



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**BILLS**

**Social Security Legislation Amendment  
(Fair Incentives to Work) Bill 2012**

**Second Reading**

**SPEECH**

**Thursday, 28 June 2012**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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**Questioner**  
**Speaker** Neumann, Shayne, MP

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

**Mr NEUMANN** (Blair) (10:47): I have absolutely no hesitation in supporting the Social Security Legislation Amendment (Fair Incentives to Work) Bill 2012 at all. Like many in this place I lived in a single parent family and grew up in grinding poverty. The Labor Party is the party of work, not of welfare. The opposition should hang their heads in shame at some of the speeches we have heard from them today. Look at the record of the Howard coalition government. No-one could have been more vicious and demeaning to single parents in this country than the Howard coalition government. They stripped them of their unemployment benefits when they would not turn up, with reasonable excuses, to job application interviews. The way they treated single parents! Don't listen to what they say; look at what they did.

Here today on this legislation we hear the sanctimony and the uncton from those opposite in relation to this. If they do not support this legislation, they are adding to their \$70 billion black hole by about \$684 million. Where were those opposite in terms of our assistance we have given to single parents? Where were they on so much of the legislation being passed by this side of the House to help single parents, jobseekers, families, pensioners, low-income earners and nil-income earners in this country? There is a plethora of it. But those opposite come in here and criticise us about this.

Those members opposite who have come into this place and have criticised us about this particular legislation should hang their heads in shame. Where were they on the Paid Parental Leave scheme that helps so many parents? For 11½ years they did nothing. Where were they when we lifted the tax-free threshold from \$6,000 to \$18,200? Where were they in relation to so many other pieces of legislation—to the 23,500 pensioners in my electorate who got increased assistance recently? Where were they when we increased the family tax benefit A and family tax benefit B? Where were they when we increased the childcare rebate from \$4,354 under them to \$7,500—and we made it payable periodically? Where were they in terms of the \$3 billion jobs and skills package that we put in? Where were they in relation to all of this?

Those people opposite that now criticise us in relation to getting rid of the grandfather provision were the ones that brought it in the first place when they were in power and sitting on the side of the chamber. So don't give us lectures about us being mean and heartless and not caring. I am sick of it. I am sick and tired of those opposite doing one thing in government and saying another thing when they are in opposition—saying one thing here and getting back in their electorates and claiming credit for all these things when in fact they vote against them here. We are providing a mountain of assistance to those people seeking jobs around the country. I will get onto that in a minute.

There are three aspects to this particular legislation. The first aspect deals with the issue of grandfathering, removing the grandfathering provisions that apply to parenting payment recipients who have been receiving payments since before July 2006. People should be treated the same, whenever their children are born. The change will take effect from 1 January 2013. By way of background, it was the Howard coalition government that introduced these new income support arrangements for parents with dependent children as part of their Welfare to Work reforms. Let us remember that when they criticise us about what we are doing. From 1 July 2006, new recipients of the parenting payment could only claim the payment when their youngest child turned six, if they were partnered parents, or eight, if they were single parents. Prior to that, of course, it was until their youngest child turned 16 years of age. So there was a grandfather provision in the payment, and with this bill we are getting rid of the provision. With this bill, we will save \$685.8 million over four years. If those opposite now criticise us and vote against the bill, which services to education and which roads do they want to get rid of, and what cutbacks do they want to make for families? Mr Shorten, the Minister for Employment and Workplace Relations and Minister for Financial Services and Superannuation, in his second reading speech on this bill said that the changes to parenting payments will encourage parents with school-aged children to re-enter the workforce sooner and ensure a fairer and more consistent set of parenting payment eligibility rules. I think he is absolutely correct.

The OECD economies of the Americans, the Brits, the Canadians and the New Zealanders are the economies we usually compare ourselves to, since we like them have an advanced Western economy. Across the OECD, more than 60 per cent of single parents are in work, but in Australia about 50 per cent are in work. In January 2012 in Australia, there were more than 630,000 families which had dependent children and which were on income support. About 41 per cent of them—that is, 258,000—were jobless families with no reported income in the previous 12 months. Of these jobless families, 85 per cent—that is, 218,000—were single-parent families. We know that, where there is joblessness and poverty, there are also poorer health outcomes for children, intergenerational poverty, low aspiration, low self-esteem, crime, dysfunction, impairment of social inclusion and no participation in civic life.

We believe that we need to lift the rate of job participation in single-parent families to give kids a chance and a start. We think that that is really important. When someone in the home is participating in society—working as an administration officer, attending P&C meetings, coaching soccer, attending the local church or whatever—they are a good role model for their children. In addition to having role models and getting rid of poverty and disadvantage, it is important to increase the economic development and prosperity of our country. If we can get more people participating not just in civic life but also in economic life in this country, we can do better—and it is important that we do better. My comments here are backed up by an OECD report of 2007 called *Intergenerational transmission of disadvantage: mobility or immobility across generations? A review of the evidence for OECD countries* and by another OECD report of 2011, *Doing better for families*. The latter report says, 'Non-employment is the single biggest risk factor for poverty.' If we condemn a generation of young people in this country to disadvantage, we will keep them in a position where they have no aspirations—no desire to do better.

I grew up in a working-class home in Ipswich in poverty and disadvantage. But I saw the benefit of education and the benefit of what my parents offered me as role models and hard workers, and I thank them for it. Too often parents do not act as role models and do not work hard, and it is important that we foster positive behaviours and attitudes to work. I have no compunction about supporting this bill, which fosters just these things, even though those opposite have criticised us. We are putting enormous resources into eliminating disadvantage, and to do so we are working with the states through the COAG process. In the 2011-12 budget we announced the Building Australia's Future Workforce Package, which is tied in many ways to the bill we are talking about today and to government policy in general. We passed the legislation that brought in the Building Australia's Future Workforce Package, and through that package we are assisting people. No government has put more money or more resources into assisting people to overcome disadvantage—across the forward estimates we have put \$3 billion into doing so. Also, we are increasing the amount that a single parent who transitions to Newstart allowance can earn before losing the benefit. We are increasing the taper from between 50c and 60c in the dollar to 40c in the dollar so that they can keep more money. We will also allow them to earn more than \$400 a fortnight extra before losing income support, and this will be effective from 1 January 2013. So much for heartlessness and not caring! We are allowing people to earn more money before they start losing the welfare which is important to them as they transition into employment.

The \$1.75 billion national partnership agreement which we achieved with the states in April this year introduces the entitlement of all working age Australians to access a government-subsidised training place to gain qualifications for their first Certificate III, including foundational skills or lower qualifications within the Certificate III. This will allow the person to gain skills which will put them in a better position in the marketplace to gain employment. This is what this government has been doing. The assistance we are providing is very considerable. The unemployment rate around Australia is just over five per cent. It has been at 4.9 per cent; now it is about 5.1 per cent. In my region it is about 4.6 per cent, and that is directly as a result of the very strong investment that this federal Labor government has put into the Ipswich and West Moreton region and the Somerset region. It is assistance that we have provided—which has been opposed in large part—for infrastructure projects across my region. There are many, many projects, including BER projects and the Ipswich Motorway upgrade, where people in single households have got jobs as a result of the infrastructure this government has put in place and funding which has been opposed steadfastly by those opposite, just as they opposed the schoolkids bonus of \$410 for each child in primary school and \$820 a year for each child in secondary school for thousands and thousands of single parents across the country. So it is a bit rich and a bit galling for those opposite to criticise us about these issues.

The other aspects of this legislation, the liquid assets waiting period amendments, amend the social security legislation, doubling the current maximum reserve amounts for the liquid assets waiting period from 1 July 2013.

The member for Shortland outlined something in relation to that. Currently the maximum reserve amounts for liquid assets for new claimants of Newstart allowance, sickness allowance, youth allowance or Austudy are \$2,500 for single people and \$5,000 for partnered people or parents of young children.

The final aspect of this legislation deals with measures announced in this budget. The measures redefine termination payments, making sure that payments to employees in respect of termination of their employment, representing an amount that would otherwise have been received as wages if employment had continued, are included for the determination of the income maintenance period.

This is legislation in the best interests of the budget, the economy, society and the families we urge to seek employment for the benefit of themselves and their children.