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Australia 2023: Patching Priority Holes in the Safety Net?

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CONTENT OVERVIEW

LIST OF ABBREVIATIONS

MPISOC — Max Planck Institute for Social Law and Social Policy

AAT — Administrative Appeals Tribunal

ABS — Australian Bureau of Statistics

ATO — Australian Taxation Office

AUD — Australian Dollar

CRPD — Convention on the Rights of Persons with Disabilities

CPI — Consumer Price Index

CRA — Commonwealth Rental Allowance

GDP — Gross Domestic Product

MYEFO — Mid-Year Economic and Fiscal Outlook

NDIS — National Disability Insurance Scheme

RBA — Reserve Bank of Australia

1. THE CURRENT ECONOMIC, POLITICAL AND SOCIAL SITUATION

1.1. Overview

The 2023 calendar year saw some modest welfare reforms from the new Labor government, along with a return to a budget surplus, at least in the short term. Elected in 2022 with a minimalist agenda and narrow majority bolstered by a significant and largely sympathetic cross-bench, progress was measured. Welfare reforms concentrated on closing problematic schemes (cashless welfare and the ParentsNext scheme for young parents), lifting the qualifying age of the youngest child to 14 years (previously 8) before Parenting payment is lost, fine tuning of a radical but overdue revamp of employment services, and a modest increase in rates of working age payments.

1.2. Statistical Measures

Economic conditions in Australia in 2023 were better than anticipated in the previous Report (Carney 2023) but remained mixed. The national accounts achieved the first surplus in 15 years, with prospects of a further surplus in 2023-24, but structural imbalance between revenue and expenditure identified in Treasury's Intergenerational Report – due to growing rates of expenditure on health, the NDIS, aged care and debt servicing – suggest this may be short-lived (Australia 2023b: 131, Chart 6.3). Unemployment remained at historic lows, but inflation has remained unduly high and thus official interest rates continued to increase, worsening an already extreme housing affordability crisis.

1.2.1. Monetary Policy

In common with international trends, the central bank (Reserve Bank) maintained an aggressive use of official interest rate increases in an endeavour to bring inflation back to the target range of 2-3% by the end of 2025. Four increases in the first half of the calendar year and one in November, each of 0.25 percentage points, lifted the cash rate to 4.35 per cent. This was significantly higher than Treasury's anticipated mid-year peak of 3.35 per cent (Budget October 2022: 45) or the November 2022 figure of 2.85 per cent.

1.2.2. National Accounts

Contrary to the October 2022 forecast of a deficit of AUD$36.9 billion for 2022-23 (Budget October 2022: 1, 78), the national accounts recorded a surplus of AUD$22.1 billion (or 0.9% GDP). Another surplus is predicted by commentators for 2023-24, but longer term expectations are for a return to deficits unless structural imbalances between revenue and expenditure are dealt with.

The December 2023 mid-year economic and fiscal outlook ('MYEFO') revealed continued short-term improvements in the national accounts for fiscal year 2023-24, with an AUD$12.8

billion improvement in the balance sheet, reducing the projected deficit to just 1.1 billion, a trend confirming expectations that ultimately 2023-24 will also end in a surplus. Government has continued to run tight fiscal policy, with 92 per cent of the most recent revenue gains banked to the budget (88% since coming to office) (MYEFO 2023: 57).

Forward estimates paint a less rosy picture of the national accounts, due to structural pressures from factors such as ageing demographics impacting care and disability programs, or rising defence and interest rate payments. While of serious concern, the December 2023 MYEFO nevertheless reveals some modest improvements. The projection for fiscal year 2024-25 is a deficit of AUD$18.8 billion (0.7% GDP) compared to the $51.3 billion (2% GDP) forecast as recently as October 2022 (Budget October 2022: 74; MYEFO 2023: 53). This is now projected to be followed by deficits of AUD$35.1 billion (1.2% GDP) in 2024-25 and then AUD$19.5 billion (0.6% GDP) for 2026-27 (MYEFO 2023: 53).

1.2.3. Economic Growth

Economic growth remained solid, but slowed over the period in review. However growth was mainly due to the stimulus of high levels of inward migration – if calculated on a per capita basis, a mild recession was experienced.

GDP growth for 2022-23 was 3.1 per cent (MYEFO 2023: 4), slightly lower than the 3.25 figure forecast in October 2022 (Budget October 2022: 1, 6). The GDP projection in MYEFO for fiscal 2023-24 has been upgraded to 1.75 per cent, a quarter per cent higher than the 1.5 per cent forecast in the October 2022 post-election Budget, but GDP remains sluggish.

1.2.4. Unemployment

Unemployment in 2022-23 remained low, despite official interest rate increases which the Reserve Bank (RBA) anticipated would lead to a rise.

Seasonally adjusted unemployment in October 2023 stood at 3.7 per cent (ABS 2023c), only a small increase from the 3.4 per cent at the same time the previous year (ABS 2022c). Unemployment over the fiscal year 2022-23 was 3.6 per cent, compared to 3.8 per cent in 2021-22, but is projected to rise to 4.25 per cent in 2023-24 and hover around that level for the next three fiscal years (MYEFO 2023: 4).

The seasonally adjusted workforce participation rate in October 2023 was 67 per cent (ABS 2023c), half a percent higher than the 66.5 per cent at that time in the previous year (ABS 2022c). Over the fiscal year 2022-23 the participation rate was 66.9 per cent (higher than the 66.75% forecast in 2022: Budget October 2022: 47), but it is anticipated that this will continue to fall slightly, with projections of 66.25 and 66.75 per cent in each of the fiscal years 2023-24 and 2024-25 (MYEFO 2023: 37).

Employment growth for the fiscal year 2022-23 was 3.2 per cent (above the 1.75% anticipated in October 2022), but this rate of growth is still expected to decline to 1.5 per cent for 2023-24 and to 1 per cent in the following fiscal year (MYEFO 2023: 37).

1.2.5. Inflation and Wage Growth

Inflation remained well above the Reserve Bank's target range of 2-3 per cent in 2023, despite some moderation of its level.

Inflation measured by the consumer price index (CPI) over the fiscal year 2022-23 was 6 per cent, a quarter of a percentage point higher than Treasury forecast in the October 2022 post-election Budget, but is now predicted to drop to 3.75 per cent for the fiscal year 2023-24 and to 2.75 per cent for 2024-25 (Budget October 2022: 6; MYEFO 2023: 37). Inflation for the period September 2022 to September 2023 came in as 5.4 per cent (ABS 2023b), still too high, but an improvement over the 7.3 per cent for the equivalent period in 2021-2022 (ABS 2022b). The October Monthly CPI Indicator revealed further slowing of inflation to an annual 4.9 per cent (ABS 2023d) confirming OECD forecasts that interest rate increases to control inflation may have peaked (OECD 2023).

Over comparable periods from May to May, wage growth measured by full-time adult average weekly total earnings rose by 3.9 per cent in 2022-2023 (ABS 2023a), much healthier than the 2.1 per cent in 2021-2022 (ABS 2022a) or the measly 1.6 per cent for 2020-2021 (ABS 2021) but still far short of the pre-Covid 4.8 per cent for 2019-2020. Earnings rose by 3.9 per cent in 2022-2023 on the 'all earnings' measure (ABS 2023a), compared to 3 per cent in the previous year. September quarter figures were more buoyant again, as wage increases for care workers and other factors saw a quarterly rise of 1.3 per cent or 4 per cent over September 2022 to September 2023.

The gap between wage growth and the rate of inflation began to close during the fiscal year 2022-23 (3.6% wages growth against 6% inflation, compared to 2.6%:5.75% the year before). However wages growth is still expected to fall short of parity with inflation by a quarter of a percentage point in 2023-24, before finally edging ahead by half a percent in 2024-25 (MYEFO 2023: 37). This is one year later than the October 2022 forecast of edging ahead in 2023-24 (if by a mere 0.25%: Budget October 2022: 6).

2. POLICY AND PROGRAM CHANGES

Program and policy changes during 2023 centred on four main topics: social security payment rates; the rising cost of the national disability insurance scheme; automated debt recovery; and reform of employment services.

2.1. Modest but Targeted Social Security Rate Increases

Australia's model of austere and tightly means tested 'social assistance' style social security payments has seen recipients of working age payments experience increasing levels of disadvantage in recent decades due to declining adequacy of arguably already sub-optimal rates of social security payments. Working age payment levels deteriorated compared to payments such as the age pension because working age payment rates are adjusted to reflect movement in the consumer price index, while for those outside the workforce indexation is to changes in a productivity related measure: Male Total Average Weekly Earnings.

Measured in 2020-21 adjusted dollars, the gap between the single unemployment payment and that of someone receiving a pension increased from AUD$35 a week in 2000 to $160 a week at the end of 2021 (Economic Inclusion Committee 2023: 23). When measured against the minimum wage, the payment fell from 47 per cent to 41 per cent by 2021 (Economic Inclusion Committee 2023: 22). As the Advisory Committee summed it up in its 2023 report, over the period 2000 to 2021, the single rate fell

> *from 42 per cent to 33 per cent of median household income over this period. If half-median income is used as a measure of relative poverty, then these trends would be expected to lead to increased poverty among people who are unemployed and a large increase in the poverty gap (Economic Inclusion Committee 2023: 24).*

Due to entrenched structural problems putting home ownership increasingly out of reach of ordinary citizens while also decreasing rental stock and inflating rents, the additional payment for people in rental accommodation ('commonwealth rental allowance' or CRA) increasingly was outstripped by rising rents. The Committee found that in 2000 the CRA contributed nearly 50 per cent of the average accommodation cost of a single low income renter, but this proportion had now fallen to just over 30 per cent (Economic Inclusion Committee 2023: 38-39).

Concerned to avoid exacerbating cost-of-living pressures and fueling inflation by undue stimulus from fresh fiscal outlays, the May 2023 Budget made a modest increase of $40 a fortnight in the base rate of working age payments. It also lowered the qualifying age for the existing higher rate of payment for long term unemployed, disproportionately women, from 60 to 55 years (at an annual cost of AUD$1.3 billion). Finally, the Budget lifted rent assistance by 15 per cent at an annual cost of AUD$0.7 billion (Budget 2023 Paper No 2: 199-200).

At a cost of AUD$1.9 billion over the period of the forward estimates, the May Budget extended qualification for the more generous rate of Parenting Payment (for sole parents) until the youngest child turns 14 (previously cutting out at 8 years), delaying the drop back to unemployment payment rates (JobSeeker payment). Economic incentives for aged pensioners or veterans to take up part-time employment or short periods of full-time work were also extended (see Part 5.1 below).

2.2. Revisiting the Architecture of the NDIS

Adjustments or more radical changes to the architecture of the National Disability Insurance Scheme (NDIS) became a live issue during 2023, with the launch of a number of inquiries and other processes.

The National Disability Insurance Scheme is Australia's signature social policy initiative of the 21st century. The NDIS is designed to provide individualised support for those people experiencing the greatest level of disability, while a much larger group of up to two million people with lesser needs continued to be catered for by mainstream state and territory disability services. Scheme viability has been imperilled because costs have risen much faster than anticipated in the Productivity Commission's blueprint for the scheme (2011), while client experiences and overall administration have also been problematic (Dickinson and Yates 2023). The 610,502 participants as at June 2023 was almost double the number projected in 2011 by the Productivity Commission and a third larger than the updated estimate in the 2013-14 Budget (Australia 2023b: 152). Even if a recently agreed eight per cent yearly cap on growth is achieved, the Intergenerational Report predicts Commonwealth outlays will rise from a current 0.9 per cent of GDP in 2022-23 to 1.8 per cent by 2033-34 and to 2.1 per cent of GDP at scheme maturity in 2043-44 (Australia 2023b: 153).

Taxpayer-funded by both levels of government (but more extensively by the national government), the scheme combines familiar aspirations of personalisation and client control with an unusual conception of the 'insurance' principle, one that assesses social and economic returns for the person and society over a projected whole-of-lifetime, posing a difficult administrative conundrum (Needham and Dickinson 2018). External oversight machinery designed to hold sometimes thin and uncompetitive commercial markets of disability services providers to account for the cost and quality of supports delivered has also been found to be inadequate (Considine 2022: Ch. 6; Morton 2023b). State and territory services for those with lesser levels of disability largely dried up, leaving the NDIS as what was termed 'the only lifeboat in the ocean'. A host of other weaknesses also became evident, such as undue reliance and costs of funding 'plan managers' to administer funding packages, or fuzziness of eligibility and other guidelines (such as determining what were 'reasonable and necessary supports') (Carney, Then et al. 2019; van Toorn and Scully 2023).

In December the Final Report of the government commissioned independent review of the scheme was released (NDIS Review 2023), a day after a meeting of Heads of both levels of Government agreed on a new deal to share responsibility for revitalising state and territory services for people with lesser levels of disability – now to be termed 'foundational supports'. Subject to final acceptance by government in 2024, the 26 main recommendations, to be phased in over 5 years in consultation with the disability community, will refocus NDIS eligibility on significant functional needs (not medical diagnoses). Individual funding packages are in future to be set by reference to the global needs of the person and on the basis of what is reasonably required (not item-by-item assessments of what is 'reasonable and necessary'). And the scheme itself is to become responsible for organising the necessary support for plan management in place of current contracting out to private sector managers charging high fees and depleting funds earmarked for direct services.

2.3. Robodebt Royal Commission into Automated Social Security Debts

The Royal Commission Report into the unlawfully raised automated social security 'debts' over the period 2016-2019 (termed Robodebt) unearthed departmental and Ministerial failings that shocked the Commissioner herself. It was found to be a

> *crude and cruel mechanism, neither fair nor legal, and it made many people feel like criminals. In essence, people were traumatised on the off-chance they might owe money. It was a costly failure of public administration, in both human and economic terms' (Robodebt Royal Commission 2023: xxix, Overview).*

The Royal Commission found that the automated matching of tax office data for periods of 6 or 12 months as a basis for applying a 'fortnightly average' income in place of the legally required fortnight-by-fortnight rate calculation of any overpayment, raised approximately 794,000 false and unlawful debts against approximately 526,000 recipients. The cost was a staggering total of AUD$1,751 billion ultimately required to be written off (Robodebt Royal Commission 2023: 402, 409), including refunding AUD$746 million already collected from 463,000 citizens following orders made in a 2020 class action settlement.

The 900 page Royal Commission Report released in July proposed sweeping reforms to the way automation is deployed and the way all levels of government (and accountability machinery such as tribunals and the Ombudsman) operate in future. In November, the government accepted in full 49 of the 57 recommendations, with all except one of the remainder accepted in principle (Australia 2023a). The exception was not altering the ability for documents to be exempted from freedom of information disclosure by falsely being classified as a 'cabinet document' when this is not actually the case (Morton 2023c).

Other parts of the world – including the UK, USA, Canada and the Netherlands, among others – have similarly experienced disastrous deployment of automation on vulnerable social security populations (Bouwmeester 2023). Automation is, however, doubly risky in countries like Australia which impose many eligibility 'conditions' or obligations (Carney 2024 forthcoming), as demonstrated by a much smaller scale but still unresolved use of apportionment of income. Although different to Robodebt in that everyone was oblivious to the illegality, significant numbers of incorrect overpayments, as well as a similar number of 'underpayments', were incurred between 2003 and 2020 as a result of averaging *within* each rate calculation fortnight without first establishing that the earnings all fell exactly within that period. The Ombudsman has suggested waiver of the up to 100,000 such overpayment debts and for clear letters of advice to be provided to a likely similar number of people about possible underpayments and how to seek rectification (Morton 2023a).

2.4. Employment Services and Unemployment Payments

In November 2023 the Parliamentary Select Committee examining the multi-million dollar fully privatised employment services system handed down its much anticipated Final Report (Select Committee 2023). As explained in the 2022 Social Law Report (Carney 2023: part 2.2) despite some welcome changes in 2022 to contractual arrangements with service providers to overcome the most perverse incentives (such as being rewarded for finding work for people least in need of assistance or placements in short-term positions), serious weaknesses remained. These weaknesses were identified by commentators as being the consequence of the regulatory failure of a succession of governance measures such as 'star ratings of performance' previously deployed in attempts to correct these market failures (Considine 2022: 19-40; Davidson 2022).

The Select Committee Report concluded that there has been too great an emphasis on punishment of the 'deficits' of the unemployed and too little attention to measures that genuinely assist people to reenter the workforce (Select Committee 2023: xii-xviii). Although yet to be considered by government, the Select Committee's Final Report of its inquiry into a scheme accounting for AUD$9.5 billion dollars over the next four years, concluded that it is necessary to bring at least some employment services back into public ownership and establish an overarching regulatory authority. It also recommends broadening the populations serviced beyond those unemployed and on benefits, opening access to people such as those in temporary or insecure work, those seeking to upskill, and regions undergoing transformation of employment (Rec. 2).

The majority of the Report's 75 recommendations are directed to details of how employment services might be rebuilt into an integrated system with a core of government provided services, but there are a significant number of specific recommendations for transformative reform of income payments and sanctions for breaches. A central proposal is to transform the 'jobpathway' agreements, currently imposed inflexibly as a condition of qualification for unemployment benefits, into flexibly tailored and genuinely negotiated arrangements. The intent is to have genuinely reciprocal government obligations to provide meaningful supports and services (Rec 40) and relegate boilerplate default obligations such as 'work for the dole' to a rare last resort (Rec 48). The much criticised 'points-based', undiscriminating and largely automated, sanctioning regime is also recommended for transformation. The aim is to create a much more nuanced system that accommodates the variety of individual circumstances and restores discretionary powers for case managers to flexibly promote realisation of employment reentry and capability improvement goals (Recs. 56, 57, 60, 62).

Other relevant social law proposals include reinstating sickness allowance (rather than current short-term sickness exemptions from mutual obligations) and eased pathways into and medical proofs of entitlement to disability support pension for long-term unemployed (Recs. 32, 33, 34).

2.5. Other Measures

After nearly 5 years of hearings and deliberation, September 2023 saw release of the Disability Royal Commission's six volume report and 222 recommendations (Disability Royal Commission 2023). Important reforms are recommended in areas such as disability discrimination, health, education, criminal justice and other service systems, including rendering adult guardianship more CRPD compliant through supported decision-making initiatives (ibid: Vol 6, recs 6.4-6.19) akin to those introduced in Germany from 2023 (Henking 2022; Henking and Scholten 2023). However social law recommendations are scant, confined to disability employment services, mainstream and public service employment (Disability Royal Commission 2023: Vol 7 recs 7.16-7.22), and facilitating transitions into work by improving information about wages and the way employment income is treated for disability pension rate calculations (ibid: rec 7.28).

In September the government also released its *Employment White Paper* (Australian Treasury 2023), with the first steps towards its realisation foreshadowed for the 2024 May Budget. This is the first such statement since 'Working Nation' in 1994 (following the original White Paper in 1945). The centrepiece is a commitment to 'sustainable and inclusive' employment, conceived in broader terms than traditional definitions of 'full employment' to accommodate significant changes in the nature of work and the character of economic activity, including the rise of the service and care economies. The 2023 White Paper commitment therefore aims to promote secure well paid employment (rather than gig economy or casual work), overcome employment barriers through upskilling and training geared to future economic needs, and attune migration, productivity and other policy settings to complement that aim. Employment services and place-based community partnerships are among specific initiatives with resonance to social law and policy.

3. MAJOR POLICY CHANGES IN PROSPECT

No policy changes of any significance are outstanding at the end of calendar year 2023 as the social agenda of the new government concentrated on urgent cost of living measures and clearing underperforming or problematic programs, but some future changes are becoming evident. As already discussed, the first Report of the Advisory Committee on Economic Inclusion recommended giving priority to raising working age payments and facilitating full workforce participation, and measures such as abolishing the ParentsNext program adversely impacting young sole parents, but also provided some hints of possible future social initiatives.

'Place-based welfare' designed to tackle geographic constellations of disadvantage, is one likely candidate for revived attention, receiving its own chapter of the Report (Economic Inclusion Committee 2023: Ch 3). An established priority for some state governments such as Victoria, place-based welfare at federal level was last pursued for a short time under the *Better Futures Local Solutions* grants scheme stemming from the work of the Social Inclusion Board established by the Rudd Labor Government in 2008 (BSL 2015), but it ceased when Labor lost office in 2013.

The Economic Inclusion Report also devoted a chapter to removing barriers to economic participation by families with children (2023: Ch 4). Government has already adopted one of its suite of proposed reforms by ending ParentsNext, but other changes remain to be actioned, such as removing consideration of child maintenance entitlements when calculating the rate of family assistance payments, or easing the way 'activation' under the activity test applies to child care benefit.

4. CONCLUSION

The rather faint contours of the social agenda of the Albanese Labor government began to emerge during 2023. Fiscal rectitude necessitated concentration of new expenditure on addressing priority needs of people on working age payments, renters and women.

The White Paper on employment and the work of the parliamentary Select Committee on Employment Services reflect a clear eyed understanding of the potential and the inequalities generated by the contemporary world of work, where 'standard' employment is less common, and a turning of the tide against neoliberal outsourcing of basic services such as employment services for the unemployed.

More holistic, 'whole of government' and place-based programs appear to be returning to favour, particularly to combat more complex and entrenched vulnerability and disadvantage; but, as experience with the NDIS currently demonstrates, serious challenges lie ahead in navigating the 'federalism' barriers posed by fiscal imbalances between the two levels of government and the constitutional and political barriers to harmonising programs.

5. THE LEGISLATIVE FRAMEWORK

No change has been made in the basic architecture of the legislation governing social security payments, other than modest consolidation to reduce duplication of provisions (for details of all payments, see: LBC/Carney 2013). The legislation continues to be administered by the department now called Services Australia, operating through another agency called Centrelink.

Decisions made by officers of Centrelink have been reviewable on their merits, under a possible two stages of external review. The first tier (since July 2015 the Social Services and Child Support Division of the Administrative Appeals Tribunal - AAT) scheduled single member rather than panel hearings for the vast majority of appeals (98% in 2017: Carney and Bigby 2018), with a further level of merits review to the General Division of the Administrative Appeals Tribunal (further, Pearce 2015). Due to concerns about lack of independence of recent AAT member appointments and other concerns, in 2023 the Government announced abolition of the AAT and its replacement during 2024 by a re-designed 'Administrative Review Tribunal' (ART). Under legislation yet to be debated and passed by Parliament, the main features of AAT review of social security decisions are retained for the ART, such as easy application for review, private informal hearings and exclusion of the relevant department from hearings as a general rule. The two tier process for winnowing simpler and more complex issues will however disappear, with AAT2 review replaced by an appeals panel framework at the discretion of the President and confined to raising an 'issue of significance to administrative decision-making' or 'errors of fact or law' that 'materially affect' the initial ART decision (Part 5, cl 124, see 5.2. below).

Social security law is currently found in five enactments, each of which is frequently amended:

- *Social Security Act* 1991 (Cth)
- *Social Security (Administration) Act* 1999 (Cth)
- *Social Security (International Agreements) Act* 1999 (Cth)
- *Family Assistance Act* 1999 (Cth)
- *Family Assistance (Administration) Act* 1999 (Cth)

5.1. Recent Amending Acts

- *Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Act 2023* (Act No 4 of 2023)

  This Act honoured an Election promise to progressively extend parental leave pay (by 2 weeks each year to reach 26 weeks by 2026) implementing the initial extension from 18 weeks to 20 weeks from 1 July 2023, two weeks of which is reserved (on a 'use it or lose it' basis) for each parent (the full 20 weeks if single), and claimable by either parent (gender neutral) following repeal of former distinctions between primary (the birth parent) and secondary claimants (fathers, previously capped at 2 weeks of paid leave).

- *Social Services Legislation Amendment (Child Support Measures) Act 2023* (Act No 27 of 2023)

  This Act extended the power of the Registrar to continue recovery of outstanding child support payments by way of employer withholding of pay, to deny a departure certificate when security is given for outstanding amounts but the Registrar is not satisfied that full payment will be made, and introduced a new standard deemed income in place of the taxable income of a person not required to lodge an annual tax return.

- *Family Assistance Legislation Amendment (Child Care Subsidy) Act 2023* (Act No 38 of 2023)

  This Act clarifies liability for child care subsidy debts that arise when a child is absent from care for more than the allowable number of days. Because the subsidy is paid to child care providers (as an offset or reduction against commercial fees charged) the debts arise when child care attendance data is reconciled, and a debt then raised. The amendments clarify that the debt is owed by the provider rather than the parent when the child's 'absences' occur outside the agreed period of care (being before or after the end of that period).

- *Social Security (Administration) Amendment (Income Management Reform) Act 2023* (Act No 47 of 2023)

  This Act is the second tranche of reforms to cashless welfare, following 2022 legislation ending imposition of a Cashless Debit Card (the *Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Act 2022*). The 2023 Act reforms the already more appropriate 'income management' card, so that people formerly in the cashless debit card have the choice of regaining full control of their payments or the option of replacement by a more attractive bank card able to be used with around a million outlets, 'tap and go' and on-line shopping functionality, and Centrelink's electronic bill paying system 'BPAY' – while awaiting advice and decisions about longer term policy.

- *Social Services and Other Legislation Amendment (Strengthening the Safety Net) Act 2023* (Act No 52 of 2023)

  This Act implements three main announcements in the May 2023 Budget. The Act (i) expanded entitlement to the sole parent payment (Parenting payment (single)) by raising the cut off age of the youngest child from 8 years to 14 years (sch. 1); (ii) increased the rates of working age and student payments by $40 per fortnight and lowered from 60 to 55 years the age from which a higher rate of payment is made once a person has been on payment for 9 months or more (sch. 2); and (iii) lifted the maximum rate of supplementary rent allowance by 15 per cent (sch. 3).

- *Inspector-General of Aged Care Act 2023* (Act No 55 of 2023); *Inspector-General of Aged Care (Consequential and Transitional Provisions) Act 2023* (Act No 56 of 2023)

These two Acts implement a recommendation of the Aged Care Royal Commission by providing independent oversight of the aged care system.

- *Housing Australia Future Fund Act 2023* (Act No 79 of 2023); *National Housing Supply and Affordability Council Act 2023* (Act No 80 of 2023); *Treasury Laws Amendment (Housing Measures No 1) Act 2023* (Act No 81 of 2023)

  These three Acts implement an Election promise of the incoming Labor government to set up an AUD$10 billion 'Housing Australia Future Fund‘ (HAFF) the earnings from which are to fund building 30,000 social and affordable homes, enhanced by an additional commitment to spend AUD$330 million on acute housing needs in the first five years. The National Housing Supply and Affordability Council serves as the independent source of advice to Government. The HAFF transforms and replaces the 2018 National Housing Finance and Investment Corporation.

- *Social Security Amendment (Australian Government Disaster Recovery Payment) Act 2023* (Act No 84 of 2023)

  This Act is designed to remove any doubts about the legality of use of automation to provide timely payment of claims for the ‘one off‘ disaster recovery payment in the event of wildfire, flood or other designated disasters.

- *Social Services and Other Legislation Amendment (Australia’s Engagement in the Pacific) Act 2023* (Act No 100 of 2023)

  To strengthen the conditions and safety net for temporary workers from islands in the Pacific and Timor-Leste, this Act introduced a new visa class including rights of accompaniment and settlement benefits for family members of workers under the Pacific Australia Labour Mobility scheme (3000 places a year for workers and their dependants). The benefits include an exemption from the newly arrived migrants waiting period with regard to Family Tax Benefit A, Youth Allowance and Austudy payments, as well as access to student study support schemes (The Higher Education Student Loans scheme and the technical education VET Student Loans schemes).

- *Disability Services and Inclusion Act 2023* (Act No 107 of 2023)*; Disability Services and Inclusion (Consequential Amendments and Transitional Provisions) Act 2023* (Act No 103 of 2023)

  These two Acts provide a contemporary legislative framework for funding and regulating provision of disability services to the up to two million people with levels of disability that do not qualify them for coverage by the National Disability Insurance Scheme. The framework replaces the *Disability Services Act 1986.* It is aligned with the principles of Australia’s *Disability Strategy 2021-*

2023, and includes provision for a mandatory Code of Conduct and quality assurance and monitoring of the standard of services provided.

- *Social Security and Other Legislation Amendment (Miscellaneous Measures) Act 2023* (Act No 105 of 2023)

  This Act amends spending approval processes under the *Financial Framework (Supplemental Powers) Act 1997* to provide flexibility and speedy authorisation under that Act of changes to programs to help people to find work under the 'streamlined participation requirements' chapter introduced in 2022 into the *Social Security Act.*

- *Social Security and Other Legislation Amendment (Supporting the Transition to Work) Act 2023* (Act No 106 of 2023)

  This Act encourages part-time earnings by people on age pension or some veterans payments. The Act increases, by AUD$4,000, the economic incentive provided by the 'free of income test' allowable earnings before those earnings lead to a reduction in the rate of pension. This makes permanent the previously temporary increase in the size of the work bonus from its previous level of $7,800 to $11,800 a year. As a second incentive, the Act extends to 24 weeks the period during which 'fringe benefits' (such as concessional health care cards) may be retained after earnings are so large that they reduce the pension rate to 'nil', and during which period pension eligibility immediately restarts on loss of employment.

- *Economic Inclusion Advisory Committee Act 2023* (Act No 112 of 2023)

  This Act constitutes an independent statutory advisory committee comprising of economists, academics, union and business representatives and community advocates, to provide annual advice in a publicly available report regarding economic inclusion and participation, the adequacy and sustainability of income support payments and reducing barriers to economic participation.

5.2. Significant Bills Awaiting Passage, or Defeated in the Senate

- *Administrative Review Tribunal Bil 2023; Administrative Review Tribunal (Consequential and Transitional Provisions No 1) Bill 2023*

  These two Bills constitute the renovated Administrative Review Tribunal to replace the Administrative Appeals Tribunal. Schedule 3 of the Consequential and Transitional Provisions Bill preserves most of the features of AAT review, with the ART replacing first tier AAT review (AAT1), and easy applications, in camera

> hearings, informality and flexibility of process preserved. However the two tier process for winnowing simpler and more complex issues has disappeared, with AAT2 review replaced by an appeals panel framework at the discretion of the President and confined to raising an 'issue of significance to administrative decision-making' or a 'errors of fact or law' that 'materially affect' the initial ART decision (Part 5, cl 124). Recommendations of the Robodebt Royal Commission to ensure that adverse rulings cannot be kept secret (or the review system 'gamed') are found in the main Bill.

No other proposed legislation of any real significance was awaiting passage at the end of the calendar year.

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