increase peoples interest in gaining employment, while still providing assistance through this transition time. This would increase the work skills in those who are completing degrees as they would need to work if studying for longer periods of time or choose to complete a second degree.

There would be an option for students to apply for the Austudy/Abstudy extension, which would only be approved for those students who are studying a course which is in a recognized skills shortage area, in the region where it is a shortage. This increases the consideration of which University is the most suitable to study at and would mean that students would be more inclined to consider location of study based on the area where they would receive the most support, which would be the area where those skills would actually be required. Having students study the skills shortage courses in the region where they are a shortage would create fantastic opportunities for employers to market and work in consultation with the University to work to attract these students to remain in the region as appropriate employees for their business. It would also put some of the emphasis back onto the employers to retain the skills they need in their region and provide more potential candidates.

The two year restriction on work based allowances such as New Start would provide some means of a level between the candidate short market and a businesses ability to attract candidates, as a reminder that allowances are to be used to assist in the transition

stages between work. 2 years would be enough time for Centrelink and the Job Network Members to reevaluate the work capacity of job seekers if issues are later identified, enough time to ease back into the workforce, enough time to obtain employment and not too long so that job seekers can not become out of touch with the work environment or become too selective or comfortable in their role as a job seeker. As more and more employers are willing to train staff and are happy to be flexible for the right employees, and as we are likely to see a rise in the number of available positions in the next few years, I think now is the perfect time for a substantial change.

For those receiving an old age pension, I think that rather than increase the pension rate or change their tax payments these people should be able to access another tax rebate or additional payment for community contribution. So I think that if the person is able to prove that they looked after their grand children (on a regular basis) so that the parents could go to work or that they were involved in employment or consulted to businesses, then they would be eligible for some payment for their contribution to community. I think that this is a cheaper way to recognise the contributions of those who are older in the community and increase child care options for parents without having to increase the funding for child care places (when the numbers of carers might not be available).

I also think that people who work full-time hours (35+ hours per week on either a casual or full-time basis) and are considered low income earners should receive a set payment as a tax rebate (e.g. single person earning less than \$50,000 or a couple earning \$100,000 or less per year).