

26<sup>th</sup> July 2025

The Hon. Senator Kerryne Liddle  
Shadow Minister for Social Services  
Parliament House Canberra ACT 2600

Dear Senator Liddle,

**RE: FOLLOW-UP - URGENT REFORM OF WORK BONUS SYSTEM FOR AGED PENSIONERS Reference: Previous correspondence dated 7 July 2025**

I am writing to follow up on my correspondence regarding the critical need for Work Bonus system reform to address Australia's skills shortage while providing fair opportunities for aged pensioners who wish to contribute to the workforce.

**DISAPPOINTMENT WITH PETITION EN6227 RESPONSE**

I must express my profound disappointment with the government's response to ePetition EN6227. The response demonstrates a concerning lack of genuine consideration for this important policy proposal. The use of identical paragraphs from previous responses, clearly copied and pasted with minimal effort to understand the substantive issues raised, is both insulting to the petitioners and indicative of a government unwilling to engage with legitimate policy concerns.

This is not merely a matter that will disappear through administrative delay tactics. The issues raised deserve serious parliamentary attention and action.

**THE CASE FOR IMMEDIATE ACTION**

The current Work Bonus system actively discourages aged pensioners from returning to legitimate employment through punitive income thresholds that have remained static since July 2019. This policy failure is particularly concerning given:

- The severe skills shortage affecting multiple sectors of our economy
- The potential for \$200 million in annual government savings
- The opportunity to activate our experienced, dormant workforce
- The need to support pensioners who wish to improve their living standards through work

**CURRENT SYSTEM FAILURES**

The existing Work Bonus framework penalises working pensioners through:

- A reduction in pension payments of 50 cents for every dollar earned above \$300 per fortnight (\$150 per week)
- The \$300 per fortnight threshold has not changed since July 2019
- This threshold is not indexed losing significant purchasing power since 2019

- Misleading reporting about a \$4,000 Work Bonus increase, this \$4000 has an actual onetime benefit of \$2000, as \$2000 would have been received from paid work anyway.
- Burdensome fortnightly income reporting requirements that discourage participation

## PROPOSED SOLUTIONS

I urge your support for the following evidence-based reforms:

1. **Immediate threshold increase** from \$300 to at least \$500 per fortnight to reflect current economic conditions
2. **Biannual indexation** of the Work Bonus earnings threshold to prevent future erosion
3. **Review of inflated taxable income anomalies** arising from Centrelink's reporting practices to the ATO
4. **Elimination of mandatory fortnightly income reporting** to reduce administrative burden

## ECONOMIC AND SOCIAL BENEFITS

These reforms could deliver:

- **\$200 million annual contribution** to government revenue through reduced pension payments, increased PAYG Tax and GST revenue due to increased workforce participation
- **Reduced skills shortage** across multiple industry sectors
- **Decreased reliance on welfare** as pensioners become more self-sufficient
- **Improved mental health outcomes** for pensioners through meaningful work opportunities
- **Reduction in the black cash economy** by encouraging legitimate employment
- **Enhanced living standards** for aged pensioners choosing to work

## CALL TO ACTION

As Shadow Minister for Social Services, I respectfully request that you:

1. Register your support for this critical reform initiative
2. Raise these issues in Parliament at the earliest opportunity
3. Advocate within the Coalition for adoption of these sensible policy changes
4. Challenge the government's inadequate response to ePetition EN6227

## CONCLUSION

This is fundamentally about providing a fair go for working pensioners while addressing Australia's pressing economic challenges. The current system fails both aged pensioners seeking to contribute and the broader economy requiring their skills and experience.

The potential for \$200 million in annual government savings, combined with the activation of our dormant workforce, represents a significant opportunity that should not be ignored through bureaucratic inaction.

I look forward to your urgent attention to this matter and would welcome the opportunity to discuss these proposals in greater detail. Detailed information available at [www.workingpensioners.com.au](http://www.workingpensioners.com.au)

Yours sincerely,

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**PLEASE REGISTER YOUR SUPPORT FOR WORK BONUS REFORM**

**Help give working pensioners a fair go while addressing Australia's skills shortage**