



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**PROOF**

**FAMILIES, HOUSING, COMMUNITY  
SERVICES AND INDIGENOUS AFFAIRS  
AND OTHER LEGISLATION AMENDMENT  
(ELECTION COMMITMENTS AND  
OTHER MEASURES) BILL 2011**

**Second Reading**

**SPEECH**

**Tuesday, 22 March 2011**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

**Date** Tuesday, 22 March 2011  
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**Questioner**  
**Speaker** Rishworth, Amanda, MP

**Source** House  
**Proof** Yes  
**Responder**  
**Question No.**

**Ms RISHWORTH** (Kingston) (5.49 pm)—What we are seeing from the opposition today is politics. Before the House today we have some very sensible legislation, the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Election Commitments and Other Measures) Bill 2011. Perhaps it is because this legislation deals with Labor election commitments that the opposition find that they just cannot deal with it. We have not heard from members of the opposition as to whether they will even support our sensible legislation which has been welcomed by the community. Instead they are playing politics with this important legislation. I am not sure why. Perhaps it is part of the Leader of the Opposition's tactic to continually oppose everything, to start scare campaigns and to not work in a bipartisan way on anything.

It is not surprising that we have seen these tactics today. I am not sure when these tactics were dreamt up by the opposition, but before the House today we have some very sensible, important and meaningful legislation, and I hope that members of the opposition will actually address the substantive legislation and tell us whether or not they are going to vote yes for the substantive legislation. As I said, the reason for these tactics might be that this legislation delivers on Labor's election commitments, but I would welcome the opposition showing some bipartisanship for once and working in the nation's interest and in the community's interest, because this legislation is widely supported.

I am pleased to support the substantive legislation. The Gillard government is committed to providing support and financial assistance to Australians who are most in need. This bill delivers on three significant election commitments that were made by Labor during the election to support families and senior Australians. The bill also gives effect to non-budget measures which will make things fairer for Australians affected by the morning sickness drug thalidomide and which will better support Australians on income management.

Firstly I would like to deal with the work bonus. This bill delivers on our commitment at the recent election to expand the existing seniors work bonus measure to allow working pensioners to keep more of their pension when they undertake paid employment. Introduced in September 2009 as part of the government's secure and sustainable pension reform package, the seniors

work bonus allows for a certain amount of income earned by a person who is eligible for the age pension to be disregarded for the purposes of social security and veterans' affairs income tests. This way, senior Australians are able to earn a little extra money to help out with everyday expenses without losing out when it comes to the government assistance they receive.

This initiative is about acknowledging the valuable contribution senior Australians who choose to undertake part-time work or occasional work make to our economy and to the communities around the nation. By providing financial incentives, we are encouraging other senior Australians to do the same if they wish. That is why we have committed to expanding the work bonus so that the first \$250 earned in a fortnight will not be treated as income for the purposes of social security and veterans' affairs income assessments. This will mean that senior Australians can earn more without affecting their pension.

Furthermore, this bill will make things fairer and simpler for senior Australians who undertake intermittent or seasonal work. Although the work bonus is an extremely popular initiative in my electorate of Kingston, a number of constituents have raised with me the fact that it is not always worthwhile participating in seasonal paid employment, because you can lose as much from your pension as you gain from the work. This often happens. We heard from the member for Petrie about accountants and people who just work at tax time. One of my constituents works as a Father Christmas—a job which I am sure many people can imagine is a very seasonal job. He raised this issue with me—as did a number of others. He said that, under the current system, the income he derives from his work in the Christmas period—although some might say that Father Christmas has to work all year round, but he specifically works during the Christmas period—is assessed for social security purposes and his pension is significantly reduced for that period, making it hardly worth his while to have undertaken the paid employment in the first place. One would say that it is a valuable job, because he does bring a lot of joy to the young people in the community—and it is unfair, because he does not earn any additional income for the rest of the year. This bill will do away with the anomaly by effectively annualising the work bonus.

Senior Australians will now be able to build up any unused amount of their \$250 bonus every fortnight up to a maximum of \$6,500. The income bank amount can be used to offset future employment earnings. Seasonal workers will now be able to save up their fortnightly work bonus throughout the year so that more income they derive from seasonal work will be exempt from the income test. This is a very important change, and a change that I think is wildly welcomed by many seasonal workers across the country. I urge the opposition to indicate whether or not they support this important change. As of yet, from the contributions from those opposite, we have not heard whether or not they do support these important measures.

In addition, this bill looks at assistance for families with studying teenagers. It delivers on our commitment to provide more financial assistance to families with teenagers who are still at school or a vocational education equivalent. We know that families are struggling with the rising costs of living, and it is not cheap to send children to school. We also know that the costs actually increase rather than reduce as children get older and their clothes and school supplies start costing more. That is why the government is increasing the maximum rate of family tax benefit part A by around \$160 per fortnight for teenagers aged 16 to 19 years of age. This could mean up to \$4,200 a year for Australian families with teenagers who are studying and will bring their rate in line with what is available for 13- to 15-year-olds.

Under the current system, the maximum rate of family tax benefit part A drops from about \$208 per fortnight to \$51 per fortnight when a child turns 16 and rent assistance stops completely at this point. This sharp drop in financial assistance can make it really tough for parents to continue to support their children to finish their studies. I have heard from many people in my electorate just how tough this is. We as a government want to make sure that we encourage families to encourage their children to stay at school and to finish year 12, because we know that finishing year 12 is a passport to the rest of their educational life. So it is incredibly important. As the member for Petrie said, it is not surprising but it is a Labor government that is bringing this in. This is something that we committed to in the election and we are now delivering on in this parliament.

We are investing in education to raise secondary school or vocational equivalent completion rates for all Australians regardless of their socioeconomic background. We do not want the suburb people live in to be a barrier to reaching their potential to gaining an education. That is why this measure is so important. By providing greater assistance to families of teenagers at this critical point, we are helping to reduce the financial

pressures associated with supporting teenagers who are studying and we are helping to diminish the necessity for teenagers to leave school to support themselves. There are 2,150 local families in my electorate who are set to benefit from the increased financial assistance and around 590,000 families are expected to benefit nationally over the next five years alone. This is about making a real difference, and it is this government that is doing that.

Youth allowance will of course still be available for teenagers aged 18 who are independent and eligible for the away-from-home rate and not in full-time secondary study. This payment will continue to provide ongoing support to young people as they progress into further education and training.

The third element is improvements to the baby bonus. Additionally, this bill will improve the way the baby bonus operates so that parents of newborns are better equipped to meet the initial costs associated with adopting or having a new baby. The birth of a child is a wonderful time for parents but it can also be a stressful time. The baby bonus recognises the extra costs incurred at the time of birth and helps parents with some of these expenses. Under the current rule the baby bonus is paid in 13 fortnightly instalments. This is really important to ensure that there is ongoing support over that initial period of time. However, the changes that we are bringing in today recognise that there are some up-front costs when having a baby and that a little extra cash does go a long way at the time of having a baby.

From 1 July 2011 parents of newborn babies who receive the baby bonus on or after the date will receive \$500 more in the first fortnightly instalment than the 12 subsequent instalments to assist in meeting the initial costs of welcoming a child into the family. This is about providing parents with a little extra money to purchase some of the bigger and more expensive items that one needs straightaway—things like prams and cots. Although the total amount of the baby bonus will remain the same, the passage of this bill will adjust the baby bonus to assist families with the up-front costs of having a new baby when they need it most. The three examples I have outlined are examples of this government getting on with the job of implementing our election commitments.

As I said before, I would like to know whether or not the opposition are going to support these important amendments that will make a real difference to people's lives. Obviously we have seen the opposition come in here today and play politics with it. I wish they would be up-front and make it clear whether or not they will support these, because I know that there are people in my electorate who are eagerly waiting to hear that these amendments have gone through the parliament.

There are a number of other non-budgetary measures in this bill. One includes looking at the payments provided to people affected by thalidomide. Although this amendment does not apply to many people, just 36 Australians, it is very important to those who are affected, so I certainly welcome this measure. This measure is not compensation; it provides important payments to those who are affected.

In addition, there are some minor administrative improvements to income management provisions. Under the current match savings scheme payments, payments are made to people who are subject to compulsory income management and who accumulate savings while undertaking an approved financial management course. However, at present, only savings accumulated after the commencement of the course qualify. The bill before us today simply modifies this so that these people can begin saving as soon as they have registered for a course. It is a minor change but one that I am sure will make a difference. This bill also clarifies the role of nominees under income management arrangements and will improve debt recovery so that customers on income management are not out of pocket.

These measures deliver on significant election commitments, allowing pensioners to keep more of their pensions when they undertake part-time paid work, providing families with greater assistance to support teenagers who are completing their secondary studies and changing the way the baby bonus operates so that parents of newborn babies receive more money immediately after the birth. It also improves income management provisions and provides a fairer income test for thalidomide survivors.

The substantive bill is an incredibly important one. I would urge the opposition to stop playing politics with these important issues before the House today and to support these measures which are widely welcomed by people across Australia. People are waiting for these measures to be introduced. I commend the substantive bill to the House and call on the opposition to support it.