



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**Federation Chamber**

**BILLS**

**Social Security Amendment (Supporting  
More Australians into Work) Bill 2013**

**Second Reading**

**SPEECH**

**Thursday, 6 June 2013**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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**Questioner**  
**Speaker** Andrews, Kevin, MP

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

**Mr ANDREWS** (Menzies) (13:02): I rise to speak on the Social Security Amendment (Supporting More Australians into Work) Bill 2013. This bill seeks to amend the Social Security Act 1991 to introduce amendments to provide additional support to single parents who are transitioning to work or undertaking other related activities. The amendments also provide unemployed Australians the opportunity to earn more before their income support payment is affected.

This bill at its heart attempts to undo some of the damage which Labor has done in their callous attack on single parents and their attack on the household budgets of many single parents. When the former coalition government undertook welfare reform, we acknowledged that there was an upfront investment required. In fact, we spent several billions of dollars when we undertook the social security changes 2004-05, including funds to assist those people who were affected. To recap, in those changes the Parenting Payment recipients who were at that stage on Parenting Payment were left in the system on the understanding that over time when their youngest child turned eight they would effectively wash out of the system. For people who had not had a child at that stage but who were coming into the system then the changes were made that prospectively when their youngest child turned eight then they would move from the Parenting Payment to Newstart. What has happened here is to take that existing stock of people and effectively say to them, 'Now, all of a sudden, from a certain date you're on Newstart'—instead of on the Parenting Payment without any corresponding contribution to their household budgets and indeed with a reduction in the funds available for funding. No wonder there was an outcry from the community, particularly from those who were affected by the change. The approach was to drive a wrecking ball through household budgets to create uncertainty and to try to return people to the workforce without any training funding and without any funds available to those people to boost their skills or qualifications. So this bill is a response to the outcry that occurred over that decision by the government—a decision that was taken, basically, because of the parlous state of the Commonwealth finances.

This bill includes three measures. The first measure would increase the income-free area that applies to recipients of Newstart allowance, widow allowance, partner allowance, parenting payment partnered and sickness allowance. The income-free area is the amount of ordinary income that an income support recipient is able to earn in a fortnight before the rate of payment of their various allowances is affected. The income-free area for these payments will increase from \$62 to \$100 per fortnight. This will allow recipients to earn some additional income before their payment rate is affected. The change to the income-free area will take effect from 20 March 2014. The income-free area will also be indexed to the CPI from 1 July 2015.

The second measure would extend the eligibility for the pensioner education supplement to single principal carer parents receiving Newstart allowance payments. This extension will begin on 1 January 2014 and will be available to eligible single principal carer parents undertaking approved education and training courses. The pensioner education supplement is paid at the current full rate of \$62.40 per fortnight or the current concessional rate of \$31.20 per fortnight, depending on a person's study load.

The third measure would provide a 12-week extension of eligibility for the pensioner concession card to single parents who no longer qualify for the parenting payment single because their youngest child has turned eight years of age and they do not qualify for another income support payment due to earnings from employment. The pensioner concession card provides a range of concessions to holders for services at Commonwealth, state and local government level, including for medical services, transport, telephone utilities and rates. Consistent with current arrangements, a person would remain qualified for the pensioner concession card until the extension period of 12 weeks expired, the person died, they moved permanently overseas or until they started to receive an income support payment for which the concession card is available. This measure will commence from 1 January next year.

This bill is typical of a chaotic and dysfunctional government. On one hand, they make a decision which is a direct hit on single parents; and then, when they realise the community is outraged by this proposition, they rush

to try and fix the problem, including the problem with this bill—but of course they cannot. The reality is they have no money to fix the problem, so the solution is to effectively allow people to work one minimum shift of three hours at the minimum wage on top of the hours they can currently work and remain on their benefit. Let me repeat that: what this bill does is allow people to work one minimum shift of three hours at the minimum wage on top of the hours they presently work, and that is meant to make up for the hit, which is the reduction in the amount they would have received under the parenting payment compared to what they receive under Newstart.

**Mr Broadbent interjecting—**

**Mr ANDREWS:** That is right: a very large number of these people are not in that situation, as the honourable member for McMillan points out. This is trying to play catch-up in response to an outraged section of the community who are concerned about this matter and who would share the view, I believe, that this hardly represents a government that is committed to social justice for the most vulnerable members of our community.

We are in a difficult situation because of the financial mess that this government has left the country in, with deficit after deficit, year after year, and an increasing Commonwealth debt. We did not do this when we made the changes a decade ago. We knew that these people would wash out of the system, and that was the most effective and fair way to deal with it. But, given the parlous state of the Commonwealth's finances, we will not oppose the bill.