



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**BILLS**

**Social Security and Other Legislation  
Amendment (2012 Budget and  
Other Measures) Bill 2012**

**Second Reading**

**SPEECH**

**Thursday, 24 May 2012**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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# SPEECH

**Date** Thursday, 24 May 2012  
**Page** 5473  
**Questioner**  
**Speaker** Macklin, Jenny, MP

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

**Ms MACKLIN** (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (09:55): I move:

That this bill be now read a second time.

This bill introduces several measures from the 2012 budget and some other amendments to family assistance and child support provisions.

## **Income test exemptions for WA seniors**

The first of the budget measures will provide a permanent exemption from the social security and veterans' entitlements income tests for the Western Australian government's Country Age Pension Fuel Card and the Cost of Living Rebate Scheme.

The Country Age Pension Fuel Card scheme provides a card for eligible people living in country areas of Western Australia to purchase fuel and taxi fares, worth \$500 a year for single people and for couples. The Cost of Living Rebate Scheme provides an annual payment to help with cost-of-living pressures for holders of a Western Australian seniors card. In 2012, the payment is \$155.25 for single people and \$232.90 for couples.

The Australian government previously exempted the value of the WA Country Fuel Card and the Cost of Living Rebate Scheme from the social security and veterans' income tests up till 30 June 2012. This exemption has operated for the last three years and ensured that people benefiting from the schemes did not have their income support payments reduced under the means tests.

The exemption is due to end on 30 June 2012.

This bill now makes that exemption permanent, so eligible people can have confidence in the long term that their income support payments will not be reduced because of benefits received through either Western Australian scheme.

This Australian government exemption will benefit around 13,000 recipients of the WA Country Fuel Card and around 60,000 recipients of the Cost of Living Rebate Scheme who are in receipt of a social security or Veterans' Affairs income support payment.

## **Portability of income support and family payments**

In a further budget measure, the bill tightens the rules for people who travel overseas while receiving income support payments and family payments.

From 1 January 2013, the length of time that people on most income support payments will be able to be overseas, and continue to receive payments, will be reduced from 13 to six weeks.

Many Australians have strong family and friendship connections overseas and it is appropriate to provide a limited portability period for government welfare payments.

However, we believe that people of working age should be in Australia participating in the community and preparing to return to work if they can.

Six weeks is a reasonable period of time for an Australian resident to manage family or personal matters that may arise from time to time overseas and have their overseas stay funded by the Australian taxpayer.

There is also discretion to extend portability periods in genuine exceptional circumstances, such as when a person falls ill overseas and cannot return.

Family tax benefit part A will continue to be paid for up to three years but will reduce to the base rate at six weeks, rather than at 13 weeks under current rules.

This change does not affect age pension or disability support pension recipients who have been assessed under new rules from 1 July 2012 as having a severe and permanent disability and no future work capacity. Some payments such as special benefit and Newstart allowance do not have general 13-week portability. They can currently only be paid outside Australia in limited and defined circumstances such as attending an acute family crisis or legal proceedings overseas. These payments will now only be payable for a maximum of six weeks.

The bill also makes complementary amendments to the rules relating to waiting periods to receive some payments.

#### Family tax benefit part A eligibility

As also announced in the budget, the bill limits family tax benefit part A to children aged under 18.

Families of children aged 18 and 19 who are studying full time may continue to get the payment until the calendar year in which they complete secondary education or equivalent vocational education.

This government is ensuring that the family payment system helps low- and middle-income families with the costs of raising children when they are young and while they are at school.

We believe that young people (over the age of 18) leaving high school should embrace the opportunities that come from further education or getting a job.

That is why we think it is reasonable that family assistance stops when a young adult turns 18 and leaves school.

Of course, youth allowance is available to young people if they need financial support while they are studying or looking for work.

This government understands the costs of raising children. That is why we have already delivered up to \$4,200 extra a year to family tax benefit families with teenagers aged 16 to 19 who are in full-time secondary school or equivalent vocational education.

And of course our new schoolkids bonus—already passed by this parliament despite attempts by those opposite to block it—and the further family tax benefit boosts that are part of this budget, will continue to help families to make ends meet.

#### Non - budget amendments

The bill also makes some other minor non-budget amendments.

An amendment will clarify existing policy in relation to the low-income supplement, part of the government's Clean Energy Future Household Assistance Package.

This bill will ensure that family tax benefit households will qualify for a payment of low-income supplement where a person has a family tax benefit child for 39 weeks or more during the year, where both partners have a notional tax liability of less than \$300 a year, and where the person meets the other qualification conditions for the low-income supplement.

Another minor amendment in the bill corrects an inequity in the family tax benefit part A rate provisions concerning whether reasonable maintenance action is considered to have been taken in certain cases in which child support is privately collected.

A further amendment will allow a person's percentage of care for child support and family tax benefit purposes to be based on the actual care of the child immediately, rather than following a 14-week delay that applies currently

when there is a change in care that departs from a formal care arrangement. This amendment will apply only in special circumstances, such as where there is evidence of violence or other unusual behaviour.

The bill will also clarify in the child support legislation the authority for the practice of automated decision-making using computer programs.

I commend the bill to the House.

Debate adjourned.

Ordered that the second reading be made an order of the day for the next sitting.