

OFFICIAL



THE HON TANYA PLIBERSEK MP
MINISTER FOR SOCIAL SERVICES

MB26-000215

Senator the Hon Sue Lines
President of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear President

I am writing to advise you that the Government responded to the recommendations of the Senate Community Affairs Legislation Committee's report on the *Social Services and Other Legislation Amendment (Workforce Incentive) Bill 2022 [Provisions]* by moving a motion in the Senate on 22 November 2022.

I have enclosed the relevant extract of the Hansard from 22 November 2022.

Yours sincerely

TANYA PLIBERSEK

25.3.26

Statement by the Clerk of the Senate pursuant to the order of the Senate of 26 June 2000

Amendments (2), (3), (4) and (6)

If the effect of the respective amendments is to increase expenditure under the standing appropriations in section 242 of the Social Security (Administration) Act 1999, section 199 of the *Veterans' Entitlements Act 1986* and section 105 of the *Farm Household Support Act 2014* then it is in accordance with the precedents of the Senate that the amendments be moved as requests.

Amendment (1)

This amendment is consequential on the respective requests. It is the practice of the Senate that an amendment that is consequential on an amendment framed as a request may also be framed as a request.

The amendment will extend the work bonus to other income support recipients. This bill, as we know, creates a work bonus so that age pensioners are able to earn significantly more before their pension gets reduced, which is a good thing; we're supporting this bill. But it really points attention to the fact that you have got people on other income support benefits who aren't getting the same benefit. In fact, they're even more deserving of being able to earn more because their income support is considerably less. Age pensioners get \$73 a day, but people on JobSeeker only get \$48. This bill will allow age pensioners to earn up to an extra \$11,800 in work bonus over a year, but JobSeeker can only earn a work credit of \$1,000 before their benefits get slashed. In fact, they face an effective marginal tax rate of somewhere between \$60 and \$80 for every extra dollar that they earn when they take a few extra available shifts, when they take the opportunity to do the work that's there so they can pay a few bills, so they can get the lawnmower fixed or so they can pay off a loan that somebody has very generously given them.

What this amendment would do is to extend that work bonus that we are now going to put into legislation for age pensioners to other income support recipients to allow them also to get the benefits, to allow people on JobSeeker, people on the disability support pension and people on youth allowance to earn more so that they too don't have to suffer the huge increase in the cost of living. It would mean that they might actually, at least in some weeks, be able to scrape by and afford to put food on the table as well as pay the rent and pay for their medical costs.

Senator AYRES (New South Wales—Assistant Minister for Trade and Assistant Minister for Manufacturing) (18:40): I indicate that the government will not support this request for amendment. The purpose of the bill is to provide the relief and the incentive that have been set out at the Jobs and Skills Summit by the proponents of the bill more broadly in the community and by the government to extend that support to age pensioners and categories of people on veterans payments. The effect of adopting the amendment proposed by the Greens party would be a very significant change to the bill. Indeed, it would take it away from its primary purpose and, in our view, would have unintended consequences. I understand that that is not material for the proposers of the amendment because they want to make a political point about the system more broadly. I understand that, and I do appreciate that some of those points have been made and the manner in which they have been made over the course of yesterday. I expect more courtesy today, but the government won't be supporting this amendment. I urge the Senate not to support it either.

Senator DUNIAM (Tasmania—Deputy Manager of Opposition Business) (18:41): I briefly indicate the opposition won't be supporting this request for amendment.

The CHAIR: The question before the committee is that the request for an amendment be agreed to. The request is request (2) on sheet 1698, as moved by Senator Rice.

The committee divided. [18:46]

(The Chair—Senator McLachlan)

Ayes12
Noes28
Majority.....16

AYES

Allman-Payne, P. J.
Hanson-Young, S. C.
Rice, J. E.
Thorpe, L. A.

Cox, D.
McKim, N. J. (Teller)
Shoebridge, D.
Waters, L. J.

Faruqi, M.
Pocock, B.
Steele-John, J. A.
Whish-Wilson, P. S.

NOES

Antic, A.
Canavan, M. J.

Ayres, T.
Chisholm, A.

Brown, C. L.
Ciccone, R.

Dodson, P.
 Gallagher, K. R.
 McAllister, J. R.
 Payman, F.
 Scarr, P. M. (Teller)
 Smith, M. F.
 Urquhart, A. E.
 White, L.

Duniam, J. R.
 Grogan, K.
 McCarthy, M.
 Polley, H.
 Sheldon, A. V.
 Sterle, G.
 Walsh, J. C.

Farrell, D. E.
 Lines, S.
 McLachlan, A. L.
 Pratt, L. C.
 Smith, D. A.
 Tyrrell, T. M.
 Watt, M. P.

Question negatived.

Senator RICE (Victoria) (18:49): I now move Greens request for amendment (4) on sheet 1698:

That the House of Representatives be requested to make the following amendment:

(4) Page 38 (after line 27), at the end of the Bill, add:

Schedule 5—Increase rate of income support payments

Social Security Act 1991

1 Subsection 1061JU(1)

Omit "half".

2 Point 1064-B1

Repeal the table, substitute:

Table B—Maximum basic rates

Column 1 Item	Column 2 Person's family situation	Column 3 Rate per year	Column 4 Rate per fortnight
1.	Not member of couple	\$32,032.00	\$1,232.00
2.	Partnered	\$24,024.00	\$924.00
3.	Member of illness separated couple	\$32,032.00	\$1,232.00
4.	Member of respite care couple	\$32,032.00	\$1,232.00
5.	Partnered (partner in gaol)	\$32,032.00	\$1,232.00

3 Point 1065-B1

Repeal the table, substitute:

Table B—Maximum basic rates

Column 1 Item	Column 2 Person's family situation	Column 3 Rate per year	Column 4 Rate per fortnight
1.	Not member of couple	\$32,032.00	\$1,232.00
2.	Partnered	\$24,024.00	\$924.00
3.	Member of illness separated couple	\$32,032.00	\$1,232.00
4.	Member of respite care couple	\$32,032.00	\$1,232.00
5.	Partnered (partner in gaol)	\$32,032.00	\$1,232.00

4 Point 1066A-B1

Repeal the table, substitute:

Table B—Maximum basic rates

Column 1 Item	Column 2 Person's family situation	Column 3 Rate per year	Column 4 Rate per fortnight
1	Not a member of a couple and person: (a) is under 18 years of age; and (b) is not independent; and (c) is not living away from the person's parental home because of a medical condition of the person	\$32,032.00	\$1,232.00

2	Not a member of a couple and person: (a) is under 18 years of age; and (b) either: (i) is independent; or (ii) is living away from the person's parental home because of a medical condition of the person	\$32,032.00	\$1,232.00
3	Not a member of a couple and person: (a) has reached 18 years of age; and (b) is living at home of parent or parents; and (c) is not independent	\$32,032.00	\$1,232.00
4	Not a member of a couple and person: (a) has reached 18 years of age; and (b) either: (i) is not living at a home of parent or parents; or (ii) is living at a home of parent or parents, but is independent	\$32,032.00	\$1,232.00
5	Partnered	\$24,024.00	\$924.00
6	Member of illness separated couple, member of respite care couple or partnered (partner in gaol)	\$32,032.00	\$1,232.00

5 Point 1066B-B1

Repeal the table, substitute:

Table B—Maximum basic rates			
Column 1	Column 2	Column 3	Column 4
Item	Person's family situation	Rate per year	Rate per fortnight
1	Not a member of a couple and person: (a) is under 18 years of age; and (b) is not independent; and (c) is not living away from the person's parental home because of a medical condition of the person	\$32,032.00	\$1,232.00
2	Not a member of a couple and person: (a) is under 18 years of age; and (b) either: (i) is independent; or (ii) is living away from the person's parental home because of a medical condition of the person	\$32,032.00	\$1,232.00
3	Not a member of a couple and person: (a) has reached 18 years of age; and (b) is living at home of parent or parents; and (c) is not independent	\$32,032.00	\$1,232.00
4	Not a member of a couple and person: (a) has reached 18 years of age; and (b) either: (i) is not living at a home of parent or parents; or (ii) is living at a home of parent or parents, but is independent	\$32,032.00	\$1,232.00
5	Partnered	\$24,024.00	\$924.00

6	Member of illness separated couple, member of respite care couple or partnered (partner in gaol)	\$32,032.00	\$1,232.00
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6 Point 1067G-B2

Repeal the table, substitute:

Table BA—Maximum basic rates (people who are not independent)

Column 1 Item	Column 2 Person's situation	Column 3 Rate
1	Lives at home and not yet 18 years old	\$1,232.00
2	Lives at home and at least 18 years old	\$1,232.00
3	Required to live away from home	\$1,232.00

7 Point 1067G-B3

Repeal the table, substitute:

Table BB—Maximum basic rates (people who are independent)

Column 1 Item	Column 2 Person's situation	Column 3 Rate
1	Accommodated independent person and not yet 18 years old	\$1,232.00
2	Accommodated independent person and at least 18 years old	\$1,232.00
3	In supported State care and not yet 18 years old	\$1,232.00
4	In supported State care and at least 18 years old	\$1,232.00
5	In unsupported State care	\$1,232.00
6	Not a member of a couple and has a dependent child	\$1,232.00
7	Member of a couple and has a dependent child	\$924.00
8	Not an accommodated independent person, not in supported State care, not in unsupported State care and does not have a dependent child	\$1,232.00

8 Point 1067G-B4

Repeal the table, substitute:

Table BC—Maximum basic rates (long term income support students)

Column 1 Item	Column 2 Person's situation	Column 3 Rate
1	Not independent, lives at home and not a member of a couple	\$1,232.00
2	Not independent, required to live away from home and not a member of a couple	\$1,232.00
3	Accommodated independent person and not a member of a couple	\$1,232.00
4	Independent, not an accommodated independent person and not a member of a couple	\$1,232.00
5	Member of a couple	\$924.00

9 Subpoint 1067L-B2(1)

Repeal the table, substitute:

Table BA—Maximum basic rates (persons who are not long term income support students)

Column 1 Item	Column 2 Person's situation	Column 3 Rate
1	Does not have a dependent child or a YA child	\$1,232.00
2	Is a member of a couple and has a dependent child	\$924.00
3	Is not a member of a couple and has a dependent child or YA child	\$1,232.00

10 Point 1067L-B3

Repeal the table, substitute:

Table BB—Maximum basic rates (persons who are long term income support students)

Column 1 Item	Column 2 Person's situation	Column 3 Rate
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1	Is a member of a couple	\$924.00
2	Is not a member of a couple	\$1,232.00

11 Point 1068-B1

Repeal the table, substitute:

Table B—Maximum basic rates			
Column 1	Column 2	Column 3	
Item	Person's family situation	Rate	
		Column 3A	Column 3B
		Person with dependent child	Person without dependent child
4A	Not member of couple and person: (a) receives jobseeker payment; and (b) has not turned 60	\$1,232.00	\$1,232.00
4B	Not member of couple and person: (a) receives jobseeker payment; and (b) has turned 60; and (c) has not been receiving one, or a combination, of social security pension or social security benefit or service pension, income support supplement or veteran payment for a continuous period of at least 9 months	\$1,232.00	\$1,232.00
5	Not member of couple and person: (a) has turned 60; and (b) has been receiving one, or a combination, of social security pension or social security benefit or service pension or income support supplement for a continuous period of at least 9 months	\$1,232.00	\$1,232.00
7	Partnered	\$924.00	\$924.00
9	Member of illness separated couple	\$1,232.00	\$1,232.00
11	Partnered (partner in gaol)	\$1,232.00	\$1,232.00

12 Point 1068A-B1

Omit "\$21,470.80 per year (\$825.80 per fortnight)", substitute "\$32,032.00 per year (\$1,232.00 per fortnight)".

13 Point 1068B-C2

Repeal the table, substitute:

Table C—Maximum basic rates		
Column 1	Column 2	Column 3
Item	Person's family situation	Rate
1	Person not covered by item 2, 3 or 4	\$924.00
2	Member of illness separated couple	\$1,232.00
3	Member of respite care couple	\$1,232.00
4	Partnered (partner in gaol)	\$1,232.00

14 After section 1198B

Insert:

1198BA Adjustment of ABSTUDY payment amount

If:

- (a) a person is receiving a payment under the scheme known as the ABSTUDY scheme that includes an amount identified as a living allowance; and
- (b) the amount of that living allowance equates to less than \$88 per day;

then the amount of that living allowance is to be increased by an amount equal to the shortfall.

15 Application of amendments

The amendments made by this Schedule apply in relation to a payment period that commences on or after the commencement of this item.

This amendment would raise the rate of income support to all income support recipients to \$88 a day—to above the poverty line. I know the government is going to say, 'You're just making a political point.' This is not a political point. This is an attempt to improve the lives of millions of Australians who are living in poverty, who are starving, who are suffering from malnutrition, who are suffering from scurvy, who cannot afford to live in a home at the same time as putting food on the table or at the same time as paying their medical bills. We can afford this, and this parliament—this government—should be doing this. While they are not doing this, they are saying, 'We're going to go ahead with the stage 3 tax cuts and give the richest people in our country—the billionaires, the wealthy—\$250 billion over the next 10 years.' That's the choice that's being made.

Poverty is a political choice, and the Greens have decided that we will not stand for it any longer. We are going to take every opportunity we can to be advocating, to be pushing and to be working so hard for the people who are mired in poverty at the moment. We need to raise the rate of income support. We need to raise it above the poverty line. We need to raise it above \$88 a day. And we need to do it now.

Senator AYRES (New South Wales—Assistant Minister for Trade and Assistant Minister for Manufacturing) (18:50): The government will not be supporting this amendment—

Honourable senators interjecting—

Senator AYRES: and I thank you for the cheers. I welcome the fact that Senator Rice adopts the position that she advocates. There are many people in the community who live on the Newstart rate and find it very difficult to live on. The government has made it very clear that if we could raise the rate we would, and that we will consider it in the light of every budget. The government is responsible for managing the fiscal circumstances of the budget. We've made it clear that we will consider it in the light of every budget, in terms of its circumstances as we come on, and we will not be supporting the amendment today.

Senator DUNIAM (Tasmania—Deputy Manager of Opposition Business) (18:51): I will briefly indicate that—

Senator Shoebridge: The coalition doesn't support poor people.

Senator DUNIAM: Pardon? That's an outrageous thing to say, but we won't be supporting this amendment.

The CHAIR: The question is that request for amendment (4) on sheet 1698 be agreed to.

The committee divided. [18:56]

(The Chair—Senator McLachlan)

Ayes13
Noes26
Majority.....13

AYES

Allman-Payne, P. J.
Hanson-Young, S. C.
Pocock, D. W.
Steele-John, J. A.
Whish-Wilson, P. S.

Cox, D.
McKim, N. J. (Teller)
Rice, J. E.
Thorpe, L. A.

Faruqi, M.
Pocock, B.
Shoebridge, D.
Waters, L. J.

NOES

Antic, A.
Chisholm, A.
Dodson, P.
Gallagher, K. R.
McAllister, J. R.
Payman, F.
Scarr, P. M. (Teller)
Sterle, G.
Walsh, J. C.

Ayres, T.
Ciccone, R.
Duniam, J. R.
Grogan, K.
McCarthy, M.
Polley, H.
Sheldon, A. V.
Tyrrell, T. M.
White, L.

Canavan, M. J.
Davey, P. M.
Farrell, D. E.
Lines, S.
McLachlan, A. L.
Pratt, L. C.
Smith, M. F.
Urquhart, A. E.