

From:
To: [Community Affairs Committee \(SEN\)](#)
Cc:
Subject: Supplementary submission: Social Services legislation Amendment (Family Payments Structural reform and participation Measures) Bill 2015
Date: Wednesday, 25 November 2015 9:52:02 AM

Dear Secretary

I'm forwarding material on behalf of Mr Brian Lawrence, Chair of the Australian Catholic Council for Employment Relations, as a supplementary submission to submission 3 of the Australian Catholic Council for Employment Relations to the Committee's inquiry into the Social Services legislation Amendment (Family Payments Structural reform and participation Measures) Bill 2015.

In the course of the hearing before the Committee last Thursday, Mr Lawrence (at page 27 of the transcript) referred to the claim that the annual supplements were made available for administrative convenience. This was rejected on the basis that, when they were introduced, the annual supplements were intended to be of real and ongoing value and were not made for administrative convenience.

Later in the day the claim was repeated by departmental representatives, at pages 37-8. It was said, for example, that "The purpose of the supplement was to assist families who were having difficulty estimating their income. Over the next few years, that will become less of an issue, and that is the reason for the phase-out of the supplement" (p 37).

In regard to the issue about the nature and intent of the annual payments we would like to draw the Committee's attention to the Second Reading Speech for the Bill that was introduced to give effect to the first of the annual supplements: *the Family Assistance Legislation Amendment (More Help for Families - Increased Payments) Bill 2004*.

The speech was given on Budget night and is at *Hansard*, House of Representatives, 11 May 2004, at pages 28196-8.

We submit the speech supports the contentions made by Mr Lawrence.

The Minister for Children and Youth Affairs, Mr L J Anthony, said:

"The measures contained in this bill and another bill introduced tonight represent the largest package of assistance for families ever. The measures will provide very substantial increases in the level of financial support to families with dependent children as well as giving better rewards from paid work. They will help families balance their work and family responsibilities.

The bills underpin the government's More Help for Families package announced by the Treasurer tonight. The 2004-05 budget measures build on the government's family tax initiative in 1996 and the increased assistance which formed part of a new tax system in 2000.

However, the measures contained in these bills go further. They provide major increases in assistance to help families raise their children. They give better rewards from paid work and will help families balance their work and family responsibilities.

Compared to the situation in 1996, total assistance to families from this government will increase by over \$6 billion a year with passage of this legislation. This bill contains a number of important measures to improve the rewards from paid work and to help families balance their work and family responsibilities.

The changes to family tax benefit part A and family tax benefit part B provide extra

cash for families and improve rewards from work, especially for families on low or middle incomes and for mothers returning to work after having children. When the government came to office, families on average earnings faced effective marginal tax rates in excess of 80 per cent. The introduction of a new tax system saw these effective marginal tax rates reduced significantly. The measures in this bill will reduce them further.

The specific measures contained in the bill are:

- An ongoing increase in the maximum and base rates of family tax benefit part A of \$600 per child, payable as a lump sum when families lodge their tax re-turns for the 2003-04 income year and later years.
 - As well as providing extra assistance to families, this lump sum will be available, if required, to offset any family assistance overpayment that may have occurred during a previous income year.
- A reduction in the rate at which family tax benefit part A is withdrawn from the maximum rate to the base rate, from 30c in the dollar to 20c in the dollar.
 - The lower taper rate will apply from 1 July 2004.

....

The measures contained in this bill will provide significant additional assistance to families. The government has taken significant steps to improve rewards for working families since coming to office. The measures contained in this bill add to this in a major way. Since 1996, the amount of assistance through family tax benefit part A and its predecessors will have increased by over 100 per cent in real terms with the inclusion of the additional \$600 per child per year provided for in this bill. The measures are also a concrete expression of this government's commitment to assisting families with their work and family responsibilities. They provide greater choice for families in balancing their work and family responsibilities, through the new universal maternity payment, which will provide extra support for families with a new baby. In addition, the substantial increase in the level of tax-free assistance for families with dependent children in receipt of family tax benefit part A and the changes to the income threshold and withdrawal rates for family tax benefit part B will mean that couple families can increase their level of paid work without losing entitlement to benefits. I present the explanatory memorandum to the bill."

The link to Hansard is:

http://parlinfo.aph.gov.au/parlInfo/download/chamber/hansardr/2004-05-11/toc_pdf/3352-2.pdf;fileType=application%2Fpdf#search=%22chamber/hansardr/2004-05-11/0000%22

Regards

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