



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**BILLS**

**Family Assistance and Other  
Legislation Amendment (Schoolkids  
Bonus Budget Measures) Bill 2012**

**Second Reading**

**SPEECH**

**Wednesday, 9 May 2012**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

**Date** Wednesday, 9 May 2012  
**Page** 4243  
**Questioner**  
**Speaker** Macklin, Jenny, MP

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

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**Ms MACKLIN** (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (09:26):

I move:

That this bill be now read a second time.

This bill delivers on the government's announcement of a new payment for families to help with the costs for children in school.

It is part of this Labor government's commitment to helping Australian families make ends meet.

And it shows our determination to continue supporting low- and middle-income families as we return the budget to surplus.

Our economic fundamentals are strong, unemployment is low and we are in the middle of a mining boom but we do recognise that it is not everybody's boom.

We understand that many working Australians are struggling to balance the family budget. For many families, the extra costs of sending children to school and giving them a great education can add to this pressure.

So that is why, from 1 January next year, the government will deliver a new payment to around 1.3 million Australian families with kids in school.

This payment, the schoolkids bonus, will be paid to the families of around 2.2 million children in primary and secondary schools across the country.

The schoolkids bonus will be delivered as an up-front payment to families in two instalments each year, before term 1 and term 3, to help them cover the costs of their child's education.

Expenses like school uniforms and school shoes, textbooks, camps, excursions as well as extracurricular activities, such as music lessons.

Eligible families will receive a total of \$410 a year for each child in primary school, and \$820 a year for each child in secondary school.

The schoolkids bonus will replace the education tax refund in 2013, and this bill also removes the education tax refund for 2011-12 from taxation legislation.

For many families with children in school, the education tax refund has made a big difference. However, we know that many families are not experiencing its full benefits.

This is especially the case for working families on low incomes—it is simply too tough to pay the school expenses first and then wait months, or even a year, to get 50 per cent back. For busy families it can also be hard keeping track of receipts and then filling out all the paperwork at tax time.

Last year more than 80 per cent of families did not claim the full amount they were entitled to. About 20 per cent did not claim a refund at all.

In total around one million Australian families are missing out on the full benefit of the education tax refund.

This Labor government wants to change that.

This is the right time to turn this assistance into an upfront payment, with the 1 July 2012 increase to the tax-free threshold meaning that more than one million people will no longer need to do a tax return.

The new schoolkids bonus will make sure that all eligible families get their full entitlement, not just those who can afford to spend the money upfront and claim later.

The schoolkids bonus means more support for families with kids in school.

It means not having to wait months to get something back.

It means not having to collect a pile of receipts or fill out that extra paperwork at tax time.

Paid in full and upfront, the schoolkids bonus means working families get the support that they need, when they need it.

It is money in your pocket—and new support from the Gillard government.

It is support that is there before the costs start rolling in.

It is extra support for more than one million Australian families who have missed out in the past and can now get every cent they deserve.

The schoolkids bonus will be available from 2013 to families receiving family tax benefit part A plus young people in school receiving income support payments such as youth allowance, ABSTUDY, disability support pension and veterans' educational allowances, on the eligibility test date.

Families will only need to notify Centrelink when their child first starts school so that the payments can begin.

After that the bonus is automatically paid in January and July every year if they remain on the relevant linked payment such as family tax benefit part A.

Parents will also need to let Centrelink know when their kids go to high school so that they can move on to the higher payment.

The government is delivering this new support because we know it can be tough to make ends meet, particularly when you are trying to get your kids through school.

Uniforms, school shoes, textbooks, excursions are not cheap. I think all of us know that the cost can quickly add up. When the schoolkids bonus begins in January next year it will help families relieve some of the pressure on the household budget.

We do also know that many families are feeling the pinch right now—and need a bit of extra support right now.

So as we transition to the schoolkids bonus we want to do what we can in the next few weeks to make sure that we are looking out for low- and middle-income families who are finding it tough to keep up.

This bill creates a one-off transitional payment called the ETR payment which will pay out in full the education tax refund to all eligible families for 2011-12.

This means families will receive their full education tax refund entitlement for the 2011-12 tax year ahead of tax time. So parents will not have to worry about keeping receipts or making claims when they do their tax this year.

The one-off ETR payment will be \$409 for a child in primary school and \$818 for a secondary school child, the same maximum amounts that would have been available in the 2011-12 tax year. A family with one primary student and one secondary student will get more than \$700 extra on average this year.

All 1.3 million families will get the maximum amount they are entitled to for the first time and all will get their payments earlier.

They will not have to collect their receipts and they will not have to fill out that extra paperwork at tax time.

This lump sum payment will be paid to all families entitled to family tax benefit part A on 8 May this year for a school-aged child as well as to young people in secondary education who are receiving certain student income support payments on 8 May.

A similar ETR payment will be provided through amendments to Veterans' Affairs legislation for recipients on 8 May of payments under the Veterans' Children Education Scheme or the Military Rehabilitation and Compensation Act Education and Training Scheme.

The bill will also create an administrative scheme for the ETR payment which will assist people who may not be able to access an appropriate ETR payment under the family assistance law or veterans legislation; for example, a parent who was automatically paid the primary school rate for a child who is actually in secondary school.

In a tough environment this government is making the hard decisions as we return to surplus.

But we are a Labor government, driven by Labor values.

Labor will always stand up for Australia's low- and middle-income families.

Families who do their very best with what they have got.

Who do not ask for much and who deserve a bit of extra support.

It is our job to make sure that those families who need that extra help are getting it, and that is what this government's schoolkids bonus will do.

Labor will always work to ensure that Australian families, particular those putting their kids through school, have a support that they need to make ends meet. I commend the bill to the House.