



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**SOCIAL SECURITY AND VETERANS'  
ENTITLEMENTS AMENDMENT  
(COMMONWEALTH SENIORS  
HEALTH CARD) BILL 2009**

**Second Reading**

**SPEECH**

**Monday, 16 March 2009**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

---

## SPEECH

**Date** Monday, 16 March 2009  
**Page** 2699  
**Questioner**  
**Speaker** Robert, Stuart, MP

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

**Mr ROBERT** (Fadden) (6.42 pm)—The Social Security and Veterans' Entitlements Amendment (Commonwealth Seniors Health Card) Bill 2009 will effectively cut 22,000 senior Australians off their concession cards. The member for Blair may well say that he has spoken to those self-funded retirees and elderly people in his electorate and that they understand. May I submit to him and to the House that the majority of seniors are bloody angry.

The Prime Minister did not disclose this to voters before the election. Those voters—those self-funded retirees, those 22,000 Australians—have an absolutely legitimate right to feel ripped off. This is not the only thing that Mr Rudd failed to disclose to voters before the election. He failed to disclose a range of industrial relations instruments whereby union thugs can walk into businesses where there are no union members and demand to see the pay records, the medical records and everything else, just on a whim. That is what Labor failed to disclose to the Australian people. It failed to disclose the \$22 billion in taxes, increased over the forward estimates they put in place in the May budget last year. The Rudd government has failed to disclose an enormous amount.

But this one is very personal. This one is 22,000 more elderly Australians that the Rudd Labor government said nothing to before the election. 'Trust me: I am John Howard lite,' the Prime Minister said. But, when he comes in, what we find is completely different. The Commonwealth seniors health card provides a range of benefits to people who do not qualify for the age pension yet have an adjustable taxable income of less than \$50,000 for singles and \$80,000 for couples. From 1 July this year, this government will change the Commonwealth seniors health card test to include in the income assessment growth income from superannuation income streams with a taxed source and income that is salary sacrificed to superannuation. It will also establish a compliance program to ensure that only people who meet its new guidelines will be entitled to retain the card. It will involve the Australian Taxation Office with Births, Deaths and Marriages for data-matching to further ensure compliance is complete. It will collect tax file numbers for future and existing cardholders, and there

will be an automatic review of the assessable income for cardholders.

The Rudd government were provided with the final report from the Harmer review at the end of February this year, yet they have not released it publicly or outlined their final response. Far from strengthening the financial security of seniors, may I suggest that they are looking to roll back support to seniors. Twenty-two thousand senior Australians will be ripped off because of this government. We are deeply concerned that this is just the first of a range of duplicitous pieces of legislation that this government did not take to the election. They cannot claim the hallowed mantra of 'We have a mandate to do it.' They told no-one and kicked in the back door to put it in.

Let us look at the impact this legislation will have on those 22,000 Australians when it goes through. Under the PBS, Commonwealth seniors health card holders pay \$5.30 per script for prescribed pharmaceuticals. After these changes, 22,000 Australians will pay \$32.90 per script. With the Commonwealth seniors health card, a senior reaches the safety net threshold when they have paid a total of \$318 for scripts. Prescriptions after that are free. Without this safety net, 22,000 Australians will see the threshold rise to \$1,264.90, after which they will pay \$5.30 per script. With the Commonwealth seniors health card, a senior is eligible to receive an annual allowance of \$500 to assist with the payment of essential services for which pensioners are granted concessions. From 1 July, if this legislation goes through, 22,000 Australians will lose this entitlement. Commonwealth seniors health card holders will receive or have received a lump sum of \$500 in the 2008-09 year. If any lump sum payments are to be paid in the future, 22,000 Australians will miss out. Currently, seniors health card holders qualify for a telephone allowance of \$34.60 paid every three months. Twenty-two thousand Australians will now miss out on that allowance.

The seniors health card also allows holders to benefit from a range of concessions granted at the discretion of providers. These include medical bulk-billing and household, transport, education, recreation and entertainment facilities. Twenty-two thousand Australians will miss out on these. The Rudd government are happy to splurge \$10 billion and then \$42 billion, of which some \$23 billion is in a cash

splash; yet at the same time they will take a small amount from 22,000 Australians who can least afford to have it taken. Prime Minister Rudd needs to walk into this House and guarantee that no senior Australian will be worse off because of his pension review or his other changes, such as this legislation, that deal with senior Australians.

The Rudd government's work on this bill stands in stark comparison to what the coalition were able to achieve in the previous 11½ years. In the Howard-Costello years, the government paid off \$96 billion of Labor debt. Included in that was \$56 billion in interest, making the total of that debt \$152 billion. The coalition put aside \$60 billion in the Future Fund—that is \$212 billion—and left behind some \$20 billion in the bank. That is some \$232 billion. And all we have seen so far is the Rudd government looking to raise Commonwealth debt by \$200 billion, plus the Ruddbank will have an initial \$2 billion, and the legislation proposes a further \$26 billion to follow. The comparison is simple: the Howard years paid off debt and put cash in the bank—a total of some \$230 billion. The Rudd government is looking to borrow \$230 billion. That is half a trillion dollars difference between the two sides of this House.

The Howard government worked hard to deliver. It linked pensions to 25 per cent of the male total average weekly earnings, it encouraged retirement savings, it improved aged care, helped older Australians receive more flexible care in their own homes, and it shared the prosperity with older people through lump sum payments. The coalition government improved eligibility for concession cards so that 85 per cent of people over pension age qualified for a healthcare card, a Commonwealth seniors health card or a pensioner concession card. The coalition significantly increased the income limits of the Commonwealth seniors health card in 2001 so that more self-funded retirees were eligible. Due to these measures, around 300,000 people held the Commonwealth seniors health card compared with just 35,000 when Labor left office in 1996. There is half a trillion dollars difference between the performance of the Howard-Costello government and the performance of the Rudd government. Nowhere is this more evident than in the case of the 22,000 senior Australians who are having their concession cards cut off through the miserly measures in this bill.