

Submission: Philanthropy in Australia

Dear Commissioners,

As somebody with a disability, I have dealt with charities, most closely as service providers in adult life. I do not thank the Commission for further intrenching the role of charity in my life, through the design of the NDIS. State Governments in particular, have stepped away from directly providing goods and services, leaving individuals and our families to wade through a quagmire of individual plans, budgets, and charitable providers.

As a result of consistently poor experiences, especially over the past 10 years of the NDIS, I have written extensively about charity.¹ Similarly, one has been equally vocal on the many shortcomings of the NDIS.² Not that any of this has seemed to have stopped all governments (and many other parts of the community) continuing to endorse philanthropy and the NFP/DGR sector. How many Royal Commissions will truly be needed before we all begin to ask questions about why so much public and private money goes to charitable and philanthropic causes?³

¹ See

https://www.google.com/search?q=%22adam+johnston%22+charity+au&rlz=1C1CHWL_en&oq=&gs_lcrp=EgZi_aHJvbWUqCQgAEEUYOxjCAzIJCAAQRRg7GMIDMgkIARBFgDsYwgMyCQgCEEUYOxjCAzIJCAMQRRg7GMIDMgkIB_BBFgDsYwgMyCQgFEEUYOxjCAzIJCAYQRRg7GMIDMgkIBx_BBFgDsYwgPSAQkzMzg4ajBqMTWoAgiwAgE&sourceid=chrome&ie=UTF-8 as at 20/1/24

² See

https://www.google.com/search?q=%22adam+johnston%22+ndis+au&sca_esv=599986124&rlz=1C1CHWL_en&ei=gz-rZf3eGJeOseMP2ZitgA0&ved=0ahUKewi9rlvPhOuDAxUXR2wGHVIMC9AQ4dUDCBA&uact=5&oq=%22adam+johnston%22+ndis+au&gs_lcrp=EgxnD3Mtd2l6LXNlcnAiFyJhZGFtIGpvaG5zdG9uliBuZGlzIGF1MgcQIRgKKGKABSlyXAV_CJG1j3jwFwAXgAkAEAmAHRaAaBmxeqAQYwLjE1Ljk4AQPIAQD4AQHCAgsQABiJBRiiBBiwA8ICCAAGIAEGKIEGL_ADwgIGEAAyHhgNwglHEAAyAQYDcICCBAAAGAgYHhgNwglHEAAyAQYCSICBRAAGIAEwglFEFC4YgATCAgYQABgW_GB7CAgQQIRgV4gMEGAEGQYgGAZAGAw&sclient=gws-wiz-serp as at 20/1/24

³ I had the great opportunity as a PhD Student to venture through the records (and especially a big scrapbook of press cuttings) of the Royal Blind Society/Blind Institute, thanks to the very helpful staff of the Mitchell Library Reading Room, part of the State Library of NSW. The clippings, dating from the 1920s, while demonstrating the then Blind Institute's positive works for the blind, included elements of financial scandal, mistreatment allegations and public complaints to government about fraudulent fundraising and too many charities rifling through people's pockets. It was also clear that there had been no shortage of official inquiries into charitable operations: see generally, 'Newspaper Cuttings' Royal Blind Society Records, 2748 Box 34(36) NSW Government Records Repository Kingswood).

Today, nothing has changed. Royal Commissions like the McClelland Royal Commission, the Aged Care Royal Commission, the Disability Royal Commission, and an inquiry into the RSL in NSW, catalogue abuse, neglect, and fraud on a grand scale. Yet churches, charities and philanthropic bodies seem coated in impenetrable Teflon. Nothing sticks and neither NSW Fair Trading (footnote 8, pp. 10 of 212 to 17 of 212) or the Federal Treasury (footnote 8, p. 180 of 212) wanted to inquire into charity when I asked; but I persist. See [The travels of a permanent student — Macquarie University \(mq.edu.au\)](#) and [Macquarie Matters \(mq.edu.au\)](#). The fact that

In my position, I would prefer not to be a 'charity case' for all my life. Yet, this is exactly what the NDIS makes me – dependent on third party providers (usually charities) funded by taxpayers and philanthropists. It makes you wonder about your place as a citizen, when arguably, government keeps you at arms-length.⁴ However, not only are you put in the care of others, but the NDIS *Rules for Participant Supports* (Rule 7.5) makes clear that the scheme will not fund anything designed to improve participant function – i.e. what would make me well, or restore partial or even full physical function?⁵

The fact that such possibilities are immediately out of bounds, irks me. What are governments, charities, and philanthropists up to? I would give to a charity that could clearly identify the problem it sought to fix, what things would look like when the aim was achieved, what staff were doing every day to do themselves out of a job and, when the day of resolution would come.

It was deeply saddening to learn just how many had settled for perpetual impairment and suffering, perhaps without even realising it. For example, the Executive Summary of the recent Disability Royal Commission had to be the most underwhelming document I've ever read. A Disability Rights Act, a focus on 'inclusion' and a disability minister. Ho, hum! After years of inquiry, that was it? I was hopeful for a whole lot more but could not bring myself to read the other volumes, given the soul-destroying Executive Summary. Ever since then NSW Premier Bob Carr invited Christopher Reeve to the Sydney Convention Centre and the two men spoke about regenerative medicine and stem cells at the *Making Connections* Conference, I have been waiting (increasingly impatiently) for many to 'get the memo'.

As an attendee, *Making Connections* was something of a Damascus Road moment, which allowed me to believe my grandmother's refrain was true; I did live in the right age!⁶ For many philanthropists, charities, and governments

the NDIS is satisfied with lifelong incapacity, will soon be bigger than Medicare, will likely cost more than \$50 to \$60 billion plus annually by 2030 ([Review of NDIA actuarial forecast model and drivers of Scheme costs \(dss.gov.au\)](#)) and I will still be 'in my bloody wheelchair' speaks volumes. No-one is being cured and nothing is changing for the better. Most of the money is going to charitable providers, for whom lifelong impairment means continuing income streams for the charities/DGRs. When did one man's suffering become another's profit – and when did this all become acceptable? Is this truly the 'care economy' and is this really the best we can expect from philanthropy?

⁴ I continue to openly question whether the NDIS represents progress or a retreat into pre-Welfare State times: see - [The NDIS: the mark of pre-war or post-war public policy making? — Macquarie University \(mq.edu.au\)](#) as at 20/1/24

⁵ My response: [What would Grandma say? - On Line Opinion - 15/5/2020](#) as at 21/1/24

⁶ See *ibid.*

however, this was not the policy course set. The NDIS's lifelong disability model showed their true position in 2013. Disabled 'participants' like me were and are asked to surrender functional improvement and cure, in exchange for lifetime 'care'. This is not an exchange I ever wanted to make, doing so under the duress of my disability and the needs it creates. The true winners under this arrangement – charities and the philanthropists who support them, as a new honeypot of public funds and legislative arrangements appeared; very much weighted in favour of the third sector.

Many will say that not all problems can be 'solved' or have a neat timeline. Point taken but all organisations should regularly have their status as charities, DGR or not, reviewed publicly. Research leading to cure of an ailment, chronic illness or disability should have DGR and philanthropic support, at a higher rate of return, considering future savings.

However, there are other more deserving beneficiaries who are missing out due to current policy settings. They are parents, siblings, and other family members who put their lives on hold as they try to manage the needs of a disabled/chronically ill loved one. The personal, career, financial and other opportunities they and their loved one have missed must be massive. Philanthropic bodies may help but they do not solve the problems of ongoing need, particularly with fragility of health. My family has sat lovingly by my hospital bedside, again and again, while they have cared for my every need for 50 years. Policy makers talk a lot about families and carers, but outcomes are far more telling.

The Commonwealth will throw a few dollars at my mother, call it a Carers Allowance but I am sure it will never be commensurate with the billions of dollars she has saved the State over the term of my life. Yet, the NDIS still expects Mum to fulfill the euphemism of 'informal carer' or 'informal supports' – possibly until the day she dies.

I might not be able to give my family (or myself) a world free of disability. However, if I can cajole many policy makers and philanthropists into action to make the prevention and cure of disability a true priority, then this submission achieves something.

Equally, I welcome the Productivity Commission's acknowledgement that tax expenditures are not without cost. These are things which prop up both individual and corporate philanthropy, but I am far less convinced than many in

the bureaucratic or political class that the link to public benefit is clear. Budget estimates hearings at State and Federal level should consider these expenditures and direct grants schemes⁷ annually, being satisfied as to continued public benefit.

In my view, a group focussing at least some of their effort on clinical research and rolling out clinical applications to alleviate (and ultimately cure) their clientele of an illness should be prioritised. Furthermore, Budget estimates committees should be free (and willing) to call the recipients of expenditures and grants, to ensure the advice of government officials tallies with what is happening on the ground.

It is noteworthy to see the shift in giving, particularly to forms like GoFundMe. I think many people, including me, will happily support a person in need, or a local community project, but recoil at much corporate 'charity' unless we are very confident in an organisation. My experience of the NDIS and many of its providers has made me even more wary, despite my necessity to deal with them.⁸ Once a member of a major charity board in the late 2000s, this episode made me rethink how much we should trust or fund certain organisations.⁹ Governments have outsourced education,¹⁰ employment services¹¹ and almost everything else that wasn't 'nailed to the floor' over the last 40 years to these NGO/DGR bodies. It seems they were (and are) becoming a shadow

⁷ This is double-dipping by charities. If they have DGR status, are tax-exempt and then win a grant, then how can this not be double-dipping. Assume a charity is an NDIS and/or aged care provider and we have triple or quadruple dipping. Imagine what would happen if a Centrelink recipient tried to do anything like that – they would be in jail.

As a part pensioner, I'm aware of my reporting obligations and what happens if you are wrong or late in providing documents or figures to Centrelink. Yet the same standard never seems to be applied to the NGO Employment or Training Service Providers that Centrelink and the NDIS farm you out to, tick a box and call the transfer itself an outcome. The NGOs seem to be paid, no matter whether the client gains anything or not out of an activity or program.

Having passed through several of these mind-numbing schemes, I prefer to see them barred from any access to philanthropic funds.

⁸ Whereas I happily joined my local Rotary Club. Members fund club administration through membership dues and 'humorous' fines on members. Fundraising for community events, projects or others causes are done quite separately and held in a separate bank account. This is a level of deliberate transparency I am yet to see in other organizations but would welcome. Also consider: [Not for Profits Lose Sight of Volunteer Heritage - PBA \(probonoaustralia.com.au\)](https://www.probonoaustralia.com.au) as at 21/01/24

⁹ See [Adam Johnston submission \(27 July 2021\).pdf \(acc.gov.au\)](https://www.adcc.gov.au) especially from pp. 143 of 212 to 179 of 212 as at 21/01/24. The document in its entirety and the pages I have suggested, indicate my reasons for losing faith in many third sector entities.

¹⁰ See for example: [Submission IR64 - Attachment: Correspondence - Adam Johnston - Skills and Workforce Agreement - Commissioned study \(pc.gov.au\)](https://www.pc.gov.au) as at 24/1/24

¹¹ See for example: <https://engage.dss.gov.au/wp-content/uploads/2016/12/Submission-re-DES.docx> as at 24/1/24.

government, funded by philanthropy and tax concessions. My personal reflection was often one of dealing with dodgy staff, sloppy practises, wasted money (public as well as my own) and poor service. As for the revolution in customer service and competition, try looking to other false revolutions, like the one in George Orwell's 'Animal Farm'. Is it any wonder that I prioritise medical interventions and cure?

Return to the Scrapbook of the Royal Blind Society and you will find blind orchestra members, factory workers, and crafts made for sale. But people also appealed for funds and cornea donations – to research and ultimately restore sight. These clippings seemed to be more mid-20th-century, long before I thought such things would be attempted.¹² It makes me reflect on what I see as the overly cautionary governments and overly cautionary philanthropy of today. They will provide support, care, but many will not push towards cure with any of the urgency one might expect. Again, it would be easier to believe in the sincerity of many donors, DGR organisations and their staff, if I could see them working feverishly to do themselves out of a job.

However, neither philanthropy nor government policy is calibrated for these ends. Few things are fixed, and while some are cured, many of us are told to adapt to chronic illness, disability, or other impediments. While life necessitates some adaptation, I'm not prepared to see DGRs make the same appeal year after year and not be asked: But how did you measurably improve things last year and, do you know what achievement of your goal will look like? Further, when will it happen?

Similar questions should be asked of philanthropists, making clear their giving needs a deliberate aim and end-date in mind. The same should be true of the foundations they establish, lest it not all be seen as tax planning. This is

¹² See e.g., "Eyes' Offer to the Blind" (*Daily Telegraph*, 28th May 1956, archived in 'Newspaper Cuttings' Royal Blind Society Records, 2748 Box 34(36) NSW Government Records Repository Kingswood). Over 100 Braille Writers were reported to have agreed to donate their eyes to the eye bank, upon their passing; see also 'Primate's Appeal for Eye Bank' (*Bathurst Times*, 14th December 1955, archived in 'Newspaper Cuttings' Royal Blind Society Records, 2748 Box 34(36) NSW Government Records Repository Kingswood); see also 'Sight Regained by Operation' (*Bathurst Times*, 22nd December 1955, archived in 'Newspaper Cuttings' Royal Blind Society Records, 2748 Box 34(36) NSW Government Records Repository Kingswood); see also 'Eye Grafts Mounting' (*Maitland Mercury*, 22nd December 1955, archived in 'Newspaper Cuttings' Royal Blind Society Records, 2748 Box 34(36) NSW Government Records Repository Kingswood); See also, 'Many cornea grafts' (*Mirror*, 22nd December 1955, archived in 'Newspaper Cuttings' Royal Blind Society Records, 2748 Box 34(36) NSW Government Records Repository Kingswood). See 'Doctors beg for cornea: Who will save this boy's eye?' (*The Sun*, 6th January 1956, archived in 'Newspaper Cuttings' Royal Blind Society Records, 2748 Box 34(36) NSW Government Records Repository Kingswood). See 'Dead man gave this boy sight' (*The Sun*, 25th January 1956, archived in 'Newspaper Cuttings' Royal Blind Society Records, 2748 Box 34(36) NSW Government Records Repository Kingswood).

because if philanthropy is to remain credible and legitimate, then stop sugarcoating concepts like pain and suffering in phrases like inclusion and diversity. After 50 years of living with disability, new age, woke wordsmithing from DGRs, supposed disability ‘advocates,’ and governments alike does not impress. DGRs and philanthropy should be interim measures until cure and restoration of full function is achieved.¹³

Governments should also take more care of their own legitimacy, credibility, and relevance. Just how much should government support philanthropy with taxpayers’ money or outsource its functions to charities/DGRs?¹⁴ When I realised just how much of the NDIS was run by third parties (and how much one would rely on it), it made me wonder what government did and who I should really be paying my taxes to. Was it really the Commonwealth Government or a series of charitable organizations? The latter might provide a measure of care and support, but none (as was said earlier) are rushing to put themselves out of a job or offering me a pathway to cure my cerebral palsy; it is not in their financial interest to do so. It is thus both ironic and sad that you must go back to a scrapbook and newspaper clippings from the 1950s to find overt discussions and campaigns for restoring sight.

Apart from the Fred Hollows Foundation, I cannot name too many organisations today which unequivocally seek to do (and does) one thing, like restore sight. There are others who want to provide care, community, advocacy (as well as hopefully, some research),¹⁵ and the like for a range of people. However, I would happily take a cure in preference to it all - today! I suspect many would follow me, but our tax system is not favourably inclined¹⁶ and neither major party in Australia has an appetite for reform of the transfer payments system either.¹⁷ Therefore, little can change as everyone remains in

¹³ I believe this is a realistic proposition. See Appendix 3 regarding consumer involvement in research.

¹⁴ RTOs, NGOs and DGRs provide a growing range of formerly public services, often very badly. One of these services allegedly provided is employment services, as I outline in Appendix 1. The Department may think my matter was resolved but I would never recommend a VET Registered Training Organisation to anyone.

¹⁵ The only organisation I am aware of doing all these things well is the Jane McGrath Foundation and its work providing support, treatment and improved life expectancy and quality of life for women with breast cancer. I note there is also the Christopher and Danna Reeve Foundation in the US, which funds care, support, advocacy, and importantly, research from a cure to spinal injuries. Meanwhile, Voice of the Cure is a similar US based organisation, lobbying for legislative environments and increased funding for research. SpinalCure NSW aims to do argue for and support research locally.

¹⁶ See my comments to a past inquiry into tax deductibility at <https://www.aph.gov.au/DocumentStore.ashx?id=00874c93-07f4-4b37-9403-c50fef481832&subId=407687> as at 23/01/24. Also note my comments to a review of the ACNC at [Adam-Johnston-310865.pdf \(treasury.gov.au\)](https://www.adam-johnston.com.au/wp-content/uploads/2023/01/Adam-Johnston-310865.pdf)

¹⁷ See correspondence in Appendix 2 regarding transfer payments, Centrelink reporting and a Universal Basic Income or UBI.

their places. Many advocates will label me 'ableist'¹⁸ but if ideology is more important than even cure and freedom from impairment, I will conclude that public policy, advocacy and philanthropy have all gone mad.

Recommendations:

- 1. That all philanthropy be time-limited, outcome and change orientated.**
- 2. That unless cure and/or prevention of a disease is central, the number of deductions or grants available to an individual philanthropist or organisation (and their value) be reduced.**
- 3. That the Commission needs to inquire into organisations with DGR status double and triple dipping into the public and private purse, as well as claiming tax advantages.**
- 4. That the philanthropic system adopts a cure and prevention focus or bias, if there is to be a true and ongoing public interest, benefit, or legitimacy in the arrangement.**
- 5. That the tax and transfer/welfare (warfare) system be urgently reformed, alongside philanthropy, noting the attached correspondence.**

Yours sincerely,

Adam Johnston¹⁹

25/01/2024

¹⁸ See [Ramping up public transport access for people with disability - Law Society Journal \(lsj.com.au\)](https://www.lsj.com.au) as at 25/1/24. When I read this, I could not help but see ableism as the ultimate in egocentricity.

¹⁹ These are my views and frustrations alone, though they draw on some of my public research. This submission is attributable to me alone.

Appendix 1



**SENATOR THE HON. ERIC ABETZ
LEADER OF THE GOVERNMENT IN THE SENATE
MINISTER FOR EMPLOYMENT
MINISTER ASSISTING THE PRIME MINISTER FOR THE PUBLIC SERVICE
LIBERAL SENATOR FOR TASMANIA**

Mr Adam Johnston

30 JUL 2015

Dear Mr Johnston

This letter is in response to your email of 15 March 2015 to Senator the Hon. Simon Birmingham, Assistant Minister for Education and Training, concerning a review of public funding for Sydney Business. As the issues raised fall within my portfolio responsibilities as Minister for Employment, on 3 July 2015 your email was referred to me for reply.

The New Enterprise Incentive Scheme has been operating for over 30 years. During this period the Scheme has assisted over 150,000 participants start and run a small business by providing accredited small business training and business mentoring for up to 52 weeks and if eligible, income support (in the form of New Enterprise Incentive Scheme Allowance) for up to 39 weeks to help turn a potential business idea into a viable small business.

Participation in the Scheme is voluntary, however, all eligible job seekers that want to participate are required to sign a New Enterprise Incentive Scheme Participant Agreement. This Agreement details the conditions job seekers must comply with in order to continue to receive their New Enterprise Incentive Scheme Allowance which is paid directly to the job seeker by the Department of Employment. The Agreement not only outlines the job seeker's obligations but the obligations of both the provider and the department in the first year of business operation.

I understand you have previously raised your concerns regarding public funding for Sydney Business under the New Enterprise Incentive Scheme and that these concerns were addressed by the former Department of Education, Employment and Workplace Relations by return letter in July 2013. Since your last correspondence with the department, Sydney Business has been successful in the highly competitive tender process to deliver New Enterprise Incentive Scheme services in the recently announced 2015-2020 *Jobactive* employment services contract.

I appreciate you taking the time to make a submission to the Productivity Commission's review of the workplace relations framework. This review will allow the Australian Government to examine the current operation of the fair work laws and identify future options to improve the laws. Feedback from members of the public is always valued and important for these types of reviews.

Thank you for bringing your views to the Government's attention.

Yours sincerely

ERIC ABETZ

CANBERRA: MG 68, Parliament House, Canberra ACT 2600. Phone: 02 6277 7320 Fax: 02 6273 4115
HOBART: 136 Davey Street, Hobart TAS 7001 Phone: 03 6224 3707 Fax: 03 6224 3709
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MC15-002447



Your Ref: 205135898H
Our Ref: 619859409

Mr Adam Johnston

Dear Mr Johnston

Review of Complaint to the Department of Education, Employment and Workplace Relations (DEEWR) regarding the New Enterprise Incentive Scheme (NEIS) and Sydney Business (Provider)

Thank you for your email dated 11 June 2013.

The New Enterprise Incentive Scheme (NEIS) has been operating for over 27 years and provides job seekers with accredited small business training (Certificate III in Micro Business Operations or Certificate IV in Small Business Operations), business mentoring and income support (in the form of NEIS Allowance) for up to 52 weeks to help them turn a business idea into a viable small business.

If job seekers meet all of the competencies for the Certificate III or IV, they can achieve a nationally recognised qualification. The Registered Training Organisation will be able to advise if you've met all of the competencies and if you are eligible to receive your Certificate. Commencing in NEIS is not a required competency.

In order to be eligible for NEIS, job seekers must meet a range of personal and business eligibility. The NEIS provider will undertake an assessment to determine if the job seeker meets these eligibility requirements. Part of this eligibility is ensuring that the business will be commercially viable both throughout and at the end of 52 weeks of NEIS Assistance. At this point, the NEIS provider will also determine if the job seeker has the necessary funding to establish their business idea. Job seekers can apply for a micro loan through NAB and other financial institutions if they need financial assistance to start their business.

The mentoring provided by the NEIS provider is partly to ensure that the NEIS business continues to be commercially viable because we want job seekers to succeed in the establishment of their small business and to be earning, at a minimum, what they were previously receiving from Centrelink in the form of income support payments.

Mary
Customer Service
Department of Education, Employment and Workplace Relations

July 2013





STEPS TO FOLLOW FOR THE

All job seekers that are eligible and want to participate in NEIS are required to sign a NEIS Participant Agreement. This agreement details the conditions job seekers must comply with in order to receive their NEIS Allowance which is paid directly to the job seeker by DEEWR. As NEIS Allowance is a substitute for income support payments, we must ensure that the job seeker is undertaking the operation of their business as indicated in their business plan. At any time during their NEIS Assistance, job seekers can amend their business plan provided all changes are first approved by their NEIS provider – this is to ensure that the business continues to meet eligibility criteria and will continue to be financially viable. This agreement does not create an employee relationship just an agreement stating NEIS Allowance will be paid to the job seeker provided certain conditions with regards to their NEIS Assistance are met.

The particulars of your complaint regarding the service you received from the provider were forwarded to them for a response. As per your email, we asked them to provide information on the following:

- Not enough information provided at the initial meeting with the provider, for example, you felt you were not made aware that each graduate must be ready to commence their own business at the end of the program
- That staff referred other participants to you to witness statutory declarations.

The provider has responded to your concerns and advised that:

1. At the initial meeting, you were advised in both verbally and in writing, of the NEIS Application process, including the obligations at the end of the NEIS program to be able to work full time in the business
2. A copy of the information provided at the initial meeting is attached
3. During the Course, the Trainer John Jobson, advised students that there were documents in the business plan that needed to be witnessed and that you volunteered your services for this.

We have reviewed the response from Sydney Business and the department is satisfied with their response. We consider the services provided meet the department's requirements.

This department will not be taking any further action regarding your complaint and now consider the matter closed. Should you have any further queries, please call the DEEWR Customer Service Line on 1800 805 260.

Yours sincerely

Marya
Customer Service Line
Department of Education, Employment and Workplace Relations

3 July 2013

Appendix 2



Australian Government
Department of Social Services

Ref: MC23-006911

Mr Adam Johnston

Dear Mr Johnston

Thank you for your email of 12 June 2023 to the Minister for the National Disability Insurance Scheme and the Minister for Government Services, the Hon Bill Shorten MP, regarding the social security system. Your email was referred to the Minister for Social Services, the Hon Amanda Rishworth MP, as this matter falls within her portfolio responsibilities. I have been asked to reply on behalf of the Minister.

Australia's social security system is a non-contributory, means-tested, residence-based system, designed to provide income support to people who, for reasons such as age, unemployment or ill health, are unable to support themselves.

You have suggested a universal basic income system would be preferable to targeted assistance. Providing targeted assistance is consistent with the basic principle that individuals should be required to draw on their own resources before calling on the Government. The additional costs from a universal basic income would far exceed the Services Australia savings from not administering the means test. Targeted assistance also ensures the Government is able to meet other important budgetary objectives, such as spending on health and education, while keeping taxes low.

You also suggest it should not be necessary to regularly report your income to Services Australia (Centrelink). Fortnightly income reporting is a key mechanism that helps to ensure customers are paid the correct amount of income support each fortnight. By reporting fortnightly, any increase or decrease in income will be identified in the fortnight that it occurs and the rate of income support will be adjusted accordingly.

Even if a customer is generally paid the same amount each fortnight, they can have changes in their rate of pay due to leave without pay, overtime, allowances and wage increases. For this reason, recipients of income support payments are required to report their gross employment income each entitlement period.

Since 7 December 2020 the income reporting process for payment recipients has been simplified. Income support recipients with employment income now report the income they are paid each fortnightly entitlement period, rather than what they calculate they have earned, as was previously the case. For many, this means simply referring to their or their partner's payslip in order to report employment income to Centrelink.

This change further simplifies income reporting through the use of Single Touch Payroll (STP) data which will be reported by most employers when an employee is paid. STP is a new way of reporting tax and superannuation information to the Australian Taxation Office (ATO). Under STP, employers provide employee payroll information to the ATO each time they run payroll. Some employers with small numbers of staff are exempt from reporting.

The ATO provides STP data to Centrelink where available, and this data is ultimately expected to support over 95 per cent of recipients to report their employment income accurately. Centrelink will use the STP data to pre-fill a recipient's employment income through their usual reporting channel. This means when you report income to Centrelink, provided your employer has signed up to STP, the amount reported by your employer to the ATO will already show in the income field.

This change does not remove reporting obligations for social security recipients. People still need to meet their reporting requirements; however, reporting is now easier. When reporting income, people are able to refer to their payslip, confirm the pre-filled information is correct, amend the information if an error has been made or add additional employment and income information if it is not reported through STP.

I also note your comments about the reporting requirements of your National Disability Insurance Scheme (NDIS) plan. As the administration of the NDIS is handled by the National Disability Insurance Agency (NDIA), you may wish to contact them about your concerns. You can provide feedback online at www.ndis.gov.au/contact/feedback-and-complaints/contact-and-feedback-form, email the NDIA at enquiries@ndis.gov.au, or contact them by phone on 1800 800 110.

Thank you again for writing.

Yours sincerely

Andrea Wallace-Green
Director
Age Pension and Payment Rates Policy
Payment Structures and Seniors Branch

17 July 2023



Australian Government
Department of Social Services

MC16-009356

Mr Adam Johnston

Dear Mr Johnston

Thank you for your email of 28 August 2016 to the Minister for Human Services, the Hon Alan Tudge MP, regarding reporting requirements for social security recipients. Your email was referred to the Minister for Social Services, the Hon Christian Porter MP, as this matter falls within his portfolio responsibilities. The Minister has asked me to reply to you on his behalf.

The income and assets tests are an important feature of the social security system. For most of its 100 year history, Australia's social security system has used means testing to make the system fair and properly targeted to those most in need. The tests are kept under review to ensure they are meeting the requirements of the community for well-targeted income support. In order to keep the social security system sustainable, Australians are expected to use their own resources before calling on the support of the general community.

The social security income test is designed to encourage people to supplement their income support payments with other income, if they are able to. An income support recipient can receive an amount of income before their payment starts to be reduced. This amount may comprise income from investments, earnings, or a combination of income from various sources and is known as the income free area. The pension income test free area from 1 July 2016 is \$164 a fortnight for a single pensioner and \$292 a fortnight for couples combined.

For each dollar of income over the income test free area, the single pension is reduced by 50 cents (the taper rate). For couples, their combined pensions are reduced by 50 cents. This means that for a pensioner couple, their individual pensions are reduced by 25 cents a fortnight for each dollar of income that the couple has over the income test free area.

The operation of the income test free areas and taper rate means that income support recipients are always better off while they are earning income in addition to their welfare payments.

In order to ensure that they receive the correct rate of payment, income support recipients are obliged to inform Centrelink when their circumstances changes. This includes any changes to their income or other financial arrangements.

The social security income test, and the reporting requirements that support it, are essential to ensure that welfare payments are made to those who need them most.

GPO Box 9820 CANBERRA ACT 2601
Telephone 1300 653 227

National Relay Service: TTY: 133 677, Speak and listen: 1300 555 727, Internet relay: www.relayservice.com.au
www.dss.gov.au

Social security payments operate in conjunction with taxation concessions, productivity initiatives, employment services and labour market strategies, as part of an integrated package of support.

You have raised the issue of churn in the tax and transfer systems. The two systems have different purposes. The Australian Taxation Office is trying to measure a person's capacity to pay taxation and to contribute to Australia's general revenue through the Australian tax system. The social security means test measures a person's need for income support and their capacity to contribute towards their own support. Accordingly, different legislative provisions and requirements apply.

The Government commissioned a Reference Group on Welfare Reform, chaired by Mr Patrick McClure AO, to provide advice on options for reform of the payments system. The Reference Group has provided the Government with its final report, *A New System for Better Employment and Social Outcomes*. The Report offers a high level vision for welfare reform and the opportunity to develop staged reforms over the longer term to overhaul and simplify the welfare system. While no decisions have been taken about recommendations in the Final Report, it will assist the Government to make well-informed decisions about the future of Australia's welfare system.

The Australian Government welcomes feedback from members of the public on policy settings and appreciates the time you have taken to share your views. The Government needs to balance a range of competing priorities when determining the direction of policy. The Government is committed to maintaining a strong safety net for all Australians who need help and cannot support themselves.

Thank you again for writing.

Yours sincerely

Anita Davis
A/g Branch Manager
International and Means Test Policy
1 December 2016



Australian Government
Department of Human Services

EC16-000673

Mr Adam Johnston

Dear Mr Johnston

Thank you for your correspondence of 9 April 2016 to the Secretary of the Department of Human Services (the Department), Ms Kathryn Campbell, about a telephone contact from a representative of the Department. I have been asked to respond on the Secretary's behalf.

On 15 April 2016, a service officer from the Department contacted you to discuss your concerns as outlined in your correspondence. The service officer confirmed that the Department was undertaking business activities on Saturday, 9 April 2016. I regret any concern or inconvenience this after hours contact may have caused you.

The Department was seeking to contact you in response to correspondence received from you advising of share dividends you received from Aurizon and NIB. The service officer noted that your bank account balance was last updated on 4 November 2009. As you had advised funds were recently paid into your bank account, the service officer contacted you to confirm your departmental record reflected your current bank account balances.

If at any time you receive a telephone call from the Department outside of usual business hours and you do not feel comfortable providing personal information over the telephone, you can contact the Disability, Sickness and Carers Line on 13 27 17 during business hours directly.

I trust this information is of assistance to you.

Yours sincerely

Patrick Cremen
National Manager
Ministerial Coordination and Parliamentary

10 May 2016

cc: Secretary's Office