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Australia 2019:

Staying the "Same Old/Same Old" Course?

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LIST OF ABBREVIATIONS

MPISOC--Max Planck Institute for Social Law and Social Policy

AAT--Administrative Appeals Tribunal

ABS--Australian Bureau of Statistics

ALP--Australian Labor Party

ATO---Australian Taxation Office

AUD---Australian Dollar

CEDA--Committee for Economic Development of Australia

CPI-- Consumer Price Index

FHA---Farm Household Assistance

FTB--Family Tax Benefit

MYEFO--Mid-Year Economic and Fiscal Outlook

NSA --Newstart Allowance

PN---ParentsNext

TCF--Targeted Compliance Framework

CONTENT OVERVIEW

1. THE CURRENT ECONOMIC, POLITICAL AND SOCIAL SITUATION

1.1. Overview

The 2019 calendar year was largely consumed by policy stagnation. A sitting Government — thought even by its senior members to be in its death throes — surprised everyone with a narrow one-seat majority win at the May 2020 Federal Election. But it returned to government without having an electoral plan beyond income tax cuts and achieving a budget surplus. Parliament sat infrequently before the May Election and the Government spent most of the second half of the year devising an agenda for the next term.

Old initiatives in social security which had previously been blocked by the upper house (the Senate) were reintroduced in the hope of passage by a new Senate less populated by fringe party members (because only half had faced the electorate, increasing the number of votes required to win a seat in the new Senate). These measures continue the trend of linking income support to lifestyle changes (drug testing; cashless welfare) or achieving fiscal savings (doubling the period of self-support by drawing on available savings). But the only significant legislation to be adopted in 2019 was income tax reform.

1.2. Statistical Measures

Economic conditions in Australia during 2019 began to drift away from robust growth trends of previous years, displaying signs of a slowing economy, low consumer expenditure and minimal wage growth. In an endeavour to boost economic activity, the central bank (the Reserve Bank) reduced the official interest rate three times during the year (the first reductions since August 2016), cutting it by 0.75 basis points (from 1.5% to 0.75%). At least one further reduction is anticipated for early 2020.

The national accounts continued to climb out of deficit, thanks to company and mining tax revenue, leading to more confident expectations of a small surplus when the fiscal year 2019-2020 accounts are compiled. The December 2019 mid-point of fiscal year budget update ('MYEFO') predicted a small surplus of AUD $5 billion (or 0.3% GDP) for fiscal 2019-20. This was down from the $7.1 billion predicted in the May 2019 Budget (but similar to the 2018 MYEFO of $4.1 billion: MYEFO 2018: 2-3). Equivalent wafer-thin surplus budgets are projected in the next three years, of respectively $6.1, $8.4 and $4 billion (MYEFO 2019: 2, 28-29, 32-34). These razor-thin predictions rely heavily on continued high prices for mineral exports. So they should be treated with great caution given that the revisions announced in the December 2019 update to the budget shaved AUD $21 billion off the estimated size of the surpluses over the four-year forward estimates.

Economic growth for 2019-20 is projected by MYEFO to run at 2.25 per cent (a shade above the 2018-19 actual growth of 2%). It is then anticipated to increase to 2.75 per cent in 2020-21 and reach 3 per cent over each of the following two fiscal years (MYEFO 2019: 3, 11, 16, 25). Growth, however, was only running at an annual figure of 1.7 per cent seasonally adjusted as at the end of the September 2019 quarter (ABS 2019a), down significantly from 2.8 per cent seasonally adjusted for September 2018 (ABS 2018a). So the higher growth projection in MYEFO is relying on optimism that the upward curve over the early part of 2019 carries through to the end of the fiscal year in June 2020.

Unemployment rose slightly during 2019. Seasonally adjusted unemployment in October 2019 increased to 5.3 per cent (ABS 2019d), up from the 5.1 per cent for the same time in 2018 (ABS 2018d). Employment growth is forecast in the 2019 MYEFO to be just 1.75 per cent in both 2019-20 and 2020-21, down from the 2 per cent for 2018-19. Unemployment is anticipated to come in at 5.25 per cent over both 2019-20 and 2020-21, rather than the 5 per cent optimistically forecast 8 months earlier. This effectively maintains the 5.2 per cent rate from 2018-19 (MYEFO 2019: 12, 18, 25).

The October 2019 seasonally adjusted workforce participation rate of 66.0 per cent (ABS 2019e) continues its slow year-on-year rise from 65.6 per cent in October 2018 (ABS 2018d) and 65.1 per cent in October 2017 (ABS 2017). The 2019 MYEFO predicts an unchanged participation rate of 66 per cent for 2019-20 and 2020-21 (MYEFO 2019: 18, 25). This participation rate was first achieved in 2018-2019, outstripping the 64.75 per cent which had been predicted for that fiscal year (MYEFO 2017: 18).

Inflation in the major capital cities, as measured by the 'consumer price index' (CPI), came in as 1.7 per cent for the period of September 2018 to September 2019 (ABS 2019c). This is significantly below that for the equivalent period in 2017-2018, of 1.9 per cent (ABS 2018c). Inflation has essentially flat-lined since the 3.5 and 3.6 per cent rates experienced in 2009 and 2010 at the height of the resources boom (ABS 2011).

Over comparative May-to-May periods, wages growth was 2.7 per cent for 2018-2019. This is slightly down from the 2.8 per cent growth in 2017-2018 as measured by full-time adult average weekly total earnings, or 2.5 as against 2.4 per cent for the all-earnings measure (ABS 2018b; 2019b). The December 2019 MYEFO shaved 0.25 and 0.75 percentage points off the more optimistic projections eight months earlier, now seeing wages growth sitting at 2.5 per cent in both 2019-20 and 2020-21 (MYEFO 2019: 18). That is up only fractionally from the 2.3 per cent achieved in fiscal 2018-19 (itself 0.2% lower than the then MYEFO downwards revision: MYEFO 2018: 19, 23).

2. POLICY AND PROGRAM CHANGES

Due to the focus on the Federal Election and an unanticipated new term of office, few policies altered during the year in review. Media coverage of aged care abuse and poor quality care led to the establishment of a Royal Commission of Inquiry, the Interim Report of which called for a response (2.1. below). Widespread and deepening drought conditions led to an extension and simplification of access to income and other rural support programs (2.2.). Poorly designed automation initiatives (2.3.) proved problematic and unlawful debt recovery methodologies (Carney 2019a: part 2.4.) were finally struck down by the courts (2.4.).

2.1. Aged Care Quality and Safety

On 24 November 2019 the Government announced an immediate further allocation of AUD $537 million to address three urgent priorities identified in the October 2019 Interim Report of the Royal Commission into Aged Care (Australia 2019). Those three urgent needs were a lack of adequate numbers of home care packages, over-use of chemical restraints, and the inappropriate housing of young people with a disability in aged care facilities.

From 1 December 2019, $496.3 million were allocated to provide an additional 10,000 high-level home care packages. This is an identical number of new packages to the 10,000 announced in February 2019 (Kaur 2019). The February 2019 expansion of home care packages was costed at $280 billion, with another $320 million of the February 2019 $662 million injection of funds going into improved subsidy levels for residential care providers.

The higher cost of the latest addition to meeting the vastly higher outstanding demand for packages presumably reflects the higher unit value costs of top-tier care and perhaps quicker roll-out of the latest announcement. However, despite the superficially impressive funding amounts in the two initiatives, it needs to be appreciated that with 120,000 on the waiting list, the combined 20,000 new places hardly touch the sides of unmet need.

Much smaller amounts of money from the November 2019 $537 million total are earmarked to the other two priority areas identified in the Interim Report of the Royal Commission. Those two priorities were addressing overuse of chemical restraints (where AUD $10 million are allocated for training in alternative dementia management techniques) and the reduction of the number of young people inappropriately housed in residential aged care facilities. However, at least some new targets for keeping young people out of residential aged care have been set. The aim is to cease new admissions and relocate all existing people under the age of 45 by 2022, and relocate remaining older residents under 65 by 2025.

Other serious shortcomings, including sub-standard levels of care in some residential aged care facilities, lack of staffing ratios and other issues will no doubt require to be addressed when the Final Report is handed to Government in November 2020.

2.2. Income Support for Farmers

Rural welfare continued to capture public and political attention over 2019. Drought tightened its grip over much of Australia during the year. The wildfire season also began much earlier, lasted much longer, and saw larger and more intense fires – as climate change impacts intensified in the natural environment.

In the face of rising pressure from farmers and rural communities struggling with declining farm incomes due to crop failure and inability to feed livestock or to afford to purchase fodder, further policy adjustments were made to the rural income support scheme (Farm Household Support Allowance, FHA). These changes continued the process of rendering the payment less and less similar to the unemployment payment which had served as its original template – Newstart Allowance (for details of the original architecture of the scheme and changes made in 2018, see: Carney 2019a, part [2.2.]).

The main changes made in 2019 were replacing the former two-tier asset test by a new global amount for both farm and non-farm assets of AUD $5.5 million (including the value of water rights); continuing assistance beyond the original three-year, later extended to four-year cap or limit on assistance (now assessed over each decade rather than over a lifetime, with the final year or years paid as a lump sum); increasing the allowable offset for off-farm income (from AUD $80,000 to $100,000); removal of the fortnightly adjustment to rates as external income rises and falls (the adjustment which applies to the unemployed); and, finally, liberalising the case management assistance available for people transitioning out of farming (for details see part 5.1. below).

Each of the changes further differentiates the scheme from that for the unemployed, whether by greater generosity of means testing, reduced administrative burden of paperwork, or special assistance measures.

2.3. Compliance Penalties for People of Workforce Age

The compliance framework reforms introduced in mid-2018 continue to receive a mixed reception. The much narrower targeting on deliberate and more egregious breaches continues to be applauded (Carney 2019a: part [2.3.]). But serious concerns surround its outsourcing of administration to inexperienced workers employed by privatised job-services providers. Its shift towards smart-phone applications for self-reporting of compliance, and the automation of decision-making for recording adverse 'demerit points' or their accumulation to trigger an actual compliance breach, also remains contentious.

These concerns are amplified by the parallel elements in the new program for sole parents at risk of long-term dependence, called ParentsNext ('PN'). After a pilot in 2016, it was rolled out nationwide in July 2018, together with the new Targeted Compliance Framework ('TCF') for all working-age social security recipients. PN targets clients in receipt of Parenting Payment for more than six months without receiving income from employment and with a child under six years. Both PN and TCF rely very heavily on the use of digital (e.g. smart-phone) technology as the preferred way of reporting compliance (to be notified 'on the day'). Responsibility for reporting and entering data about the acceptability or otherwise of any reasons for non-compliance was delegated to employees of job-matching agencies, where instead of being judged by skilled caseworkers it was undertaken by front-desk clerical staff because the task now was 'constructed' as a checklist of standard excuses. A default rule placing clients onto digital reporting without proper assessment of their digital literacy compounded difficulties for vulnerable clients, leading to anxiety about looming penalties from unreviewable demerit points (Senate Community Affairs References Committee 2019: paras [1.52]-[1.59]) and other operational problems (Casey 2019).

Recent research demonstrates that such 'pathologising' of welfare recipients as is generated by conditionality of welfare further compounds adverse attitudes of front-line job agency staff towards clients (McGann & Nguyen et al. 2019). This confirms long-standing findings about the way an 'enterprising' culture and other administrative logics are inculcated in place of public-service cultures once job-matching is contracted out to the private sector (Considine 2001; Considine & Lewis et al. 2011).

2.4. Online Compliance Initiative ('Robodebt') Debt Recovery

In late November, Government finally abandoned core assumptions of the automated data-matching scheme for identifying and raising overpayment debts. It terminated its operation when it was unable to offer any answer to a Federal Court challenge. The Federal Court orders then confirmed there was no legal basis at all for its operation (Carney 2019d).

That revenue-raising initiative commenced in mid-2016 (Tingle 2019). It raised debts retrospectively from or after 2010. It did so whenever the supposed debtor was unable to supply historic pay slips or other past records of their *actual* fortnightly earned income (needed lawfully to calculate their rate of social security) to contradict Australian Taxation Office (ATO) *averaged* fortnightly income calculated from *aggregate* earnings over a 6- or 12-month period (without accounting for breaks, changes in earnings, or multiple employers). This reversal of the onus of proof of a debt breached the law (which requires Government to prove all elements of a debt). The averaging algorithm failed basic mathematics (an average does not speak to the constituent elements from which it is calculated). And the scheme's administration flouted ethical principles of good governance. Calculated on the correct fortnightly earnings figures, most debts wither away completely: to zero or a small fraction of the debt mistakenly calculated from an ATO average (Carney 2018a; 2018b; 2019b; 2019c).

Facing looming hearings of judicial challenges and a class action (Karp 2019b), Government abandoned the raising of debts solely on the basis of ATO averaged earnings. It also agreed to methodically review *all* past debts, starting with those raised from people who had not responded at all to requests for pay slips to contradict their supposed debt (unsurprisingly, given hospitality and other small businesses may no longer be in business or be prepared to reissue records from over seven years previously). Over the life of the scheme around 900,000 such debts were raised and even internal Government advice suggests that up to

600,000 were raised solely on the basis of the newly found 'unlawful' basis of nothing other than the ATO tax average, with at least 220,000 qualifying for total or partial refunds of these unlawful debts (Karp 2019a). This hardly qualifies as the 'small cohort' the Minister mentioned when commenting on these changes, but at the time of writing Government is refusing to disclose its estimates of how many so-called debts will now need to be repaid, or the cost to revenue of doing so.

Extraordinarily, it appears that for two years Government relied on purely internal advice of legal soundness of the scheme, before belatedly obtaining an independent opinion which agreed with external legal critics that it was not lawful to raise debts solely on the basis of ATO averages (Karp 2019a [quoting the Attorney-General]). Serious doubts therefore remain about how adequate or vigorous the review and correction of past unlawful debts will be (Carney 2019d; 2020).

2.5. Other Measures

Few other measures in 2019 proved to be significant in policy terms (for details of all changes implemented see 5.1. below).

In July 2019, the Government was able to legislate the full package of personal income tax cuts as significantly amplified by 2019 pre-Election promises, building on the reform package of the previous year (Carney 2019a: part [2.5.]). At an ultimate cost of AUD $158 billion over the period to 2021, the first stage retrospectively authorised (i.e. from the 2018-2019 tax year onwards), an up to AUD $1,080 reduction in tax for those earning in the range of $21,000-126,000, with the amount depending on actual earnings. Only about half of the value of this stimulus actually appeared in people's 2019 tax refunds however, perhaps due to hurried preparation by citizens of their returns.

Stage 2, to be paid from 2022-2023 onwards, changes tax offsets and income thresholds to deliver tax reductions of AUD $2,565 to those earning over $120,000. Two years later, from the 2024-2025 tax year, under stage 3, the number of tax brackets is reduced from five to four and the thresholds are re-set in ways that deliver around $8,640 a year in tax reduction to someone on $180,000: the 32.5 per cent tax rate would apply to incomes up to $200,000, extinguishing the 37 per cent bracket previously applying to those incomes. The Labor Opposition unsuccessfully sought to bring forward the stage 2 changes to stimulate the stagnant economy and it has reserved its position about repealing stage 3 should it win the 2022 Election.

The National Disability Insurance scheme continued to pose administrative challenges as it moved towards completion of its roll-out. The underlying actuarial insurance logic continues to prove difficult to reconcile with the principles of personalised budgets and client control (Carey & Malbon et al. 2018; Carney & Then et al. 2019). And its hybrid combinations of accountability measures not only live unhappily with each other but have yet to prove adequate to the task of rendering the scheme accountable (Malbon & Carey et al. 2019).

Finally, Government finally rectified the lack of independence in the process for appointments to the tribunal responsible for reviewing administrative decisions, including social security, after strong criticism by the Report commissioned from a former High Court judge and exposure of substantial political favouritism or 'stacking' in appointments to the AAT (Callinan 2018/19).

3. MAJOR POLICY CHANGES IN PROSPECT

No policy changes of any real significance are in prospect.

Government has revived but not yet managed to enact its legislation to authorise a trial of imposition of drug testing as a condition of receipt of welfare (5.2. below), continuing its embrace of conditional welfare measures designed to change the values and conduct of welfare recipients. It also has measures before the Parliament which, if adopted, would make it more difficult for immigrants to qualify for the aged pension without having been engaged in remunerative work for a lengthy period following their arrival (5.2.). There are also some other hints of populist trends to favour established citizens over more recent arrivals in the award of student scholarships.

Whether any of these measures will attract majority support in the upper house (the Senate) remains to be seen.

4. CONCLUSION

Calendar year 2019, for political and other reasons, proved to be something of a lost opportunity for social policy development. A domestic and international economy behaving in ways previously not encountered saw cuts to already low official interest rates, preservation of high employment participation rates, and personal taxation cuts, all do little to boost slow economic and wages growth.

While equality of income and wealth across the community have deteriorated only very marginally in recent decades (Tapper 2019), social security rates for those of workforce age remain below austere poverty line levels, and the stock of long-term recipients of such payments continues to grow. Yet, Government continues to focus on restoration of a budget surplus rather than alleviate poverty and provide a fiscal stimulus by raising payment rates.

Genuine pursuit of the preventive capacity-building promise of early investment welfare, which is designed to support vulnerable populations and prevent (or at least ameliorate) their likely trajectory into next generation poverty, has been ignored by Government in favour of punitive programs that traduce the promise. Civil society advocacy and research, including most recently from the Committee for Economic Development of Australia, at least perhaps opens a channel for public discourse on how this can and should be rectified by more genuine capacity-building measures in the future (CEDA 2019).

5. THE LEGISLATIVE FRAMEWORK

No change has been made in the basic architecture of the legislation governing social security payments (for details of all payments, see: Carney 2013). The legislation continues to be administered by the Department (soon to be called an Agency) now called Services Australia, operating through another statutory agency called Centrelink.

Decisions made by officers of Centrelink are reviewable on their merits, with two levels of merits review. The first tier (since July 2015 the Social Services and Child Support Division of the Administrative Appeals Tribunal) now schedules single member hearings for the vast majority of appeals (98% in 2017: Carney & Bigby 2018), with a further level of merits review to the General Division of the Administrative Appeals Tribunal (further, Pearce 2015).

Social security law is currently found in five enactments, each of which is frequently amended:

- *Social Security Act* 1991 (Cth)
- *Social Security (Administration) Act* 1999 (Cth)
- *Social Security (International Agreements) Act* 1999 (Cth)
- *Family Assistance Act* 1999 (Cth)
- *Family Assistance (Administration) Act* 1999 (Cth)

5.1. Recent Amending Acts

- *Social Services and Other Legislation Amendment (Supporting Retirement Incomes) Act 2019* (Act No 5 of 2019)

  This Act updates means test rules to accommodate new superannuation retirement income products involving investing in 'pooled lifetime income' schemes, while preserving the principles already applied to other products. It catches 60% of the purchase price of products as being 'income' until the person reaches their life expectancy date (or at least 5 years of ownership), after which it drops to 30% (Schedule

1). It also increases the work bonus from $250 to $300 a fortnight and expands it to cover all income from personal exertion, such as consultancy work, but not work such as managing personal investment portfolios or domestic work (Schedule 2); and it expands the little-used pensioner loan scheme enabling assets to be converted to present income and treated as a debt on death (Schedule 3).

- *Social Services Legislation Amendment (Energy Assistance Payment) Act 2019* (Act No 28 of 2019)

  This Act authorised making a 'one-off' energy supplement payment ($75 for singles; $62.50 to each member of a couple) to nearly 5 million social security recipients. The measure was in recognition of cost pressures imposed by rising household electricity and gas prices. Most payments were made by June 2019.

- *Social Security (Administration) Amendment (Income Management and Cashless Welfare) Act 2019* (Act No 45 of 2019)

  This Act extended to 30 June 2020 the sunset date for the cashless debit card trials being conducted in three sites (the Ceduna region in SA and the East Kimberley and Goldfields regions of WA) so they match the end date for Bundaberg and Hervey Bay in Qld, and also that for the Cape York (Qld) income management programs.

- *Farm Household Support Amendment Act 2019* (Act No 60 of 2019)

  This Act continues certain of the previously temporary liberalisations of the drought *Farm Household Support* scheme (originally modelled on working age payments for the unemployed), principally by maintaining the higher cut-out of AUD 5 million of farm assets, and clarifies that allowable deductions when calculating income under the two tiers of income testing applied to the payments (for details, Carney 2019a: 2.2) are always offset against the type of income to which they relate.

- *Social Security (Administration) Amendment (Cashless Welfare) Act 2019* (Act No 62 of 2019)

  This Act vests in the relevant Department delegate all decision-making about exempting (exiting) a person from being governed by the cashless debit card regime (instead of receiving a fully fungible welfare payment), and widens the factors taken into account in making those decisions to include the general ability of the person to manage their affairs (including their finances) as well as ensuring that the same wellbeing exemption is available at all sites where the program is being trialled.

- *Aged Care Amendment (Movement of Provisionally Allocated Places) Act 2019* (Act No 71 of 2019)

  As the name implies, this Act allows aged care providers to move an approved allocation of provisional places between one region and another.

- *Family Assistance Legislation Amendment (Extend Family Assistance to ABSTUDY Secondary School Boarding Students Aged 16 and Over) Act 2019* (Act No 73 of 2019)

  This Act covers indigenous students required to board at a school away from their parents. It ensures that the family continues to receive Family Assistance (FTB) payments until completion of secondary school. This payment is in addition to the indigenous ABSTUDY payment (akin to Youth Allowance) which is paid directly to the school and boarding provider to cover tuition and boarding costs.

- *Social Services Legislation Amendment (Overseas Welfare Recipients Integrity Program) Act 2019* (Act No 74 of 2019)

  This Act requires people over the age of 80 who are living overseas on a permanent basis for more than two years and in receipt of Age, Disability, Widow, Wife or Carer pensions and payments, to provide a 'proof of life' certificate every two years. In its absence the payment is suspended until the certificate is supplied in order to restore the payment (with arrears).

- *Paid Parental Leave Amendment (Work Test) Act 2019* (Act No 84 of 2019)

  This Act amends the work test for receipt of Paid Parental Leave to accommodate a pregnant employee unable to continue in work while pregnant because of its hazardous nature and the lack of suitable alternative work. It also liberalises the permissible break in employment by enabling a person, such as someone in irregular work, to have a gap of up to 12 weeks between two working days and still satisfy the test, broadening access by women.

- *Farm Household Support Amendment (Relief Measures) Act (No 1) 2019* (Act No 104 of 2019)

  This Act expands the off-farm income offset, broadening the circumstances in which the offset can be applied and increasing the upper limit from $80,000 to $100,000; increases the maximum time a person is able to access the Farm Household Assistance (FHA) program from four years over their lifetime to four years in each specified ten-year period; and provides a one-off lump sum payment for recipients who have exhausted 1,460 days of FHA by 1 July 2020, with a contingency of the capacity for the Minister's rules to prescribe further lump sum payments, if required.

- *Aged Care Legislation Amendment (New Commissioner Functions) Act 2019* (Act No 116 of 2019)

  The Act transfers additional aged care regulatory functions of the Secretary of the Department of Health to the Aged Care Quality and Safety Commissioner. It covers a range of regulatory functions and powers required to oversee the provision of care by approved providers, from their entry to their exit (if required) from the regulatory system.

- *Farm Household Support Amendment (Relief Measures) Act (No 2) 2019* (Act No 117 of 2019)

  This Act makes four additional changes to the FHA scheme. First, it removes the fortnightly rate variation for a person with fluctuating income, replacing it with a full-rate or nil-rate regime (while monitoring full-rate recipients to pick up incomes that remove eligibility); second, it collapses the former two-tier asset test into a single test with a combined farm and non-farm asset limit of AUD $5.5 million (including the value of water rights); third, it broadens the range of people able to assess farm finances; and, finally, it boosts the resources available to case managers assisting in periods of financial difficulty (raising the ceiling on activity supplements to $10,000 and extending it to cover reasonable travel or accommodation costs).

- *Family Assistance Legislation Amendment (Building on the Child Care Package) Act 2019* (Act No 125 of 2019)

  To reduce access barriers for vulnerable families, this Act amends from July 2020 the requirements placed on child care providers for issuing Additional Child Care Subsidy (child wellbeing) certificates, by removing the 50-per-cent limit on the number of children that a provider can self-certify. It also allows the Minister for Education to prescribe circumstances in which a third party may contribute to meeting the cost of an individual's child care fees without affecting the child care subsidy. Amendments to the Family Assistance legislation from 13 January 2020 increase the number of weeks after which enrolments automatically cease due to non-attendance from 8 to 14 weeks, eliminating the need for children to be re-enrolled following common regular breaks in attendance, such as where a child does not attend care during the school term.

5.2. Significant Bills Awaiting Passage, or Defeated in the Senate

- *Social Services Legislation Amendment (Drug Testing Trial) Bill 2019*

  This Bill would reinstate a contentious proposal to make drug testing and treatment a basis for retention of qualification for certain payments (further, Carney 2018a). The measure was dropped from an omnibus reform Bill in 2018 in order to secure passage of other welfare measures.

- *Social Services Legislation Amendment (Payment Integrity) Bill 2019*

  This Bill would tighten the current rules about prior periods of residential connection to qualify for a pension — by requiring that a person must either have been an Australian resident for a continuous period of at least 10 years or, alternatively, for an aggregate period (comprising separate periods of residency) in excess of 10 years but including a continuous period of at least 5 years within that aggregate — effectively introducing a self-sufficiency test (Schedule 1). Under the enhanced residency requirements, at least 5 years of the 10 years continuous Australian residency period would be required to be during a person's working life (currently between 16 years of age and Age Pension age). Alternatively, where that 5-years working life test is not met, then in order to demonstrate self-sufficiency a person would be required to have 10 years continuous Australian residency with greater than 5 years (in aggregate) being periods in which a person had not been in receipt of an activity tested income support payment. It would also stop the payment of pension supplement after six weeks of temporary absence overseas and cease it immediately for permanent departures (Schedule 2); and would double the length of the maximum liquid assets test waiting period from 13 weeks to 26 weeks.

- *Social Services Legislation Amendment (Better Targeting Student Payments) Bill 2019*

  This Bill would restrict student relocation scholarship support to those students already residents of Australia and for study elsewhere within Australia (Schedule 1). It would also gear pensioner education supplement rates pro rata to the study load being undertaken and the periods of actual study (Schedules 2, 3).

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