THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

HOUSEHOLD STIMULUS PACKAGE BILL 2009

REPLACEMENT SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendments to be moved on behalf of the Government

(Circulated by the authority of the Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon Jenny Macklin MP)
OUTLINE

These Government amendments are to the single income family bonus introduced in Schedule 3 to the bill. The amendments will reduce the amount of the bonus from $950 as introduced to $900. The savings from this change will be $74.7 m.

The change will allow funds to be directed to other priorities in the context of the Nation Building and Jobs Plan.

Financial impact statement

These amendments will revise the financial impact of the single income family bonus as follows:

Resourcing

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<tr>
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<th>2008-09</th>
<th>2009-10</th>
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<tbody>
<tr>
<td>Single income family bonus</td>
<td>$1,345.2 m</td>
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Government Amendments

All of these amendments are to new section 102 of the *A New Tax System (Family Assistance) Act 1999*, as inserted by item 3 of Schedule 3 to the bill.

Amendments (1) and (2) change the existing reference to $950 in the heading and text of new subsection 102(1) to $900. The effect is that the usual amount of the single income family bonus is now $900.

Amendment (3) makes an equivalent change to new subsection 102(2). As a result, if the individual's rate of family tax benefit (FTB) Part B in relation to 3 February 2009 was worked out taking into account only one FTB child and there was a shared care percentage in relation to that child (under section 59 of the Family Assistance Act), then the amount of the single income family bonus for the entitled individual is now that percentage of $900.

Amendment (4) amends new subsection 102(3) to similar effect. Thereby, where the individual's rate of FTB Part B in relation to 3 February 2009 was worked out taking into account more than one FTB child and there was a shared care percentage in relation to each child (under section 59 of the Family Assistance Act), then the amount of the single income family bonus to the individual is now the highest of those percentages of $900.

The amount of the single income family bonus could also be affected by a specified percentage determination due to a blended family determination under section 28 of the Family Assistance Act (where there is an instalment or past period determination) or under section 29 (where there is a past period determination). The amount of single income family bonus applicable where there is such a percentage determination would be that percentage of the amount that would otherwise be payable under the rules described above. Amendments (5) and (6) amend new subsections 102(4) and (5) with this effect.