



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

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

Second Reading

SPEECH

Wednesday, 13 May 2009

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Wednesday, 13 May 2009
Page 3629
Questioner
Speaker Macklin, Jenny, MP

Source House
Proof No
Responder
Question No.

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (10.28 am)—in reply—Last night the Treasurer announced the government's secure and sustainable pension reforms as a central part of the 2009-10 budget. These are the most significant reforms to Australia's pension system since it was introduced 100 years ago and deliver a simpler, fairer and sustainable pension system to prepare Australia for the consequences of our ageing population. The government is certainly very proud of these reforms. They are long overdue and will both improve the adequacy of the pension system and secure its sustainability into the future.

The Social Security and Family Assistance Legislation Amendment (2009 Budget Measures) Bill 2009 is the first of our budget bills that implement this pension reform package. The bill gives security and certainty for Australia's carers. The government certainly recognises the selfless contribution made by carers every single day and, also, the very significant financial pressure many of them are under. Australia's 500,000 carers will now have greater financial certainty because the government is replacing the ad hoc bonuses which existed in the past with a legislated annual supplement.

The bill introduces a new payment, called the carer supplement, into the social security law. The first carer supplement payments will be made before 30 June this year and on an ongoing basis from July 2010. Carer supplements will be ongoing payments. They are guaranteed by this legislation and will be available each year to eligible carers on carer allowance, carer payment and the Department of Veteran's Affairs carer service pension. A carer who receives both carer payment and carer allowance will receive at least two payments every year in addition to increases to their pension.

This bill is part of the government's response to the needs of carers; it 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. These are very big reforms and, of course, we need to help pay for them. The bill also contains some of the savings needed to make these reforms affordable and sustainable. The 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 will not have indexation applied to their thresholds from 1 July 2009 to 30 June 2012. Indexation of the thresholds will recommence on 1 July 2012. These measures will limit the growth of family payments made to families at the higher end of the income scale and save \$1.4 billion over the forward estimates.

I am pleased that the opposition are supporting the bill and I hope that they will support the rest of the government's secure and sustainable pension reform package and the tough savings that are necessary to pay for that pension reform. Australia's pensioners, carers, veterans and people with disabilities need that certainty. I thank the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.