

Government gives Newstart recipients energy payment to smooth passage of legislation

Written by Michelle Grattan, Professorial Fellow, University of Canberra

The government has extended the energy payment to people on Newstart – after excluding them only days ago.

Treasurer Josh Frydenberg said the decision was made at a meeting on Tuesday night of Scott Morrison, Finance Minister Mathias Cormann and himself. He indicated it was about smoothing the passage of the measure through the parliament.

There was widespread criticism of the exclusion of Newstart recipients from the payment, which will be A\$75 for a single person and \$125 for a couple.

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The money is due to go out very soon and the government needed the legislation to pass immediately. While Labor had flagged it would support the one-off payment, the legislation could have been amended, because the government is in a minority in the House of Representatives.

The payment was originally set to be confined to those on the age pension, disability support pension, carers payment, parenting payment single recipients, and veterans and their dependants receiving payments.

The extension, which will also cover those on Youth Allowance and other working age payments, bringing the number of recipients to five million, will add some \$80 million to the original cost of \$284.4 million.

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Labor seized on the backdown, seeking to suspend standing orders to move a motion in the House saying the government's backflip "has already blown an \$80 million hole in the budget", and showed the budget was "unravelling less than 24 hours after it was delivered".

The motion condemned the government for "only looking after the top end of town and treating vulnerable Australians as an afterthought". The attempt to suspend standing orders failed.

Frydenberg, speaking to the National Press Club, explained the original exclusion by saying three-quarters of people on Newstart moved off it within 12 months, and 99% of people on it received another payment.

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"They get a parenting payment or they get a family tax benefit payment, whereas when you're on the Disability Support Pension or on the aged pension, you tend to be on it for longer, and that seems to be - that is your principal form of payment".

Frydenberg said the change "will secure the passage of the piece of legislation through the parliament".

Appearing on the ABC Q&A on Monday, Liberal senator Arthur Sinodinos could not say why Newstart recipients had been excluded from the payment. "The short answer is I don't know why," he [said](#). He also said he thought Newstart was too low.

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