THE SENATE

1998 BUDGET MEASURES LEGISLATION AMENDMENT (SOCIAL SECURITY AND VETERANS' ENTITLEMENTS) BILL 1998

Second Reading

SPEECH

Thursday, 3 December 1998

BY AUTHORITY OF THE SENATE
Senator PATTERSON (VIC) (1.28 pm)—I would like to thank all honourable senators for their contribution to the debate on the 1998 Budget Measures Legislation Amendment (Social Security and Veterans' Entitlements) Bill 1998 which will implement a number of the government's 1998 budget initiatives for the now family and community services portfolio, previously the social security portfolio. I would like to compliment Senator Newman on the bill because it addresses a number of issues that have been of concern.

One of the issues that I have been most interested in is the extending of the Commonwealth seniors health card to an additional 220,000 self-funded retirees of age pension age who are not receiving a pension because their assets are above the cut-off and whose taxable income is less than $40,000 for a single person and $67,000 for a couple.

I want to remind honourable senators that we inherited from the Labor Party the difficulty with eligibility for the Commonwealth seniors health card. I think a number of times when I was on the other side of the house I raised the difficulty facing people applying for the seniors health card, and that concern has been vindicated because the current take-up rate for the seniors health card is only 15 per cent of the estimated 240,000 people potentially eligible.

Cardholders and retiree groups have claimed that the reason the take-up was so low is that the application process for a seniors health card was far too complex and intrusive compared with the benefits received. Removal of the complexity and intrusiveness of the claim process is expected to increase the take-up of the card by 70 per cent of eligible customers.

That is a good news story. It is good news for older people, many of whom often try to reorganise their finances in order to get a health care card. This will enable many of them to do that. As Senator Bartlett said, many of them are people who have saved and been frugal in order to try to provide for themselves.

Senator Bartlett mentioned that he was concerned about the sustainability of our social security system, and he praised self-funded retirees for taking measures to look after themselves as best they could in their older years. If he is as concerned about the sustainability of our social security system as he claims today, then I would urge him to look very closely at the tax package that was introduced yesterday, because that is about sustainability of our health care services, our social security services and other issues that we need to address in the long term and into the future so that young Australians now will inherit a social security system and a health care system which is affordable.

Another part of the bill contains the sharers rule. This measure will exempt single people who live in boarding houses, hostels, boarding houses and similar accommodation from the sharers rule in recognition that people living in these types of accommodation do not receive the advantages normally received by people living in shared accommodation. The government has listened to those concerns and has acted.

There has also been an extension of the access for fostered children to the health care card. This measure is aimed at encouraging people to foster children by extending the access of fostered children to the health care card. A health care card will be available to foster carers who receive family allowance and who do not normally qualify for the health care card provided that the child being fostered was eligible for a health care card or a pensioner concession card when they were with their original family. It is expected that this measure will benefit about 4,400 foster children.

With regard to the concern that Senator Evans expressed about the issuing of the card, the issuing of the card is an administrative rather than legislative process. Therefore, it can be directed to the child. The concern that he raised is answered by that—it is an administrative process of deciding that the child is eligible for the card.

The other beneficial measurement in this bill is aligning the parenting payment for all foster carers. This is a further measure aimed at encouraging people to foster children, by removing an inequity in access to parenting
payment currently existing in the legislation between single and partnered people. It is expected that around 900 single foster carers will benefit from the abolition of the 12-month waiting period.

This is a good news bill and I have much pleasure in commending it to the Senate. I thank honourable senators for their contribution to the debate.

Question resolved in the affirmative.

Bill read a second time.