

Budget 2020 – Social Services: Extra payments to pensioners

Extra payments to pensioners overview

Women were already over-represented in reduced employment outcomes, levels of poverty, and reliance on income support payments prior to the COVID-19 pandemic and its attendant effects on the Australian economy. The recession and the overwhelming focus on male-dominated industries for stimulus support means Australia is facing a ‘she-cession.’

Extra payments to pensioners helped lift a range of women and their children out of poverty. They should be retained at least until the indexation returns to a positive.

Extra payments to pensioners

The Budget

The Government will provide \$2.6 billion over three years from 2020-21 to provide two separate \$250 economic support payments, to be made from November 2020 and early 2021 to eligible recipients of the following payments and health care card holders:

- Age Pension
- Disability Support Pension
- Carer Payment
- Family Tax Benefit, including Double Orphan Pension (not in receipt of a primary income support payment)
- Commonwealth Seniors Health Card holders
- eligible Veterans’ Affairs payment recipients and concession card holders.

The payments are exempt from taxation and will not count as income support for the purposes of any income support payment.

This measure forms part of the Government’s economic response to COVID-19 and builds on the July 2020 Economic and Fiscal Update measure titled COVID-19 Response Package – payments to support households. ([2020 Budget Paper No.2](#), p.151).

COVID-19 Response Package – further economic support payments

Payment (\$m)	2020-21	2021-22	2022-23	2023-34
Department of Social Services	43.3	2.1	-	-
Department of Veterans' Affairs	-	-	-	-
Services Australia	-	1.1	-	-
Total - payments	43.3	3.1	-	-

Source: [2020 Budget Paper No. 2](#), p. 151.

Gender implications

Why is this an issue for women?

This payment is intended to offset the usual indexation payment increases because Australia's current low rate of inflation meant the index used for these payments was negative. The payments are welcome as the majority of recipients are women.

For most Australians, income is the most important resource they have to meet their living costs. Women are over-represented at the lowest income levels. DSS demographic data for June 2020 ([DSS, 2020](#)) demonstrated that there were more women than men in 21 of the 27 payments listed. Nearly 60% of all recipients are women.

Of the \$2.6 billion, nearly all is allocated for this financial year which may prove insufficient if the indexation arrangement remains negative.

Recommendations

Economic support payments should be retained until the indexation returns to a positive.