

Social Security and Other Legislation Amendment (Income Support Bonus) Bill 2012

Introduced into the House of Representatives on 29 November 2012

Portfolio: Education, Employment and Workplace Relations

Committee view

1.1 The committee notes that this bill promotes the enjoyment of the right to social security and the right to an adequate standard of living under the International Covenant on Economic, Social and Cultural Rights (ICESCR), but seeks clarification from the Minister as to whether the total income available to recipients of the income support bonus is sufficient to satisfy minimum levels of social security and an adequate standard of living.

Overview

1.2 This bill amends four Acts to create a new income support bonus to be paid to recipients of nine types of social support. Under these amendments, persons receiving no more than the basic amount of the Pension Supplement will be eligible to receive a tax-free, non means tested payment twice a year.

Compatibility with human rights

1.3 The bill is accompanied by a self-contained statement of compatibility which notes that the main right engaged by the bill is the right to social security guaranteed by article 9 of the ICESCR.

1.4 The bill provides for the payment of an income support bonus to eligible persons (those in receipt of a variety of income support allowances). The bonus involves a payment of up to \$105 paid twice a year to eligible recipients. The statement of compatibility notes that '[m]ore than one million Australians will receive the Income Support Bonus every year with funding of more than \$1.1 billion over four years' and concludes:

A person's access to social security is enhanced by the proposed measure since the legislation provides for two additional payments every year which are indexed and tax-exempt.¹

1.5 Although not mentioned in the statement of compatibility, the bill also engages the right to an adequate standard of living guaranteed by article 11 of the ICESCR. The statement of compatibility notes:

The introduction of the Income Support Bonus recognises that households relying on income support allowances as their main source of income may

1 Statement of compatibility, pp. 14 and 15.

find it difficult to manage when unanticipated expenses, such as urgent repairs or unexpectedly large bills, arise. People in paid employment are more likely to be able to set aside some money for such circumstances, while allowance recipients may not be able to do so.²

1.6 While the provision of additional allowances can be seen as promoting the enjoyment of the right to an adequate standard of living, the explanatory memorandum does not provide any details of the total income that eligible persons would receive under the various qualifying allowances plus the income support bonus, or any assessment of whether this total income is sufficient for those recipients to enjoy the minimum standard of living required under article 11 of ICESCR.

1.7 The UN Committee on Economic, Social and Cultural Rights has on a number of occasions recommended that the Australian Government adopt an official poverty line 'so that a credible assessment can be made of the extent of poverty in Australia'.³ The Government has not taken up this recommendation, explaining to the Committee in 2009 that 'one reason Australia did not set a poverty threshold was that assessing poverty on the basis of income only gave a partial view of a population's level of poverty or economic well-being.'⁴

1.8 The explanatory memorandum also notes that the payments will be income-managed in certain circumstances.⁵ To the extent that the system of income management gives rise to human rights concerns, they would also be engaged as a result of this payment.

1.9 The committee:

- (a) notes that the proposed income support bonus will promote the enjoyment of the right to social security and the right to an adequate standard of living;**
- (b) draws the Minister's attention to the committee's [interim report](#) on the Social Security Legislation Amendment (Fair Incentives to Work) Bill 2012; and**

2 Statement of compatibility, p. 15.

3 Committee on Economic Social and Cultural Rights, *Concluding Observations of the Committee on Economic, Social and Cultural Rights – Australia*, UN Doc E/2001/22 (2001) [379], [398]; *Concluding Observations of the Committee on Economic, Social and Cultural Rights - Australia*, UN Doc E/C.12/AUS/CO/4, 42nd session, Geneva (22 May 2009), [24].

4 Committee on Economic Social and Cultural Rights, *Summary record of the first part (public) of the 5th meeting, 42nd session*, 6 March 2009, E/C.12/2009/SR.5, [9].

5 Explanatory memorandum, p. 6.

- (c) seeks clarification from the Minister as to whether the total income available to the recipients of the bonus is sufficient to satisfy minimum essential levels of social security and the minimum requirements of the right to an adequate standard of living in Australia, and the basis on which on which the Government makes that assessment.