

# **Social Services Legislation Amendment (Budget Repair) Bill**

**Submission by Ashley Holmes**

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Welfare is a safety net, not an entitlement.

## **Recommendations**

1. Sell valuable public housing & construct new dwellings
2. Get rid of government funded job agencies
3. Reduce Newstart allowance after 5 years
4. Increase age to receive Newstart to 25
5. Government to actually create actual jobs & offer to long term unemployed
6. Remove FTB
7. Single parent payment to be paid for by other parent
8. Include place of residence in the asset test for the aged pension
9. Start reducing age pension at \$1 Million dollars of net assets
10. Introduce a HECS style pension loan scheme payable upon death
11. Eliminate government pensions for politicians

### **1. Sell valuable public housing & construct new dwellings**

Sell publicly owned property in valuable suburbs and use proceeds to construct new units in more affordable suburbs.

A single house that is worth \$2m should not make up part of the social housing stock. This property could be sold and the funds could be used to construct up to 8 dwellings in a more affordable location.

Firstly this will generate more revenue for the government in the form of public housing rent and secondly increase the housing supply which will help with housing affordability.

### **2. Get rid of government funded job agencies**

These publicly funded job agencies do not work. They are just a rort for the owners.

### **3. Reduce Newstart allowance after 5 years**

The Newstart allowance cannot be a lifelong option. After receiving 5 years of Newstart payment (collectively) the payment should change to a long term unemployed payment equivalent to 50% of the Newstart allowance.

#### **4. Increase age to receive Newstart to 25**

The only way to break the generational cycle of dependence, is to break it.

#### **5. Government to actually create actual jobs & offer to long term unemployed**

The government should buy farms, fast food restaurants, factories (particularly decommissioned factories) etc for the sole purpose of offering real jobs to the long term unemployed. This will give them experience, a sense of self-worth and produce revenue for the government to fund this program.

If a job offer is rejected all payments will cease.

#### **6. Remove FTB**

It is unfair that people that do not have children must pay more tax than those that do. This type of income support should be reserved solely for low income families. Middle income families should not qualify.

#### **7. Single parent payment to be paid for by other parent**

The bill for the single parent payment should be payable by the other parent. It is not acceptable that when parents separate the career then shares the costs of raising the child with the state.

The government should continue to pay to ensure timely receipt. But the state should then go after the other parent for the amount. If it simply cannot be paid, a debt should accrue.

Current arrangements are too easily avoided.

#### **8. Include place of residence in the asset test for the aged pension**

THIS DOES NOT MEAN THAT ANYONE WILL BE FORCED TO SELL THEIR HOUSE!  
THIS DOES NOT MEAN THAT ANYONE WILL BE FORCED TO MOVE AWAY FROM THEIR COMMUNITY!

The pension is not an entitlement, in return for a lifetime of contributing taxes. It is a welfare safety-net, funded by today's taxpayer. It is not an income replacement, so you can have the privilege of leaving what you otherwise would have used to fund your retirement, to your kids. It is designed solely to provide for those in the community that have no other means of supporting themselves. And frankly the aged pension is grossly inadequate and needs to be urgently increased, but the government is unable to increase it, because too many have access to it, who should not.

The current system allows for an unlimited amount of wealth to be transferred to a place of residence in order for the wealthy to continue to earn a government funded aged pension. This is extremely distorting and unfair.

Reverse mortgages allow retirees to unlock the equity in their homes, in order to provide for themselves without ever needing to move out of their home. Currently those that do wish to move, may be penalised if they decide to sell the family home and downsize to something more

suited to their needs. Pensioners should have the option to keep, or sell their residence without adverse financial impact.

#### **9. Start reducing age pension at \$1 Million dollars of net assets**

The age pension should start to decrease once an individual's net wealth (including the family home) is equal to \$1 Million dollars, reducing to nothing once it reaches \$2 Million dollars.

#### **10. Introduce a HECS style pension loan scheme payable upon death**

Suppose someone receives the pension for 20 years totaling \$400,000. Suppose that when they die their estate is worth \$1million. Would it not be reasonable that the government recoup \$400,000 from the estate? If the estate cannot cover the debt, it is forgiven.

Would you rather pay tax when you are alive, or when you are dead? It is essentially a victimless tax.

#### **11. Eliminate government pensions for politicians**

Seriously, why is this still a thing? They can live off of their overly generous superannuation. GET RID OF THIS NOW!!!

### **Conlusion**

It is ok for a social security system to transfer wealth from those that can afford it, to those that have nothing.

It is not ok to transfer wealth from people that are struggling to scrape together a deposit for a house to people that either have \$1M in net assets or will not accept a job that is offered to them.