

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
FAMILIES, HOUSING, COMMUNITY SERVICES AND
INDIGENOUS AFFAIRS PORTFOLIO
2011-12 Budget Estimates Hearings

Outcome Number: 5

Question No: 285

Topic: Disability Support Pension

Hansard Page: Written

Senator Fifield asked:

Does FaHCSIA agree with a statement made by the Administrative Appeals Tribunal on 5 November 2010 regarding the Act, which states: “The parts of the Explanatory Memorandum and Centrelink material which declare that a pensioner will not be worse off under the 2009 amendments are misleading”?

Has FaHCSIA revised the misleading Explanatory Memorandum and/or the Centrelink material regarding this legislation?

Answer:

The Administrative Appeals Tribunal (AAT) refers to the ‘transitional provisions’ which were put in place to protect people who were receiving a pension at 19 September 2009, who would otherwise have experienced a pension reduction immediately due to the income test changes introduced as part of pension reform.

Pensioners are transferred to the new rules only when the new payment rate is equal to or higher than their transitional payment rate. Otherwise they continue to be paid under the transitional rules.

Once a pensioner is paid under the new rules, they no longer have access to the transitional rules, except where they are a member of a couple with one member in respite care, who subsequently returns home.

The enhanced indexation and wage benchmarking arrangements applying to pensions paid under the new system mean that over time, even where their private income has again increased, people paid under the new rules will be better off than if they had continued to be paid under the transitional rules.

Explanatory Memoranda cannot be amended once the associated legislation has been passed by the Parliament.