



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**  
**SOCIAL SECURITY AMENDMENT**  
**(DISPOSAL OF ASSETS) BILL 1999**

**Second Reading**

**SPEECH**

**Wednesday, 30 June 1999**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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# SPEECH

**Date** Wednesday, 30 June 1999  
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**Questioner**  
**Speaker** Truss, Warren, MP

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

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**Mr TRUSS** (Wide Bay—Community Services) (10.32 am)—I move:

That the bill be now read a second time.

This government is committed to the effective delivery of its assistance measures, and part of this involves encouraging more responsible attitudes in the community.

As foreshadowed in the 1999 budget, this bill amends the Social Security Act 1991 to introduce improvements to the provisions which prescribe how much a person can dispose of by way of gifts and still remain qualified for assistance from the public purse.

Currently, the Social Security Act 1991 allows a person or a couple to give away up to \$10,000 per pension year before the gift begins to impact on the level of assistance. This annual \$10,000 'free area' is anomalous in that it is greater than the maximum single pension rate—some \$9,400 per annum. The result is that under the current rules an income support recipient can give away more than that person is entitled to receive by way of assistance. Needless to say, this loophole has become a favourite tool for many financial planners who exploit it to increase the income support entitlement of their customers.

This bill will close this loophole by reducing the annual 'free area' to \$5,000, with effect from 1 July 1999. However, provision is made in the bill to ensure that any income support paid on the basis of the existing disposal rules before royal assent to the bill is protected from being recovered from the income support recipient insofar as these amendments are concerned.

At the same time, the bill will take the opportunity to change the basis of the concession from 'pension year' to the more widely understood 'financial year'.

I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by **Mr Bevis**) adjourned.