

Key Budget Measures	Budget \$	Who is affected	What it means
<p>New job seeker compliance system (1 July 2018) A demerit point system implemented, where job seekers have seven demerit points. Once a job seeker loses four points, they start to lose payment, with loss of:</p> <ul style="list-style-type: none"> - one week's payment for five strikes; - two weeks' payment for six strikes; and - cancellation of payment for the seventh strike. 	<p>Saves \$632m</p>	<ul style="list-style-type: none"> • Anyone with job search requirements, except people under the Community Development Programme. • It is expected that approximately 100,000 will lose at least one week's payment over 12 months. 	<p>This new system of compliance is simpler than the current system, and the removal of the eight-week penalty is welcome. However, far more people will lose payment than under the current system and there is no opportunity for people to avert payment loss. ACOSS is greatly concerned that deeply disadvantaged people will become destitute, and it appears there are no waiver provisions for people with children or people who are in deep financial hardship.</p>
<p>Hours of activity (mutual obligation) (20 September 2018) Hours of activity increased, with people aged 30 to 49 doing 25 hours pw, (up from 15); people aged 55-59 to do at least 7.5 hours pw of non-volunteering activity (instead of 15 hours pw of volunteering alone), and people aged 60 to Age Pension age to do five hours pw.</p>	<p>NA</p>	<ul style="list-style-type: none"> • Newstart, Parenting Payment, and Special Benefit recipients. • This will affect 270,000 people aged 30-49, 40,000 people aged 55-59 and 45,000 people aged 60 to Age Pension age (total: 355,000). 	<p>We oppose the increase in hours for people aged 30 to 49 because there is no evidence that this will improve chances of finding work. Many will have to complete more Work for the Dole hours, despite this program being a total failure, increasing people's job prospects by only 2%. The changes for people aged 55+ are unlikely to boost employment of this group.</p>
<p>Drug testing and people with drug and alcohol addiction (from 1 July 2017)</p> <ul style="list-style-type: none"> - 5,000 people receiving an unemployment payment will be drug tested in three selected regions - No exemption from mutual obligations for people with a drug/alcohol addiction. - Eligibility for Disability Support Pension on the basis of impairment from drug/alcohol addiction to be abolished for new claimants (removal of impairment table 6). 	<p>Saves \$50.5m*</p> <p>*Drug testing trial cost not available.</p>	<ul style="list-style-type: none"> • 5,000 Newstart & Youth Allowance (Other) recipients drug tested in three regions (excluding Community Development Programme). Refusing a test results in cancelled payment. People who test positive subjected to income management and subsequent drug test five weeks later. Treatment required after two positive tests. • 11,000 people affected by removal of the drug and alcohol mutual obligation exemption. • 450 new claimants for the Disability Support Pension refused payment, pa. This includes people who are reassessed for DSP. 	<p>ACOSS strongly opposes this measure. It is unclear what these measures hope to achieve. They are highly unlikely to address people's addictions if they have them, and will lead to more people living in poverty. The drug testing trial will likely be expensive: New Zealand spent \$1 million on a drug testing program and of the 8,001 income support recipients tested, just 22 tested positive for illicit drugs (July 2014).</p> <p>Removing mutual obligation exemptions without any other assistance will see greater numbers of recipients breached, and, because of the compliance measures in the budget, see more people lose payments. People with an addiction who no longer qualify for the Disability Support Pension are particularly at risk because they will likely go onto Newstart and have to undertake job search activities.</p>
<p>No Jab No Pay (1 July 2018) Fortnightly loss of \$28 for each child who is not up-to-date with their immunisation.</p>	<p>Saves \$15m</p>	<ul style="list-style-type: none"> • All families who receive Family Tax Benefit (FTB) Part A who fail immunisation requirements. 	<p>This measure fails to address lower vaccination rates in the broader population compared with the FTB population.</p>

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Doubling of Liquid Assets Waiting Period (20 September 2018) Liquid Assets Waiting Period for unemployment payments doubled to 26 weeks for singles with >\$18,000 or couples and/or singles with dependants with >\$36,000.	Saves \$138m	<ul style="list-style-type: none"> 11,000 to wait six months for payment. 2,800 people to wait an extra 1-13 weeks. Affects Newstart, Sickness Allowance, Youth Allowance and Austudy. 	This will greatly disadvantage people affected. Making individuals and families, wait six months for payment will see them exhaust savings, make saving for a home or retirement harder and remove any buffer for emergencies like healthcare, appliances, cars, etc.
Third party relationship verification (20 September 2018) Claimants with children will need to provide a written reference from a third party claiming they are single.	Saves \$93m	<ul style="list-style-type: none"> Parenting Payment (Single) and Newstart recipients with children. Up to 12 months jail for referees who provide false information. 	ACOSS opposes this measure, which adds another burden on people seeking income support. Centrelink already has broad powers to investigate someone's relationship status. It also discriminates against people with children.
Tighten social security claim requirements (1 July 2017) Claimants will need to provide a completed claim before they may receive payment.	Saves \$78m	<ul style="list-style-type: none"> Claimants who cannot obtain all required documents and who need immediate access to payment. 	This measure risks putting people in desperate situations, including remaining in domestic violence situations. ACOSS opposes this measure.
JobSeeker Payment (20 March 2020) Seven working age payments will be rolled into the one payment, called JobSeeker Payment.	NA	<ul style="list-style-type: none"> Newstart, Sickness Allowance, Wife Pension, Partner Allowance, Bereavement Allowance, Wife B Pension and Widow Allowance. 	ACOSS is not opposed to this measure as 99% of people will not see a drop in payment (as pension-rate recipients will be grandfathered). However, some Wife Pension recipients who live overseas lose payment. This tiny group should be grandfathered.
Cashless debit card and income management (ongoing) Cashless debit card trials in Ceduna and Kununurra extended, as is income management in the NT. Two new cashless debit trial locations to be located. Income management for people who test positive to drugs.	Costs at least \$145m	<ul style="list-style-type: none"> People receiving working age payments to be subjected to cashless debit card in trial locations. Selected income support recipients in NT to continue income management. 	ACOSS opposes extension of blanket income management, including cashless debit cards. Evaluations of both programs find no conclusive evidence that it improves people's lives and results in long-term behaviour change.
Reduction of Pensioner Education Supplement (PES) and Education Entry Payment (EEP) rates (1 January 2018) <ul style="list-style-type: none"> Payment rates will have four tiers according to study load. The PES is already paid at two tiers: \$62.40 pf for study load above 50% and \$31.20 pf for 25% to 50%. The EES is paid at a flat rate of \$208pa. 	Saves \$94m	<ul style="list-style-type: none"> This measure could potentially affect 33,000 PES recipients and all 83,000 EEP recipients. Mostly Carers, Disability Support Pensioners and single parents. 	ACOSS opposes any reduction in these rates as costs of study are unlikely to be less with a 50%+ study load. Costs of commencing study remain the same regardless of study load, and therefore there is no rationale for having a tiered rate of EEP.
Residence requirements for Age and Disability Support Pension (1 July 2018) <ul style="list-style-type: none"> Stricter access to pensions for people with less than 10 years Australian Working Life Residence. 	Saves \$119m	<ul style="list-style-type: none"> 2,300 people will have pensions delayed. 90 Parent/Partner Visa migrants per annum will wait five years. 	ACOSS opposes this measure because it will deny appropriate income support to people in need.
Total savings	\$1.2bn		