



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** 4253  
**Questioner**  
**Speaker** Hayes, Chris, MP

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

**Mr HAYES** (Fowler) (10:06): I listened to the contribution from the member for Menzies on the Family Assistance and Other Legislation Amendment (Schoolkids Bonus Budget Measures) Bill 2012. I will not denigrate the debate by resorting to political spin, as he chose to do, particularly in his concluding remarks, but I would say that what the contribution the member for Menzies actually does bring to this debate is the difference in the approach of a government that is committed to looking after low- and middle-income families and the approach of those who simply think that those families may not be the people who are the primary concern in their electorates.

My electorate is probably vastly different to the electorate represented by the honourable member for Menzies. My electorate is the most multicultural electorate in the whole of Australia, according to the ABS. My electorate also is somewhat distinguished from other electorates—and particularly that represented by the member for Menzies—in that it is the second lowest when it comes to socioeconomic standing in this country. In other words, the electorate I have the honour to represent is an electorate of great need. It has significant disadvantage, and as a consequence we are obliged to look at people who are falling through the cracks, who are missing out.

This measure that is being introduced goes right to the heart of that. Those opposite have indicated that they are going to oppose this bill. I do not mind that; I am actually proud. This is a genuine Labor initiative—looking after low- to middle-income people. The argument of those opposite—if you cut through what the argument was—was that if you give people money upfront they are going to go to the pub and literally pass it over the wall. That really shows a great difference in approach.

The government will provide \$2.1 billion over the next five years for this new schoolkids bonus to provide guaranteed support to families to help with the cost of their children's education. This will replace the education tax refund, which is currently available as a tax refund offset. The schoolkids bonus will be made in two equal instalments—in January and July of each year—commencing from 1 January 2013. As a transitional arrangement, the educational tax refund in 2011-12 will be replaced by a one-off payment to eligible families in June this year. Making these payments automatic will increase the assistance to many eligible families currently missing out on the education tax refund. This bill that the minister has just brought before the House introduces the new payment for family assistance which will commence on 1 January 2013. The payment will provide direct assistance to eligible families with children in school and will be paid through the family benefits scheme. The payments of \$410 per child in primary school and \$820 per child in secondary school will be made twice each year.

I have spoken a little bit about the electorate that I have the honour to represent. We need to put in context not only what the value of the educational tax refund was but also the fact that it was probably underused. Like every member here, I imagine, I regularly conduct mobile offices. As I indicated, I have a very multicultural electorate. I am very fortunate to have both Vietnamese and Chinese speaking staff and so when we get out there we can engage directly with people. About six weeks ago we were doing a mobile office in Cabramatta park and a Vietnamese gentleman came up and started talking to us and asking what we were doing. We discussed a range of things and we spoke about his kids. He had two children with him and we asked him what he got out of the education tax refund. He said, through the interpreters, 'No, Sir, I am not entitled to that.' He was very, very embarrassed because he could not find a job. This man, whose English was not good and who was certainly struggling to provide for his children, thought that he was not entitled to the education tax refund because he did not have a job and he did not pay tax. He did not understand that you could submit your receipts and claim the money back. That was the experience we heard from one man who fronted me six weeks ago.

Since then we did a bit of hunting around some of the local statistics in that regard, and I have actually discovered that, of all the eligible families in my electorate, 10 per cent have not claimed the education tax refund. That is a lot of low-income families that are missing out. They, like that gentleman, did not understand that they were entitled to the education tax refund, that it is a provision designed to assist in the education of their kids.

When people stand up and give us a lecture and say that if we give people the money upfront, when they need it, to be spent on their kids' education—whether it be for uniforms, books, computers, tuition, music lessons et cetera—they will go to the pub with it, what does that say to the people I represent? I know that a lot of people I represent work two and three jobs to pay for extra tutoring for their children. The Vietnamese, in particular, understand that the difference between success and otherwise in a modern society is education. I see firsthand these families who are struggling but who go out of their way to invest as much as they can in their child's education.

If those families are listening to the debate today, I wonder how they would take the fact that those opposite think that whatever we pay them will simply be expended at the local hotel or club? I wonder what they would think that says about the level of trust placed on how they raise their families? They are very good parents. They love their kids dearly and, above all, they know the benefit of education. As a matter of fact, of all the schools I visit, the schools attended by Asian children—whether Vietnamese, Cambodians, Chinese or from Laos—the teachers tell me that they feel that they work in partnership with parents because, as I said, these parents understand the value of education.

This money is going to go to them twice a year, not after they have expended it but when they need it the most. They will have this money when they need to commit to send their kids to an excursion or when they need to purchase school uniforms, textbooks or computers. It will help to ensure that their kids are able to be totally included in the education system, in the same way as every other kid out there. That is all kids, including those represented by the member for Menzies and those opposite. I see the need of people in my electorate. The other side do not represent those people, and maybe they are not high on their agenda, but these are real people making a real contribution. What is more important than the next generation—what these kids are going to do for our country, our economy and our productivity?

This schoolkids bonus will not change the method of calculating the education tax refund but it will ensure that people get it. It will put it into their accounts as opposed to people going out of their way to maintain receipts, hoping they have got them and using them every tax year. People I have personally spoken to believe that because they do not pay tax they are not entitled; that is why 10 per cent of my electorate has not claimed the educational tax refund. My electorate is probably the second-most disadvantaged in the whole of Australia and yet 10 per cent have not done that. Above anything, I would ask members to think about that—about the people that I represent in an electorate which is significantly disadvantaged. This is directly doing something for them and their children.

Much has been made of bringing the budget back into surplus. Clearly the Treasurer's speech did not impress those opposite last night because he actually did it: he has brought down a budget that is going into surplus. I recall the comments of the shadow Treasurer not all that long ago. His rhetoric has changed considerably over the last six months. It went from, 'We'll get back into surplus before Labor will get back into surplus,' to the last position he had—that is, that getting back to surplus was an aspiration: 'No great plan for it.'

There has been a litany of things that those opposite have failed to have any regard for in their contributions about budgetary matters. I cannot for the life of me recall that at any stage, during any economic debate, any of those opposite even vaguely mentioned the world financial crisis. It is as if it did not happen. When most European states at the moment have a sovereign debt of 80-plus per cent of their gross national product, when their unemployment rates are over 10 per cent, when the United States' unemployment rate is about 8½ per cent, Australia is a standout economy. Those opposite certainly no longer mention the International Monetary Fund, mainly because it has credited the Australian government's move to bring this budget back to surplus in such a timely way. Nor have those opposite mentioned similar positive comments made by agencies such as Standard and Poor's. In any economic contribution, they are going to completely ignore the fact that, despite the challenges we have faced leading up to this budget, Australia has now received AAA status from every rating agency for the first time in its history—never before.

What we are doing through this budget is placing downward pressure on interest rates. We are creating an incentive for the Reserve Bank to again reduce interest rates. I would not expect those opposite to acknowledge it but the recent 50 basis point adjustment by the Reserve Bank, which is being taken up in dribs and drabs by other banks, has had a huge impact on my electorate. My electorate might be the second-most disadvantaged in the country, my electorate might be the most multicultural in Australia with 50 per cent of my electorate born overseas, but one thing my electorate really strives hard to do is participate in private housing. When they got that rate cut it went down very significantly for families who work so hard to look after their kids. This is another initiative by federal Labor to do the exact same thing. Without increasing any inflationary aspect, without making

any adjustments to the calculation of the education tax refund, we are moving in such a way as to ensure that all those families that are entitled to it for their kids will get it.

I ask those opposite who are going to participate in this debate to understand that in my electorate, an electorate of great need, to date 10 per cent of families who are eligible for the education tax refund have not claimed it. This is for a range of different reasons, but many just did not think they were entitled to it. This will be well-received by them and I can assure those opposite there will be no issue of it finding its way into local clubs, poker machines or the front bar of some establishment, as the member for Menzies indicated; this will go to looking after their children. *(Time expired)*