

14<sup>th</sup> July 2025

The Hon Dr Jim Chalmers MP  
Treasurer  
Parliament House  
Canberra ACT 2600

Dear Dr Chalmers,

**Re: Work Bonus Threshold Review - Follow-up to Previous Correspondence**

I refer to my correspondence dated 16 July 2024, your response reference MC24-010789 dated 8 August 2024 (via Mr. Doug Watkins, Personal and Small Business Tax Branch, Parkes), and my subsequent correspondence of 8 August 2024, to which I have not received a response. Please find attached copies of this correspondence.

Mr Watkins' response merely restated the current policy position without addressing the substantive issues raised. I am writing to again request your consideration of the anomaly in Centrelink's income reporting to the ATO and to seek a comprehensive response to ePetition EN6227, presented to Parliament in June 2024.

**Background**

The petition called for review of the work bonus system, indexing of the work bonus threshold, and an immediate increase to at least \$500 per fortnight. Our analysis indicates this reform could potentially:

- Reduce welfare costs to government
- Increase PAYG tax collections
- Generate additional GST revenue
- Deliver a combined benefit to government of approximately \$200 million

Detailed supporting information is available at [www.workingpensioners.com.au](http://www.workingpensioners.com.au).

**Specific Requests**

I respectfully request your consideration of the following policy reforms:

1. **Increase the Work Bonus Threshold to at least \$500 per fortnight**
  - If this could restore pre-COVID workforce participation rates among pensioners it could generate net savings through reduced welfare payments and increased tax revenue
2. **Index the Work Bonus Threshold**
  - The current threshold has remained unchanged since July 2019
  - Without indexation, the real value of the work bonus continues to erode
  - Previous government responses have referenced the Income Free Area, which does not address the core issue of work incentives for pensioners. This logic is like offering a 4% pay rise applicable to half your wage.

### **3. Rectify Centrelink Income Reporting Anomaly**

- For couples where one partner works, both pensions are reduced by 25 cents per dollar for income over \$300 per fortnight
- The amount deducted from the non-working partner's pension remains attributed to the working partner's taxable income
- This creates a situation where tax is paid on income the couple has not actually received

### **Request for Substantive Response**

I would appreciate a considered response that addresses the policy merits of these proposals rather than reiterating current arrangements. To date, I have not received any substantive arguments against these reforms that address their potential fiscal and social benefits.

I remain available to discuss this matter at your convenience and can be reached on 0407 047 797. Additional information and analysis is available at [www.workingpensioners.com.au](http://www.workingpensioners.com.au).

Thank you for your time and consideration of this important matter affecting Australia's working pensioners.

Yours sincerely,

Greg Jarvis  
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### **Attachments:**

- Previous correspondence dated 16 July 2024
- Response MC24-010789 dated 8 August 2024
- Follow-up correspondence dated 8 August 2024