



PRIME MINISTER

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**SPEECH BY THE PRIME MINISTER
SECOND ANNIVERSARY OF FAMILY ALLOWANCE SUPPLEMENT
QUEANBEYAN - 13 DECEMBER 1989**

Today we are celebrating the second anniversary of the Family Allowance Supplement.

It is one of my Government's truly significant and enduring improvements in social justice, providing tax-free cash assistance to low-income families.

At present, more than half a million families - some 1.2 million children - are being helped with Family Allowance Supplement payments or their equivalent in extra pensions and benefits.

This Federal Government assistance provides a valuable and reliable source of help for families struggling to make ends meet.

Next month we will be lifting the amounts of money to be paid under the Family Allowance and the Family Allowance Supplement.

FAS payments will be lifted to \$24.15 a week for each child under 13 and \$35.25 a week for teenagers aged between 13 and 15.

Because these payments are free of tax they are far more valuable than a wage increase of a similar amount.

To illustrate this point, for a single income family earning \$320 a week with three children the tax free FAS payment of \$109 per week is equivalent to a wage rise of \$167 per week.

I can say with pride - no other Federal Government has ever made such a commitment to Australian families.

But we are not resting on our laurels.

We recognise that more can and should be done to help children and families with children.

Removing hardship is not merely a question of providing security of income but also involves the provision of services by Federal and State Governments and community organisations - services that help children develop to their maximum potential and participate fully in society when they grow up.

It is essential that such services are available, co-ordinated and accessible to the people who need them.

I've been discussing ways we can address this issue with the Australian Council of Social Service.

And I have this week written to each of the State Premiers inviting their participation in this joint effort.

I am asking the Premiers to review, with us, all the ways we can improve the effectiveness of the services for children we provide.

My friends, I don't make any attempt to deny that many people are hurting as a result of the tough economic challenges we are going through.

High interest rates are understandably a focus of community concern.

I just say: let's make sure that in measuring where we stand, as families or as a nation, we don't rely on only one yardstick.

We should look at the totality of the economic picture - improvements in the social wage, and our record levels of investment, employment and training - all of which are laying the foundations for a stronger and more prosperous Australia in future years.

We're celebrating one significant new element in the social wage today, the Family Allowance Supplement. But there are many others: more kids are staying on at school and for longer; there are more university and training places; more child care places; Medicare; higher real pensions for the elderly - to name a few.

What's important to understand is that these improvements for present Australians - these building blocks for the wellbeing of future Australians - have been possible only because of the restraint displayed by the Australian people over recent years.

Responsible wage outcomes have meant higher profits; this in turn has led to record investment and more jobs.

That is an equation that means a better future for Australians.

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We are also finding, of course, that present Australians have to endure a period of high interest rates - because interest rates are necessary to slow the surge in imports we've been experiencing.

But when interest rates come down - as they will when it is responsible to bring them down - we will see even more clearly that we have created a much stronger Australia:

- an Australia where people are in jobs; an Australia where some \$90 billion in new investments are in the pipeline or being seriously considered; and an Australia where the workforce is being re-skilled.

And we will have created a much fairer Australia:

- an Australia enduringly capable of providing the assistance to low income families that we are celebrating today.
