Dear Members of the Fair Pay Commission Committee,

Thank you for this opportunity towards submitting an individual document as a contribution to this commission. In context this submission is based on long term personal experiences of income disadvantage, archaic social security legislation & an ineffective marginal taxation system. As a low-income earner I hold an absolute conviction that this committee recommends in it’s final report a formal process for the implementation of a Guaranteed Minimum Income base for all low income earners in Australia.

As a 61 year old person actively engaged in voluntary work, self directed learning, and with broader national/global social equity & human rights interests is fortunate enough to live with my wife, an aged pensioner – who subsequently is the home owner. However, as an individual Mature Age centrelink beneficiary receiving $401.70 per fortnight remain income/employment disadvantaged due to the outmoded determinants of the income source credits allowable for pension/mature age persons as these apply within current tax-social security systems. As workforce casualisation is a permanent reality of income sources today this significantly impacts on transfers from beneficiary recipient/taxation/eligibility to that of accessing potential short-medium term income without being significantly economically penalized – health card concession etc.

This archaic activity impacts significantly on most mature age allowance recipients, disability pensioners, underemployed persons, and those with significant workforce ready employment skills towards achieving any equity of additional income sources – thereby adding to the economic development of the community and social capacity building. Social security regulations and punitive taxation systems form significant barriers towards inhibiting income equality within this wealthy nation- and collectively we cannot achieve CEO status or similar high incomes.

The following points, drawn from brief web based research of Guaranteed Minimum Income information indicates alternative levels towards addressing these issues as indicated below:

1. **There should be a poverty-line related minimum income**, with allowances for dependants disappearing as private income increases. This minimum income could still be provided by means of a social dividend, but the proportional tax would have to give way to a schedule of rates varying with both income and
family size, and effectively taxing away the dependants' social dividends at higher levels of income.

2. **Tax Credit Schemes provide for credits** – fixed amount to be credited against income tax liability. If the credits exceed liability then the excess is paid in a refund to the person concerned. This system has the benefit of offering equal monetary

3. **Negative Income Tax provides benefits selectively** to those below a specified income level. If income is above the break-even point selected for the scheme, then the income earner is liable to pay tax. If his income is below the break-even point then the payment to the income earner rises as his income decreases (ie reversed income tax).

In context as indicated previously this submission focuses on the income/economic disadvantages which in reality impede potential additional income sources being sustained. This submission has not detailed the emotional, psychological, & social capacity building aspects for which equity of income sources also inhibit. It is my sincere belief that the commission needs to convey in it’s findings a serious pathway to developing a national **Guaranteed Minimum Income** strategy which benefit ALL low income earners in this wealthy nation. Therefore I wish the committee every possible success in it’s findings, and if further information or public hearings are developed would be happy to actively participate.

Yours sincerely

P Crouch

**Literature research includes:**

2. Former Labor Deputy Prime Minister, Brian Howe, says with so many Australians moving between full, part-time and casual work a guaranteed minimum income is ... [http://www.abc.net.au/am/stories/s233635.htm](http://www.abc.net.au/am/stories/s233635.htm)
4. Ensure that the effective levels of benefits, either through the existing social security system or through a guaranteed minimum income scheme, ... [http://www.wa.greens.org.au/policy/social/poverty90/view](http://www.wa.greens.org.au/policy/social/poverty90/view)