

MRRT and RELATED MEASURES REPEAL

Minerals Resource Rent Tax Repeal and Other Measures Bill 2013

Submission regarding removal of School Kids Bonus.

I make reference to the table that outlines removal of the school kids bonus as this payment was to made out of the income derived from the MRRT and with this being repealed it is no longer to be paid.

The school kids bonus was merely a restructure of the education tax refund, that allowed parents to claim costs with the annual tax refund. It was funded by the commonwealth prior to the MRRT introduction. It was simply changed from the taxation system to the centrelink system and provided a income test. The income test reduced the overall cost of the scheme by a large margin.

Labor were very public with the announcement of a new payment being the school kids bonus however it was not and never was a new payment.

January is a very tough time for many low income families. Often there is less work over this period with factories closing, many trades having periods of no work. The increasing casualization of the workforce has increased the pressure on families throughout the Christmas period.

Those families of a single parent nature are often left with childcare costs far exceeding the gains from employment income. The length of the school holiday period, coupled with less income for a number of those weeks provides for periods of extreme hardship whilst many other families are on funded holidays. (often parents must still pay childcare fees over holiday periods or else lose the place in the childcare centre and be left on the wait list once holidays are over.)

Then finally school starts again. Many children have grown over this period and the months towards the end of the year.

New uniforms, even of the second hand variety are just another cost that will see many face the choice of not paying an essential item such as rent or power bills, not eating or sending kids to school in uniforms too small, stained or tattered.

The government provides support to the parents and families on a ongoing nature but the one off costs can be very hard to deal with, multiple children and those starting secondary school make these costs much greater for some than others.

The school kids bonus whilst in the tax refund form was often kept by many parents I know and submitted around November so the payment was made in January.

I urge you to reconsider the removal of this payment as it was not entirely costed based upon the MRRT. It was a cost within the tax system for many years prior.

With increasing costs of everything after the carbon tax affecting business for over 12mths it is really needed more. Until the removal effects are visible in the accounting of business which will be many months away costs will still remain high.

If a cash payment is not acceptable could it be a consideration that schools are funded to supply one uniform, being pants, short, shirt and jumper for each low income or welfare dependant family.

Allowing children to not feel so out of place and different in the classroom goes a long way towards removing distractions based upon family status or finances.

Thank you for your consideration in this matter.

Sandra Legro