



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

**SOCIAL SECURITY AND FAMILY
ASSISTANCE LEGISLATION AMENDMENT
(2009 BUDGET MEASURES) BILL 2009**

Second Reading

SPEECH

Tuesday, 12 May 2009

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Tuesday, 12 May 2009
Page 3543
Questioner
Speaker Macklin, Jenny, MP

Source House
Proof No
Responder
Question No.

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (8.20 pm)—I move:

That this bill be now read a second time.

In this budget, the Treasurer has announced the most significant reforms to Australia's pension system since it was introduced 100 years ago.

The government's secure and sustainable pension reform delivers a simpler, fairer and sustainable pension system to prepare Australia for the consequences of our ageing population.

These long-overdue reforms will improve the adequacy of the pension system, make its operation simpler, and secure its sustainability into the future.

Central to this reform is providing security and certainty for Australia's carers.

Carers make great sacrifices caring for the most vulnerable in our community.

We recognise the selfless contribution made by carers every day of their lives.

And the great financial pressure many of them are under.

As part of the government's secure and sustainable pension reform, 500,000 carers will now have greater financial certainty and the peace of mind that it brings.

Carer payment recipients will receive pension increases of \$32.49 a week for singles on the full rate and \$10.14 per week combined for pensioner couples. A carer payment recipient partnered to a non-pensioner will receive an increase of \$5.07 per week.

And to give carers the financial security they deserve and the capacity to manage their financial circumstances, the government is replacing ad hoc bonuses with a legislated annual supplement.

For too long, carers have been burdened by the uncertainty of not knowing whether they will receive one-off bonuses, making it difficult for them to plan ahead and manage their financial circumstances.

This bill introduces a new payment, called carer supplement, into the social security law. The first carer supplement payments will be made before 30 June this year.

Carer supplement, which is a payment of \$600, will be available to a wide range of carers, including those who are caring for children or adults with disability, as well as people who are caring for veterans with particular care needs. The existing \$1,000 child disability assistance payment will continue to apply for recipients of carer allowance paid in respect of a child.

Carer supplement will be an ongoing payment, guaranteed by this legislation, and will be available each year to eligible carers.

It is intended that the first payments of carer supplement will be made by 30 June 2009, for people who were qualified for carer supplement (as I am about to describe) on 12 May 2009.

On an ongoing basis, from July 2010, a person will receive carer supplement if the person was qualified for, and received, one of the qualifying payments for the payment period, normally a fortnight, that includes 1 July.

Qualification for carer supplement will be linked to receipt of a range of payments made to carers, including carer allowance, carer payment and Department of Veterans' Affairs carer service pension. People who receive

wife pension or Department of Veterans' Affairs partner service pension as well as carer allowance will also be eligible.

A carer who receives both carer payment and carer allowance will receive an amount of carer supplement for each, in addition to increases to their pension.

For example, a single carer who receives both full-rate carer payment and carer allowance will get two carer supplement amounts, totalling \$1,200 plus an annual pension increase of \$1,689, bringing additional permanent increases in this budget to \$2,889 a year.

A couple comprising a full-rate carer payment recipient partnered to a disability support pensioner, for whom the carer payment recipient also receives carer allowance, will receive pension increases of \$527 a year and two carer supplement amounts. This couple will benefit from permanent increases of \$1,727 a year.

The increases to payment rates for carer payment will be introduced by legislation in the coming weeks.

This bill is part of the government's response to the needs of carers and highlights the government's commitment to improving much needed assistance. Expenditure on the new carer supplement will total \$1.8 billion over the budget period.

This bill also contains some of the measures announced in the budget to reform family payments to make them more sustainable for the long term.

This bill pauses indexation of higher income thresholds for certain family assistance payments for three years.

The family tax benefit part A higher income free areas, family tax benefit part B primary earner income limit, and baby bonus family income limit will remain at their 2008-09 levels and indexation will not be applied to these thresholds from 1 July 2009 to 30 June 2012.

Indexation of the thresholds will recommence on 1 July 2012. The indexation of rates for these payments will not be affected by this bill.

The family tax benefit part A higher income free area is the threshold at which the base rate of part A begins to reduce. Families above this threshold receive a reduced rate of payment until the effect of the withdrawal rate reduces their payment completely. Each family's family tax benefit part A income cut-out depends on the age and number of children. For example, this change means the income limit for part A for a family with two children under 18 will remain around \$112,000 until 2012.

The family tax benefit part B and baby bonus income limits were introduced by the government in the 2008 budget.

The income limit for family tax benefit part B was set at a generous \$150,000 per annum while the baby bonus income limit was set at a comparable \$75,000 in the six months following birth (or following commencement of care by an adoptive parent or a long-term carer). Individuals or families with incomes above these limits are not eligible for the respective payment.

These measures will limit the growth of family payments to families at the higher end of the income scale and save \$1.4 billion over the forward estimates. I commend the bill to the House.

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