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PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Main Committee

APPROPRIATION BILL (NO. 3) 2000-2001

APPROPRIATION BILL (NO. 4) 2000-2001

**APPROPRIATION (PARLIAMENTARY
DEPARTMENTS) BILL (NO. 2) 2000-2001**

Second Reading

SPEECH

Monday, 5 March 2001

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner
Speaker Albanese, Anthony, MP

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Mr ALBANESE (Grayndler) (8.08 pm)—Tonight I take the opportunity during debate on the appropriation bills to point out just how mean-spirited this government is in relation to its handling of the Family and Community Services portfolio. In the last few days we have seen the government's clawback strategy, a strategy which will claw back the compensation given to pensioners. It was a strategy put in place when the GST came in which purported to give people compensation, inadequate as the amounts given were. However, 20 March is now known as 'Clawback Day'. It is not surprising that the government has called a by-election in the seat of Ryan on 17 March, three days before the clawback, because it knows that clawback means devastation in terms of the political impact which pensioners and social security recipients will have against this government.

Today I asked the minister for community services a question during question time quoting from a press release which he put out yesterday. That press release said that 'There is no clawback. There is no deduction from pensions, real or otherwise.'

I asked him what he was going to say to the 6,649 mobile home and caravan park residents in his electorate of Richmond when clawback cuts their rent assistance. I sought to table a document prepared by the Department of Family and Community Services, for which he is the junior minister, which mentions clawback not once but six times with regard to the compensation package which was occurring.

The worst element of clawback, of course, is rent assistance. With respect to rent assistance, what we are actually going to see on 20 March is that people will get a reduction in their pensions. As unbelievable and mean-spirited as that seems, they will actually get less that fortnight than they did the fortnight before. What is the response of the government? It takes a head in the sand approach and says, 'No, it's not true. There is no clawback.' We know that that is not the case. Just as they said that petrol was not a problem and then had to reverse that position because they understood eventually how much people were hurting out there, with respect to clawback it defies reality that they can pursue this position.

Rent assistance, like pensions and all social security benefits that allegedly increased by four per cent last year, is subject to the government's clawback. Despite the fact that the CPI rose by four per cent in the period July to December 2000 and despite the fact that rent assistance should therefore be indexed by the same amount in March 2001, there will only be a two per cent rise in March. The remaining two per cent was in fact advanced, to use the government's terms, to rent assistance recipients last July. The story gets worse.

I am going to quote directly from Senate estimates last week, where my colleague Chris Evans spoke to Mr Cavalli from the Department of Family and Community Services about the impact the government's clawback would have on rent assistance recipients. Mr Evans stated:

Could someone explain to me in a broad sense what is going to happen in March?

Mr Cavalli answered:

What is happening in March is that the maximum rates of rent assistance will be going up by two per cent. That is because there has already been a two per cent advance on the maximum rates provided on 1 July 2000. The rent thresholds will be increasing by four per cent—the CPI increase—as part of the normal indexation process that always occurs in March and September.

Mr Evans then asked:

So what does this mean for people in receipt of rent assistance?

Mr Cavalli answered:

It depends on whether they are receiving the maximum rate of rent assistance or whether they are receiving less than the maximum rate of rent assistance. If they are on the maximum rate of rent assistance, most people will

get the increase of the two per cent. If they are on a part rate of rent assistance—that is, less than the maximum rate—because the rent threshold has increased, they will receive a small reduction in their rent assistance.

As we already know, less than three per cent of park residents receive the maximum rate of rent assistance. Only these 300-odd park residents will receive an extra two per cent in March. Residential park tenants who are on part rates of rent assistance will actually have their rent assistance reduced. The threshold goes up by four per cent, but the government only raises the maximum rate payment by two per cent—a mean-spirited act against what the government itself has identified as some of the most vulnerable people in our community.

The Clarence Valley Park Residents Association—an active group in the electorate of Page—has pointed out in correspondence that a pensioner couple with a fortnightly rent of \$170 in August 1998 received \$40.06 in rent assistance. In July 2000, for the same amount of rent, the rent assistance was \$37.34 a fortnight. After 20 March, it will be \$35.84. After 20 March, 450,000 Australians will receive rent assistance cuts—not a smaller increase but cuts, a reduction in their payment. No wonder that people who live in residential parks in mobile homes are angry, because the government has simply not listened to their legitimate concerns.

Park and boarding house residents are still the only tenants in Australia to pay the GST directly on their rent. One hundred and fifty-eight thousand of them have received no compensation whatsoever to offset this added expense. They are being forced to swallow bitter pill after bitter pill. Not only is their rent assistance slipping away; the four per cent pension increase so lauded by the minister for community services, Larry Anthony, last year is not really a four per cent increase but, like rent assistance, a two per cent increase and a two per cent advance on March 2001 CPI increases, which will be clawed back. The minister argued in question time on Monday, 26 February:

The government was very clear and transparent that there was to be a full two per cent real increase on 1 July last year, plus a two per cent advance.

He concluded his response to a follow-up question by stating, 'We were very clear and very categorical.' What are the facts? The minister must have a very perverse definition of what constitutes 'clear' and 'categorical'. Let us examine what the minister himself said in June last year about the increase. In a media release titled 'Anthony welcomes extra assistance' released on Thursday, 22 June to proclaim the government's increases to the maximum rate of rent assistance, the member for Richmond and the minister stated:

These rent allowance increases are part of the compensation package that includes the four per cent increase in pensions ...

There is no mention about clawback there. There is no mention of, 'We're going to grab two per cent of that—half of that—out of your pocket come March next year.' But Larry goes even further. In the *Tweed Valley Review*, a community newsletter produced and paid for by the taxpayers of Australia and spread around the electorate of Richmond, Larry Anthony, in a stand-alone sentence, says:

The government is increasing pensions by 4 per cent.

How is this clear and categorical? The minister clearly states repeatedly that the increase is four per cent. There was no mention of clawback then by this minister. And no wonder, because it is such an embarrassing, indefensible, mean-spirited, cold-hearted decision by this government that exemplifies everything that it stands for.

After 20 March this year 170,000 low income families and youth allowance recipients will have an outright cut in their benefits since their rent assistance cuts will not be offset by the two per cent increase in their primary benefit. This government has misled park residents, it has misled boarding house residents and it has misled social and pension recipients. Its compensation packages for the GST amount to virtually nothing and pensioners themselves know that they are worse off. And we see the government putting out statements such as the minister did today in response to the fact that rent assistance is going to actually be reduced in real terms from 20 March. What is the minister's response? To put out a press release with only about 10 words on it saying 'Pensioners better off'. That just adds to the perception that this government is arrogant, totally out of touch and is just not listening.

And no wonder, because the member for Richmond, and the other members who hold marginal seats in coastal areas up and down New South Wales and Queensland, are indeed getting very desperate. It is because the

government has so abjectly failed to deliver that the minister is beginning to panic. The result is that the minister is now announcing pilot projects in his own seat after Senator Newman, when she was the Minister for Family and Community Services, had already announced that the projects will be occurring elsewhere.

On 17 January this year, Senator Newman announced that the government will be funding a series of caravan parks family crisis child-care pilot projects. She named the states that the projects will be piloted in: Queensland, South Australia and the Northern Territory. As revealed in Senate estimates on 20 February, the development of the project had been going on for at least six months before the announcement. The issue of whether New South Wales was feasible as a pilot state was discussed early on with the department, but as Ms Corbett indicated in the Senate estimates, it was not perceived that Richmond would be included in this project. However, because the minister was visiting the electorate of Richmond, Minister Anthony chose to announce that his seat would be included in the project. But there was no list of which parks the project would be piloted in, no response from the department over whether this would require extra funding and no answers as to which areas the funding would be taken away from. That is simply an example of policy making on the run from a government that has simply run out of steam.

It is not surprising, though, that we have this level of misleading from the government, because when we look at this latest misleading with regard to rent assistance, it is actually very consistent with the government's approach the whole way through. At the time of the 1998 federal election, the government promised that no tenant would be forced to pay the GST on residential rents. The Deputy Leader of the National Party, Mark Vaile, proudly told permanent park residents in the seat of Lyne:

I would like to assure you that residents who occupy accommodation in a caravan park or a holiday village on a permanent basis (ie over 28 days) will not have to pay the GST on their site fees. This will be treated in the same way as rental of a house or unit, and is GST free.

After the election, however, suddenly the government's line changed. Larry Anthony declared to the *Tweed Daily News* that 'Site fees are not the same as rent.' Warren Truss, the then Minister for Community Services stated, 'What are caravan parks if they are not tourist accommodation?' This comment was from a man who represents a seat on the Sunshine Coast of Queensland and who has thousands of permanent park residents in his electorate.

The fact is that permanent park and boarding house residents are the only tenants in Australia who are forced to pay the GST up front on their rent. Despite the enormous pressure placed upon residents through organisations such as the Affiliated Park Residents Association, the government has stubbornly refused to alter its discriminatory decision. As far as this government is concerned, if you rent a luxury apartment in Kirribilli or Toorak, you do not have to pay the GST up front on your rent, but if you live in a caravan in Nowra, or Kirribilli, or Cairns, or Kalgoorlie, you do.

Despite their obstinacy, the government have realised that they had to make some concessions and appear to be trying to do something. But at each and every point they have actually made the discrimination worse and made people angrier. First, they changed the system so that the GST rate was to be 5.5 per cent after 28 days rather than the full 10 per cent. When that was proven to be incorrect, they then came up with the suggestion that they would increase the maximum rate of rental assistance. This was after these brave heroes had gone to the National Party conference in Tweed Heads and carried a resolution unanimously suggesting that the GST would be removed.

One thing that characterises this debate is that people are prepared to say one thing in their electorate and another when they are in Canberra. In their electorate, they are against the GST; in Canberra, they vote for it and fall into line. After that National Party conference, when the member for Richmond implied that he was prepared to give up his white car to stand up for the residents, he came to Canberra and did nothing. He was silent.

There was a deal forged with the Democrats in June last year around rent assistance. The Democrats and the government boasted that their deal, an extra three per cent increase to the maximum rate of rent assistance bringing the total increase to 10 per cent, would fully compensate mobile home and boarding house residents for the impact of the GST on their site fees. Meg Lees and Andrew Bartlett boasted:

... extra concessions won from government ... represent a marked improvement on the current situation and the package negotiated by the National Party ... Residents of boarding houses and caravan parks include some of the most underprivileged people in our society.

Helen Dickie, the federal president of the National Party, said that the announcement of the extra \$33 million in rent assistance was specifically designed to help those 'living in caravan parks and boarding houses'. John Anderson said:

These measures announced today ... will particularly help renters in caravan parks and boarding houses.

Larry Anthony, never far behind when incompetent statements are being issued, declared:

Relocatable home residents are ensured of fair treatment under the new tax system.

Today we find out the reality. The reality is that, of that three per cent increase, out of the more than 160,000 permanent residents only some 3,955 got a single cent. Ninety-seven per cent of people in this form of accommodation got nothing from the government. What we have found now is that these people are actually going to get a reduction in their rental assistance. People in seats like Gilmore will be angry. They will be angry because they have been misled. It is one thing to do people over and take away money from them; it is another thing to tell them 'We are going to fix you up and give you extra,' and then give them less.

The beauty of this with regard to these residents is that they do have some hope, because the Labor Party is committed to treating them the same as all other renters and removing the discrimination, because it simply has to happen. These people are among the most vulnerable people in our society and to subject them to the government's clawback with regard to rental assistance is simply obscene and a social injustice which should make all genuine representatives in this House very angry and prepared to make representations on behalf of those constituents. Government members have failed but the Australian Labor Party will deliver after the next election. *(Time expired)*