PRESS STATEMENT:

MALCOLM FRASER:

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1963/64 BUDGET

Last week I spoke about those aspects of the Budget which have a particular impact on rural industries. Today I am going to talk about other aspects of the Budget which affect many different individuals.

SOCIAL SERVICES:

In the field of Social Services some significant alterations have been made. According to the records of the Department of Social Services 516,000 out of nearly 800,000 pensioners are single pensioners. For quite some time it has been recognised that single pensioners have a much more difficult time than a married couple who are both getting the full pension. Thus, single pensioners are having 10/- a week added to their pension bringing the standard rate for a single pensioner to £5.15.0. per week. Pensioners whose wife or husband does not receive a pension or allowance will count as a single person for purposes of the increase.

In addition to the new standard rate of £5.15.0., widow pensioners with one or more children will receive an additional £2. 0. 0. per week by way of a mother's allowance, and will also be paid an allowance of 15/- per week for their oldest or only child. All widows with one or more children will, through these measures, receive an increase of £3. per week in the pensions now payable to them. The total payment for a widow with one child will be £8.10.0. per week at the new standard rate together with the allowances, and this will be increased by 15/- a week for each child after the first. Widows without children will receive an increase of 10/- a week, bringing their rate to £5. 2. 6. per week.

Combined pensions payable to a married couple who are both pensioners will remain at £10.10.0. per week.

In addition to these measures, it should always be borne in mind that the great majority of pensioners do not have to worry about medical expenses. Free hospital, medical and pharmaceutical benefits are provided for the great majority. This must remove one of the real concerns for elderly people who are more likely to require medical attention than younger people.

To conform with the Government's proposal to increase by 10/- a week the age allowance for single people, it is proposed that the age allowance exemption for single aged persons should also be increased by £26. The new exemption for these people will therefore be £481, which is equal to the sum of the proposed age pension for a single person together with the permissible income.

In addition, the Government has decided to adopt the recommendation of the Commonwealth Committee on Taxation to extend the married couples' provision to an aged person whose spouse is not of pensionable age. As a result, the aged person would be exempt from income tax regardless of the age of the wife or her husband if their combined net incomes do not exceed £910.

There are some other small increases being made to pensions that are paid to different people. The additional cost of these pensions and allowances is estimated to amount to over £17 m. for a full year.
I would like to draw particular notice to one of these proposals. For some time, the Government has carried out a policy of subsidising the building of homes for elderly people on the basis of £2 from the Commonwealth for every £1 raised locally. This kind of provision is now being extended to cover the provision of accommodation for disabled people working in a sheltered workshop so that they can reside near their place of employment.

Total pensions payable in this year will be increased from £379m. to £411m., i.e., an increase of £32m.

**REPARTIATION PENSIONS:**

Changes are also being made in the Repatriation benefits. The special rate war pension for T.P.I. ex-servicemen has been increased by 10/- per week to £3.15.0 per week. The domestic allowance payable to war widows who are over 50 years of age and who are permanently unemployable or who have a child under the age of 16 years or over that age but who are still undergoing approved education will be increased from £3. 2. 6. to £3.10.0 per week.

There is to be an overall increase of 15% in the education allowance payable in respect of children under the Soldiers' Children Education Scheme other than professional students.

There will be increases in certain Service pensions which follow upon increases approved to Social Service pensioners. The single Service pensioner will receive 10/- a week extra, bringing his pension to £5.15.0 per week. The Service pension payable to a wife is also to be increased from £2. 7. 6. per week to £3. per week.

These proposals will cost over £2m. a year.

War and Repatriation benefits will cost £123m. in this financial year, i.e., an increase of very nearly £12m. over last year.

Social service and Repatriation pensions together are now costing £233m. In 1962/63 the total individual income tax collected by the Commonwealth was £541m., only £11m. more than the payments that will be made in this coming year to Social Service pensioners and those receiving Repatriation benefits.

**MISCELLANEOUS:**

Individual citizens are going to be assisted by the abolition of sales tax on all foodstuffs except confectionery. This will cost £11.3m. in a full year.

The minimum taxable income is being increased from the present £105. to £209.

Other anomalies have been removed in the taxing law. Under the present law, if a student child receives any Government assistance such as a Commonwealth scholarship, the amount that the parent is allowed to deduct for taxation purposes is reduced by the amount of Government assistance paid to the child.

In future, Government assistance or Commonwealth scholarships up to a value of £65 a year will not reduce the value of the parent's deductions. In addition to this, which I think I might have mentioned last week, the allowable deduction for taxation purposes for education has been increased from £100. to £150.
The average citizen will also be assisted by the decision to remove the limit on taxation deductions for medical expenses. It has been pointed out to the Government that if a person becomes really sick in any one year, that is the year in which their income will be reduced and in which they need all the benefit they can get from taxation deductions to assist in paying medical expenses. Therefore, the Government has thought it reasonable to remove any limit for this purpose.

Many of these alterations are in themselves small ones but they are ones that could well have a significant effect on those sections of the community that they are designed to assist.