HOUSE OF REPRESENTATIVES

A NEW TAX SYSTEM (BONUSES FOR OLDER AUSTRALIANS) BILL 1998

Second Reading

SPEECH

Wednesday, 2 December 1998

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES
Mr COSTELLO (Higgins—Treasurer) (10.21 am)—I move:

That the bill be now read a second time.

This bill recognises the special circumstances of older Australians with savings and investments, including those who receive income from superannuation pensions and annuities.

In addition to other measures associated with the new tax system, such as the income tax cuts, increases in income support payments, refundable imputation credits and increased tax rebates, this bill provides further compensation to help maintain the value of the savings and retirement income of senior Australians.

The bill will assist both age pensioners and self-funded retirees. Australian residents aged 60 years or more with income from a range of savings and investments and with incomes of up to $30,000 a year will be able to receive a savings bonus of up to $1,000. If they are of age pension age, or above, and do not receive any income support payments, a bonus of up to $3,000 may be payable.

These amounts will be tax free and will not be counted as income for the purposes of the social security or veterans’ income tests.

In claiming their bonus, senior Australians will have the security of dealing with agencies they already interact with in relation to tax or income support payments, and will have the usual rights of review and appeal.

The measures in this bill, particularly when combined with the other measures associated with the new tax system that I mentioned earlier, give effect to the government’s clear commitment to reforming the tax system in a manner which is fair and generous to senior Australians.

Full details of the measures in the bill are contained in the explanatory memorandum, which I present and which is circulated to honourable members.

I commend the bill to the House.

Debate (on motion by Mr Crean) adjourned.