THE SENATE

FAMILY ASSISTANCE, SOCIAL SECURITY AND VETERANS’ AFFAIRS LEGISLATION AMENDMENT (2005 BUDGET AND OTHER MEASURES) BILL 2006

Second Reading

SPEECH

Wednesday, 29 March 2006

BY AUTHORITY OF THE SENATE
Senator ELLISON (Western Australia—Minister for Justice and Customs) (7.55 pm)—I thank senators for their contributions to the debate on the Family Assistance, Social Security and Veterans’ Affairs Legislation Amendment (2005 Budget and Other Measures) Bill 2006. Whilst this concludes the second reading debate, the committee stage will follow and there are amendments which have been foreshadowed. In this bill, the government continues its support to family assistance, social security and veterans entitlements customers. Families and Australians helping to support themselves in retirement will particularly benefit from the measures which come from last year’s budget and current initiatives.

Australian families will have higher rates of family tax benefit when the bill increases the lower income threshold for family tax benefit part A from July this year. The current threshold of $33,361 will rise substantially to $37,500. Importantly, the increased threshold will keep its value because it will be indexed annually according to CPI from July 2007. To ensure more families receive the correct payment of family tax benefit and child-care benefit, the bill will introduce an improved way of handling customers’ estimates of income. From July this year, a customer’s income estimate will be updated if the customer has not given Centrelink a reasonable estimate for the current year. Income estimates will be updated at the start of each income year and also in certain circumstances when actual income becomes known for the most recent income year. Customers will still be able to provide a reasonable estimate to be used in their entitlement calculation instead of the automatically updated amount.

The bill makes amendments in two areas relating to child care. Firstly, unused child-care places will be distributed more efficiently by allowing child-care places to be transferred from areas with lower demands to areas where places are needed. Secondly, child-care benefit debts will now be recoverable in the same way as the family tax benefits. In particular, a customer’s child-care benefit debt will be recoverable by applying the customer’s or a consenting person’s tax refund. From July this year, the backdating provisions applying to care allowance will be standardised. It will be possible to backdate a claim for a maximum period of 12 weeks prior to the claim lodgment date.

Australian retirees have benefited from the Australian government’s response to the review of pension provision by small superannuation funds. As part of that response, this bill will now ensure that retired social security and veterans entitlements customers can better manage their own income needs and give greater confidence that they will not outlive their retirement savings. These beneficial amendments are backdated to 1 January this year.

Finally, the bill amends the provisions in social security law and family assistance law that relate to payments being made overseas. This deals with the area of portability. A discretion will be provided to extend the normal 13-week portability period if the person is seeking life-saving medical treatment overseas, or if the person needs to accompany someone who is seeking such treatment, and if the financial assistance is payable for the treatment under the medical treatment overseas program administered by the Minister for Health and Ageing. These are important measures and, of course, this bill reflects the ongoing response by the Howard government in relation to family assistance, social security and veterans affairs. I commend the bill to the Senate.

Debate (on motion by Senator Ellison) adjourned.