

# BUDGET MAY 2023-2024:

## Key social security-related measures

The information below is primarily drawn from [BUDGET MEASURES BUDGET PAPER NO. 2](#)

### SOCIAL SERVICES PORTFOLIO

#### Increase to Working Age Payments

- Base rate of select working age and student payments to be increased by \$40 per fortnight.
  - The Increase will apply from 20 September 2023.
  - The increase will apply to:
    - JobSeeker Payment
    - Youth Allowance
    - Parenting Payment (Partnered)
    - Austudy
    - ABSTUDY
    - Disability Support Pension (Youth)
    - Special Benefit
  - The increase will not apply to Parenting Payment (Single)
- Higher single JobSeeker Payment rate for recipients aged 60 years and over to be extended to recipients aged 55 years and over who have been on the payment for 9 or more continuous months.

#### **Comment:**

- *The rationale for excluding Parenting Payment (Single)(PPS) from the \$40 a fortnight rate increase is unknown and difficult to fathom given research highlighting the poverty among single parents, and impacts on their children. The extension of eligibility is very welcome, along with the abolition of ParentsNext; however, to truly reverse the erosion of social security rights and entitlements for single parents, the PPS rate needs to increase to the pension rate, and PPS qualification extended to the youngest child turning 16.*
- *The Government notes that “the increased support for recipients aged 55 years and over, the majority of whom are women, acknowledges the additional challenges older Australians face in re-entering the workforce, such as age discrimination or poor health.” We note that people with disability who have limited capacity to work face similar challenges, and face long-term if not indefinite receipt of JobSeeker Payment if they cannot access DSP. The Government’s rationale for targeting a rate increase to older jobseekers equally applies to this cohort.*

## **Parenting Payment (Single) – extended eligibility**

- Parenting Payment (Single)(PPS) eligibility to be extended to single principal carers with a youngest child under 14 years of age.
- Under the current legislation eligibility for PPS cuts out when the person’s youngest child turns 8, with most recipients in need of ongoing income support then moving to JobSeeker Payment – with a maximum “with child” rate of \$745.20 per fortnight, compared to the PPS rate of \$922.10 per fortnight plus the basic Pension Supplement of \$27.20 per fortnight.
- The extension also means that single parents will be continue to be subject to the more generous PPS income test until their youngest child turns 8.

### **Comment:**

- *The Government states that “There will be more financial assistance for single parents as a result of this measure while maintaining mutual obligation requirements, providing encouragement to participate in employment or other activities to improve employability.” Given the Government’s commitment to replacing ParentsNext with a less punitive program, and given that PPS recipients were excluded from the \$40 per fortnight rate increase, consideration should be given to introducing a supplement for PPS recipients participating in the replacement program.*

## **Rent Assistance increased**

- Maximum rate of Commonwealth Rent Assistance (CRA) to be increased by 15 per cent.

### **Comment:**

- *The Government notes that the CRA increase is “to help address rental affordability challenges for CRA recipients”. We note that this minimal increase does little to address rental affordability, particularly given current rental markets and the lack of public housing – especially for single parents, including Parenting Payment Single and JobSeeker Payment recipients who are working to capacity.*

## **Incentives for pensioners to re-enter the workforce – six months extension**

- Age and veterans pensioners to be provided with a once-off credit of \$4,000 to their Work Bonus income bank and a temporary increase the maximum income bank until 31 December 2023.
- Under the extended measure, pensioners will continue to be able to earn up to \$11,800 before their pension is reduced.

## **Emergency Response Payments**

- This measure extends the 2022–23 October Budget measure titled Administration of COVID-19 and Emergency Payments, providing funding to enable Services Australia to respond to natural disasters - including delivery of the Australian Government Disaster Recovery Payment and Disaster Recovery Allowance.

**Comment:**

- *The Government says it “will consider the nature of future funding for Services Australia to respond to natural disaster events when longer-term administration of the program is known.” This measure may limit the need for redeployment of SA staff as a result of natural disasters and public health emergencies.*

## **CROSS PORTFOLIO**

### **New Zealand Citizens living in Australia – “direct pathway” to citizenship**

- From 1 July 2023 New Zealand citizens living in Australia who hold a “non-protected” Special Category visa (subclass 444 - SCV) \*, will be provided with “a direct pathway to Australian citizenship”.

\* New Zealand citizens travelling to Australia generally do so on a SCV, which allows the holder to live and work in Australia indefinitely. Since 26 February 2001, only “protected” SCV holders meet the definition of Australian resident under social security law. “Non-protected” SCV holders do not meet the definition of Australian resident and are generally not entitled to Australian social security payments, including Special Benefit. A New Zealanders who is not a protected SCV holder must apply for and be granted a permanent visa in order to meet the definition of an Australian resident and gain full access to social security payments, and if they are then granted a permanent visa they are then subject to a 4-year newly arrived residents waiting period. The measure will substantially enhance access to citizenship and social security income support for New Zealanders living in Australia.

**Comment:**

- *Whilst this a very welcome measure, there will be an ongoing need to amend social security law to enable New Zealand citizens living in Australia to access Special Benefit pending grant of Australian citizenship.*

### **Women’s Safety – Escaping Violence Payment pilot extension**

- Funding provided to extend the piloting of the Escaping Violence Payment to January 2025.