

# Australian Greens Senators' Dissenting Report

## Introduction

1.1 The Australian Greens do not support the recommendation of the majority report that the Social Services Legislation Amendment (Budget Repair) Bill 2016 (the Bill) be passed.

1.2 The Australian Greens have previously outlined our concerns regarding the measures contained in the Bill in our dissenting report to the Social Services Legislation Amendment (Budget Repair) Bill 2015. We are very disappointed to see that the Government is continuing its harsh agenda punishing vulnerable people, and the concerns we outlined in the dissenting report to the 2015 Bill remain.

1.3 Measures in the Bill that are of particular concern to the Australian Greens are the reduction to the length of time Age Pensioners and recipients of specific other payments with unlimited portability can spend overseas from 26 to 6 weeks while receiving the basic means tested rate, the cessation of the Pensioner Education Supplement and the Education Entry Payment, and the freezing of the income free areas for working age allowances (including student payments) and parenting payment single for three years.

## Changes to payment rates for pensioners travelling outside Australia

1.4 Currently, Age Pensioners (and a number of other income support recipients) are able to receive their full means tested rate for 26 weeks when travelling overseas before their rate is reduced based on their Australian working life residence (AWLR), if it is below 35 years. This measure will reduce the length of time an Age Pensioner can receive their full means tested rate from 26 weeks to 6 weeks.

1.5 This measure is a tightening of an existing restriction, rather than addressing a gap in the system. The measure is poorly targeted, and does not recognise the range of circumstances in which pensioners may need to travel for more than 6 weeks outside Australia. The National Welfare Rights Network stated in its submission:

Residence requirements need to be balanced against the importance of overseas travel, especially for the large proportion of Australians born overseas. This can be especially important for older Australians, who travel to see family and to access care and support. In our experience, many pensioners save up to take longer trips, in part due to the cost of air travel.<sup>1</sup>

1.6 The Australian Greens do not support this measure. It is unfair and will have a significant impact on Age Pension recipients.

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1 *Submission 2*, p. 3.

## **Abolition of the Pensioner Education Supplement and the Education Entry Payment**

1.7 The Pensioner Education Supplement provides a full-time or part-time student receiving an eligible income support payment with an additional \$62.40 or \$31.20 a fortnight, depending on the student's study load.<sup>2</sup> The Education Entry Payment is an annual lump sum payment of \$208 that helps eligible income support recipients who are studying.<sup>3</sup>

1.8 In the Minister's second reading speech to the Bill, he stated:

... since the introduction of these payments, individuals wishing to undertake study have access to more targeted support and financial assistance – for example, the HECS-HELP, FEE-HELP and VET FEE-HELP tuition loan programs assist people of all types to access education and training.<sup>4</sup>

1.9 However, such tuition loan programs are only available for course costs. As the Australian Council of Social Service (ACOSS) stated in its submission:

None provides assistance with other ongoing costs of education, like education materials, transport and the costs of computers and printing. These supplements play an important role in assisting people to improve their work prospects and must be retained.<sup>5</sup>

1.10 The Australian Greens do not support this measure. This measure will make it harder for those already struggling on income support to access education; it contradicts the Government's claimed agenda of encouraging people to improve their skills and enter the workforce. It weakens supports to those studying and relying on income support.

### **Freezing income free areas**

1.11 The amount certain income support recipients can earn (before their payments are reduced) will cease to increase in line with inflation for three years.

1.12 As ACOSS stated in its submission:

Income free areas should not be adjusted through ad-hoc freezing of indexation to achieve short term budget savings at the expense of reducing the incomes of people on low wages. People on allowances are already

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2 Department of Human Services, Centrelink, Pensioner Education Supplement, <https://www.humanservices.gov.au/customer/services/centrelink/pensioner-education-supplement> (accessed 6 October 2016).

3 Department of Human Services, Centrelink, Education Entry Payment, <https://www.humanservices.gov.au/customer/services/centrelink/education-entry-payment> (accessed 6 October 2016).

4 The Hon. Christian Porter MP (Minister for Social Services), '[Second Reading Speech: Social Services Legislation Amendment \(Budget Repair\) Bill 2016](#)', House of Representatives, *Parliamentary Debates*, 1 September 2016.

5 *Submission 9*, p. 2.

relying on inadequate levels of income support. The maximum rate of the Newstart Allowance is now just \$38 per day, and has not been increased in real terms for over twenty years. Any measure which further reduces the adequacy of incomes for people partly reliant on allowances should be strongly opposed.<sup>6</sup>

1.13 The Australian Greens do not support this measure. It will reduce the amount of money people on income support can earn in real terms before their payments are reduced dropping people further into poverty and making it harder to enter the workforce.

### **Recommendation 1**

1.14 **The Australian Greens recommend that the Social Security Legislation Amendment (Budget Repair) Bill 2016 not be passed.**

**Senator Rachel Siewert**

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6 *Submission 9*, p. 3.

