

Summary of new major MYEFO 2016-17 measures affecting low income households

Measure	Savings	Who is affected	What it means	Announced
<p>Welfare integrity measures Savings to be achieved through data matching between the ATO and DHS and increased engagement with income support recipients</p>	<p>\$2,100m</p>	<p>Up to 20,000 letters are being sent to current and former income support recipients per week requesting that they check their income and employment details with Centrelink because a discrepancy had been detected as far back as 2010. There are also measures to boost engagement between income support recipients and Centrelink.</p>	<p>Where a debt is detected, the person must prove that they do not owe it or repay it. There is a serious concern that the automated process is disadvantaging people and inaccurate debt notices are being sent out.</p>	<p>Election 2016</p>
<p>Reduced funding to wage subsidy program Adult wage subsidy program to be capped</p>	<p>\$330m</p>	<p>People who are unemployed, fewer of whom will benefit from the program</p>	<p>Reimposes caps on (effective) wage subsidies for adult long term unemployed being introduced in January 2017 (youth schemes remain un-capped)</p>	<p>December 2016</p>
<p>Green Army Program abolished Program to be abolished with proportion of funds diverted to Landcare programs</p>	<p>\$225m</p>	<p>Program participants, which currently include jobseekers and students</p>	<p>Loss of an employment program which could have been more effectively targeted to assist long-term unemployed.</p>	<p>December 2016</p>
<p>Cuts to dental program Child Dental Program to be retained, rather than replaced with Child and Adult Dental Program, with benefits reduced from \$1000 to \$700/ 2 years</p>	<p>\$39.1m</p>	<p>People on low incomes who are unable to afford private dental treatment</p>	<p>Low income families will receive less assistance with costs of dental care for children.</p>	<p>December 2016</p>
<p>Ceasing pensioner supplement for pensioners who go overseas Remove supplement for pensioners who either move overseas or go overseas temporarily</p>	<p>\$123.6</p>	<p>People on pension payments who move or travel overseas (e.g. to visit family).</p>	<p>This could disadvantage people with family overseas who are only leaving the country on a temporary basis, who would continue to incur household bills while away.</p>	<p>December 2016</p>
<p>Seasonal worker trial Will trial a \$5000 income bank for Newstart/Youth Allowance (Other) recipients and up to \$300 travel allowance per annum.</p>	<p>-\$27.5m</p>	<p>Newstart/Youth Allowance (Other) recipients who have received a payment for three months or more and who relocate more than 120 km to engage in approved seasonal horticultural work.</p>	<p>Welcome development, but will only apply to income support recipients who relocate for seasonal work and should be available to all people who are unemployed (to replace the working credit system).</p>	<p>December 2016</p>

<p>Loosening of access to Youth Allowance for young people in regional and rural areas Will reduce the time period for Youth Allowance recipients to become 'independent' from 18 months to 14 months for young people living in regional and remote areas.</p>	<p>-\$81.1m</p>	<p>Young people (under 22) living in regional and remote areas.</p>	<p>Young people in regional areas will not have to wait as long as other young people to prove independence, and for parents' income to be excluded from eligibility assessment. Will loosen access to the payment, including extending access to some young people whose parents have significant means.</p>	<p>Election 2016</p>
<p>Tightening access to VET student loans</p>	<p>\$380m</p>	<p>(Mainly) private VET providers, and their students</p>	<p>Eligibility requirements for VET student loans are being tightened in response to widespread wastage of public funds on courses that were mass-marketed by providers, often to vulnerable people</p>	<p>December 2016</p>
<p>Deferral of changes to bulk billing for diagnostics Deferral of changes to diagnostic and pathology bulk billing incentives for a year to allow further consideration.</p>	<p>-210.7m</p>	<p>Low income health consumers.</p>	<p>Government to conduct further consultation before implementing the measure.</p>	<p>December 2016</p>
<p>Strengthening mental health care \$194.5 million/4 years for a range of mental health services, as announced in the election.</p>	<p>\$194.5m</p>	<p>People with a mental illness</p>	<p>Range of programs to receive ongoing funding and some new initiatives to be funded</p>	<p>Election 2016</p>
<p>Extension of homelessness funding \$117 million to extend the National Partnership Agreement on Homelessness for 1 year with indexation</p>	<p>\$117m</p>	<p>People who are experiencing homelessness and the services that assist them</p>	<p>Extension will provide certainty for homelessness services around the country.</p>	<p>December 2016</p>

Unlegislated savings measures carried over from previous budgets

Legislation	Savings	Who is affected	What it means	Bill
Social Security	over forward estimates			First version introduced
Social Services Legislation Amendment (Youth Employment) Bill 2016 <ul style="list-style-type: none"> • Four-week wait for young people to access unemployment payment; • Increase Newstart eligibility age to 25; • One week ordinary waiting period (to be served in addition to four-week wait for relevant income support recipients). 	\$1.063b	<ul style="list-style-type: none"> • 70,000 young unemployed people affected by increased Newstart age. • 75,000 young unemployed people denied any kind of income support for four-weeks (which will be five with the additional one-week wait included in Bill). • 270,000 additional waits served by unemployed people and parenting payment recipients.¹ 	A 22-year-old who cannot find work after leaving education will lose at least \$1,320 upfront and \$47 per week thereafter. If they rent privately, they will lose over \$1,530 upfront by being denied income support for five weeks.	2014/15
Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2016 <ul style="list-style-type: none"> • Reduces Family Tax Benefit Part B for parents with teenage children • Removes FTB supplements for all recipients 	\$2.875b	<ul style="list-style-type: none"> • All recipients of Family Tax Benefit (approx. 1.6 million families), including 136,000 sole parents with youngest child over 13 and families in the bottom 20% of incomes. 	A sole parent with two teenage children will lose \$60 per week.	2014/15
Social Services Legislation Amendment (Budget Repair) Bill 2016 <ul style="list-style-type: none"> • Cessation of Pensioner Education Supplement • Cessation of Education Entry Payment • Reduces Age Pension portability 	\$800m	<ul style="list-style-type: none"> • 33,000 recipients of Pensioner Education Supplement (PES) • 83,000 recipients of Education Entry Payment (EEP) • (Most of these recipients are Carers, Disability Support Pensioners and sole parents). • 190,000 Age Pensioners (over four years) 	People who lose the PES and EEP will be \$35 per week worse off.	2014/15
Cessation of Energy Supplement for new income support recipients	\$1.180b	<ul style="list-style-type: none"> • 2 million income support recipients over four years. 	People living on Newstart will lose \$4.40pw. A pensioner will lose \$7pw.	2016/17
Fairer Paid Parental Leave Bill 2016 <ul style="list-style-type: none"> • Restricts access to Government Paid Parental Leave where parent has access to employer scheme. 	\$1.229b	<ul style="list-style-type: none"> • Up to 80,000 parents 	Losses depend on employer scheme.	2015/16
Total savings	\$7.14b			

¹ All of these measures could apply to one person, therefore total affected cannot be determined.