



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

TONY WINDSOR MP
INDEPENDENT
FEDERAL MEMBER FOR NEW ENGLAND

Shop 5
259 Peel Street
TAMWORTH NSW 2340

All Mail: PO Box 963
TAMWORTH NSW 2340

Ph: (02) 6761 3080
Toll Free: 1300 301 839
Fax: (02) 6761 3380
e-mail: Tony.Windsor.MP@aph.gov.au
Web Page: www.tonywindsor.com.au

MEDIA RELEASE

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Baby bonus should be scrapped

With talk of next week's Federal Budget indicating that the Baby Bonus will become means tested, the Independent Federal Member for New England Tony Windsor is calling for it to be scrapped altogether.

Mr Windsor believes that the Baby Bonus sends the wrong message to people about the long term commitment needed for having children as against the short term "bonus" of \$5,000 payable on delivery.

"Having children is a major commitment by parents taken mainly and hopefully after looking at their circumstances and deciding that the time is right for them to be able to adjust their circumstances to meet the needs of a child coming into their lives.

Since the introduction of the Baby Bonus, I believe there has been another short term thought enter into the decision making process that being what will be, as of July 1, a \$5,000 payment made on delivery.

It concerns me that some people who aren't really in a position financially or in maturity see the \$5,000 as a short term gain but in reality it's a lifetime responsibility that requires much more," Mr Windsor said.

Mr Windsor says that there is anecdotal evidence that suggests the Baby Bonus in some cases is not being spent as it was intended.

"I have heard reports that the Baby Bonus is finding its way into poker machines and purchasing plasma televisions and other luxury items rather than being spent on the baby that has brought the windfall.

This is not the way the payment was meant to be spent and I don't believe that means testing the payment or adjusting the way that it is paid will necessarily help the situation.

The Baby Bonus was introduced by the former Government at a time when it was looking for ways to maintain its position of power.

So having one for mum, one for dad and one for the country as the former Treasurer, Peter Costello said, was only a short term political policy rather than a long term commitment to providing better opportunities for children," Mr Windsor said.

For further information contact Tony Windsor, Ph (02) 6761 3080 or 0427 66 8868