



Social Services – Guaranteed liveable income & raise the rate	
Party:	Australian Greens
<p>Summary of proposal:</p> <p>The proposal would implement the following changes to income support payments:</p> <ul style="list-style-type: none">• Income support payments would be increased above the poverty line.• The new partner rate would be 75% of the single rate.• Key supplements would be incorporated into the base income support payments.• Income support payments would be indexed twice a year to the higher of the average weekly earnings (AWE) and consumer price index (CPI).• The following requirements would be removed:<ul style="list-style-type: none">– the liquid assets waiting period;– the one week waiting period; and– the third-party verification claim. <p>Families, including single parents, would still be eligible for Family Tax Benefit (FTB) payments and supplements as under the current system.</p> <p>The proposal would commence on 1 July 2025 and be ongoing.</p>	
<p>Additional information (based on further advice provided):</p> <ul style="list-style-type: none">• The single maximum base rate for income support payments would be increased to \$88 per day.• For partner rates, each member of a couple would have a maximum base rate of 75% of the single rate, unless this is lower than the current partner rate, in which case those recipients are grandfathered.• The Energy Supplement and the Pension Supplement would be incorporated into the maximum base income support payment rate. Commonwealth Rent Assistance (CRA) would not be incorporated.• The partner income test taper rate would reduce from 60 cents to 27 cents per dollar of income.	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$95.7 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects increases in administered and departmental expenses, partly offset by increased personal income tax revenue.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

The estimates in this costing were modelled based on de-identified administrative transfer payment data maintained by Services Australia. However, the analysis remains sensitive to a range of factors, including the projections of newly eligible recipients and the behavioural response from recipients under the proposal.

- For example, under the proposal, a person working full time at the minimum wage could be eligible for the JobSeeker Payment. In response, they may choose to reduce their work hours.
 - The extent of such behavioural responses and their financial implications are highly uncertain and difficult to reliably quantify and as such they are not included in this costing.

The financial implications are also sensitive to projections of the indexation rates and population growth.

Table 1: Social Services – Guaranteed liveable income & raise the rate – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-21,470.0	-22,479.0	-24,492.7	-27,208.9	-95,650.6
Underlying cash balance	-21,470.0	-22,479.0	-24,492.7	-27,208.9	-95,650.6

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Some individuals would enter the social security system as the cut-off points for relevant payments being extended due to increases in payment rates, changes to indexation arrangements and taper rates, and removal of waiting periods under the proposal.
 - The PBO assessed this impact by analysing the potential payment and associated tax implications for individuals with incomes close to the cut-off points, based on the data on income support payments, recipients and personal income tax provided by the Department of Social Services (DSS) and the Australian Taxation Office (ATO).
- There will be no further behavioural change in response to the policy as discussed in the *Overview*.
- The number of recipients who have a payment withheld due to the liquid assets test or the waiting period requirements would grow in line with recipient payment forecasts.
- Implementation costs would be required in 2025-26, with ongoing funding necessary to account for the additional inflow of recipients under the proposal.

Methodology

A combination of the Policy Evaluation Model (PoEM) and bespoke models were used to calculate revenue and administered expense estimates under the proposal.

PoEM is a micro-simulation model of administered transfer payments developed by the Department of Social Services (DSS) and provided to the PBO for use in costing policy proposals. The PBO extended

PoEM as at the 2024-25 Budget over the medium term and updated the economic and policy parameters as at the 2025 Pre-election Economic and Fiscal Outlook (PEFO).

- The Age Pension administered by the Department of Veterans Affairs (DVA) was also accounted for.

Bespoke models, based on publicly available data and data provided by the DSS were used to estimate the financial impacts from:

- The Farmhouse Allowance, ABSTUDY and Crisis Payments
 - These fiscal impacts were estimated by multiplying the increase in average payment rates by the projected number of recipients based on the provided by the Department of Agriculture, Fisheries and Forestry and DSS.
- Individuals that would enter the social security system because of the higher payment rates
 - This was estimated using income tax data on potential recipients with incomes close to the new cut-off points.
- The removal of the relevant waiting periods and the third-party verification requirement.
 - This was estimated using relevant recipient and payment data provided by the DSS.

Departmental impacts were calculated by multiplying the number of additional recipients by the estimated average annual administration costs per recipient provided by Services Australia. An allowance was made for implementation costs in the first year of the proposal.

Financial implications were rounded consistent with the PBO's rounding rules.¹

Data sources

The DSS provided the expenditure and population forecasts for income support recipients as at the 2025 PEFO.

The Australian Taxation Office provided personal income tax files for the 2021-22 financial year.

The Department of Finance provided indexation parameters as at the 2025 PEFO.

Services Australia provided annual unit payment administration costs as at the 2025 PEFO.

The Department of Social Services (2024), [DSS Demographics December 2024](#), Australian Government, accessed 15 May 2025.

The Department of Veterans' Affairs (2024), [DVA projected Beneficiary Numbers with Actuals to 31 December 2024](#), Australian Government, accessed 15 May 2025.

The Department of Agriculture, Fisheries and Forestry (2024) [Farm Household Allowance data dashboard](#), accessed 15 May 2025.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

¹ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Social Services – Guaranteed liveable income & raise the rate – Financial implications

Table A1: Social Services – Guaranteed liveable income & raise the rate – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Revenue													
<i>Personal income tax</i>	1,600.0	1,800.0	2,100.0	2,700.0	3,600.0	4,600.0	5,700.0	7,100.0	8,700.0	10,200.0	10,800.0	8,200.0	58,900.0
Total – revenue	1,600.0	1,800.0	2,100.0	2,700.0	3,600.0	4,600.0	5,700.0	7,100.0	8,700.0	10,200.0	10,800.0	8,200.0	58,900.0
Expenses													
Administered													
<i>Age Pension</i>	-5,100.0	-5,600.0	-6,700.0	-8,100.0	-9,700.0	-11,300.0	-13,100.0	-15,000.0	-17,000.0	-18,100.0	-19,200.0	-25,500.0	-128,900.0
<i>Austudy</i>	-346.0	-388.0	-432.0	-484.0	-516.0	-548.0	-585.0	-626.0	-668.0	-713.0	-759.0	-1,650.0	-6,065.0
<i>Carer Payment</i>	-610.0	-670.0	-790.0	-970.0	-1,170.0	-1,380.0	-1,610.0	-1,860.0	-2,120.0	-2,270.0	-2,420.0	-3,040.0	-15,870.0
<i>Disability Support Pension</i>	-2,100.0	-2,290.0	-2,670.0	-3,180.0	-3,690.0	-4,220.0	-4,790.0	-5,410.0	-6,040.0	-6,390.0	-6,760.0	-10,240.0	-47,540.0
<i>Family Tax Benefit</i>	66.0	75.0	85.0	96.0	110.0	125.0	140.0	160.0	177.0	192.0	212.0	322.0	1,438.0
<i>JobSeeker Payment</i>	-8,200.0	-8,500.0	-8,700.0	-9,300.0	-9,900.0	-10,600.0	-11,400.0	-12,300.0	-13,200.0	-14,200.0	-15,200.0	-34,700.0	-121,500.0
<i>Parenting Payment Partnered</i>	-411.0	-440.0	-481.0	-528.0	-574.0	-626.0	-683.0	-741.0	-802.0	-864.0	-931.0	-1,860.0	-7,081.0
<i>Parenting Payment Single</i>	-1,780.0	-1,880.0	-2,050.0	-2,270.0	-2,480.0	-2,700.0	-2,930.0	-3,190.0	-3,460.0	-3,740.0	-4,050.0	-7,980.0	-30,530.0
<i>Youth Allowance (Other)</i>	-1,350.0	-1,350.0	-1,340.0	-1,400.0	-1,500.0	-1,590.0	-1,690.0	-1,800.0	-1,900.0	-2,020.0	-2,120.0	-5,440.0	-18,060.0
<i>Youth Allowance (Student)</i>	-2,780.0	-2,780.0	-3,050.0	-3,290.0	-3,480.0	-3,670.0	-3,860.0	-4,050.0	-4,240.0	-4,430.0	-4,650.0	-11,900.0	-40,280.0
<i>Other payments^(b)</i>	-78.0	-82.0	-86.0	-92.0	-97.0	-103.0	-109.0	-116.0	-122.0	-129.0	-136.0	-338.0	-1,150.0
<i>Compliance obligations</i>	-291.0	-297.0	-300.0	-310.0	-325.0	-341.0	-359.0	-377.0	-397.0	-417.0	-432.0	-1,198.0	-3,846.0
Total – administered	-22,980.0	-24,202.0	-26,514.0	-29,828.0	-33,322.0	-36,953.0	-40,976.0	-45,310.0	-49,772.0	-53,081.0	-56,446.0	-103,524.0	-419,384.0
Departmental													
<i>Services Australia</i>	-90.0	-77.0	-78.7	-80.9	-83.2	-85.5	-88.0	-90.7	-93.7	-96.5	-98.8	-326.6	-963.0
Total – expenses	-23,070.0	-24,279.0	-26,592.7	-29,908.9	-33,405.2	-37,038.5	-41,064.0	-45,400.7	-49,865.7	-53,177.5	-56,544.8	-103,850.6	-420,347.0
Total (excluding PDI)	-21,470.0	-22,479.0	-24,492.7	-27,208.9	-29,805.2	-32,438.5	-35,364.0	-38,300.7	-41,165.7	-42,977.5	-45,744.8	-95,650.6	-361,447.0

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) Other payments include ABSTUDY, Crisis Payment and Farm Household Allowance.

Table A2: Social Services – Guaranteed liveable income & raise the rate – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<i>Fiscal balance</i>	-500.0	-1,500.0	-2,600.0	-3,800.0	-5,300.0	-6,900.0	-8,700.0	-10,800.0	-13,100.0	-15,600.0	-18,300.0	-8,400.0	-87,100.0
<i>Underlying cash balance</i>	-400.0	-1,200.0	-2,300.0	-3,500.0	-4,900.0	-6,500.0	-8,300.0	-10,300.0	-12,500.0	-14,900.0	-17,600.0	-7,400.0	-82,400.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary².
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

² [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/online-budget-glossary)