



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

**SOCIAL SECURITY AND OTHER
LEGISLATION AMENDMENT (ECONOMIC
SECURITY STRATEGY) BILL 2008**

Second Reading

SPEECH

Tuesday, 11 November 2008

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Tuesday, 11 November 2008
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Questioner
Speaker Macklin, Jenny, MP

Source House
Proof No
Responder
Question No.

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (5.28 pm)—I move:

That this bill be now read a second time.

The Australian government is responding to the global economic crisis by taking strong, decisive action to strengthen the economy and provide immediate financial support for Australian pensioners and families.

Four million pensioners and two million families will benefit from measures included in this bill—the key legislative component in the government's \$10.4 billion Economic Security Strategy.

It delivers a \$4.8 billion down payment to pensioners in the lead-up to comprehensive reform of the pension system to give them long-term security and certainty.

The bill provides \$3.9 billion to help Australian families—recognising that global difficulties are placing increasing pressure on family budgets already stretched by the rising cost of living.

Payments to pensioners and families will be made over the fortnight starting on 8 December 2008 and most will be made automatically.

The payments to pensioners are an immediate down payment on long-term pension reform. They are intended to give additional support before we make essential long-term reforms in the context of the 2009-10 budget.

These Economic Security Strategy payments will be made to people who received one of a range of social security and veterans entitlements qualifying payments on 14 October 2008 (the date the Economic Security Strategy was announced).

These include people receiving age, disability support, wife, widow B and veterans service pensions; income support supplement; carer payment; and partner, widow and bereavement allowances.

For the first time, disability support pensioners will get a lump sum payment. The government recognises that they are doing it as tough as other pensioners.

People who, on 14 October 2008, were of age pension age and received parenting payment, special benefit, Austudy payment or Abstudy living allowance are also eligible for payments.

The payment will also go to self-funded retirees who, on 14 October 2008, held a current Commonwealth seniors health card, and to holders of the Veterans' Affairs gold card who were also eligible for seniors' concession allowance on that date.

Those pensioners and seniors not actually receiving a qualifying payment on 14 October 2008 will still get the Economic Security Strategy payment if they had claimed the qualifying payment by that date and later have their qualifying payment backdated to cover that date. Similar backdating arrangements will apply for qualifying cardholders.

The Economic Security Strategy payment for this group of Australians will be \$1,400 for singles, \$2,100 combined if both members of a couple receive a qualifying payment and \$1,050 if only one of the couple does.

A separate Economic Security Strategy payment will go to people receiving the non-means tested social security income supplement—carer allowance.

People who were receiving carer allowance on 14 October 2008 will be paid \$1,000 for each eligible person they care for. If the carer allowance for one care receiver is shared between two or more carers, the Economic

Security Strategy payment will be similarly shared. Where receipt of one payment of carer allowance depends on the person providing care for two care receivers, the payment will also be \$1,000.

The bill also provides for Economic Security Strategy payments to deliver immediate financial support to around two million Australian families with dependent children.

A payment of \$1,000 will be made for each child eligible for family tax benefit part A at 14 October 2008. The same \$1,000 payment will be made for each dependent child who, at 14 October 2008, was either eligible for or received youth allowance, Abstudy living allowance or an education allowance under the Veterans' Children Education Scheme or the Military Rehabilitation and Compensation Act Education and Training Scheme.

If any of these qualifying payments for families is shared between two people under the usual rules for that payment, the payment will be similarly shared.

There will be provision for payments for families to be made where the qualifying payment is not actually being received on 14 October 2008 but is subsequently backdated to cover that date. For example, the small number of families who claim their family tax benefit part A annually as a lump sum will get their Economic Security Strategy payment when their 2008-09 income assessment has been finalised and their family tax benefit lump sum is paid.

The bill will make further amendments to allow payments for pensioners, seniors, carers and families to be made with no need for a claim. As well, they will not count as income for social security, family assistance and veterans entitlements purposes, and will be tax free.

The payments will be 100 per cent income managed where an income management regime is in place.

Lastly, the bill will allow the relevant ministers to establish, by legislative instrument, administrative schemes to provide payments in circumstances where the statutory regime does not produce an appropriate result.

Through this bill the government is moving decisively to make the already strong Australian economy more resilient—at the same time supporting pensioners and families through the global financial crisis.

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