

URGENT REFORM OF THE WORK BONUS SYSTEM FOR AGED PENSIONERS

1 message

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To: senator.liddle@aph.gov.au

Thu, Sep 25, 2025 at 8:39 AM

25th September 2025
The Hon. Senator Kerrynne Liddle
Shadow Minister for Social Services
Parliament House Canberra ACT 2600
Dear Senator Liddle,

I am again following up on communication sent 7th July and 26th July without response. Could you please advise receipt of the following request to urgently reform the Work Bonus System.

26th July 2025
The Hon. Senator Kerrynne 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.

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