



Student Assistance (Youth Training Allowance—Transitional Provisions and Consequential Amendments) Act 1994

Act No. 184 of 1994

Contents

Part 1—Preliminary	1
1 Short title	1
2 Commencement	1
Part 2—Saving and Transitional provisions	2
3 Definition of <i>YTA introduction day</i>	2
4 Certain job search allowances to continue even though allowee is under 18 years of age	2
5 Outstanding claims for job search allowance	2
6 New claims for job search allowance or youth training allowance.....	3
7 Saving of certain instruments in force under Social Security Act	4
8 This Part overrides Social Security Act and Part 8 of Student and Youth Assistance Act.....	5
Part 3—Amendments of the Social Security Act 1991	6
9 Amendments.....	6
Part 4—Amendments of other Acts	7
10 Amendments.....	7
Schedule 1—Amendments of the Social Security Act 1991	8
Schedule 2—New Part 3.5A to be inserted in the Social Security Act 1991	56
Schedule 3—Amendments of Acts other than the Social Security Act 1991	122



Student Assistance (Youth Training Allowance—Transitional Provisions and Consequential Amendments) Act 1994

Act No. 184 of 1994

**An Act to enact saving and transitional provisions,
and amend various Acts, as a result of the
enactment of the *Student Assistance (Youth Training
Allowance) Amendment Act 1994***

[Assented to 23 December 1994]

The Parliament of Australia enacts:

Part 1—Preliminary

1 Short title

This Act may be cited as the *Student Assistance (Youth Training Allowance—Transitional Provisions and Consequential Amendments) Act 1994*.

2 Commencement

This Act commences on 1 January 1995 immediately after the commencement of the *Student Assistance (Youth Training Allowance) Amendment Act 1994*.

Part 2—Saving and Transitional provisions

3 Definition of *YTA introduction day*

In this Part:

YTA introduction day means the date of commencement of the *Student Assistance (Youth Training Allowance) Amendment Act 1994*.

4 Certain job search allowances to continue even though allowee is under 18 years of age

If:

- (a) a determination granting a claim by a person for job search allowance under the *Social Security Act 1991* was in force immediately before the YTA introduction day; and
- (b) the person is under 18 years of age on that day;

then:

- (c) the *Social Security Act 1991* continues to apply in relation to the person as if Part 8 of the *Student and Youth Assistance Act 1973* had not been enacted; but
- (d) paragraph (c) ceases to have effect if the person ceases to be qualified for Job search allowance for a period of at least 6 weeks.

5 Outstanding claims for job search allowance

(1) If:

- (a) before the YTA introduction day a person duly lodged a claim for job search allowance under the *Social Security Act 1991*; and
- (b) the claim was not determined before that day; and
- (c) the person is under 18 years of age on that day;

the following provisions of this section have effect.

(2) The claim is to be considered in the first instance under the *Social Security Act 1991* as amended and in force immediately before the YTA introduction day as if the *Student Assistance (Youth Training*

Allowance) Amendment Act 1994 and this Act (other than this Part) had not been enacted.

- (3) If the effect of the consideration of the claim under subsection (2) is that the day as from which job search allowance would be paid to the person would be a day earlier than the YTA introduction day, Part 8 of the *Student and Youth Assistance Act 1973* does not apply in relation to the claim and the *Social Security Act 1991* as amended and in force from time to time applies in relation to the claim.
- (4) If the effect of the consideration of the claim under subsection (2) is that the day as from which job search allowance would be paid to the person would be the YTA introduction day or a later day, the claim is taken to be a claim for youth training allowance duly made under Part 8 of the *Student and Youth Assistance Act 1973* and is to be dealt with accordingly.

6 New claims for job search allowance or youth training allowance

- (1) If:
 - (a) on or after the YTA introduction day a person duly lodges a claim for job search allowance under the *Social Security Act 1991* or a claim for youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*; and
 - (b) the person is under 18 years of age on that day;the following provisions of this section have effect.
- (2) The claim is to be considered in the first instance under Part 8 of the *Student and Youth Assistance Act 1973* and, if it was a claim for job search allowance, is to be so considered as if it were a claim for youth training allowance.
- (3) If the effect of the consideration of the claim under subsection (2) is that the day as from which youth training allowance would be paid to the person would be a day earlier than the YTA introduction day, Part 8 of the *Student and Youth Assistance Act 1973* does not apply in relation to the claim and the *Social Security Act 1991* as amended and in force from time to time applies in relation to the claim and, if the claim was a claim for youth training allowance, so applies as if it were a claim for job search allowance.

Section 7

- (4) If the effect of the consideration of the claim under subsection (2) is that the day as from which youth training allowance would be paid to the person would be the YTA introduction day or a later day, Part 8 of the *Student and Youth Assistance Act 1973* applies in relation to the claim and, if the claim was a claim for job search allowance, so applies as if it were a claim for youth training allowance.

7 Saving of certain instruments in force under Social Security Act

- (1) If an instrument was in force for the purposes of it provision of Part 2.11 of the *Social Security Act 1991* immediately before the YTA introduction day, the instrument, to the extent (if any) to which it relates to people under 18 years of age, has effect on and after that day as if it were an instrument made for the purpose of the corresponding provision of Part 8 of the *Student and Youth Assistance Act 1973*.
- (2) Without limiting subsection (1), the instrument may be:
- (a) a determination; or
 - (b) a direction; or
 - (c) an approval; or
 - (d) a notice; or
 - (e) a declaration; or
 - (f) an authorisation; or
 - (g) a guideline.
- (3) Subsection (1) does not apply to:
- (a) a determination to which section 4 applies; or
 - (b) a delegation.
- (4) If an instrument to which subsection (1) applies was, when made, to have effect only for a limited period, the instrument has effect under that subsection only for so much of the period as had not already expired before the commencement of the *Student Assistance (Youth Training Allowance) Amendment Act 1994*.

8 This Part overrides Social Security Act and Part 8 of Student and Youth Assistance Act

This Part has effect despite anything in the *Social Security Act 1991* or Part 8 of the *Student and Youth Assistance Act 1973*.

Part 3—Amendments of the Social Security Act 1991

9 Amendments

- (1) The *Social Security Act 1991* is amended as set out in Schedule 1.
- (2) The *Social Security Act 1991* is amended by inserting after Part 3.5 the Part set out in Schedule 2.

Part 4—Amendments of other Acts

10 Amendments

The Acts referred to in Schedule 3 are amended as set out in that Schedule.

Schedule 1—Amendments of the Social Security Act 1991

Subsection 9(1)

1 Paragraph 4(11)(b)

After subparagraph (ii), insert:

(ia) is not receiving a youth training allowance; and

2 Paragraph 4(11)(c)

After subparagraph (ii), insert:

(ia) a youth training allowance; and

3 Paragraph 4(11)(e)

After “social security benefit”, insert “or a youth training allowance”.

4 Subsection 5(1) (definition of *homeless person*)

After “benefit” in paragraph (e), insert “or a youth training allowance”.

5 Subsection 5(1) (definition of *parent*)

After “means”, insert (except in the modules constituting the sickness allowance rate calculator at the end of section 1067E)”.

6 Subsection 5(6)

After paragraph (b), insert:

(ba) the young person is receiving a youth training allowance; or

7 Subsection 5(9A)

After paragraph (c), insert:

(ca) is not receiving a youth training allowance; and

8 Subsection 8(8)

After paragraph (zc), insert:

(zca) so much of a payment received by the person as is, in accordance with an agreement between Australia and a foreign country, applied in reduction of the amount of a payment of youth training allowance that would otherwise be

payable to the person under Part 8 of the *Student and Youth Assistance Act 1973*;

9 Subsection 9(1) (definition of assessable period)

- (a) After “benefit” in paragraph (b), insert “or a youth training allowance”.
- (b) Omit “or benefit”, substitute “, benefit or allowance”.

10 Paragraphs 11(10)(d) and (e)

Omit the paragraphs, substitute:

- (d) if the person is a member of a couple and, immediately before the person and the person’s partner became members of that couple, the person was receiving such a pension, benefit or payment and the person’s partner was receiving such a pension, benefit or payment or a youth training allowance—the period of 12 months beginning on the day on which they became members of that couple; or
- (e) if:
 - (i) the person is a member of a couple but paragraph (d) does not apply; and
 - (ii) the person’s partner is receiving such a pension, benefit or payment or a youth training allowance;the period of 12 months beginning on the day on which:
 - (iii) such a pension, benefit or payment first became payable to the person; or
 - (iv) such a pension, benefit or payment or youth training allowance first became payable to the person’s partner;whichever was the earlier; or

11 Subsection 15(2)

After paragraph (a), insert:

- (aa) it youth training allowance;

12 Section 22

Insert the following definition:

review, in relation to Divisions 2 and 3 of Part 7.3, means a review:

- (a) by the SSAT under Chapter 6; or

- (b) by the SSAT under Part 9 of the *Student and Youth Assistance Act 1973*.

13 Subsection 23(1) (definition of *activity test deferment period*)

- (a) At the end of paragraph (b), add “or”.
- (b) After paragraph (b), insert:
- (c) a period worked out under section 109 of the *Student and Youth Assistance Act 1973* in relation to the application of a youth training allowance automatic deferment provision included in Subdivision F of Division 2 of Part 8 of that Act;

14 Subsection 23(1) (definition of *administrative breach deferment period*)

- (a) At the end of paragraph (b), add “or”.
- (b) After paragraph (b), insert:
- (c) a period worked out under section 116 of the *Student and Youth Assistance Act 1973* in relation to the application of a youth training allowance automatic deferment provision included in Subdivision G of Division 2 of Part 8 of that Act;

15 Subsection 23(1) (definition of *automatic deferment provision*)

After paragraph (b), insert:

- (ba) a youth training allowance automatic deferment provision; or

16 Subsection 23(1) (definition of *education leavers waiting period*)

After paragraph (b), insert:

- (ba) an education leavers waiting period under section 98 of the *Student and Youth Assistance Act 1973*; or

17 Subsection 23(1) (definition of *ordinary waiting period*)

After paragraph (b), insert:

- (ba) an ordinary waiting period under section 96 of the *Student and Youth Assistance Act 1973*; or
-

18 Subsection 23(1) (definition of *Secretary*)

Omit the definition, substitute:

Secretary means:

- (a) except in relation to Part 6.3—the Secretary to the Department; or
- (b) in relation to Part 6.3:
 - (i) in the review of a decision other than a decision under the *Student and Youth Assistance Act 1973*—the Secretary to the Department; or
 - (ii) in the review of a decision under the *Student and Youth Assistance Act 1973*—the Secretary to the Employment Department.

19 Subsection 23(1) (definition of *social security recipient status*)

After “social security benefit” in paragraph (a), insert “, a youth training allowance”.

20 Subsection 23(1) (definition of *unused annual leave waiting period*)

After paragraph (b), insert:

- (ba) an unused annual leave waiting period under sections 93 of the *Student and Youth Assistance Act 1973*; or

21 Subsection 23(1) (definition of *waiting period*)

After paragraph (fa), insert:

- (fb) an unused annual leave waiting period under section 93 of the *Student and Youth Assistance Act 1973*; or
- (fc) an ordinary waiting period under section 96 of the *Student and Youth Assistance Act 1973*; or
- (fd) an education leavers waiting period under section 98 of the *Student and Youth Assistance Act 1973*; or
- (fe) a newly arrived residents waiting period under section 101 of the *Student and Youth Assistance Act 1973*; or

22 Subsection 23(1)

Insert the following definitions:

student assistance benefit decision means a decision of an officer under the *Student and Youth Assistance Act 1973*:

- (a) relating to the AUSTUDY scheme; or
- (b) relating to the Student Financial Supplement Scheme; or
- (c) relating to the recovery of amounts under a current or former special educational assistance scheme.

youth training allowance means a youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*.

youth training allowance automatic deferral provision has the same meaning as in Part 8 of the *Student and Youth Assistance Act 1973*.

23 Subparagraph 23(6)(b)(ii)

After “benefit”, insert “or a youth training allowance”.

24 Subparagraph 23(7)(b)(ii)

After sub-subparagraph (A), insert:

- (B) a youth training allowance; or

25 After subsection 23(10)

Insert:

Served the waiting period for youth training allowance

(10AA) If a person is subject to an unused annual leave waiting period, or an ordinary waiting period, for a youth training allowance, the person is taken to have served the waiting period if, and only if:

- (a) the waiting period has ended; and
- (b) the person was, throughout the waiting period, qualified for the youth training allowance.

26 Subsection 39(4)

Add at the end “and some points are divided into subpoints”.

27 Paragraph 46(2)(a)

After subparagraph (i), insert:

- (ia) a youth training allowance; or

28 Paragraph 73A(b)

After subparagraph (i), insert:

(ia) a youth training allowance; or

29 Paragraph 82(5)(b)

After subparagraph (ii), insert:

(iia) was receiving a youth training allowance; or

30 Paragraph 98(1)(f)

After “benefit”, insert “or a youth training allowance”.

31 Paragraph 100(2)(a)

After subparagraph (i), insert:

(ia) a youth training allowance; or

32 Paragraph 103(2)(b)

After “benefit”, insert “youth training allowance”.

33 Paragraph 136(b)

After “benefit”, insert “, youth training allowance”.

34 Paragraph 141(b)

After subparagraph (i), insert:

(ia) a youth training allowance; or

35 Paragraph 146F(5)(b)

After subparagraph (ii), insert:

(iia) was receiving a youth training allowance; or

36 Paragraph 148(1)(d)

After “benefit”, insert “or a youth training allowance”.

37 Paragraph 150(2)(a)

After subparagraph (i), insert:

(ia) a youth training allowance; or

38 Paragraph 175B(b)

After “benefit”, insert “, a youth training allowance”.

39 Section 175B

Omit “or benefit” (last occurring), substitute “, benefit or allowance”.

40 Paragraph 201(2)(a)

After subparagraph (i), insert:

(ia) a youth training allowance; or

41 Section 175B

Omit “or benefit” (last occurring), substitute “, benefit or allowance”.

42 Paragraph 202(2)(b)

After “benefit” insert “, youth training allowance”.

43 Paragraph 225A(b)

After “benefit”, insert “, youth training allowance”.

44 Section 225A

Omit “or benefit”, substitute “, benefit or allowance”.

45 Paragraph 225B(c)

After “benefit”, insert “, a youth training allowance”.

46 Paragraph 225B(d)

Omit “or benefit”, substitute “, benefit or allowance”.

47 Section 225B

After “pension” (last occurring), insert “, benefit or allowance”.

48 Paragraph 227A(b)

After subparagraph (i), insert:

(ia) a youth training allowance; or

49 Section 227A

Omit “or benefit”, substitute “, benefit or allowance”.

50 Subparagraph 236A(1)(d)(ii)

After sub-subparagraph (B), insert:

(BA) was not receiving a youth training allowance; and

51 Paragraph 253(1)(c)

After “benefit”, insert “or a youth training allowance”.

52 Paragraph 255(2)(a)

After subparagraph (i), insert:

(ia) a youth training allowance; or

53 Paragraph 258(2)(b)

After “benefit”, insert “, youth training allowance”.

54 Paragraph 287A(b)

After “benefit”, insert “, youth training allowance”.

55 Section 287A

Omit “or benefit”, substitute “, benefit or allowance”.

56 Paragraph 290A(b)

After subparagraph (i), insert:

(ia) a youth training allowance; or

57 Paragraph 290A(c)

Omit “or benefit”, substitute “, benefit or allowance”.

58 Section 290A

Omit “or benefit” (last occurring), substitute “, benefit or allowance”.

59 Paragraph 316(1)(c)

After “benefit”, insert “or a youth training allowance”.

60 Paragraph 318(2)(a)

After subparagraph (i), insert:

(ia) a youth training allowance; or

61 Paragraph 321(2)(b)

After “benefit”, insert “, youth training allowance”.

62 Paragraph 344A(b)

After “benefit”, insert “, youth training allowance”.

63 Section 344A

Omit “or benefit”, substitute “, benefit or allowance”.

64 Paragraph 364(1)(c)

After “benefit”, insert “or a youth training allowance”.

65 Paragraph 366(2)(a)

After subparagraph (i), insert:

(ia) a youth training allowance; or

66 Paragraph 392A(b)

After “benefit”, insert “, youth training allowance”.

67 Section 392A

Omit “or benefit”, substitute “, benefit or allowance”.

68 Paragraph 415(2)(a)

After subparagraph (i), insert:

(ia) a youth training allowance; or

69 Paragraph 418(2)(b)

After “benefit”, insert “, youth training allowance”.

70 Paragraph 450(b)

After “benefit”, insert “, youth training allowance”.

71 Section 450

Omit “or benefit”, substitute “, benefit or allowance”.

72 Paragraph 456(b)

After subparagraph (i), insert:

(ia) a youth training allowance; or

73 Paragraph 456(c)

Omit “or benefit”, substitute “, benefit or allowance”.

74 Section 456

Omit “or benefit” (last occurring), substitute “, benefit or allowance”.

75 Paragraph 469(6)(a)

After “benefit”, insert “or a youth training allowance”.

76 Paragraph 469(6)(b)

After subparagraph (ii), insert:

(iia) was receiving a youth training allowance; or

77 Paragraph 469(7)(a)

After “benefit”, insert “, youth training allowance”.

78 Subsection 513(1)

After “Subject to”, insert “subsection (2A) and”.

79 Subparagraph 513(1)(d)(ii)

Add at the end “; and”.

80 Subsection 513(1)

Add at the end:

(e) the person was not in receipt of a youth training allowance during the period.

81 Subsection 513(1A)

After “Subject to”, insert “subsection (2A) and”.

82 Subparagraph 513(1A)(f)(v)

Add at the end “; and”.

83 Subsection 513(1A)

Add at the end:

(g) the person was not in receipt of a youth training allowance during the period.

84 Subsection 513(2)

After “Subject to”, insert “subsection (2A) and”.

85 Paragraph 513(2)(d)

Add at the end “; and”.

86 Subsection 513(2)

Add at the end:

- (e) the person was not in receipt of a youth training allowance during the period.

87 After subsection 513(2)

Insert:

- (2A) A person who is under the age of 18 years is not qualified for a job search allowance at a particular time (the *relevant time*) unless:
 - (a) the person was in receipt of job search allowance immediately before the commencement of this subsection; and
 - (b) subject to subsection (2B), the person was in receipt of job search allowance throughout the period (the *test period*) from the commencement of this subsection until the relevant time.
- (2B) A person does not have to satisfy paragraph (2A)(b) in respect of:
 - (a) a part of the test period that was not longer than 6 weeks; or
 - (b) a part of the test period in which the person received sickness allowance if:
 - (i) the person was in receipt of job search allowance immediately before that part of the test period; and
 - (ii) the person began to receive job search allowance immediately after that part of the test period.

88 Section 514

Repeal the section, substitute:

514 Effect of incapacity on qualification

- (1) In this section:

JSA change day, in relation to a person, means the day on which the person ceases to be qualified for a job search allowance because of:

- (a) paragraph 513(1)(d) (reaching 18 years of age) and being registered for more than 12 months; or
- (b) paragraph 513(2)(d) (being registered for more than 12 months).

JSA change sickness period, in relation to a person, means a period:

- (a) for which the person would be qualified for a sickness allowance under section 666 if subsections 666(7) and (8) were disregarded; and
- (b) that begins while the person is receiving a job search allowance.

YTA change day, in relation to a person, means the day on which the person ceases to be qualified for a youth training allowance because of subparagraph 65(1)(g)(i) of the *Student and Youth Assistance Act 1973* (reaching 18 years of age).

YTA change sickness period, in relation to a person, means a period:

- (a) for which the person would be qualified for a sickness allowance under section 666 if subsections 666(7) and (8) were disregarded; and
 - (b) that begins while the person is receiving a youth training allowance and ends after the person's YTA change day.
- (2) Subject to subsection (5), a person is qualified for a job search allowance in respect of a JSA sickness period of the person that the Secretary does not expect to be longer than 13 weeks.
 - (3) Subject to subsection (5), a person is qualified for a job search allowance in respect of so much of a YTA change sickness period of the person that the Secretary does not expect to be longer than 13 weeks as occurs after the person's YTA change day.
 - (4) Subject to subsections (5) and (6), a person is qualified for a job search allowance in respect of so much of a JSA change sickness period of the person as the Secretary does not expect to be longer than 13 weeks.
 - (5) If:
 - (a) a person is qualified for job search allowance in respect of a period under subsection (2), (3) or (4); and
-

(b) the period lasts for longer than 13 weeks;
the person ceases to be qualified for a job search allowance 13 weeks after the period began.

- (6) A person is not qualified for a job search allowance in respect of any part of a JSA sickness period that occurs after the person's JSA change day.

89 Paragraph 521 (1)(a)

After subparagraph (i), insert:

- (ii) a youth training allowances or

90 Paragraph 525AA(3)(a)

After "under", insert "subsection 78(1) of the *Student and Youth Assistance Act 1973* and".

91 Section 525A

Add at the end:

- (5) For the purposes of this Part, if:
- (a) a person starts to receive job search allowance on a particular day; and
 - (b) immediately before that day the person was a party to a Youth Training Activity Agreement under Part 8 of the *Student and Youth Assistance Act 1973*; and
 - (c) the period covered by the agreement ends after that day; the agreement has effect on and after that day as if it were a Job Search Activity Agreement.

92 Subparagraph 530(1)(b)(ii)

After "social security benefit", insert "or a youth training allowance".

93 Subparagraph 530(2)(b)(ii)

After "social security benefit" insert "or a youth training allowance".

94 Paragraph 532(2)(b)

After "benefit", insert ", a youth training allowance".

95 Subsection 533(1)

Omit the subsection, substitute:

- (1) Subject to this section, a person's provisional commencement day is:
- (a) if the person:
 - (i) received a youth training allowance; and
 - (ii) claims a job search allowance no later than 14 days after the person was last paid a youth training allowance;the day immediately after the day in respect of which the person was last paid a youth training allowance; or
 - (b) in any other case—the day on which the person claims a job search allowance.

96 Paragraph 533(2)(a)

After subparagraph (i), insert:

- (ia) a youth training allowance; or

97 Paragraph 535(1)(b)

Omit “period.”, substitute “period; and”.

98 Subsection 535(1)

Add at the end:

- (c) immediately before becoming qualified for the job search allowance, the person was not receiving a youth training allowance.

99 Paragraph 538(a)

After subparagraph (i), insert:

- (ia) a youth training allowance; or

100 Subparagraph 538(g)(ii)

Omit “or benefit”, substitute “, a social security benefit or a youth training allowance”.

101 Paragraph 540(1)(c)

Omit the paragraph, substitute:

- (c) immediately before stopping the course, was not receiving any of the following:
 - (i) a social security pension;

- (ii) a social security benefit;
- (iii) a youth training allowance;
- (iv) a service pension; and
- (ca) immediately before becoming qualified for the job search allowance, the person was not receiving a youth training allowance; and

102 Paragraph 540(4A)(a)

Omit “or social security benefit”, substitute “, a social security benefit or a youth training allowance”.

103 Paragraph 540(4A)(b)

Omit “or benefit”, substitute “, benefit or allowance”.

104 Paragraph 540(5)(b)

After “allowance”, insert “or youth training allowance”.

105 Paragraph 541(6)(b)

After “job search allowance,”, insert “a youth training allowance,”.

106 Paragraph 541A(11)(b)

After “job search allowance,”, insert “a youth training allowances,”.

107 Paragraph 578(b)

After “benefit”, insert “, a youth training allowance”.

108 Section 578

Omit “or benefit”, substitute “, benefit or allowance”.

109 Paragraph 582(b)

After subparagraph (i), insert:

- (ia) a youth training allowance; or

110 Section 582

Omit “or benefit”, substitute “, benefit or allowance”.

111 Paragraph 593(1)(i)

After “allowance”, insert “or a youth training allowance”.

112 Paragraph 593(2)(i)

After “Allowance”, insert “or a youth training allowance”.

113 Subsection 594(1)

Insert:

YTA change day, in relation to a person, means the day on which the person ceases to be qualified for a youth training allowance because of subparagraph 65(1)(g)(i) of the *Student and Youth Assistance Act 1973* (reaching 18 years of age).

YTA change sickness period, in relation to a person, means a period:

- (a) for which the person would be qualified for a sickness allowance under section 666 if subsections 666(7) and (8) were disregarded; and
- (b) that begins while the person is receiving a youth training allowance and ends after the person’s YTA change day.

114 After subsection 594(3)

insert:

- (3A) Subject to subsection (4), a person is qualified for a newstart allowance in respect of so much of a YTA change sickness period of the person that the Secretary does not expect to be longer than 13 weeks as occurs after the person’s YTA change day.

115 Paragraph 594(4)(a)

Omit “(2) or (3)”, substitute “(2), (3) or (3A)”.

116 Paragraph 603A(3)(a)

Omit the paragraph, substitute:

- (a) the Secretary makes a number of determinations under any one or more of the following provisions:
 - (i) subsection 525AA(3);
 - (ii) subsection 78(1) of the *Student and Youth Assistance Act 1973*;
 - (iii) subsection (1) of this section; and

117 Paragraph 604(2)(b)

Omit the paragraph, substitute:

- (b) immediately before that day, the person was a party to:
 - (i) a Youth Training Activity Agreement under Part 8 of the *Student and Youth Assistance Act 1973*; or
 - (b) a Job Search Activity Agreement (see sections 525A to 525C); and

118 Subparagraph 612(1)(b)(ii)

Add at the end “and”.

119 Paragraph 612(1)(b)

Add at the end:

- (iii) is not in receipt of a youth training allowance;

120 Subparagraph 612(2)(b)(ii)

Add at the end “or”.

121 After subparagraph 612(2)(b)(ii)

Insert:

- (iii) a youth training allowance;

122 Paragraph 614(2)(b)

After “benefit”, insert “, a youth training allowance”.

123 Subsection 615(1)

Before paragraph (a), insert:

- (aa) if the person:
 - (i) received a youth training allowance; and
 - (ii) claims a newstart allowance no later than 14 days after the person was last paid a youth training allowance;
- the day immediately after the day in respect of which the person was last paid a youth training allowance; or

124 Paragraph 615(2)(a)

After subparagraph (i), insert:

- (ia) a youth training allowance; or

125 Paragraph 617(1)(c)

Add at the end “or a youth training allowance”.

126 Paragraph 620(a)

After subparagraph (i), insert:

(ia) a youth training allowance; or

127 Subparagraph 620(j)(ii)

Omit “or benefit”, substitute “social security benefit or youth training allowance”.

128 Paragraph 622(1)(c)

Omit the paragraph, substitute:

(c) immediately before stopping the course, was receiving none of the following:

- (i) a social security pension;
- (ii) a service pension;
- (iii) a social security benefit;
- (iv) a youth training allowance; and

129 Paragraph 622(1)(d)

After “job search allowance”, insert “or a youth training allowance”.

130 Paragraph 622(5)(b)

After “job search allowance”, insert “, a youth training allowance”.

131 Paragraph 623(6)(b)

After “job search allowance,”, insert “youth training allowance,”.

132 Paragraph 635(3)(a)

After “job search allowance”, insert “or a youth training allowance”.

133 Paragraph 660A(b)

After “benefit”, insert “, a youth training allowance”.

134 Section 660A

Omit “or benefit”, substitute “, benefit or allowance”.

135 Paragraph 660E(b)

After subparagraph (i), insert:

(ia) a youth training allowance; or

136 Section 660E

Omit “or benefit” (wherever occurring), substitute “benefit or allowance”.

137 Paragraph 660XCC(2)(a)

After subparagraph (i), insert:

(ia) a youth training allowance; or

138 Paragraph 660XCK(2)(a)

After subparagraph (i), insert:

(ia) a youth training allowance; or

139 Paragraph 660XJB(b)

After “benefit”, insert “, a youth training allowance”.

140 Section 660XJB

Omit “or benefit”, substitute “, benefit or allowance”.

141 Paragraph 660XJC(b)

After “benefit”, insert “, a youth training allowance”.

142 Section 660XJC

Omit “or benefit” (last occurring), substitute “, benefit or allowance”.

143 Paragraph 660XJF(b)

After subparagraph (i), insert:

(ia) a youth training allowance; or

144 Paragraph 660XJF(c)

Omit “or benefit”, substitute “, benefit or allowance”.

145 Section 660XJF

Omit “the allowance becomes payable to the person at the reduced rate on the day on which the partner starts to receive that pension or benefit”, substitute “the mature age allowance becomes payable to the person at the reduced rate on the day on which the partner starts to receive that pension, benefit or youth training allowance”.

146 Paragraph 660XKA(6)(b)

After subparagraph (ii), insert:

(iia) was receiving a youth training allowance; or

147 Paragraph 660XKA(7)(a)

After “social security benefit”, insert “, youth training allowance”,

148 Subparagraph 661(2)(d)(i)

After “newstart allowance” (first occurring), insert “, youth training allowance”.

149 Paragraph 661(2)(e)

After “newstart allowance”, insert “, youth training allowance”.

150 Subparagraph 663(1)(c)(i)

After “job search allowance”, insert “or youth training allowance”.

151 Paragraph 663(1)(d)

After “job search allowance”, insert “or youth training allowance”.

152 Subparagraph 663(2)(c)(i)

After “job search allowance” (first occurring), insert “, youth training allowance”.

153 Paragraph 663(2)(d)

After “job search allowance”, insert “, youth training allowance”.

154 Paragraph 6641(1)(c)

After “newstart allowance”, insert “, youth training allowance”.

155 Heading to Division 5 of Part 2.13A

After “search”, insert “or youth training”.

156 Subparagraph 665Q(c)(i)

After “allowance”, insert “or youth training allowance”.

157 Paragraph 665Q(d)

After “allowance”, insert “or youth training allowance”.

158 Subparagraph 666(1)(d)(ii)

After “job search allowance”, insert “, youth training allowance”.

159 Subparagraph 666(1A)(e)(ii)

After “job search allowance”, insert “, youth training allowance”.

160 Paragraph 666(7)(a)

After “job search allowance”, insert “or youth training allowance”.

161. Subsection 675(1)

Add at the end “or under the AUSTUDY scheme or the ABSTUDY scheme”.

162 Paragraph 676(5)(b)

Omit “the person is not qualified for job search allowance or newstart allowance”, substitute “, or because of section 72 of the *Student and Youth Assistance Act 1973* (youth training allowance liquid assets test disqualification), the person is not qualified for job search allowance or newstart allowance, or for youth training allowance,”.

163 Paragraph 677(1)(c)

Omit “682,”.

164 Subsection 677(1)

After paragraph (c), insert:

(ca) the person is receiving youth training allowance (see section 682); or

165 Subparagraph 681(1)(b)(ii)

After “allowance”, insert “or youth training allowance”.

166 Subparagraph 681(2)(b)(ii)

After “allowance”, insert “or youth training allowance”.

167 Section 682

Repeal the section, substitute:

682 Person previously receiving youth training allowance

- (1) If a person was receiving youth training allowance immediately before the person became qualified for a sickness allowance, sickness allowance is not payable to the person during the period of 13 weeks beginning on the day the person became qualified for a sickness allowance.
- (2) Subsection (1) does not apply to a person who is qualified for sickness allowance under section 666.

168 Subsection 683(1)

Omit the subsection, substitute:

- (1) If a person was receiving a job search allowance immediately before the person became qualified for a sickness allowance, sickness allowance is not payable to the person during the period of 13 weeks beginning on the day the person became qualified for a sickness allowance.

169 Paragraph 686(2)(b)

After “benefit”, insert “, a youth training allowance”.

170 Paragraph 689(a)

After subparagraph (i), insert:

- (ia) a youth training allowance; or

171 Paragraph 693(a)

After subparagraph (i), insert:

- (ia) a youth training allowance; or

172 Subparagraph 695(1)(c)(ii)

After “benefit”, insert “or youth training allowance”.

173 Paragraph 695(2)(b)

After “job search allowance”, insert “, youth training allowance”.

174 Paragraph 695(3)(a)

Omit “or social security benefit”, substitute “, social security benefit or youth training allowance”.

175 Paragraph 696(6)(b)

After “job search allowance”, insert “, youth training allowance”.

176 Paragraph 696A(11)(b)

After “job search allowance,”, insert “youth training allowance,”.

177 Section 709

Repeal the section, substitute:

709 How to work out a person’s sickness allowance rate

(1) Subject to sections 710, 711 and 712, a person’s sickness allowance is to be worked out in accordance with this section.

(2) If:

(a) the person:

- (i) is under 18 years of age; and
- (ii) was in receipt of sickness allowance immediately before the commencement of this section; and
- (iii) has been in receipt of sickness allowance at all times since that commencement; or

(b) the person:

- (i) is under 18 years of age; and
- (ii) was in receipt of job search allowance immediately before he or she became qualified for sickness allowance;

the rate is worked out using Benefit Rate Calculator A at the end of section 1067.

(3) If the person:

- (a) is under 18 years of age; and
- (b) begins to receive sickness allowance on or after the commencement of this section;

the rate is worked out using the Sickness Allowance Rate Calculator at the end of section 1067A.

- (4) If neither subsection (2) nor subsection (3) applies to a person, the person's sickness allowance rate is worked out using Benefit Rate Calculator B at the end of section 1068.

178 Subsection 710(1)

After "666(1)(d)(i)", insert "or 666(1A)(e)(i)".

179 Section 710

After subsection (1), insert:

Loss of salary or wages includes AUSTUDY and ABSTUDY payments

- (1A) For the purposes of subsection (1), the income that a person has lost because of the person's incapacity for work includes a payment that, apart from the incapacity, the person would have received under the AUSTUDY scheme or the ABSTUDY scheme.

180 Section 711

After "job search allowance" (wherever occurring), insert ", youth training allowance".

181 Paragraph 728D(b)

After "benefit", insert ", a youth training allowance".

182 Section 728D

Omit "or benefit", substitute ", benefit or allowance".

183 Paragraph 728G(b)

After subparagraph (i), insert:

- (ii) a youth training allowance; or

184 Section 728G

Omit "that pension or benefit" (wherever occurring), substitute "that pension, benefit or youth training allowance".

185 Subsection 729(2)

After paragraph (b), insert:

- (ba) no youth training allowance is payable to the person for the period;

186 Subsection 729(2)

After paragraph (d), insert:

- (da) the person is not disqualified for a youth training allowance for the period solely because of the operation of one or more of the following:

- (i) subparagraph 65(1)(g)(iv) of the *Student and Youth Assistance Act 1973* (is not registered as being unemployed by the CES);
- (ii) section 69 of that Act (unemployment due to industrial action);
- (iii) section 71 of that Act (move to area of lower employment prospects); and

- (db) if the person is qualified for a youth training allowance but the allowance is not payable to the person for the period—that result is not produced solely by the operation of one or more of the following:

- (i) section 114 of the *Student and Youth Assistance Act 1973* (person failing to comply with Secretary's requirements);
- (ii) section 103 of that Act (person failing to satisfy activity test);
- (iii) section 106 of that Act (unemployment due to voluntary act);
- (iv) section 107 of that Act (unemployment due to misconduct);
- (v) section 108 of that Act (refusal of offer of employment);
- (vi) section 115 of that Act (person failing to comply with notification requirement);
- (vii) section 120 of that Act (person failing to continue CES registration);
- (viii) section 121 of that Act (seasonal workers);
- (ix) section 122 of that Act (move to area of lower employment prospects); and

187 After subsection 729(4)

Insert:

- (4A) For the purposes of paragraph (2)(db) a youth training allowance is taken to be not payable to a person for a period because of the operation of a provision if:
- (a) the person has claimed the allowance for the period and the allowance is not payable to the person because of the operation of the provision; or
 - (b) were the person to claim the allowance for the period the allowance would not be payable to the person because of the operation of the provision.

188 Paragraph 731(2)(a)

After subparagraph (i), insert:

- (ia) a youth training allowance; or

189 Subparagraph 734(1)(b)(ii)

Add at the end “or a youth training allowance”.

190 Subparagraph 734(2)(b)(ii)

Add at the end “or a youth training allowance”.

191 Subsection 746(2)

After “gaol”, insert “or from psychiatric confinement”.

192 Subsection 746(2)

After “job search allowance” (wherever occurring), insert “, youth training allowance”.

193 Subsection 746(2)

After “gaol” in Note 1, insert “or from psychiatric confinement”.

194 Paragraph 762A(b)

After “benefit”, insert “, a youth training allowance”.

195 Section 762A

Omit “or benefit”, substitute “, benefit or allowance”.

196 Paragraph 771HA(1)(c)

After “job search allowance,”, insert “youth training allowance,”.

197 Subsection 771HA(3)

After “job search allowance,”, insert “youth training allowance,”.

198 Paragraph 771HA(3)(b)

After “608(1)(j)”, insert “of this Act, or paragraph 85(1)(k), (1) or (m) of the *Student and Youth Assistance Act 1973*,”.

199 Paragraph 771HC(1)(c)

After “benefit”, insert “, or a youth training allowance,”.

200 Paragraph 771HI(2)(b)

After “benefit”, insert “, a youth training allowance”.

201 Paragraph 771HN(2)(a)

After subparagraph (i), insert:

(ia) a youth training allowance; or

202 Subsection 771KE(2)

After “job search allowance” (wherever occurring), insert “, youth training allowance”.

203 Paragraph 771NB(b)

After “benefit”, insert “, a youth training allowance”.

204 Section 771NB

Omit “or benefit”, substitute “, benefit or allowance”.

205 Paragraph 771NC(c)

After “job search allowance,”, insert “youth training allowance,”.

206 Section 771NC

After “pension referred to in paragraph (b)”, insert “or the allowance or benefit referred to in paragraph (c)”.

207 Section 771NH

Repeal the section, substitute:

771NH Automatic rate reduction—partner starting to receive social security benefit or youth training allowance

If:

- (a) a person is receiving partner allowance; and
 - (b) the person's partner starts to receive a different social security benefit or a youth training allowance; and
 - (c) the person's partner allowance rate is reduced because of the partner's receipt of that benefit or youth training allowance;
- the partner allowance becomes payable to the person at the reduced rate on the day on which the partner starts to receive that benefit or youth training allowance.

208 Paragraph 771NU(1)(d)

After "job search allowance," insert "youth training allowance,".

209 Subsection 771NU(3)

After paragraph (a), insert:

- (aa) if the deceased partner was receiving a youth training allowance immediately before he or she died, the rate of partner allowance is the rate at which a partner allowance would have been payable to the surviving partner if:
 - (i) the surviving partner had been qualified for youth training allowance; and
 - (ii) the surviving partner was not a member of a couple;".

210 Subsection 771NX(1)

After "subsection (2)," in Step 4 in the Lump Sum Calculator, insert "(2A),".

211 Section 771NX

After subsection (2), insert:

Deceased partner receiving youth training allowance

- (2A) If, immediately before the deceased partner died, he or she was receiving youth training allowance, the surviving partner's national rate is the amount of youth training allowance that would have been payable to the surviving partner on the surviving partner's

pay day immediately before the first available bereavement adjustment pay day if:

- (a) a youth training allowance had been payable to the surviving partner on that pay day; and
- (b) the surviving partner was not a member of a couple on that pay day.

212 Paragraph 784(2)(a)

After subparagraph (i), insert:

- (ia) a youth training allowance; or

213 Paragraph 822(5)(b)

After subparagraph (ii), insert:

- (iia) was receiving a youth training allowance; or

214 Subsection 831A(3)

After paragraph (a), insert:

- (aa) a youth training allowance; or

215 Paragraph 910(2)(a)

After subparagraph (i), insert:

- (ia) a youth training allowance; or

216 Subsection 1061P(2)

Omit from Notes 1 and 2 at the end of the subsection “a social security pension or benefit”, substitute “a social security pension, a social security benefit or a youth training allowance”.

217 Section 1064

After “benefit” in paragraph (b) of point 1064-H5 in MODULE H of the Pension Rate Calculator A at the end of the section, insert “or a youth training allowance”.

218 Section 1065

After “benefit” in paragraph (b) of point 1065-E4 in MODULE E of the Pension Rate Calculator B at the end of the section, insert “or a youth training allowance”.

219 Section 1066

After “benefit” in paragraph (b) of point 1066-H4 in MODULE H of the Pension Rate Calculator C at the end of the section, insert “or a youth training allowance”.

220 Section 1066A

After “benefit” in paragraph (b) of point 1066A-14 in MODULE I of the Pension Rate Calculator D at the end of the section, insert “or a youth training allowance”.

221 Section 1066B

After “benefit” in paragraph (b) of point 1066B-F4 in MODULE F of the Pension Rate Calculator E at the end of the section, insert “or a youth training allowance”.

222 Subsection 1067(1)

Omit the subsection, substitute:

- (1) The rate of job search allowance of a person, and the rate of sickness allowance of a person referred to in subsection 709(2), are to be calculated in accordance with the Rate Calculator at the end of this section.

223 Section 1067

After “job search allowance,” in paragraph (b), of point 1067-F12 in MODULE F in Benefit Rate Calculator A at the end of the section, insert “youth training allowance,”.

224 Section 1067

Omit “or a social security benefit” from paragraph (e) of point 1067-G2 in MODULE G in Benefit Rate Calculator A at the end of the section, insert “, a social security benefit or a youth training allowance,”.

225 Section 1067

After “benefit” in paragraph (b) of point 1067-K7 in MODULE K in Benefit Rate Calculator A at the end of the section, insert “or a youth training allowance”.

226 Paragraph 1068(1)(b)

Omit “who has turned 18”, substitute “to whom subsection 709(4) applies”.

227 section 1068

After “benefit” in paragraph (c) of point 1068-B1A in MODULE B in Benefit Rate Calculator B at the end of the section, insert “or a youth training allowance”.

228 Section 1068

After “benefit” in paragraph (b) of point 1068-F14 in MODULE F in Benefit Rate Calculator B at the end of the section, insert “or a youth training allowance”.

229 Section 1068

After “benefit” in paragraph (b) of point 1068-J7 in MODULE J in Benefit Rate Calculator B at the end of the section, insert “or a youth training allowance”.

230 Section 1069

Omit point 1069-D4 in MODULE D in the Family Payment Rate Calculator at the end of the section, substitute:

Assets test not to apply to recipient of pension, benefit or allowance

1069-D4 Paragraph 1069-D2(c) does not apply to a person who is, or whose partner is, receiving a social security pension, a social security benefit or a youth training allowance.

231 Section 1069

Omit “social security pension or benefit” from paragraph (b) of point 1069-D10 in MODULE D in the Family Payment Rate Calculator at the end of the section, substitute “social security pension, social security benefit or youth training allowance”.

232 Section 1069

Omit “or a social security pension or benefit” from subparagraph (c)(i) of point 1069-D15 in MODULE D in the Family Payment Rate Calculator at the end of the section, substitute “, a social security pension, a social security benefit or a youth training allowance”.

233 Section 1069

Omit “or benefit” from subparagraph (a)(i) of point 1069-D20 in MODULE D in the Family Payment Rate Calculator at the end of the section, substitute “, a social security benefit or a youth training allowance”.

234 Section 1069

Omit “or benefit” from paragraph (a) of point 1069-D22 in MODULE D in the Family Payment Rate Calculator at the end of the section, substitute “a social security benefit or a youth training allowance”.

235 Section 1069

Omit “or benefit” from paragraph (b) of point 1069-D22 in MODULE D in the Family Payment Rate Calculator at the end of the section, substitute “benefit or allowance”.

236 Section 1069

Omit “or benefit” from point 1069-HI in MODULE H in the Family Payment Rate Calculator at the end of the section, substitute “, a social security benefit, a youth training allowance”.

237 Subsection 1106(2)

Omit “or benefit” in paragraphs (a) and (b), insert “a social security benefit, a youth training allowance”.

238 Section 1115

Omit “and had an earnings credit account balance under this Act” from paragraph (b) of point 1115-B4 in MODULE B in Earnings Credit Account Balance Calculator A at the end of the section, substitute “or a youth training allowance and had an earnings credit account balance under this Act or Part 8 of the *Student and Youth Assistance Act 1973*”.

239 Section 1115

Omit “and had an earnings credit account balance under this Act” from paragraph (b) of point 1115-B5 in MODULE B in Earnings Credit Account Balance Calculator A at the end of the section, substitute “or a youth training allowance and had an earnings credit account balance under this Act or Part 8 of the *Student and Youth Assistance Act 1973*”.

240 Section 1115

After “social security benefit” in paragraph (b) of point 1115-B6 in MODULE B in Earnings Credit Account Balance Calculator A at the end of the section, insert “or a youth training allowance”.

241 Section 1115

Omit “benefit, the person had an earnings credit account balance” from paragraph (c) of point 1115-B6 in MODULE B in Earnings Credit Account Balance Calculator A at the end of the section, substitute “benefit or the youth training allowance, the person had an earnings credit account balance under this Act or Part 8 of the *Student and Youth Assistance Act 1973*”.

242 Paragraph 1115A(2)(c)

After subparagraph (ii), insert:

- (iii) is not receiving a youth training allowance; and

243 Subparagraph 1115B(2)(c)(ii)

After “benefit”, insert “or a youth training allowance”.

244 Section 1115C

- (a) After “social security benefit” in paragraph (b) of point 1115C-B2 in MODULE B in Earnings Credit Account Balance Calculator B at the end of the section, insert “, a youth training allowance”.
 - (b) After “this Act” in paragraph (b) of point 1115C-B2 in MODULE B in Earnings Credit Account Balance Calculator B at the end of the section, insert “, Part 8 of the *Student and Youth Assistance Act 1973*”.
 - (c) After “benefit” (last occurring) in paragraph (b) of point 1115C-B4 in MODULE 13 in Earnings Credit Account Balance Calculator B at the end of the section, insert “or a youth training allowance”.
 - (d) Omit paragraph (c) of point 1115C-B4 in MODULE B in Earnings Credit Account Balance Calculator B at the end of the section, substitute:
 - “(c) immediately before the person ceased to receive the earlier social security benefit or the youth training allowance, the person had an earnings credit account balance under this Act or Part 8 of the *Student and Youth Assistance Act 1973* that was greater than nil;”.
-

- (e) After “benefit” in subparagraph (c)(11) of point 1115C-B5 in MODULE B in Earnings Credit Account Balance Calculator B at the end of the section, insert “or a Youth training allowance”.
- (f) After “benefit” (last occurring) in Paragraph (d) or a point 1115C-B5 in MODULE B in Earnings Credit Account Balance Calculator B at the end of the section, insert “or a youth training allowance”.
- (g) Omit paragraph (e) of point 1115C-B5 in MODULE B in Earnings Credit Account Balance Calculator B at the end of the section, substitute:
 - “(c) immediately before the person ceased to receive the earlier social security benefit or the youth training allowance, the partner had an earnings credit account balance under this Act or Part 8 of the *Student and Youth Assistance Act 1973* that was greater than nil;”.
- (h) After “benefit” in paragraph (b) of point 1115C-D2 in MODULE D in Earnings Credit Account Balance Calculator B at the end of the section, insert “or youth training allowance”.

245 Paragraphs 1123(2)(a) and (b)

Omit the paragraphs, substitute:

- (a) obtaining a social security pension, a social security benefit or a service pension or enabling the person’s partner to obtain such a pension or benefit or a youth training allowance; or
- (b) obtaining a social security pension, a social security benefit or a service pension, or enabling the person’s partner to obtain such a pension or benefit or a youth training allowance, at a higher rate than would otherwise have been payable; or

246 Paragraph 1125A(1)(b)

After “subsection 11(10A)”, insert “or when the person’s partner claims a youth training allowance”.

247 Subparagraph 1125A(1)(c)(ii)

After “payment” (last occurring), insert “or has claimed a youth training allowance”.

248 Subsection 1125A(1)

Omit “for the purposes of determining whether a pension, benefit or payment”, substitute “for the purposes of determining whether a pension, benefit, payment or allowance”.

249 Subparagraph 1126(1)(a)(ii)

After “payment” (last occurring), insert “or is receiving a youth training allowance”.

250 Paragraph 1131(2)(b)

After “newstart allowance”, insert “, youth training allowance”.

251 Paragraph 1161(1)(a)

Omit the paragraph, substitute:

- (a) a person is released from gaol, or from psychiatric confinement that the person was undergoing because he or she had been charged with committing an offence, after spending at least 7 days in gaol or such confinement; and

252 Subsection 1166(2)

- (a) Insert “YTA” under “MAPA” in column 4 of the table in relation to items 2 and 3.
- (b) Insert under “MAPA” in the Key at the foot of the table “YTA = youth training allowance”.

253 Subsection 1168(3)

At the end of the table, add the following items:

6	Partnered	CP DSP SPP SSB DSWP SNDSP RHA MA MAPA	qualified for YTA	person	$PBA - \frac{PC}{2}$
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7	Partnered	CP DSP SPP SSB DSWP SNDSP RHA MA MAPA	qualified for YTA	partner	$PBA - \frac{PC}{2}$
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254 Subsection 1168(3)

Insert under “MAPA” in the Key at the foot of the table “YTA youth training allowance”.

255 Subsection 1170(2)

- (a) Insert “YTA” under “MAPA” in column 4 of the table in relation to items 2 and 3.
- (b) Insert under “MAPA” in the Key at the foot of the table “YTA = youth training allowance”.

256 Paragraph 1174(5)(b)

After “compensation affected payment”, insert “or a youth training allowance”.

257 Paragraph 1174(6)(b)

After “compensation affected payment”, insert “or a youth training allowance”.

258 Paragraph 1179(5)(b)

After “compensation affected payment”, insert “or a youth training allowance”.

259 Paragraph 1179(6)(b)

After “compensation affected payment”, insert “or a youth training allowance”.

260 Section 1190 (Indexed and Adjusted Amounts Table)

(a) After “social security benefit” in column 2 of item 3, insert “(other than sickness allowance payable to a person referred to in subsection 709(3))”.

(b) After item 3, insert:

3A	Maximum basic rate for a sickness allowance payable to a person referred to in subsection 709(3)	SA (under 18) MBR	Sickness Allowance Rate Calculator —point 1067E-B1 —column 3—all amounts
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(c) After “social security benefit” in column 2 of item 18, insert “(other than sickness allowance payable to a person referred to in subsection 709(3))”.

(d) After item 18, insert:

18AA	Maximum rent assistance for sickness allowance payable to a person referred to in subsection 709(3)	SA (under 18) MBR	Sickness Allowance Rate Calculator Table DB in point 1067E-D6—column 4—all amounts
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(e) After “social security benefit” in column 2 of item 18A, insert (other than sickness benefit payable to a person referred to in subsection 709(3))”.

(f) After item 18A, insert:

18B	Rent threshold rate for sickness allowance payable to a person referred to in subsection 709(3)	Rent threshold SA (under 18)	Sickness Allowance Rate Calculator Table DA in point 1067E-D2—column 3—all amounts and Table DB in point 1067E-D6—column 3—all amounts
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(g) After “social security benefit” in column 2 of items 28, 29, 30, 31, 32 and 33, insert “(other than sickness benefit payable to a person referred to in subsection 709(3))”.

(h) After item 35, insert:

35A	Minimum non-independent payment rate for sickness allowance payable to a person referred to in subsection 709(3)	Minimum payment rate SA (under 18)	Sickness Allowance Rate Calculator—Step 7 in point 1067E-A1
	<p>(i) After “social security benefit” in column 2 of items 45, 47, 47A, 49, 49B and 49D”, insert “(other than sickness allowance payable to a person referred to in subsection 709(3))”.</p> <p>(j) After item 49D, insert:</p>		
49E	Rate of pharmaceutical allowance for a person who is not a member of a couple	PA (SA) single	Sickness Allowance Rate Calculator—point 1067E-C4—item 1—Table C—column 3
49F	Rate of pharmaceutical allowance for a person who is partnered	PA (SA) partnered	Sickness Allowance Rate Calculator—point 1067E-C4—item 2—Table C—column 3
49G	Rate of pharmaceutical allowance for a person who is a member of an illness separated couple or a respite care couple	PA (SA) (item 49G)	Sickness Allowance Rate Calculator—point 1067E-C4—items 3 and 4—Table C—column 3
49H	Rate of pharmaceutical allowance for a person: (a) who is a member of a couple; and (b) whose partner is receiving a service pension	PA (SA) (item 49H)	Sickness Allowance Rate Calculator—point 1067E-C4—item 5—column 3
49J	Rate of pharmaceutical allowance for a person: (a) who is a member of	PA (SA) (item 49J)	Sickness Allowance Rate Calculator—point 1067E-C4—

a couple; and (b) whose partner is in gaol	item 6—column 3
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261 Section 1191 (CPI Indexation Table)

(a) After item 3, insert:

3A	SA (under 18) MBR	1 January	June	highest June quarter before reference quarter (but not earlier than June quarter 1986)	\$0.10
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(b) After item 12, insert:

12AA	Rent SA (under 18)	(a) <u>20 March</u> (b) 20 September	(a) <u>December</u> (b) June	highest June or December quarter before reference quarter (but not earlier than June quarter 1979)	\$0.20
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(c) After item 12A, insert:

12B	Rent threshold SA (under 18)	(a) <u>20 March</u> (b) 20 September	(a) <u>December</u> (b) June	highest June or December quarter before reference quarter (but not earlier than June quarter 1979)	\$0.20
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(d) After item 23, insert:

23A	Minimum payment rate SA (under 18)	1 <u>January</u>	June	highest June quarter before reference quarter (but not earlier	\$0.05
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				than June quarter 1986)	
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(e) After item 33, insert:

33A	PA (SA) (item 49F) and PA(SA) (item 49H)	<u>1 January</u>	June	Highest September quarter before reference quarter (but not earlier than September quarter 1991)	\$0.10
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262 Section 1192

Add at the end:

- (6) The first indexation of the amounts under items 3A, 23A and 33A of the CPI indexation table in subsection 1191(1) is to take place on 1 January 1996.

263 Section 1206A

Add at the end:

- (4) This Act has effect as if, on 1 January 1996 and on 1 January in each later year, there were substituted for the PA(SA) single rate, the PA(SA) (item 49G) rate and the PA(SA) (item 49J) rate the amount worked out using the formula:

$$\text{Current PA(SA) partnered rate} \times 2$$

where:

Current PA(SA) partnered rate means the current figure, as at that 1 January, for the PA(SA) partnered rate.

264 Subsection 1228(2)

After paragraph (c), insert:

- (ca) a payment under Part 8 of the *Student and Youth Assistance Act 1973*; or

265 Subsection 1228(2A)

Omit “*Student Assistance Act 1973*”, substitute “*Student and Youth Assistance Act 1973*”.

266 Paragraph 1234A(1)(a)

After “this Act,”, insert “the *Student and Youth Assistance Act 1973*”.

267 Subsection 1260(1)

Insert (other than a decision under the *Student and Youth Assistance Act 1973*) after “decision” (first occurring).

268 Section 1260

After subsection (1), insert the following subsection:

- (1A) For the purposes of subsection (1), if a decision is made on the basis of issues determined solely by officers of the Employment Department, the Secretary referred to in paragraph (1)(b) is the Employment Secretary.

269 Subsection 1261(1)

Omit, “the application” (first occurring), substitute “an application under Part 6.2 or under Division 2 of Part 9 of the *Student and Youth Assistance Act 1973*”.

270 Section 1261

(a) After subsection (1), insert the following subsection:

- (1A) If an application under Division 2 of Part 9 of the *Student and Youth Assistance Act 1973* is sent or delivered to an office of the Employment Department, the Secretary must send the application to the National Convener as soon as practicable and in any case not later than 7 days after the application is received at the office of the Employment Department.

(b) Add at the end the following note:

Note: In this subsection *Secretary* has the meaning given in section 23.

271 Section 1262

After subsection (1), insert the following note:

Note: In this section *Secretary* has the meaning given in section 23.

272 Subsection 1263(1)

After “this Act”, insert “, Division 2 of Part 9 of the *Student and Youth Assistance Act 1973*”.

273 Subsection 1263(2)

After “section 1251”, insert “or under section 314 of the *Student and Youth Assistance Act 1973*”.

274 Paragraph 1264(2)(b)

After “section 1260”, insert “or under section 322 of the *Student and Youth Assistance Act 1973*”.

275 Section 1265

Add at the end the following note:

Note: In this section *Secretary* has the meaning given in section 23.

276 Section 1268

Add at the end the following note:

Note: In this section *Secretary* has the meaning given in section 23.

277 Subsection 1269(1)

(a) After “section 1304”, insert “of this Act or section 343 of the *Student and Youth Assistance Act 1973*, as the case requires,”.

(b) Omit the note to the subsection, substitute:

Note: Under section 1304 of this Act or section 343 of the *Student and Youth Assistance Act 1973*, the Secretary may require a person to provide information or produce documents.

278 Section 1269

Add at the end the following note:

Note: In this section *Secretary* has the meaning given in section 23.

279 Paragraph 1273(2)(b)

After “section 1246”, insert “or section 310 of the *Student and Youth Assistance Act 1973*”.

280 Paragraph 1273(2)(c)

Omit “sections 1241 or 1251”, substitute “section 1241 or 1251 or under section 305 or 314 of the *Student and Youth Assistance Act 1973*,”.

281 Paragraph 1274(2)(a)

Omit the paragraph, substitute:

- (a) sending or delivering written notice of withdrawal:
 - (i) in the withdrawal of an application for the review of a decision other than a student assistance benefit decision—to an office of the SSAT or an office of the Department; or
 - (ii) in the withdrawal of an application for the review of a student assistance benefit decision—to an office of the SSAT or an office of the Employment Department; or

282 Section 1274

Omit paragraph (2A)(a), substitute:

- (a) is a student assistance benefit decision, or is about youth training allowance, job search allowance or newstart allowance; and

283 Section 1274

Add at the end the following note:

Note: in this section *Secretary* has the meaning given in section 23.

284 Paragraph 1279(1)(a)

After “this Act”, insert “, the *Student and Youth Assistance Act 1973*”.

285 Subsection 1279(5)

After paragraph (a), insert:

- (aa) the provisions of the *Student and Youth Assistance Act 1973* or the regulations made under that Act; or

286 Section 1281

Add at the end the following note:

Note: In this section *Secretary* has the meaning given in section 23.

287 Subsection 1324(1)

Omit “and the senior members”, substitute “, the senior members and the other members.”.

288 Subsection 1324(2)

Omit the subsection.

289 Subsection 1325A(1)

Omit “and the senior members”, substitute “, the senior members and the other members”.

290 Subsection 1325A(2)

Omit the subsection.

291 Subsection 1326(1)

Omit the subsection, substitute:

- (1) The Governor-General may appoint a person to act as National Convener:
 - (a) during a vacancy in the office of National Convener, whether or not an appointment has previously been made to the office; or
 - (b) during any period, or during all periods, when the National Convener is absent from duty or from Australia or is, for any reason, unable to perform the duties of the National Convener’s office;but a person appointed to act under paragraph (a) must not continue to act for more than 12 months.

292 Subsection 1326(2)

Omit the subsection, substitute:

- (2) The Minister may appoint a person to act as National Convener during a vacancy in the office of National Convener, whether or not an appointment has been previously made to the office, but a person so appointed must not continue to act for more than 3 months.

293 Subsection 1326(3)

Omit “Minister”, substitute “Governor-General”.

294 Section 1326

After subsection (3), insert:

- (3A) The Minister may appoint a person to act as a full-time senior member in the place of a person who has ceased to be such a member, but a person so appointed must not continue to act for more than 3 months.

295 Subsection 1326(4)

Omit “Minister”, substitute “Governor-General”.

296 Section 1326

After subsection (4), insert:

- (4A) The Minister may appoint a person to act as a part-time senior member in the place of a person who has ceased to be such a member; but a person so appointed must not continue to act for more than 3 months.

297 Subsection 1326(5)

Omit “Minister”, substitute “Governor-General”.

298 Section 1326

After subsection (5), insert:

- (5A) Where a person has been appointed under subsection (2), the Minister may direct that the person is to continue to act in the appointment after the normal terminating event occurs.”.

299 Subsection 1326(6)

Insert “or (5A)” after “(5)”.

300 Subsection 1326(8)

Insert “or (5A)” after “(5)”.

301 Subsection 1326(9)

Insert “or (5A)” after “(5)”.

302 Subsection 1326(12)

Omit the subsection, substitute:

- (12) For the purposes of this section, the normal terminating event for an appointment under subsection (1), (2), (3) or (4) is:
- (a) if the appointment is made under paragraph (1)(a) or subsection (2)—the filling of the vacancy in the office of National Convener; or
 - (b) if the appointment is made under paragraph (1)(b) the National Convener ceasing to be absent or ceasing to be unable to perform the duties of the National Convener’s office; or

(c) if the appointment is made under subsection (3) the senior member ceasing to be absent or ceasing to be unable to perform the duties of the member's office; or

(d) if the appointment is made under subsection (4) the senior member ceasing to be absent or ceasing to be unable to perform the duties of the member's office.

303 Subsection 1334(1)

Omit "the National Convener or a senior member", substitute "a member".

304 Subsection 1334(2)

Omit the subsection.

305 Subsection 1334(4)

Omit "the National Convener or a senior member", substitute "a member".

306 Paragraph 1334(4)(a)

Omit "National Convener or the senior

307 Subsection 1334(6)

Omit the subsection, substitute:

(6) The Governor-General may remove a member from office if disqualifying circumstances exist in relation to the member.

308 Subsection 1334(7)

Omit the subsection.

309 Subsection 1334(9)

Omit the subsection, substitute:

(9) If a member is:

(a) an eligible employee for the purposes of the *Superannuation Act 1976*; or

(b) a member of the superannuation scheme established by deed under the *Superannuation Act 1990*;

the Governor-General may, with the consent of the member, by signed instrument, retire the member from office on, the ground of physical or mental incapacity on a date specified in the instrument.

310 Subsection 1334(10)

Omit the subsection.

311 Subsection 1334(11)

Omit “or (10)”.

312 Paragraph 1336(1)(d)

Omit “under Chapter 6”.

313 Subsection 1336(2)

Insert “or the *Student and Youth Assistance Act 1973*” after “Act”.

314 Paragraph 1336(3)(c)

Insert “or the *Student and Youth Assistance Act 1973*” after “Act”.

315 Paragraph 1336(3)(d)

Insert “or the *Student and Youth Assistance Act 1973*” after “Act”.

316 Subsection 1336(5)

Insert “or the *Student and Youth Assistance Act 1973*” after “Act”.

317 Subsection 1336(7)

(a) Omit “under Chapter 6”.

(b) Insert “or the *Student and Youth Assistance Act 1973*” after “Act”.

318 Section 1337

Insert “or the *Student and Youth Assistance Act 1973*” after “Act”.

319 Subsection 1367(1)

Omit “subsection (2)”, substitute “this section”.

320 Subsection 1363(1)

Omit “subsection (2)”, substitute “this section”.

321 Section 1363

Add at the end:

- (3) Social security payments the making of which is dependent upon the recipient being qualified for youth training allowance are to be made in accordance with subsection 55A(1B) of the *Student and Youth Assistance Act 1973*.

NOTE ABOUT SECTION HEADINGS

On the commencement of this Act:

- (a) the heading to subsection 5(6) of the *Social Security Act 1991* is altered by inserting “, allowance” after “benefit”;
- (b) the headings to sections 73A, 141, 227A, 290A, 456, 582, 660E, 660XJF and 728G of the *Social Security Act 1991* are altered by omitting “**or benefit**” and substituting “, **benefit or allowance**”;
- (c) the heading to section 661 of the *Social Security Act 1991* is omitted and replaced by “**Qualification for employment entry payment**”;
- (d) the heading to section 663 of the *Social Security Act 1991* is altered by adding at the end “**or youth training allowees**”;
- (e) the headings to sections 6650 and 711 of the *Social Security Act 1991* are altered by inserting “, **youth training**” after “**job search**”;
- (f) the heading to section 1161 of the *Social Security Act 1991* is altered by adding at the end “**or from psychiatric confinement following criminal charge**”;
- (g) the heading to section 1269 of the *Social Security Act 1991* is omitted and the following heading is substituted: “**Request for Secretary to exercise powers**”; and
- (h) the headings to sections 1268 and 1269 of the *Social Security Act 1991* are altered by inserting “**or Employment Secretary**” after “**Secretary**”.

Schedule 2—New Part 3.5A to be inserted in the Social Security Act 1991

Subsection 9(2)

“Part 3.5A—Sickness allowance rate calculator

Interpretation

“1067A. In this Part:

accounting period, in MODULE F, means a period of 12 months.

employer, in MODULE F, has the meaning given by MODULE K.

fringe benefits year means a year beginning on 1 April.

independent has the meaning given by section 1067B.

living at home has the meaning given by section 1067D.

parent, in relation to a person (the ‘**relevant person**’), means, in the modules constituting the sickness allowance rate calculator at the end of section 1067E:

- (a) a natural or adoptive parent of the relevant person with whom the relevant person normally lives; or
- (b) if a parent referred to in paragraph (a) is a member of a couple and normally lives with ‘the other member of the couple—the other member of the couple; or
- (c) any other person (other than the relevant person’s partner) on whom the relevant person is wholly or substantially dependent; or
- (d) if none of the preceding paragraphs applies—the natural or adoptive parent of the relevant person with whom the relevant person last lived.

required to live away from home has the meaning given by section 1067C.

When a person is regarded as independent

Application

“1067B. (1) This section applies to determine whether a person is to be regarded as independent for the purposes of this Part.

Member of a couple

“(2) A person is independent if the person is a member of a couple.

Note: For ‘member of a couple’ see subsections 4(2), (3) and (6).

Person with a dependent child

“(3) Subject to subsection (4), a person is independent if:

- (a) the person has a natural or adoptive child who is wholly or substantially dependent on the person or his or her partner; or
- (b) the person previously had a natural or adoptive child who was wholly or substantially dependent on the person or on a person who, at the time, was the person’s partner.

Child not dependent if maintenance paid for the child

“(4) If a person pays maintenance for a child, the child is taken not to be dependent on the person.

Orphan

“(5) A person is independent if both of the person’s parents are dead, whether or not the person is dependent, or was last dependent, on someone other than his or her parents.

If parents cannot exercise responsibilities

“(6) A person is independent if both of the person’s parents are (or, if the person has only one parent, that parent is):

- (a) serving a prison sentence of at least 10 years; or
- (b) mentally incapacitated and likely to remain so incapacitated for an indefinite period; or
- (c) living in a nursing home and likely to remain there for an indefinite period; or
- (d) missing;

whether or not the person is dependent, or was last dependent, on someone other than a parent of the person.

Refugee

- “(7) Subject to subsection (8), a person is independent if the person:
- (a) is the holder, within the meaning of the Migration (1993) Regulations, of a Group 1.3 entry permit (permanent resident) (refugee and humanitarian); or
 - (b) while the holder of such a permit, was granted Australian citizenship.

Certain refugees cannot qualify as independent

- “(8) A person is not independent under subsection (7) if the person:
- (a) has a parent living in Australia; or
 - (b) is wholly or substantially dependent on someone else on a long-term basis.

Person in State care

- “(9) A person is independent if:
- (a) the person is in the guardianship, care or custody of a Court, a Minister, or a Department, of the Commonwealth, a State or a Territory; or
 - (b) there is a current direction from such a Court, Minister or Department placing the person in the guardianship, care or custody of someone who is not the person’s parent; or
 - (c) the person stopped being in a situation described in paragraph (a) or
 - (b) only because of his or her age;
- and:
- (d) the person is not living with a parent; and
 - (e) the person does not qualify under a law of, or a non-statutory scheme administered by, a State or Territory for the making of any payments by, or by an authority of, the State or Territory to or in respect of the person for his or her upkeep, and no such payments are being made.

Unreasonable to live at home

- “(10) A person is independent if:
- (a) the person can not live at the home of either or both of his or her parents:
 - (i) because of extreme family breakdown or other similar exceptional circumstances; or
 - (ii) because it would be unreasonable to expect the person to do so as there would be a serious risk to his or her physical or mental well-being due to violence, sexual abuse or other similar unreasonable circumstances; and
 - (b) the person is not receiving continuous support, whether directly or indirectly and whether financial or otherwise, from a parent of the person or from another person who is acting as the person’s guardian on a long-term basis; and
 - (c) the person is not receiving, on a continuous basis, any payments in the nature of income support (other than a social security benefit or youth training allowance) from the Commonwealth, a State or a Territory.

Living away from home for 18 weeks

- “(11) A person is independent if the person:
- (a) does not live, and for a continuous period of at least 18 weeks has not lived, at a home of the parents, or of a parent, of the person; and
 - (b) has, at a time when the person was not living at such a home been employed for at least 20 hours a week for the period of, or for periods that total, at least 13 weeks; and
 - (c) is not receiving financial or other support from either or both of his or her parents, or from someone else who is acting as his or her guardian, and did not receive such support during the period referred to in paragraph (a).
- “(12) A person is taken to be independent for the purposes of this Part if:
- (a) the person does not live at a home of the parents, or of a parent, of the person; and
 - (b) the person does not receive regular financial support from a parent of the person; and
 - (c) immediately before qualifying for sickness allowance or, if the person has qualified for sickness’ allowance on more than

one occasion, immediately before last qualifying for that allowance, the person was receiving youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*; and

- (d) for the purposes of the payment of that youth training allowance the person was regarded as independent within the meaning of Schedule 1 to that Act (otherwise than because of subclause (10) of clause 2 of Part 1 of that Schedule).

Section to be exclusive

“(13) A person is not to be regarded as independent except as provided by this section.

Note: For ‘parent’ see section 5.

Person required to live away from home

When a person is taken to be required to live away from home

- “1067C. (1) A person is taken to be required to live away from home for the purposes of this Part if, and only if:
- (a) the person is not independent; and
 - (b) the person does not live at the home of either or both his or her parents; and
 - (c) the Secretary determines that:
 - (i) the person needs to live away from home for the purpose of education, training, searching for employment or doing anything else in preparation for getting employment; or
 - (ii) the likelihood of the person’s getting employment will be significantly increased if the person lives away from home.

Secretary may have regard to advice from case manager

“(2) In making a determination under paragraph (1)(c), the Secretary may have regard to any advice given by a case manager to whom the person has been referred under Part 4.3 of the *Employment Services Act 1994*.

Matters to which Secretary is to have regard

“(3) In making a determination under subparagraph (1)(c)(ii), the Secretary is to have regard to:

- (a) the overall employment prospects for young people in the areas where the home is situated and in the area where the person is living; and
- (b) matters relating to the person that would affect the likelihood of the person’s getting employment in those areas.

Note: For ‘parent’ see section 5.

Person living at home

“1067D. If a person:

- (a) is not independent; and
- (b) is not taken by section 1067C to be required to live away from home; the person is taken for the purposes of this Part to be living at home.

Rate of sickness allowance (under 18)

“1067E. (1) The rate of sickness allowance of a person referred to in subsection 709(3) is to be calculated in accordance with the Rate Calculator at the end of this section.

“(2) If:

- (a) a person is living with another person as the spouse of that other person on a genuine domestic basis although not legally married to the other person; and
- (b) the other person is of the opposite sex; and
- (c) either or both of them are under the age of consent applicable in the State or Territory in which they are living;

the person’s sickness allowance rate is not to be more than the rate at which it would be payable to the person if the other person were the person’s partner.

Note: This provision has the effect of taking into account the ordinary income and assets of the partner in applying the ordinary income test and assets test respectively.

“Sickness allowance rate calculator

“Module A—Overall rate calculation process

Method of calculating rate

“1067E-A1. The rate of allowance is a fortnightly rate.

Method statement

- Step 1.* Work out the person’s maximum basic rate using MODULE B below.
- Step 2.* Work out the amount a fortnight (if any) of pharmaceutical allowance using MODULE C below.
- Step 3.* Work out any applicable additional amount for rent using MODULE D below.
- Step 4.* Add up the amounts obtained in Steps 1 to 3: the result is called the maximum payment rate.
- Step 5.* Work out, using MODULE E below, whether the assets test applies to the person and, if it does, whether or not the value of the person’s assets is more than the person’s assets value limit.
- Step 6.* If the value of the person’s assets is not more than the person’s assets value limit, the assets test does not affect the maximum payment rate.
- Step 7.* If the value of the person’s assets is more than the person’s assets value limit, then:
 - (a) if the person is not independent, the maximum payment rate is reduced to \$62.90 (this is called the minimum non-independent payment rate) and Step 8 is to be disregarded; or

- (b) if the person is independent—a sickness allowance is not payable to the person and the following Steps are to be disregarded.

Step 8. If the person is not independent and the parental income test applies to the person (see points 1067E-F2 and 1067E-F3 in MODULE F below), work out the reduction for parental income using that MODULE and take the reduction away from the maximum payment rate but not so as to reduce that rate below the minimum non-independent payment rate; the result is called the parental income test reduced rate.

Step 9. Apply the ordinary income test using MODULE G below to work out the person's ordinary income reduction.

Step 10. The rate of the allowance is worked out by taking the person's ordinary income reduction away from:

- (a) if the person is not independent:
- (i) if paragraph (a) of Step 7 applied to the person—the minimum non-independent payment rate; or
 - (ii) if Step 8 did not apply to the person because of points 1067E-F2 and 1067E-F3 (other than paragraph (g) of point 1067E-F3)—the maximum payment rate; or
 - (iii) if paragraph (g) of point 1067E-F3 applied to the person and Step 7 did not apply to the person—the maximum payment rate; or
 - (iv) if Step 8 applied to the person—the parental income test reduced rate; or
- (b) if the person is independent—the maximum payment rate;

and adding any amount payable by way of remote area allowance (see MODULE H below).

Note: If a person's rate is reduced under Step 8 or Step 10, the order in which the reduction is to be made against the components of the maximum payment rate is laid down by section 1207 (maximum basic rate first, then rent assistance).

“Module B—Maximum basic rate

Maximum basic rate

“1067E-B1. A person’s maximum basic rate is to be worked out using Table B.

Work out:

- (a) whether the person is independent; and
- (b) if the person is not independent—whether the person lives at home or is required to live away from home; and
- (c) if the person is independent:
 - (i) whether the person is a member of a couple; and
 - (ii) whether the person has a dependent child;

The maximum basic rate is the corresponding amount in column 3.

TABLE B MAXIMUM BASIC RATES		
Column 1 Item	Column 2 Person’s situation	Column 3 Rate
1.	Not independent and lives at home	\$134.50
2.	Not independent and required to live away from home	\$222.10
3.	Independent and: (a) is not a member of a couple; and (b) does not have a dependent child	\$222.10
4.	Independent and: (a) is a member of a couple; and (b) does not have a dependent child	\$222.10
5.	Independent and: (a) is not a member of a couple; and (b) has a dependent child	\$321.60
6.	Independent and: (a) is a member of a couple; and (b) has a dependent child	\$269.20

Note 1: For ‘independent’ see section 1067B.

Note 2: For ‘member of a couple’ see section 4.

Note 3: For 'dependent child' see section 5.

Note 4: For 'lives at home' see section 1067D.

Note 5: For 'required to live away from home' see section 1067C.

Note 6: The rates in column 3 are indexed annually in line with CPI increases (see sections 1191-1194).

“Module C—Pharmaceutical allowance

Qualification for pharmaceutical allowance

“1067E-C1. Subject to points 1067E-C2 and 1067E-C3, an additional amount by way of pharmaceutical allowance is to be added to a person’s maximum basic rate if:

- (a) the person is an Australian resident; and
- (b) the person is in Australia; and
- (c) the person is receiving sickness allowance.

No pharmaceutical allowance if partner receiving pharmaceutical allowance under the Veterans’ Entitlements Act

“1067E-C2. Pharmaceutical allowance is not to be added to a person’s maximum basic rate if the person is receiving pharmaceutical allowance under the Veterans’ Entitlements Act.

No pharmaceutical allowance if partner receiving pharmaceutical allowance under the Veterans’ Entitlements Act and not a service pensioner

“1067E-C3. Pharmaceutical allowance is not to be added to a person’s maximum basic rate if:

- (a) the person is a member of a couple; and
- (b) the person’s partner is receiving pharmaceutical allowance under the Veterans’ Entitlements Act; and
- (c) the person’s partner is not receiving a service pension.

Note: If paragraphs (a), (b) and (c) apply to the person’s partner, the partner is receiving pharmaceutical allowance under the Veterans’ Entitlements Act at the higher rate (rather than the person and the person’s partner each receiving pharmaceutical allowance at the lower rate)

Amount of pharmaceutical allowance

“1067E-C4. The amount of pharmaceutical allowance is the amount a fortnight worked out using the following table:

TABLE C PHARMACEUTICAL ALLOWANCE AMOUNT		
Column 1 Item	Column 2 Person's family situation	Column 3 amount a fortnight
1.	Not member of couple	\$5.20
2.	Partnered	\$2.60
3.	Member of illness separated couple	\$5.20
4.	Member of respite care couple	\$5.20
5.	Partnered (partner getting service pension)	\$2.60
6.	Partnered (partner in gaol)	\$5.20

Note 1: For 'member of a couple', 'partnered', 'illness separated couple', 'respite care couple' and 'partnered (partner in gaol)' see section 4.

Note 2: The amounts in column 3 are indexed or adjusted annually in line with CPI increases on 1 January (see sections 1191-1194 and 1206A).

“Module D—Rent assistance

Rent assistance

“1067E-D1. Subject to point 1067E-D3, an amount to help cover the cost of rent is to be added to the maximum basic rate of a person who is independent for a period if:

- (a) the person is not an ineligible homeowner; and
- (b) the person pays, or is liable to pay, rent (other than Government rent) in respect of the period; and
- (c) the rent is payable at a rate of more than the rent threshold rate; and
- (d) the person is in Australia throughout the period; and
- (e) the person does not have a partner with a rent increased pension; and
- (f) neither the person nor the person’s partner is qualified for additional family payment for a dependent child of the person.

Note 1: For ‘partner with a rent increased pension’ see point 1067E-D3.

Note 2: For ‘rent’, ‘Government rent’ and ‘ineligible homeowner’ see section 13.

Note 3: For ‘independent’ see section 1067B.

Note 4: For ‘rent threshold rate’ see point 1067E-D2.

Rent threshold rate

“1067E-D2. A person’s rent threshold rate depends on the person’s family situation. Work out which family situation in Table DA applies to the person. The rent threshold rate is the corresponding amount in column 3.

TABLE DA RENT THRESHOLD RATES		
Column 1 Item	Column 2 Person’s family situation	Column 3 amount a fortnight
1.	Not member of couple	\$61.80
2.	Partnered—partner does not have rent	\$103.20

TABLE DA RENT THRESHOLD RATES		
Column 1 Item	Column 2 Person's family situation	Column 3 amount a fortnight
	increased benefit	
3.	Partnered—partner has rent increased benefit	\$103.20
4.	Partnered—member of illness separated couple	\$61.80
5.	Partnered—member of respite care couple	\$61.80
6.	Partnered (partner in gaol)	\$61.80

Note 1: For 'member of a couple', 'partnered', 'illness separated couple', 'respite care couple' and 'partnered (partner in gaol)' see section 4.

Note 2: For 'partner with rent increased benefit', see point 1067E-D5.

Note 3: The column 3 amounts are indexed 6 monthly in line with CPI increases (see sections 1191-1194).

Partner with rent increased pension

"1067E-D3. A person has a partner with a rent increased pension, for the purposes of point 1067E-D1, if:

- (a) the partner is living with the person in their home; and
- (b) the partner is receiving a social security pension or service pension; and
- (c) the partner's pension rate is increased to take account of rent.

Factors affecting rate of rent assistance

"1067E-D4. The rate of rent assistance depends on:

- (a) the fortnightly rent paid or payable by the person; and
- (b) whether or not the person has a partner who has a rent increased benefit.

Partner with rent increased benefit

"1067E-D5. A person's partner has a rent increased benefit for the purposes of this MODULE if the partner:

- (a) is living with the person in their home; and

(b) either:

- (i) is receiving a youth training allowance, job search allowance, newstart allowance or sickness allowance the rate of which is increased to take account of rent (whether or not the rate would be nil except for the increase to take account of rent); or
- (ii) would be receiving such an allowance except for the amount of the person's ordinary income reduction under point 1067E-G15.

Note: For the treatment of rent paid by a member of a couple see points 1067E-D8 and 1067E-D9.

Rate of rent assistance

“1067E-D6. The rate of rent assistance a fortnight is worked out using Table DB. Work out the person's family situation and calculate Rate A for the person using the corresponding formula in column 3. This will be the person's rate of rent assistance but only up to the person's maximum rent assistance rate. The person's maximum rent assistance rate is Rate B for the person worked out using column 4 of the Table.

TABLE DB RENT OF RENT ASSISTANCE			
Column 1 Item	Column 2 Person's family situation	Column 3 Rate A	Column 4 Rate B
1.	Not member of couple	$3 \times \frac{(\text{fortnightly rent} - \$61.80)}{4}$	\$69.20
2.	Partnered—partner does not have increased benefit	$3 \times \frac{(\text{fortnightly rent} - \$103.20)}{4}$	\$65.20
3.	Partnered—partner has rent increased benefit	$3 \times \frac{(\text{fortnightly rent} - \$103.20)}{4}$	\$32.60
4.	Partnered—member of illness separated couple	$3 \times \frac{(\text{fortnightly rent} - \$61.80)}{4}$	\$69.20

TABLE DB RENT OF RENT ASSISTANCE			
Column 1 Item	Column 2 Person's family situation	Column 3 Rate A	Column 4 Rate B
5.	Partnered— member of respite care couple	$3 \times \frac{(\text{fortnightly rent} - \$61.80)}{4}$	\$69.20
6.	Partnered (partner in gaol)	$3 \times \frac{(\text{fortnightly rent} - \$61.80)}{4}$	\$69.20

Note 1: For 'member of a couple', 'partnered', 'illness separated couple', 'respite care couple' and 'partnered (partner in gaol)' see section 4.

Note 2: For partner with a 'rent increased benefit' see point 1067E-D5.

Note 3: The rent threshold amounts in column 3 are indexed 6 monthly in line with CPI increases (see sections 1191-1194).

Note 4: The Rate B amounts are indexed 6 monthly in line with CPI increases (see sections 1191-1194).

Fortnightly, rent

"1067E-D7. Fortnightly rent is the fortnightly rent paid or payable by the person whose rate of sickness allowance is being calculated.

Rent paid by a member of a couple

"1067E-D8. If a person is a member of a couple and the person's partner is living with the person in their home, any rent that the person's partner pays or is liable to pay in respect of the home is to be treated as paid or payable by the person.

Rent paid by a member of an illness separated couple

"1067E-D9. If a person is a member of an illness separated couple, any rent that the person's partner pays or is liable to pay in respect of the premises or lodgings occupied by the person is to be treated as paid or payable by the person.

Note: For 'illness separated couple' see section 4.

“Module E—Assets test

“1067E-E1. This is how to work out the value of a person’s assets and to work out the person’s assets value limit:

Method statement

- Step 1.* Work out whether the assets test applies to the person using points 1067E-E2 to 1067E-E4.
- Step 2.* If the assets test applies to the person, work out the person’s assets value limit using point 1067E-E5.
- Step 3.* Work out the value of the person’s assets using points 1067E-E6 to 1067E-E20.
- Step 4.* Work out whether the value of the person’s assets is more than the person’s assets value limit.

Persons affected

“1067E-E2. The assets test applies to a person unless the person is excluded from the assets test under point 1067E-E3 or 1067E-E4.

Exclusion of person if partner receiving certain kinds of income support

“1067E-E3. A person is excluded from the application of the assets test if the person is independent but the person’s partner is receiving:

- (a) a payment of pension, benefit or allowance referred to in MODULE J; or
- (b) job search allowance, newstart allowance, sickness allowance or special benefit; or
- (c) a payment under Part 5 or 6 of the *Farm Household Support Act 1992*; or
- (d) a full-time educational or vocational training allowance from the Commonwealth (including under the AUSTUDY or ABSTUDY scheme); or

-
- (e) a payment referred to in paragraph 97(1)(c) of the AUSTUDY Regulations.

Exclusion of person if parental income test is not applied

“1067E-E4. A person is excluded from the application of the assets test if:

- (a) the person is not independent; but
- (b) in the working out of the rate of sickness allowance payable to the person, the parental income test is not applied because of point 1067E-F3 (other than paragraph (g)).

Person’s asset value limit

“1067E-E5. A person’s assets value limit is:

- (a) if the person:
 - (i) is independent; and
 - (ii) is not a member of a couple;\$111,870 (or, if a higher amount is prescribed by the regulations, that higher amount); or
- (b) if the person:
 - (i) is independent; and
 - (ii) is a member of a couple;\$159,470 (or, if a higher amount is prescribed by the regulations, that higher amount); or
- (c) if the person is not independent—\$375,630 (or, if a higher amount is prescribed by the regulations, that higher amount).

Value of assets of partner or family members included in certain circumstances

“1067E-E6. The value of the assets of a person (the ‘**relevant person**’) is the sum of the following values:

- (a) the value of the assets of the, relevant person (disregarding paragraphs (b) and (c));
- (b) if the relevant person is independent—the value of the assets of a person who is the partner of the relevant person;
- (c) if the relevant person is not independent—the value of the assets of each person who is a family member of the relevant person.

Points 1067E-E7 to 1067E-E20 apply for the purpose of working out the value of assets of the relevant person and of any person who is the partner, or a family member, of the relevant person.

Assets include property not specifically excluded

“1067E-E7. Assets are any kind of property, whether in Australia or elsewhere, unless they are excluded by point 1067E-E12, 1067E-E14, 1067E-E15 or 1067E-E16.

Disposals for low or nil value

“1067E-E8. If a person disposed of an asset in the last 5 years for unreasonably low or no value:

- (a) it is included in the person’s assets; and
- (b) Its value is taken to be its value when the person disposed of it less what he or she got for it.

If person reduces value

“1067E-E9. If a person reduces the value of an asset directly or indirectly, the value of the asset is taken to be its value before the person acted to reduce it (except if the person reduces the value of a business by reducing the extent to which he or she works in the business).

Debts to person are included

“1067E-E10. A person’s assets include any money owed to the person, but do not include any interest on the money that is not yet due.

Assets of trust in which person benefits

“1067E-E11. A person’s assets include:

- (a) any benefit to which the person is entitled directly or indirectly out of the assets of a trust; and
- (b) any asset of a trust that the person can deal with directly or indirectly to his or her advantage; and
- (c) any interest in the assets of a trust which has been assigned to someone else but which the person can directly or indirectly control.

Exclusion of principal home

“1067E-E12. Any right or interest in a person’s principal home is not included in the person’s assets and no account is taken of an amount received from the sale of a person’s principal home that he or she is likely to use within 12 months of the sale to buy another principal home,

Note: For ‘principal home’ see subsections 11(5), (6) and (7).

Exclusion of certain farm assets

“1067E-E13. If a drought relief exceptional circumstance certificate referred to in section 8A of the *Farm Household Support Act 1992* was issued in respect of a person, or in respect of a family member of a person, and has effect, the person’s assets do not include any asset that is an exempt asset in respect of the person, or in respect of the family member of the person, as the case may be, within the meaning of that Act.

Exclusion of items for use by disabled person

“1067E-E14. A person’s assets do not include:

- (a) any personal property (such as a wheelchair) designed for use by a disabled person; or
- (b) any modification to personal property (such as a motor vehicle) to enable it to be used by a disabled person.

Exclusion of debts incurred to obtain or improve an asset

“1067E-E15. If a person incurred a debt in order to obtain an asset or to make improvements to it, the value of the asset is reduced by the outstanding amount of the debt.

Exclusion of assets outside person’s control

“1067E-E16. Any asset to which a person is entitled but which the person cannot obtain through circumstances beyond the person’s control is not included in the person’s assets.

How business assets are treated

“1067E-E17. Assets of a business are treated in accordance with points 1067E-E18 and 1067E-E19. For this purpose, a business includes:

- (a) the carrying on of primary production; and
- (b) the provision of professional services.

Interest in business discounted in certain circumstances

“1067E-E18. Subject to point 1067E-E19, 50% of the value of a person’s interest in the assets of a business is disregarded if the person, or his or her partner, is wholly or mainly engaged in the business and the business:

- (a) is owned by the person; or
- (b) is carried on by a partnership of which the person is a member; or
- (c) is carried on by a company of which the person is a member; or
- (d) is carried on by the trustee of a trust in which the person is a beneficiary.

Assets to which discounting does not apply

“1067E-E19. Point 1067E-E18 does not apply to assets of a business that are of any of the following kinds:

- (a) cash on hand, bank deposits, bank bonds, or similar readily realisable assets;
- (b) shares in companies, or rights in relation to shares;
- (c) rights to deal in real or personal property;
- (d) assets leased out by the business, unless leasing is a major activity of the business;
- (e) assets used for private or domestic purposes by the owners of the business.

Evidence of value of assets

“1067E-E20. A written statement of the value of an asset, signed by an officer of the Australian Valuation Office, is prima facie evidence of its value. For this purpose, a document purporting to be such a statement is taken to be such a statement, and to have been signed by such an officer, unless the contrary is proved.

Note 1: For ‘member of a couple’ and ‘partner’ see section 4.

Note 2: For ‘family member’ see subsection 23(1).

Note 3: For ‘independent’ see section 1067B.

Note 4: For 'principal home' see subsections 11(5) to (7).

“MODULE F—PARENTAL INCOME TEST

Effect of parental income on maximum payment rate

“1067E-F1. This is how to work out the effect (if any) of the income of a person’s parent or parents on the person’s maximum payment rate.

Method statement

- Step 1.* Work out whether the parental income test applies to the person using points 1067E-F2 and 1967E-F3.
- Step 2.* If the parental income test applies to the person, identify:
- (a) the people who are to be regarded as the person’s parents; and
 - (b) the relevant accounting period.
- Note 1: For ‘parent’ see section 1067A.
Note 2: For ‘relevant accounting period’ see points 1067E-F4 to 1067E-F7.
- Step 3.* Work out the person’s combined parental income for the relevant accounting period using points 1067E-F8 to 1067E-F10.
- Step 4.* Work out the person’s combined parental fringe benefits value for the relevant accounting period using points 1067E-F11 to 1067E-F13.
- Step 5.* Add the amount obtained in Step 3 to the amount obtained in Step 4: the result is called the **parental adjusted income**.
- Step 6.* Work out the deductions for dependent children using point 1067E-F15.
- Step 7.* Take the amount of the deductions from the parental adjusted income: the result is called the **parental net income**.

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- Step 8.* If the parental net income is equal to or less than:

 - (a) \$21,660; or
 - (b) if a higher amount is prescribed by the regulations—that higher amount;

(the **parental free area**), the parental income test does not affect the maximum rate of sickness allowance and Steps 9 to 11 should be disregarded.

Step 9. If the parental net income exceeds the parental free area, work out the amount of the excess and divide it by 4: the result is called the **annual parental income excess**.

Step 10. Divide the annual parental income excess by 26: the result is called the **fortnightly parental income excess**.

Step 11. The **person’s reduction for parental income** is the fortnightly parental income excess.

Note 1: For ‘family member’ see subsection 23(1).

Note 2: For ‘fringe benefits year’ see section 1067A.

Note 3: For ‘dependent child’ see section 5 and point 1067E-F15.

Persons affected by the parental income test

“1067E-F2. Subject to point 1067E-F3, the parental income test applies to the person if the person is not independent.

Parent receiving Commonwealth benefit

“1067E-F3. The parental income test does not apply to the person while a parent of the person:

- (a) gets job search allowance, newstart allowance, sickness allowance or special benefit; or
- (b) gets a payment under the Commonwealth scheme known as the TCF Special Allowance; or
- (c) gets a payment of pension, benefit or allowance referred to in MODULE J; or
- (d) gets a payment under Part 5 or 6 of the *Farm Household Support Act 1992*; or
- (e) gets AUSTUDY or ABSTUDY and:

- (i) also gets dependent spouse allowance under AUSTUDY or ABSTUDY; or
- (ii) has a partner who gets AUSTUDY or ABSTUDY, or
- (iii) is a single parent; or
- (f) gets a payment under paragraph 91(1)(ab) or (d) of the AUSTUDY Regulations; or
- (g) is a disadvantaged person for the purposes of sections 5B and 5D of the *Health Insurance Act 1973*.

Relevant accounting period

“1067E-F4. Subject to points 1067E-F5, 1067E-F6 and 1067E-F7, the relevant accounting period, in relation to the person at a particular time (the **relevant time**), is the accounting period ending on the last 30 June before the calendar year in which the relevant time occurs.

If parent adopts substituted accounting period

“1067E-F5. If a parent of the person uses section 18 of the Income Tax Assessment Act to adopt an accounting period that ends on a day other than 30 June, the relevant accounting period in relation to the person at the relevant time is the most recent accounting period so adopted that ended before the calendar year in which the relevant time occurs.

Relevant accounting period if parent derived exempt income from foreign country

“1067E-F6. If:

- (a) point 1067E-F5 does not apply to a person at the relevant time: and
- (b) the income of a parent of the person for the period that, apart from this point, would be the relevant accounting period consists principally of income derived in one foreign country; and
- (c) the law of that country levies income tax based on an accounting period that ends on a day other than 30 June; and
- (d) the parent’s income derived in that country is exempt income under the Income Tax Assessment Act;

the relevant accounting period in relation to the person at the relevant time is the most recent accounting period referred to in

paragraph (c) that ended before the calendar year in which the relevant time occurs.

Variation of accounting period if parental income falls

- “1067E-F7. If the amount that would be the person’s parental adjusted income for the accounting period ending in the calendar year before the calendar year in which the relevant time occurs:
- (a) is substantially less than the person’s adjusted parental income for the period that would be the relevant accounting period apart from this point; and
 - (b) is likely to continue to remain substantially less for 2 years after the later of the first day of the period referred to in paragraph (a) and the day when the parent’s income reduced;
- the relevant accounting period in relation to the person at the relevant time is the, accounting period ending in the calendar year in which the relevant time occurs.

Parental income

- “1067E-F8. The person’s **combined parental income** for the relevant accounting period is the income of his or her parent, or the total income of his or her parents, as the case requires, in that period.

What is included in income

- “1067E-F9. The income of a parent of the person comprises:
- (a) the parent’s taxable income within the meaning of subsection 6(1) of the Income Tax Assessment Act; and
 - (b) any other income on which income tax is payable to the government of a foreign country; and
 - (c) any amount received:
 - (i) by, or on behalf of the parent for the maintenance of the parent or of a dependant of the parent; or
 - (ii) by a dependant of the parent for the maintenance of the dependant.

Income reduced by maintenance

- “1067E-F10. A parent’s income is reduced by maintenance paid by the parent:
-

- (a) for the upkeep of a child of the parent if the parent does not have care of the child; or
- (b) to a former partner of the parent.

Combined parental fringe benefits value

“1067E-F11. The person’s **combined parental fringe benefits value** for the relevant accounting period is:

- (a) if the person had only one parent in that period—the amount (if any) of the excess fringe benefits value for that parent for that period; or
- (b) if the person had more than one parent in that period—the sum of the respective amounts (if any) of the excess fringe benefits values for the parents for that period.

For the purposes of this point, the excess fringe benefits value for it parent of the person for the relevant accounting period is the amount (if any) by which the total of the values of the fringe benefits received by that parent in the most recent fringe benefits year that ended before the end of the relevant accounting period (as worked out under points 1067E-FI2 and 1067E-1713) is more than \$1,000.

How to work out value of fringe benefits

“1067E-F12. The fringe benefits received by a parent of the person comprise any or all of the following benefits:

- (a) a car benefit within the meaning of Part 2 of MODULE K that is not an exempt car benefit within the meaning of Division 2 of that Part;
- (b) a health insurance benefit within the meaning of Part 3 of that MODULE;
- (c) a housing benefit within the meaning of Part 4 of that MODULE that is not an exempt housing benefit within the meaning of Division 2 of that Part;
- (d) a loan benefit within the meaning of Part 5 of that MODULE that is not an exempt loan benefit within the meaning of Division 2 of that Part;
- (e) a school fees benefit within the meaning of Part 6 of that MODULE; whether the benefits are received in or outside Australia, and the value of a fringe benefit is, subject to point

1067E-F13, the value worked out in accordance with the relevant provision of that MODULE.

Value if statement provided by employer

“1067E-F13. If a parent of the person gives to the Department of Social Security a statement by the parent’s employer, or statements by each of the parent’s employers, of the amount for which tax is payable by the employer, or employers, under the *Fringe Benefits Tax Assessment Act 1986* for fringe benefits that are provided by the employer or employers to the parent in the most recent fringe benefits year that ended before the end of the relevant accounting period, that amount, or the total of those amounts, is taken to be the value of the fringe benefits received by the parent in that year.

Parental adjusted income

“1067E-F14. The sum of the person’s combined parental income, and the person’s combined parental fringe benefits value, for the relevant accounting period is the person’s parental adjusted income.

Deductions for dependent children

“1067E-F15. The deduction for a dependent child of a person’s parent at the relevant time is:

- (a) \$3,700 (or, if a higher amount is prescribed by the regulations, that higher amount) for a child who:
 - (i) is at least 16 years of age but is under 23 years of age; and
 - (ii) is undertaking full-time study; and
 - (iii) does not qualify for the independent living allowance under the AUSTUDY Regulations; and
 - (iv) is not receiving a pension, benefit or allowance referred to in MODULE J; and
- (b) \$3,700 (or, if a higher amount is prescribed by the regulations, that higher amount) for a child in respect of whom a boarding allowance or second home allowance is payable under the Assistance for Isolated Children scheme; and
- (c) \$1,200 (or, if a higher amount is prescribed by the regulations, that higher amount) for a child who:

- (i) is under 16 years of age; and
- (ii) is not a child referred to in paragraph (b); and
- (d) \$2,500 (or, if a higher amount is prescribed by the regulations, that higher amount) for a child who:
 - (i) is under 16 years of age; and
 - (ii) is additional to the child referred to in paragraph (c); and
 - (iii) is not a child referred to in paragraph (b).

For the purposes of this point, a child is not a dependent child of a person's parent if the parent pays maintenance for the child.

Parental net income

“1067E-F16. The person's parental net income is the amount obtained after deducting the total amount of the deductions for the dependent children of the person's parents from the person's parental adjusted income.

Annual parental income excess

“1067E-F17. If the person's parental net income exceeds the parental free area, the amount of the excess divided by 4 is the person's annual parental income excess.

Rounding off

“1067E-F18. For the purposes of point 1067E-F17:

- (a) if the amount obtained by dividing the amount of the excess referred to in that point by 4 is an amount of dollars and cents—the amount of cents is to be disregarded; and
- (b) if the amount so obtained is less than \$1—the amount obtained is taken to be nil.

Fortnightly parental income excess

“1067E-F19. The person's annual parental income excess divided by 26 is the person's fortnightly parental income excess.

Reduction for parental income

“1067E-F20. The person's reduction for parental income is the amount equal to the person's fortnightly parental income excess.

“MODULE G—ORDINARY INCOME TEST

Effect of ordinary income on maximum payment rate

“1067E-G1. This is how to work out the effect of a person’s ordinary income on the person’s maximum payment rate:

Method statement

Step 1. Work out the amount of the person’s ordinary income on a fortnightly basis.

Note 1: For the treatment of the ordinary income of a partner who is receiving a social security pension or a service pension see points 1067E-G2, 1067E-G3 and 1067E-G4.

Note 2: For the treatment of amounts received from friendly societies see point 1067E-G5.

Step 2. Work out the person’s ordinary income free area using points 1067E-G12 to 1067E-G14.

Note: A person’s ordinary income free area is the maximum amount of ordinary income the person can have without affecting the person’s benefit rate.

Step 3. Work out whether the person’s ordinary income is more than the person’s ordinary income free area.

Step 4. If the person’s ordinary income is not more than the person’s ordinary income free area, the person’s ordinary income excess is nil.

Step 5. If the person’s ordinary income is more than the person’s ordinary income free area, the person’s ordinary income excess is the person’s ordinary income less the person’s ordinary income free area.

Step 6. Use the person’s ordinary income excess to work out the person’s ordinary income reduction using, points 1067E-G15 and 1067E-G16.

Note 1: For ‘ordinary income’ see subsection 8(1).

Note 2: The application of the ordinary income test is affected by provisions concerning:

- investment income (sections 1073 to 1099);
- disposal of income (sections 1106 to 1112);
- benefits earnings credit (sections 1115A to 1115C);
- Veterans' Entitlements Act earnings credit (point 1067E-G4).

Ordinary income of members of certain couples

“1067E-G2 Subject to point 1067E-G3, the ordinary income of a person who is a member of a couple is taken for the purposes of this MODULE to include the ordinary income of the person's partner.

Exception

“1067E-G3. Point 1067E-G2 does not apply to ordinary income of the person's partner in the form of:

- (a) AUSTUDY allowance; or
- (b) ABSTUDY allowance; or
- (c) financial supplement under the Student Financial Supplement Scheme under the *Student and Youth Assistance Act 1973*; or
- (d) a payment under Part 5 or 6 of the *Farm Household Support Act 1992*; or
- (e) payments under the LEAP program.

Note: For 'LEAP program' see subsection 23(1).

Partner's Veterans' Entitlements Act earnings credit to be taken into account

“1067E-G4. If:

- (a) a person is a member of a couple; and
- (b) the person's partner is receiving a service pension; and
- (c) an amount earned by the partner is disregarded under section 49 of the Veterans' Entitlements Act;

that amount is also disregarded in working out the ordinary income of the person for the purposes of point 1067E-G2.

Friendly society amounts

“1067E-G5. The ordinary income of a person:

- (a) to whom a sickness allowance is payable; or
- (b) who is a partner of a person to whom paragraph (a) applies;

is not to include any amount received from an approved friendly society in respect of the incapacity because of which the person is qualified for the sickness allowance.

Termination payments

“1067E-G6. If:

- (a) a person’s employment has been terminated; and
- (b) as a result the person is entitled to a lump sum payment from the person’s former employer;

the person is taken to have received the lump sum payment on the day on which the person’s employment was terminated.

Ordinary income includes certain periodical payments from relatives

“1067E-G7. Subject to point 1067E-G8 (and despite paragraph 8(8)(z)), a person’s ordinary income for the purposes of this MODULE includes a periodical payment or benefit by way of gift or allowance from the father, mother, son, daughter, brother or sister of the person.

Board and lodging

“1067E-G8. A person’s ordinary income is not to include a payment to the person for board or lodging provided by the person to the person’s father, mother, son, daughter, brother or sister.

Ordinary income generally taken into account when first earned, derived or received

“1067E-G9. Subject to points 1067E-G10 and 1067E-G11, ordinary income is to be taken into account in the fortnight in which it is first earned, derived or received.

Ordinary income received at intervals longer than one fortnight

“1067E-G10. If:

- (a) a person receives a number of ordinary income payments; and
- (b) each payment is in respect of a period (the ‘**work period**’) that is greater than a fortnight; and

- (c) there is reasonable predictability or regularity as to the timing of the payments; and
- (d) there is reasonable predictability as to the quantum of the payments; the person is taken to receive in a fortnight falling within, or overlapping with, a work period an amount calculated by:
- (e) dividing the amount received by the number of days in the work period (the ‘**daily rate**’); and
- (f) multiplying the daily rate by the number of days in the fortnight that are also within the work period.

Note: For ‘ordinary income’ see subsection 8(1).

Payment of arrears of periodic compensation payments

“1067E-G11. If:

- (a) at the time of an event that gives rise to an entitlement of a person to compensation, the person is receiving sickness allowance; and
- (b) in relation to that entitlement, the person receives a payment of arrears of periodic compensation;

the person is taken to receive, in a fortnight falling within, or overlapping with, the periodic payments period, an amount calculated by:

- (c) dividing the amount received by the number of days in the periodic payments period (the ‘**daily. rate**’); and
- (d) multiplying the daily rate by the number of days in the fortnight that are also within the periodic payments period.

Note: For ‘periodic payments period’ see section 17.

Ordinary income free area

“1067E-G12. A person’s ordinary income free area is, subject to points 1067E-G13 and 1067E-G14, \$60.

Note: The ordinary income free area is used in the ordinary income test in relation to fortnightly income.

Additional income free area for income from personal exertion

“1067E-G13. If:

- (a) a person is not a member of a couple; and

- (b) the person’s ordinary income is more than \$60; and
- (c) the person’s ordinary income includes income from personal exertion by the person;

the person’s ordinary income free area is worked out using Table G-1. Take the amount in column 1 and add whichever is the lesser of Rate A and Rate B in column 2.

TABLE G-1 FREE AREA FOR PERSON WITH INCOME FROM PERSONAL EXERTION WHO IS NOT MEMBER OF COUPLE		
column 1 basic free area	column 2 person’s income from personal exertion	
	column 2A Rate A	column 2B Rate B
\$60.00	Rate of income from personal exertion	\$30.00

Note: For ‘income from personal exertion’ see subsection 8(1).

Additional ordinary income free area for partner’s income from personal exertion

“1067E-G14. If:

- (a) a person is a member of a couple; and
- (b) the person’s ordinary income is more than \$60; and
- (c) the person’s ordinary income includes income exertion by the person or the person’s partner;

the person’s ordinary income free area is worked out using Table G-2. Take the amount in column 1 and add:

- (d) if the person has income from personal exertion—whichever is the lesser of Rate A and Rate B in column 2; and
- (e) if the person’s partner has income from personal exertion—whichever is the lesser of Rate A and Rate B in column 3.

TABLE G-2 FREE AREA FOR MEMBERS OF COUPLE WITH INCOME FROM PERSONAL EXERTION				
column 1 basic free area	column 2 person's income from personal exertion		column 3 partner's income from personal exertion	
\$60	column 2A Rate A	column 2B Rate B	column 3A Rate A	column 3B Rate B
	Rate of income from personal exertion	\$50	Rate of income from personal exertion	\$50

Reduction for ordinary income in excess of the ordinary income free area

“1067E-G15. A person’s ordinary income reduction is worked out using Table G-3. Work out which family situation applies to the person.

The ordinary income reduction is the amount worked out using the corresponding calculation in the ‘lower range excess reduction’ column plus the amount (if any) worked out using the corresponding calculation in the upper range excess reduction’ column.

TABLE G-3 ORDINARY INCOME REDUCTION			
column 1 item	column 2 person's family situation	column 3 lower range excess reduction	column 4 upper range excess reduction
1.	Not member of a couple	$\frac{\text{lower range excess}}{2}$	upper range excess
2.	Member of a couple	$\frac{\text{lower range excess}}{4}$	$\frac{\text{upper range excess}}{2}$

Note: For ‘member of a couple’ see section 4.

Lower range excess and upper range excess

“1067E-G16. If a person has an ordinary income excess:

- (a) the part of the excess that is not more than \$80 is the person's lower range excess; and
- (b) the part (if any) of the excess that is more than \$80 is the person's upper range excess.

Ordinary income excess

“1067E-G17. A person's ordinary income excess is the person's ordinary income less the person's ordinary income free area.

“MODULE H—REMOTE AREA ALLOWANCE

Remote area allowance-person physically in remote area

“1067E-H1. An amount by way of remote area allowance is to be added to a person’s rate of sickness allowance if:

- (a) the person’s rate of sickness allowance apart from this point is greater than nil; and
- (b) the person’s usual place of residence is situated in the remote area; and
- (c) the person is physically present in the remote area.

Note 1: For ‘remote area’ see subsection 14(1).

Note 2: A person may be considered to be physically present in a remote area during temporary absences-see subsection 14(2).

Rate of remote area allowance

“1067E-H2. The rate of remote area allowance payable to a person is worked out using Table H. Work out which family situation in the Table applies to the person. The rate of remote area allowance is the corresponding amount in column 3 plus an additional corresponding amount in column 4 for each AFP child of the person.

TABLE H REMOTE AREA ALLOWANCE			
column 1 item	column 2 person’s family situation	column 3 basic allowanc e	column 4 additional allowance for each AFP child
1.	Not member of a couple	\$17.50	\$7.00
2.	Partnered	\$15.00	\$7.00
3.	Member of illness separated	\$17.50	\$7.00
4.	Partnered (partner in gaol	\$17.50	\$7.00

Note 1: Item 4 includes illness separated couples.

Note 2: For ‘AFP child’ see section 6.

Meaning of remote area allowance

“1067E-H3. In Table H, remote area allowance means an amount added to a person’s sickness allowance by way of remote area allowance.

In remote area

“1067E-H4. For the purposes of Table H, a person is in the remote area if:

- (a) the person’s usual place of residence is in the remote area; and
- (b) the person is physically present in the remote area.

Dependent children must be physically present in Australia

“1067E-H5. Additional allowance is not payable for a dependent child unless the dependent child is physically present in Australia.

Special rule if partner has an AFP child but is not receiving a pension

“1067E-H6. If:

- (a) a person who is a member of a couple is qualified for an amount by way of additional allowance; and
- (b) the person’s partner is not receiving a youth training allowance or a pension or benefit under this Act; and
- (c) the person’s partner has an AFP child;

the child is taken, for the purposes of this MODULE, to be an AFP child of the person.

Special rule if partner has an AFP child but is not receiving additional allowance for the AFP child

“1067E-H7. If:

- (a) a person who is a member of a couple is qualified for an amount by way of remote area allowance; and
- (b) the person’s partner has an AFP child; and
- (c) the person’s partner is not receiving additional allowance for the AFP child;

the child is taken, for the purposes of this MODULE, to be an AFP child of the person.

“MODULE J

“TABLE OF PENSIONS, BENEFITS AND ALLOWANCES

item No.	TYPE OF PENSION, BENEFIT AND ALLOWANCE	
1.	Age pension	(Part 2.2)
2.	Service pension (age)	(Section 36 of the Veterans’ Entitlements Act)
3.	Defence widow’s pension—if the widow has no dependent children	(Section 70 of the Veterans’ Entitlements Act)
4.	War widow’s pension—if the widow has no dependent children	(Section 13 of the Veterans’ Entitlements Act)
5.	Bereavement allowance	(Part 2.7)
6.	Wife pension—if husband gets age pension	(Part 2.4)
7.	Service pension (partner)—if husband gets service pension (age)	(Section 38 of the Veterans’ Entitlements Act)
8.	Mature age allowance	(Part 2.12A)
9.	Mature age partner’s allowance	(Part 2.12A)
10.	Rehabilitation allowance	(Section 35 of Schedule 1A)
11.	Commonwealth allowance	(New Enterprise Incentive Scheme (NEIS))
12.	Carer pension	(Part 2.5)
13.	Service pension (carer)	(Section 39 of the Veterans’ Entitlements Act)
14.	Defence widow’s pension—if the widow has a dependent child	(Section 70 of the Veterans’ Entitlements Act)
15.	Disability support pension	(Part 2.3)
16.	Service pension (invalidity)	(Section 37 of the Veterans’ Entitlements Act)
17.	Sole parent pension	(Part 2.6)
18.	Widow B pension	(Part 2.8)

item No.	TYPE OF PENSION, BENEFIT AND ALLOWANCE	
19.	Tuberculosis allowance	(Section 9 of the <i>Tuberculosis Act 1984</i>)
20.	War widow's pension—if the widow has a dependent child	(Section 13 of the Veterans' Entitlements Act)
21.	Wife pension—if husband gets a disability support pension	(Part 2.4 as in force on 11 November 1991)
22.	Wife's service pension—if husband gets an invalidity service pension	(Section 40 of the Veterans' Entitlements Act)
23.	Special benefit	(Part 2.15)
24.	Commonwealth allowance for full-time vocational training, except:	
	(a) AUSTUDY;	
	(b) an allowance under the Veterans' Children Education Scheme;	(Part 7 of the Veterans' Entitlements Act)
	(c) an allowance under:	
	(i) the Assistance for Isolated Children Scheme; or	(<i>Student and Youth Assistance Assistance for Act 1973</i>)
	(ii) the ABSTUDY Scheme; or	
	(iii) the Aboriginal Overseas Study Assistance Scheme.	
25.	Payments under paragraphs 91(1)(a) and (c) and 97(1)(b) and (ba) of the AUSTUDY Regulations	

“MODULE K

“PROVISIONS RELATING TO FRINGE BENEFITS

“Part 1—Preliminary

Definitions

“1067E-K1. In this Module, unless the contrary intention appears:

associate has the same meaning as in the *Fringe Benefits Tax Assessment Act 1986*.

employee:

- (a) means a person’s parent or a person’s partner who is in employment; and
- (b) includes a person who:
 - (i) holds or performs the duties of an appointment, office or position under the Constitution or under a law of the Commonwealth or of a State or Territory; or
 - (ii) is otherwise in the employment of the Commonwealth or of a State or Territory; or
 - (iii) is a member of the Commonwealth Parliament or of a State Parliament or a Territory legislature;

employer:

- (a) means a person who pays, or is liable to pay, salary or wages to an employee; and
- (b) includes:
 - (i) in respect of an unincorporated body of persons, except a partnership—the manager or other principal officer of that body; and
 - (ii) in respect of a partnership—each partner; and
 - (iii) the Commonwealth or a State or Territory or an authority of the Commonwealth or of a State or Territory.

employment, in relation to a person, means the holding of any office or appointment, the performance of any functions or duties,

the engaging in of any work or the doing of any act or thing that results, will result or has resulted in the person being treated as an employee.

fringe benefits year means a year beginning on 1 April.

market exchange rate, in relation to a foreign currency, means the on-demand airmail buying rate for the currency that is available at the Commonwealth Bank of Australia.

place of residence, in relation to a person, means:

- (a) a place where the person resides; or
- (b) a place where the person has sleeping accommodation;

whether on a permanent or temporary basis and whether or not on a shared basis.

recipient, means a person's parent or a person's partner.

salary or wages, means salary, wages, commission, bonuses or allowances paid (whether at piece-work rates or otherwise) to an employee in the capacity of employee.

working day, in relation to an office of the Commonwealth Bank of Australia in a place, means a day (except a Saturday, a Sunday or a day that is a public holiday at that place) when the office is open to the public for business.

Foreign currency rates to be used in calculations

- “1067E-K2. (1) If the value of a fringe benefit is expressed in a foreign currency, the value of the fringe benefit is to be calculated in Australian currency using the market exchange rate for 1 July in the relevant fringe benefits year.
- (2) If there is no market exchange rate for 1 July in the relevant fringe benefits year, the market exchange rate to be used is the market exchange rate that applied on the last working day before that 1 July.

“Part 2—Car benefits

“Division 1—What is a car benefit?

Definitions

“1067E-K3. In this Part, unless the contrary intention appears:

arrangement means:

- (a) an agreement, arrangement, understanding, promise or undertaking:
 - (i) whether express or implied; and
 - (ii) whether or not enforceable, or intended to be enforceable, by any legal proceedings; and
- (b) any scheme, plan, proposal, action, course of action or course of conduct, whether unilateral or otherwise.

car means a motor vehicle that is a road vehicle designed to carry a load of less than 1 tonne, or fewer than 9 passengers, but does not include a motor cycle or similar vehicle.

private use, in relation to:

- (a) a car; and
- (b) an employee or an associate of an employee;

means use of the car by the employee or associate that is not solely within the employee’s employment.

work-related travel, in relation to an employee, means:

- (a) travel by the employee between:
 - (i) the employee’s place of residence; and
 - (ii) the employee’s place of employment or any other place from, or at, which the employee performs the duties of his or her employment; or
- (b) travel by the employee that is incidental to travel in the course of performing the duties of his or her employment.

Car benefits

“1067E-K4. (1) An employee receives a car benefit if:

- (a) a car under the control of another person (the **provider**):

- (i) is applied to a private use by the employee or an associate of the employee; or
 - (ii) is taken under subpoint (2), (3) or (4) to be available for the private use of the employee or an associate of the employee; and
- (b) either:
- (i) the provider is the employer, or an associate of the employer, of the employee; or
 - (ii) the car is applied or available in that way under an arrangement between:
 - (A) the provider or another person; and
 - (B) the employer or an associate of the employer.
- “(2) A car is taken to be available at a particular time for the private use of the employee or an associate of the employee if:
- (a) the car is under the control of a person who is:
 - (i) the employer; or
 - (ii) an associate of the employer; or
 - (iii) another person with or for whom the employer or associate has an arrangement relating to the use or availability of the car; and
 - (b) the car is garaged or kept at or near a place of residence of the employee or of an associate of the employee.
- “(3) A car is taken to be available at a particular time for the private use of the employee or an associate of the employee if:
- (a) the car is held by a person who is:
 - (i) the employer; or
 - (ii) an associate of the employer; or
 - (iii) another person with or for whom the employer or associate has an arrangement relating to the use or availability of the car; and
 - (b) the car is not at business premises of:
 - (i) the employer; or
 - (ii) an associate of the employer; or
 - (iii) some other person with or for whom the employer or associate has an arrangement relating to the use or availability of the car; and
 - (c) either:
-

- (i) the employee is entitled to apply the car to a private use at that time; or
- (ii) the employee is not performing the duties of his or her employment at that time and has custody or control of the car; or
- (iii) an associate of the employee is entitled to use the car at that time; or
- (iv) an associate of the employee has control of the car at that time.

“(4) For the purposes of subpoint (3), if a prohibition on the use of a car, or on the application of a car for a private use, by a person is not consistently enforced, the person is taken to be entitled to use the car, or to apply the car to a private use, despite the prohibition.

“(5) For the purposes of this point, a car that is let on hire to a person under a hire-purchase agreement is taken:

- (a) to have been bought by the person when the person first took the car on hire; and
- (b) to have been owned by the person in the fringe benefits year concerned.

“(6) A reference in this Part of this MODULE to a car held by the provider does not include a reference to:

- (a) a taxi let on hire to the provider; or
- (b) a car let on hire to the provider under an agreement of a kind that is ordinarily entered into by persons taking cars on hire on an hourly, daily, weekly or other short-term basis.

“(7) Paragraph (6)(b) does not apply if the car has been, or may reasonably be expected to be, on hire under successive agreements of a kind that results in substantial continuity of the hiring of the car.

“Division 2—Exempt car benefits

Exempt car benefits

“1067E-K5. (1) A car benefit provided in respect of the employment of the employee is an exempt car benefit if:

- (a) the car is:

- (i) a taxi, panel van or utility truck; or
- (ii) any other road vehicle designed to carry a load of less than 1 tonne (other than a vehicle designed for the principal purpose of carrying passengers); and
- (b) the only private use of the car at a time when the benefit was provided was:
 - (i) work-related travel of the employee; or
 - (ii) other minor, infrequent and irregular private use by the employee or an associate of the employee.

“(2) A car benefit provided as a result of the employment of the employee is an exempt car benefit if the car was unregistered when the car was under the control of the employee.

“Division 3—Value of a car benefit

Method of valuing car benefits

“1067E-K6. (1) The value of a car benefit is calculated as follows:

Method statement

- Step 1.* Work out the engine capacity of the car and go to the relevant Part of the Car Benefits Value Table.
- Step 2.* Work out how old the car is and go to the relevant row in the Table.
- Step 3.* Work out how many complete months in the relevant fringe benefits year the person had or will have the car benefit and go to the relevant column in the Table: the number set out at the intersection of that row and that column is the **value of the car benefit** for the period of use or availability.

Note: If the person is a member of a couple, the value of the car benefit must be halved in certain circumstances (see subpoint (2)).

Schedule 2 New Part 3.5A to be inserted in the Social Security Act 1991

CAR BENEFITS VALUE TABLE													
item	Car age (in years)	Period of use (in completed months)											
		1	2	3	4	5	6	7	8	9	10	11	12
PART A—Car engine size up to 1600cc													
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	1	93.8	188	281	376	469	563	656	750	844	938	1031	1125
2	2	83.6	168	252	336	420	504	588	672	756	840	923.8	1008
3	3	74.2	148	223	297	371	445	520	594	668	742	816.4	890.6
4	4	64.5	129	193	258	322	387	451	516	580	645	709	773.4
5	5	54.7	109	164	219	273	328	383	438	492	547	601.6	656.3
6	6	44.9	89.8	135	180	225	270	314	359	404	449	494.1	539.1
7	7	35.2	70.3	105	141	176	211	246	281	316	352	386.7	421.9
8	8	25.4	50.8	76.2	102	127	152	178	203	229	254	279.3	304.7
9	9	15.6	31.3	46.9	62.5	78.1	93.8	109	125	141	156	171.9	187.5
10	10+	5.86	11.7	17.6	23.4	29.3	35.2	41	46.9	52.7	58.6	64.45	70.31

PART B—Car engine size 1601cc to 2850cc													
		1	2	3	4	5	6	7	8	9	10	11	12
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
11	1	229	458	688	917	1146	1375	1604	1833	2063	2292	2521	2750
12	2	210	422	633	844	1055	1266	1477	1688	1898	2109	2320	2531
13	3	193	385	578	771	964	1156	1349	1542	1734	1927	2120	2313
14	4	174	349	523	698	872	1047	1221	1396	1570	1745	1919	2094
15	5	156	313	469	625	781	938	1094	1250	1406	1563	1719	1875
16	6	138	276	414	552	690	828	966	1104	1242	1380	1518	1656
17	7	120	240	359	479	599	719	839	958	1078	1198	1318	1438
18	8	102	203	305	406	508	609	711	813	914	1016	1117	1219
19	9	83.3	167	250	333	417	500	583	667	750	833	916.7	1000
20	10+	65.1	130	195	260	326	391	456	521	586	651	716.1	781.3

PART C—Car engine size more than 2850cc													
		1	2	3	4	5	6	7	8	9	10	11	12
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
21	1	354	708	1063	1417	1771	2125	2479	2833	3188	3542	3896	4250
22	2	327	656	984	1313	1641	1969	2297	2625	2953	3281	3609	3938
23	3	302	604	906	1208	1510	1813	2115	2417	2719	3021	3323	3625
24	4	276	552	828	1104	1380	1656	1932	2208	2484	2760	3036	3313
25	5	250	500	750	1000	1250	1500	1750	2000	2250	2500	2750	3000
26	6	224	448	672	896	1120	1344	1568	1792	2016	2240	2464	2688
27	7	198	396	594	792	990	1188	1385	1583	1781	1979	2177	2375
28	8	172	344	516	688	859	1031	1203	1375	1547	1719	1891	2063
29	9	146	292	438	583	729	875	1021	1167	1313	1458	1604	1150
30	10+	120	240	359	479	599	719	839	958	1078	1198	1318	1438

“(2) If:

- (a) the person is a member of a couple; and
 - (b) the person’s partner receives a car benefit in the relevant fringe benefits year; and
 - (c) the person’s and the partner’s car benefits relate to the same car for the same period;
- the value of the car benefit is halved.

“Part 3—Health insurance benefits

“Division 1—What is a health insurance benefit?

Health insurance benefits

“1067E-K7. If:

- (a) a person pays an amount to a private health insurance fund, either directly or indirectly, for the benefit of a recipient; and
- (b) the person is the employer, or an associate of the employer, of the recipient; and
- (c) the amount is for the cost of private health insurance; and
- (d) the private health insurance covers:
 - (i) the recipient; or

- (ii) the recipient's partner; or
 - (iii) a dependant of the recipient or of the recipient's partner;
- the payment is taken to be a health insurance benefit provided by the person to the recipient.

“Division 2—Value of a health insurance benefit

Value of health insurance benefits

“1067E-K8. The value of a health insurance benefit is the amount of the payment that constitutes the health insurance benefit.

“Part 4—Housing benefits

“Division 1—What is a housing benefit?

Definitions

“1067E-K9. In this Part of this MODULE, unless the contrary intention appears:

census population, in relation to an urban centre, means the census count on an actual location basis of the population of the urban centre stated in the results of the Census of Population and Housing taken by the Australian Statistician on 30 June 1981 that were published by the Australian Statistician in the document entitled ‘Persons and Dwellings in Local Government Areas and Urban Centres’.

disadvantaged person means a person who is intellectually, psychiatrically or physically handicapped.

eligible urban area means:

- (a) an area that:
 - (i) is situated in an area described in Schedule 2 to the Income Tax Assessment Act; and,
 - (ii) is an urban centre with a census population of 28,000 or more; or
- (b) another area that is an urban centre with a census population of 14,000 or more.

Note: See paragraph 1067E-K12(7)(c).

housing right, in relation to a person, means a lease or licence granted to the person to occupy or use a unit of accommodation, to the extent that the lease or licence is in force when the unit of accommodation is the person's usual place of residence.

mature person means a person who has reached the age of 60 years.

residential premises means a house or hostel used exclusively for the provision of residential accommodation to:

- (a) mature persons or disadvantaged persons and dependent children of mature persons or disadvantaged persons; and
- (b) persons the duties of whose employment consist of, or consist principally of, caring for persons referred to in paragraph (a); and (c) partners and children of persons referred to in paragraph (b).

surface route means a route between 2 places that is not an air route.

unit of accommodation includes:

- (a) a house, flat or home unit; and
- (b) accommodation in a house, flat or home unit; and
- (c) accommodation in a hotel, hostel, motel or guesthouse; and
- (d) accommodation in a bunkhouse or other living quarters; and
- (e) accommodation in a ship, vessel or floating structure; and
- (f) a caravan or other mobile home.

urban centre means an area described as an urban centre or bounded locality in the results of the Census of Population and Housing taken by the Australian Statistician on 30 June 1981 that were published by the Australian Statistician in the document entitled 'Persons and Dwellings in Local Government Areas and Urban Centres'.

Housing benefits

“1067E-K10. A housing right granted to a recipient by a person who is the employer, or an associate of the employer, of the recipient is taken to be a housing benefit provided by the person to the recipient.

“Division 2—Exempt housing benefits

Exempt housing benefits

“1067E-K11. If, in a period:

(a) the employer of a recipient is:

- (i) the Commonwealth, or a State or Territory, or a Commonwealth, State or Territory authority; or
- (ii) a religious institution; or
- (iii) a non-profit company;

whose activities consist of, or include, caring for mature persons or disadvantaged persons; and

(b) the duties of the recipient’s employment consist of, or consist principally of, caring for mature persons or disadvantaged persons; and

(c) in the performance of those duties the recipient lives, together with mature persons or disadvantaged persons, in residential premises of the employer; and

(d) the fact that the recipient lives in those premises is directly related to the provision, in the course of the performance of the duties of the recipient’s employment, of care to the mature persons or disadvantaged persons living in those premises;

any benefit arising from the provision in that period of that accommodation to the recipient, or to the recipient and a partner or dependant of the recipient who resides in those premises with the recipient, is an exempt housing benefit.

“Division 3—Value of a housing benefit

Method of valuing housing benefits

“1067E-K12.(1) The value of a housing benefit is calculated as follows:

<i>Method statement</i>

- Step 1.* Work out the location of the unit of accommodation and go to the appropriate row of the Housing Benefits Value Table.
- Step 2.* Work out the type of accommodation and go to the appropriate column in the Table: the number set out at the intersection of that row and that column is the amount of the **weekly market rent** of the unit of accommodation.
- Note: If the recipient is a member of a couple, the allowable rent is to be halved in certain circumstances (see subpoint (4)).
- Step 3.* Work out how many complete weeks in the relevant fringe benefits year the unit of accommodation was, or will be, available to the recipient.
- Step 4.* Multiply the weekly market rent of the unit of accommodation by the number obtained in Step 3: the result is **the provisional value of the housing benefit**.
- Step 5.* Work out the allowable rent for the unit of accommodation in the relevant fringe benefits year using subpoint (3).
- Note: If the recipient is a member of a couple, the allowable rent is to be halved in certain circumstances (see subpoint (4)).
- Step 6.* Take the allowable rent away from the provisional value of the housing benefit: the result is **the value of the housing benefit**.

“(2) The following Table is to be used in calculating the value of a housing benefit:

HOUSING BENEFITS VALUE TABLE			
Location	Type of accommodation		
	House, flat or home unit		Any other unit of accommodation
	3 or more bedrooms	1-2 bedrooms	
	\$	\$	\$
Metropolitan	140	120	85
Non-metropolitan	100	90	70
Special housing location	80	80	25
Outside Australia	140	120	85

Note: For the meaning of ‘metropolitan’, ‘non-metropolitan location’ and ‘special housing location’, see subpoints (5), (6) and (7).

- “(3) The allowable rent is the amount of rent that is or was payable for the unit of accommodation in the relevant fringe benefits year by:
- (a) if the recipient is not a member of a couple—the recipient; or
 - (b) if the recipient is a member of a couple—the recipient and the recipient’s partner.
- “(4) If:
- (a) the recipient is a member of a couple; and
 - (b) the recipient’s partner receives a housing benefit in the relevant fringe benefits year; and
 - (c) the recipient’s, and the recipient’s partner’s, housing benefits relate to the same unit of accommodation for the same period;
- the weekly market rent obtained in Step 2 in subpoint (1) and the allowable rent obtained in Step 5 in that subpoint are both halved.
- “(5) Canberra and the capital cities of each State, and of the Northern Territory, are metropolitan locations.
- “(6) A unit of accommodation is in a non-metropolitan location if the unit of accommodation:

- (a) is in Australia; and
 - (b) is not in a metropolitan location; and
 - (c) is not in a special housing location.
- “(7) A unit of accommodation is in a special housing location if the unit is in Australia and one of the following paragraphs applies to it:
- (a) it is in an area that is:
 - (i) described in Schedule 2 to the Income Tax Assessment Act; and
 - (ii) an urban centre with a census population of less than 28,000;
 - (b) it is in an area that is:
 - (i) not described in Schedule 2 to the Income Tax Assessment Act; and
 - (ii) an urban centre with a census population of less than 14,000;
 - (c) at the date of commencement of this MODULE, it is not:
 - (i) less than 40 kilometres, by the shortest practicable surface route, from the centre point of an eligible urban area with a census population of less than 130,000; or
 - (ii) less than 100 kilometres, by the shortest practicable surface route, from the centre point of an eligible urban area with a census population of more than 130,000.
- “(8) For the purposes of paragraph (7)(c), the distance, by the shortest practicable surface route, between a location (the **‘tested location’**) and the centre point of an eligible urban area is:
- (a) if there is only 1 location within the eligible urban area from which distances between the eligible urban area and other places are usually measured—the distance, by the shortest practicable surface route, between the tested location and that location; and
 - (b) if there are 2 or more locations within the eligible urban area from which distances between parts of the eligible urban area and other places are usually measured—the distance, by the shortest practicable surface route, between the tested location and the location that is the principal location of those parts.

“Part 5—Loan benefits

“Division 1—What is a loan benefit?

Definitions

“1067E-K13. In this Part of this MODULE, unless the contrary intention appears:

arm’s length loan, means a loan the parties to which are not under a special duty or obligation to each other in relation to the loan.

debtor means a recipient who is under an obligation to pay or repay an amount to a creditor.

dwelling means a unit of accommodation:

- (a) that is, or is a part of, a building; and
- (b) that consists wholly or substantially of residential accommodation.

loan includes:

- (a) an advance of money; and
- (b) the provision of credit or any other form of financial accommodation; and
- (c) the payment of an amount on account of, on behalf of or at the request of a person where there is an obligation (whether express or implied) to repay the amount; and
- (d) a transaction (whatever its terms or form) that in substance gives effect to an advance of money.

obligation, in relation to a dwelling, means a unit:

- (a) on a unit plan registered under a law of a State or Territory that provides for the registration of titles of a kind known as strata titles or unit titles; and
- (b) that comprises:
 - (i) a part of a building that contains the dwelling and is a flat or home unit; or
 - (ii) a part of a parcel of land if the building containing the dwelling is constructed on that part.

Loan benefits

“1067E-K14. (1) If a person (the ‘**provider**’) who is the employer or an associate of the employer, of a recipient makes a loan to the recipient, the making of the loan is taken to be a loan benefit provided by the provider to the recipient.

“(2) For the purposes of this point, if:

- (a) a debtor is under an obligation to pay or repay an amount (the ‘**principal amount**’) to another person (the ‘**creditor**’); and
- (b) the principal amount is not the whole or a part of the amount of a loan; and
- (c) after the due date for payment or repayment of the principal amount, the whole or part of the principal amount remains unpaid;

the following provisions have effect:

- (d) the creditor is taken, immediately after the due date, to have made a loan (the ‘**notional loan**’) of the principal amount to the debtor;
- (e) at any time when the debtor is under an obligation to repay any part of the principal amount, the debtor is taken to be under an obligation to repay that part of the notional loan;
- (f) the notional loan is taken to have been made:
 - (i) if interest accrues on so much of the principal amount as remains from time to time unpaid-at the rate of interest at which that interest accrues; or
 - (ii) in any other case-at nil rate of interest.

“(3) Subject to subpoint (4), a loan is a deferred interest loan if interest is payable on the loan at a rate that is greater than nil.

“(4) A loan is not a deferred interest loan if:

- (a) the whole of the interest is due for payment within 6 months after the loan is made; or
- (b) all of the following conditions are satisfied-
 - (i) interest on the loan is payable by instalments;
 - (ii) the intervals between instalments are not more than 6 months;
 - (iii) the first instalment is due for payment within 6 months after the loan is made.

- “(5) For the purposes of this point, if the provider makes a deferred interest loan (the ‘**principal loan**’) to the recipient, the following provisions apply:
- (a) the provider is taken, at the end of:
 - (i) the period of 6 months beginning on the day on which the principal loan was made; and
 - (ii) each later period of 6 months;to have made a notional loan to the recipient;
 - (b) the amount of the loan is taken to be equal to the amount by which the interest (the ‘**accrued interest**’) that has accrued on the principal loan in respect of the period is more than any amount paid in relation to the accrued interest before the end of the period;
 - (c) if any part of the accrued interest becomes payable, or is paid, after the time when the notional loan is taken to have been made, the notional loan is taken to be reduced accordingly;
 - (d) the notional loan is taken to have been made at a nil rate of interest.
- “(6) Paragraph (5)(a) only applies to a period of 6 months if the recipient is under an obligation during the whole of the period to repay the whole or a part of the principal loan.
- “(7) For the purposes of this Part of this MODULE, if no interest is payable in relation to a loan, a nil rate of interest is taken to be payable in relation to the loan.

“Division 2—Exempt loan benefits

- “1067E-K15. (1) A loan is an exempt loan benefit if:
- (a) the loan is made by a provider that carries on a business that consists of, or includes, making loans to members of the public; and
 - (b) the rate of interest payable in respect of the loan:
 - (i) is stated in a document in existence at the time the loan is made; and
 - (ii) is not less than the rate of interest in respect of a similar arm’s length loan made by the provider, at or about that

time, to a member of the public in the ordinary course of carrying on that business; and

(iii) cannot be varied.

“(2) A loan is an exempt loan benefit if:

- (a) the loan is made by a provider who carries on a business that consists of, or includes, making loans to members of the public; and
- (b) the interest rate payable from time to time for the loan is not less than the rate applicable to a comparable arm’s length loan made by the provider to another person in the ordinary course of carrying on that business.

“(3) A loan is an exempt loan benefit if:

- (a) the loan consists of an advance to a recipient by a provider who is an employer of the recipient; and
- (b) the sole purpose of the making of the loan is to enable the recipient to meet the expenses incurred by the recipient:
 - (i) in the course of performing the duties of that employment; and
 - (ii) not later than 6 months after the loan is made; and
- (c) the amount of the loan is not substantially greater than the amount of those expenses that could reasonably be expected to be incurred by the recipient; and
- (d) the recipient is required:
 - (i) to account to the employer, not later than 6 months after the loan is made, for expenses met from the loan; and
 - (ii) to repay (whether by set-off or otherwise) any amount not so accounted for.

“(4) A loan is an exempt loan benefit if:

- (a) the loan consists of an advance to a recipient by a provider who is an employer of the recipient; and
 - (b) the sole purpose of the making of the loan is to enable the recipient to pay any of the following amounts payable by the recipient in respect of accommodation:
 - (i) a rental bond;
 - (ii) a security deposit in respect of electricity, gas or telephone services;
 - (iii) any similar amount; and
-

- (c) the recipient is required to repay (whether by set-off or otherwise) the loan no later than 12 months after the loan is made.

“Division 3—Value of a loan benefit

Method of valuing loan benefits

“1067E-K16. (1) The value of a loan benefit is calculated as follows:

Method statement

Step 1. Work out whether the loan is a housing loan or another type of loan.

Note: For the meaning of 'housing loan', see point 1067E-K17.

Step 2. Work out the notional rate of interest for the loan using subpoint (2).

Step 3. Work out the actual rate of interest for the loan in the relevant fringe benefits year using subpoint (3).

Step 4. Work out whether the actual rate of interest is more than the notional rate of interest.

Step 5. If the actual rate of interest is equal to or more than the notional rate of interest, the value of the loan benefit is nil.

Note: If the value of the loan benefit is nil, the remainder of this subpoint does not apply.

Step 6. If the actual rate of interest is less than the notional rate of interest, take the actual rate of interest away from the notional rate of interest.

Step 7. Work out the amount of the loan (both the principal and interest) that is outstanding in the relevant fringe benefits year using subpoint (5).

Step 8. Multiply the rate of interest obtained in Step 6 and the amount obtained in Step 7: the result is **the interim value of the loan**.

Step 9. Work out how many complete weeks in the relevant fringe benefits year the person had, or will have, the loan: the result is **the number of allowable weeks**.

Step 10. Apply the formula:

$\frac{\text{number of allowable weeks} \times \text{interim value of the loan}}{52}$

52

Step 11. The amount obtained by applying the formula in Step 10 is **the value of the loan benefit**.

Note: If the recipient is a member of a couple, the value of the loan benefit is to be halved in certain circumstances (see subpoint (5)).

- “(2) The notional rate of interest for a fringe benefits year is:
- (a) for a housing loan—the rate prescribed for the purposes of this paragraph; and
 - (b) for a loan of any other kind—the rate prescribed for the purposes of this paragraph.
- “(3) The actual rate of interest for the loan is:
- (a) if the loan starts after 1 April in the relevant fringe benefits year—the rate of interest payable under the loan on the day on which the loan starts; and
 - (b) in any other case—the rate of interest payable under the loan on 1 April in the relevant fringe benefits year.
- “(4) The amount of the loan that is outstanding is:
- (a) if the loan starts after 1 April in the relevant fringe benefits year—the amount outstanding on the day on which the loan starts; and
 - (b) in any other case—the amount outstanding on 1 April in the relevant fringe benefits year.
- “(5) if:
- (a) the recipient is a member of a couple; and
 - (b) the recipient’s partner receives a loan benefit in the relevant fringe benefits year; and
 - (c) the recipient’s, and the recipient’s partner’s, loan benefits relate to the same loan;
- the value of the loan benefit obtained in Step 11 in subpoint (1) is halved.

What is a housing loan?

- “1067E-K17. A loan is taken to be a housing loan if:
- (a) the loan is made to, or used by, a recipient (whether in his or her own right or jointly with his or her partner) wholly:

- (i) to enable the recipient to acquire a relevant interest in land on which a dwelling or a building containing a dwelling is to be constructed; or

Note: For the meaning of 'relevant interest', see point 1067E-K18.

- (ii) to enable the recipient to acquire a relevant interest in land and construct, or complete the construction of, a dwelling or a building containing a dwelling on the land; or
 - (iii) to enable the recipient to construct, or complete the construction of, a dwelling or a building containing a dwelling on land in which the recipient held a relevant interest; or
 - (iv) to enable the recipient to acquire a relevant interest in land on which there was a dwelling or a building containing a dwelling; or
 - (v) to enable the recipient to acquire a relevant interest in a stratum unit in relation to a dwelling; or
 - (vi) to enable the recipient to extend a building that is a dwelling or contains a dwelling, and is constructed on land in which the recipient held a relevant interest, by adding a room, or part of a room, to the building or the part of the building containing the dwelling, as the case may be; or
 - (vii) if the recipient held a relevant interest in a stratum unit in relation to a dwelling—to enable the recipient to extend the dwelling by adding a room or part of a room to the dwelling; or
 - (viii) to enable the recipient to repay a loan that was made to, and used by, the recipient wholly for a purpose mentioned in subparagraphs (i) to (vii); and
- (b) when the loan was made, the dwelling was used, or proposed to be used, as the recipient's usual place of residence.

What is a relevant interest?

“1067E-K18. (1) For the purposes of point 1067E-K17, an interest described in a following provision of this point is a relevant interest.

“(2) If:

- (a) a person; or
 - (b) 2 or more persons as joint tenants or tenants in common;
- acquire, hold or held an estate in fee simple in land or in a stratum unit, the person or those persons are taken to acquire or hold, or to have held, a relevant interest in that land or stratum unit.

“(3) If:

- (a) a person acquires, holds or held an interest in land or in a stratum unit as lessee or licensee under a lease, or licence; and
- (b) the lease or licence gives or gave reasonable security of tenure to the lessee or licensee for a period of, or for periods totalling, 10 years or more;

the person is taken to acquire or hold, or to have held, a relevant interest in that land or stratum unit, as the case requires.

“(4) If:

- (a) a person acquires, holds or held an interest in land or in a stratum unit as purchaser of an estate in fee simple in the land or in the stratum unit under an agreement; and
- (b) the agreement provides or provided for payment of the purchase price, or a part of the purchase price, to be made at a future time or by instalments;

the person is taken to acquire or hold, or to have held, a relevant interest in that land or stratum unit, as the case requires.

“(5) If:

- (a) a person acquires, holds or held an interest in land or in a stratum unit as purchaser of a right to be granted a lease of the land or of the stratum unit under an agreement; and
- (b) the agreement provides or provided for payment of the purchase price, or it part of the purchase price, for the lease to be made at a future time or by instalments; and
- (c) the Secretary is satisfied that the lease will give reasonable security of tenure to the lessee for a period of, or for periods totalling, 10 years or more;

the person is taken to acquire or hold, or to have held, a relevant interest in that land or stratum unit, its the case requires.

“(6) If:

- (a) 2 or more persons acquire, hold or held an interest referred to in paragraph (3)(a), (4)(a) or (5)(a) in land or in stratum unit as joint tenants or tenants in common; and
- (b) paragraph (3)(b) or (4)(b) or paragraphs (5)(b) and (c) are satisfied;

those persons are taken to acquire or hold, or to have held, a relevant interest in that land or stratum unit, as the case requires.

“Part 6—School fees benefits

“Division 1—What is a school fees benefit?

Definition

“1067E-K19. In this Part of this MODULE, unless the contrary intention appears:

school means a school, college or other educational institution that provides primary or secondary level education.

School fees benefits

“1067E-K20. (1) If:

- (a) a person pays an amount, whether directly or indirectly, to a school; and
- (b) the person is the employer, or an associate of the employer, of a recipient; and
- (c) the amount is for fees for:
 - (i) tuition at primary or secondary level provided by the school; or
 - (ii) books or equipment provided by the school in relation to that tuition; and
- (d) the tuition, books or equipment is provided to a dependant of the recipient or of the recipient’s partner;

the payment is taken to be a school fees benefit provided by the person to the recipient.

“(2) For the purposes of this point, if:

- (a) a school is providing tuition at primary or secondary level to a dependant of a person; and

(b) the dependant is boarding at the school;
the fees that are payable for the dependant to board at the school
are taken to be fees for the tuition provided by the school to the
dependant.

“Division 2—Value of a school fees benefit

Value of school fees benefits

“1067E-K21. The value of a school fees benefit is the amount of the payment
that constitutes the school fees benefit.”.

Schedule 3—Amendments of Acts other than the Social Security Act 1991

Section 10

Bankruptcy Act 1966

1 Section 139L (definition of *income*)

Omit all the words after paragraph (f), substitute:

but does not include:

- (g) an amount that is not income for the purposes of the *Social Security Act 1991* because of subsection 8(8) of that Act (other than paragraph (a), (b), (h), (ha), (j), (k), (ka), (m), (z), (za) or (zb) of that subsection); or
- (h) an amount that is not income for the purposes of Part 8 of the *Student and Youth Assistance Act 1973* because of subsection 8(8) of the *Social Security Act 1991* (other than paragraph (a), (b), (h), (ha), (j), (k), (ka), (m), (z), (za) or (zb) of that subsection) as that subsection has effect for the purposes of that Part because of section 57 of the *Student and Youth Assistance Act 1973*.

Childcare Rebate Act 1993

2 Subsection 29(2)

Omit the note at the end of the subsection.

3 Section 29

Add at the end of the section:

- (3) For the purposes of paragraph (1)(d), a person is also registered in an allowance category if the person is registered in it category approved under subsection 58(2) of the *Student and Youth Assistance Act 1973* for the purposes of Part 8 of that Act its being unemployed.

Note: The Commonwealth Employment Service registers the unemployed in various categories. The categories relevant here are the categories that are relevant for the purposes of receiving a job search allowance or a newstart allowance under the *Social Security Act 1991* or a youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*.

Data-matching Program (Assistance and Tax) Act 1990

4 Section 3 (definition of *personal assistance*)

After paragraph (d) insert:

- (da) any youth training allowance given under Part 8 of the *Student and Youth Assistance Act 1973*;

Disability Services Act 1986

5 Subsection 22(4) (definition of *pensioner or beneficiary*)

After paragraph (c) insert:

- (ca) is receiving a youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*;

Employment Services Act 1994

[The section and subsection numbers of the *Employment Services Act* referred to below are the numbers as contained in the *Employment Services Bill 1994* as introduced in the House of Representatives and amended in that House before being renumbered for the purposes of the third reading print]

6 Section 24

- (a) After “1991” insert “and section 114 of the *Student and Youth Assistance Act 1973*”.
- (b) Omit from the Note “or newstart allowance”, substitute “, newstart allowance or youth training allowance”.

7 Section 26A

- (a) After “1991”, insert “and section 114 of the *Student and Youth Assistance Act 1973*”.
- (b) Omit from the Note “or newstart allowance”, substitute “, newstart allowance or youth training allowance”.

8 Subsection 29(2)

Add at the end “or his or her qualification for youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*”.

9 Paragraph 32(1)(e)

After, “1991”, insert “or in return for payment of youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*”.

10 Paragraph 32(9)(a)

After “1991”, insert “or a youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*”.

11 Paragraph 32(9)(b)

Omit the paragraph, substitute:

- (b) throughout the period of 18 months ending at that time, the person received:
 - (i) a job search allowance, or newstart allowance, under the *Social Security Act 1991*; or
 - (ii) a youth training allowance under Part 8, of the *Student and Youth Assistance Act, 1973*.

12 Subsection 32(9A)

Omit the subsection, substitute:

Gaps in receipt of job search allowance, newstart allowance or youth training allowance

(9A) For the purposes of paragraph (9)(b), if:

- (a) a person is in receipt of:
 - (i) job search allowance, or newstart allowance, under the *Social Security Act 1991*; or
 - (ii) youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*; and
- (b) one of the following occurs:
 - (i) the person ceases for a period of not longer than 6 weeks to be in receipt of job search allowance; or
 - (ii) the person ceases for a period of not longer than 13 weeks to be in receipt of newstart allowance; or
 - (iii) the person ceases for a period of not longer than 6 weeks to be in receipt of youth training allowance; and
- (c) at the end of that period, the person begins to receive such an allowance;

the person is taken to have been in receipt of such an allowance throughout that period.

13 Paragraph 32A(1)(a)

Omit “either”, substitute “one”.

14 Subparagraph 32A(1)(a)(ii)

Omit the subparagraph, substitute:

- (ii) a newstart allowance under the *Social Security Act 1991*;
or
- (iii) a youth training allowance under the *Student and Youth Assistance Act 1973*; and

15 Subsection 32A(2)

Omit the subsection, substitute:

Maximum basic rate

- (2) For the purposes of subparagraph (1)(b)(ii), a person’s maximum basic rate is:
 - (a) if the person had been receiving job search allowance—the person’s maximum basic rate worked out under Module B of Benefit Rate Calculator A (within the meaning of the *Social Security Act 1991*); or
 - (b) if the person had been receiving newstart allowance—the person’s maximum basic rate worked out under Module B of Benefit Rate Calculator B (within the meaning of the *Social Security Act 1991*); or
 - (c) if the person had been receiving youth training allowance—the person’s maximum basic rate worked out under Module B of Schedule 1 to the *Student and Youth Assistance Act 1973*.

16 Subparagraphs 32A(3)(b)(iv) and (c)(iv)

Omit the subparagraphs, substitute:

- (iv) a Newstart Activity Agreement; or
- (v) a Youth Training Activity Agreement;

17 Subsection 32A(6)

Add at the end:

Youth Training Activity Agreement has the same meaning as in Part 8 of the *Student and Youth Assistance Act 1973*.

18 Paragraphs 32B(1)(a) and (2)(a)

Omit “either”, substitute “one”.

19 Subparagraphs 32B(1)(a)(ii) and (2)(a)(ii)

Omit the subparagraphs, substitute:

- (ii) a newstart allowance under the *Social Security Act 1991*;
- (iii) a youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*; and

20 Subsection 32B(3)

Omit the subsection, substitute:

Maximum basic rate

- (3) For the purposes of this section, a person’s maximum basic rate is:
 - (a) if the person had been receiving job search allowance—the person’s maximum basic rate worked out under Module B of Benefit Rate Calculator A (within the meaning of the *Social Security Act 1991*); or
 - (b) if the person had been receiving newstart allowance—the person’s maximum basic rate worked out under Module B of Benefit Rate Calculator B (within the meaning of the *Social Security Act 1991*); or
 - (c) if the person had been receiving Youth training allowance—the person’s maximum basic rate worked out under Module B of Schedule 1 to the *Student and Youth Assistance Act 1973*.

21 Subparagraphs 32B(4)(b)(iv) and (c)(iv)

Omit the subparagraphs, substitute:

- (iv) a Newstart Activity Agreement; or
- (v) a Youth Training Activity Agreement;

22 Subsection 32B(6)

Add at the end:

Youth Training Activity Agreement has the same meaning as in Part 8 of the *Student and Youth Assistance Act 1973*.

23 Subsection 33(2)

Omit the note, substitute:

Note: The effect of sections 513 and 593 of the *Social Security Act 1991* and section 65 of the *Student and Youth Assistance Act 1973* is that, as a general rule, a person is not qualified for job search allowance, newstart allowance or youth training allowance unless the person satisfies the activity test.

24 Subsections 35(3) and (3A)

Omit the subsections, substitute:

Job Search Activity Agreement, Newstart Activity Agreement and Youth Training Activity Agreement superseded

(3) If:

- (a) the person was a party to a Job Search Activity Agreement, a Newstart Activity Agreement or a Youth Training Activity Agreement that was in force immediately before the beginning of the person's case management period; and
- (b) the person enters into a Case Management Activity Agreement with a case manager;

the Job Search Activity Agreement, Newstart Activity Agreement or Youth Training Activity Agreement, as the case requires, ceases to be in force immediately before the Case Management Activity Agreement comes into force.

Participant not to be required to enter into a Job Search Activity Agreement, Newstart Activity Agreement or Youth Training Activity Agreement

- (3A) The person is not to be required to enter into a Job Search Activity Agreement, a Newstart Activity Agreement or a Youth Training Activity Agreement during the person's case management period.

25 Subsection 35(4)

Omit all the words before paragraph (a), substitute "The person is not qualified for a job search allowance, a new start allowance or a youth training allowance in respect of a period unless (in addition to meeting any other requirements set out in the *Social Security Act 1991* or Part 8 of the *Student and Youth Assistance Act 1973*, as the case may be):

26 After subsection 35(5)

Insert:

Modification of power to treat person as unemployed for the purposes of Part 8 of the Student and Youth Assistance Act 1973

- (5A) During the person's case management period, section 68 of the *Student and Youth Assistance Act 1973* has effect, in relation to the person, as if a reference in that section to a Youth Training Activity Agreement were a reference to a Case Management Activity Agreement.

27 After subsection 35(6)

Insert:

Modification of activity test requirements under Part 8 of the Student and Youth Assistance Act 1973

- (6A) During the person's case management period, section 75 of the *Student and Youth Assistance Act 1973* has effect, in relation to the person, as if a reference in that section to a Youth Training Activity Agreement between the Commonwealth Employment Service and the person were a reference to a Case Management Activity Agreement between a case manager and the person.

28 After subsection 35(7)

Insert:

Modification of rules in Part 8 of the Student and Youth Assistance Act 1973 relating to failure to enter into, or to comply with, agreements

- (7A) During the person's case management period, sections 104 and 105 of the *Student and Youth Assistance Act 1973* have effect, in relation to the person as if a reference in those sections to a Youth Training Activity Agreement were a reference to a Case Management Activity Agreement.

29 Subsection 35(9)

Omit the subsection, substitute:

This section has effect despite the Social Security Act 1991 and Part 8 of the Student and Youth Assistance Act 1973

- (9) This section has effect despite anything in the *Social Security Act 1991* and Part 8 of the *Student and Youth Assistance Act 1973*.

30 Subsection 35(10)

Add at the end:

youth training allowance has the same meaning as in Part 8 of the *Student and Youth Assistance Act 1973*.

Youth Training Activity Agreement has the same meaning as in Part 8 of the *Student and Youth Assistance Act 1973*.

31 Subsection 36(2)

Omit the subsection, substitute:

Notification requirements—allowees under the Social Security Act 1991 and recipients of youth training allowance

- (2) If a person is an allowee (within the meaning of Part 2.11 or 2.12 of the *Social Security Act 1991*) or a recipient of youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*, the person must notify the Employment Secretary of any circumstances preventing or affecting the person's compliance with the agreement

32 Subsection 36(5)

After "1991", insert "and section 114 of the *Student and Youth Assistance Act 1973*".

33 Subsection 36(5) (Note)

Omit "or newstart allowance", substitute ", newstart allowance or youth training allowance".

34 Paragraphs 135A(2)(c), (d) and (e)

Omit the paragraphs, substitute:

- (c) payment of job search allowance, newstart allowance or youth training allowance, as the case requires; is to be made

- pending the determination of the review, as if the Case Management Activity Agreement had not been required;
- (d) if payments of the allowance had ceased for a period before the person applied for the review—arrears of allowance are payable to the person for the period despite section 589 or 660L of the *Social Security Act 1991* or section 167 of the *Student and Youth Assistance Act 1973*;
 - (e) this Act, the *Social Security Act 1991* and Part 8 of the *Student and Youth Assistance Act 1973* apply as if the Case Management Activity Agreement had not been required.

35 Subsection 135A(4)

Add at the end:

youth training allowance has the same meaning as in Part 8 of the *Student and Youth Assistance Act 1973*.

36 Paragraphs 139B(2)(c), (d) and (e)

Omit the subparagraphs, substitute:

- (c) payment of job search allowance, newstart allowance or youth training allowance, as the case requires, is to be made pending the determination of the review, as if the Case Management Activity Agreement had not been required;
- (d) if payment of the allowance had ceased for a period before the person applied for the review—despite section 589 or 660L of the *Social Security Act 1991* or section 167 of the *Student and Youth Assistance Act 1973*, arrears of allowance are payable, to the person for the period;
- (e) this Act, the *Social Security Act 1991* and Part 8 of the *Student and Youth Assistance Act 1973* apply as if the Case Management Activity Agreement had not been required.

37 Subsection 139B(4)

Add at the end:

youth training allowance has the same meaning as in Part 8 of the *Student and Youth Assistance Act 1973*.

Farm Household Support Act 1992

38 Subsection 3(2)

Insert:

youth training allowance means a youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*.

39 Subsection 5(2)

After “paid”, insert “youth training allowance,”.

40 Paragraph 8(2)(b)

After “paid”, insert “youth training allowance,”.

41 Subsections 12(1) and (2)

After “receiving”, insert “a youth training allowance,”.

42 After section 21

Insert:

Maximum fortnightly rate for person under 18—how worked out

21A (1) The maximum fortnightly rate at which farm household support may be paid to a person who is under 18 years of age is:

- (a) if the person is not a member of a couple—the fortnightly rate at which youth training allowance would be payable to the person if the person were entitled to receive youth training allowance; or
- (b) if the person is a member of a couple—the fortnightly rate at which youth training allowance would be payable to the person if the person were entitled to receive youth training allowance plus the fortnightly rate at which partner allowance would be payable to the person’s partner if the partner were entitled to receive partner allowance.

(2) For the purposes of calculating a rate referred to in subsection (1), the value of assets that are exempt assets for the purposes of this Act is to be disregarded.

43 Subsection 22(1)

After “person” (first occurring), insert “who is over 18 years of age”.

44 Subsection 43(1)

Omit the subsection, substitute:

- (1) If a person is receiving farm household support and:
 - (a) a youth training allowance, a social security benefit, a social security pension or a service pension becomes payable to the person; or
 - (b) youth training allowance, job search allowance or newstart allowance becomes payable to the person's partner;farm household support ceases to be payable to the person immediately before the day on which:
 - (c) the allowance, pension or benefit becomes payable to the person; or
 - (d) youth training allowance, job search allowance or newstart allowance becomes payable to the person's partner.

45 Subsection 52(1)

Omit the subsection, substitute:

- (1) If the person sold his or her farm within the grant period in relation to the person, subsections (1A), (1B) and (1C) apply.
- (1A) The total amount of farm household support paid to the person is converted into a grant and the person is not liable to repay any instalments of farm household support.
- (1B) If the farm was sold within the period of 9 months from the beginning of the grant period in relation to the person and the person had reached the age of 18 years at the time of the sale, the person is entitled to a grant equal to the amount of job search allowance that would be payable to the person in respect of the period (the '**qualifying period**') from the time of the sale to the end of the period of 9 months if, under the *Social Security Act 1991*:
 - (a) the person were entitled to receive job search allowance for the qualifying period; and
 - (b) job search allowance were payable to the person at the rate that would be the person's maximum payment rate at the beginning of the qualifying period.

Note: For the person's maximum payment rate, see MODULE A of the Benefit Rate Calculator applicable to the person under section 559 of the *Social Security Act 1991*.

- (1C) If the farm was sold within the period of 9 months from the beginning of the grant period in relation to the person and the person had not reached the age of 18 years at the time of the sale:
- (a) the person is entitled to a grant equal to the amount of youth training allowance that would be payable to the person in respect of the period (the ‘**youth qualifying period**’) from the time of the sale of the farm to the end of the period of 9 months or the time when the person reaches the age of 18 years, whichever first happens, if, under Part 8 of the *Student and Youth Assistance Act 1973*:
 - (i) the person were entitled to receive youth training allowance for the youth qualifying period; and
 - (ii) youth training allowance were payable to him or her at the rate that would be the person’s maximum payment rate at the beginning of the youth qualifying period; and

Note: For the person’s maximum payment rate, see MODULE A in Schedule 1 to the *Student and Youth Assistance Act 1973*.

- (b) if the person reaches the age of 18 years before the end of the period of 9 months, the person is entitled to a grant equal to the amount of job search allowance that would be payable to the person in respect of the period (the ‘**post-18 period**’) from the time when the person reached that age until the end of the period of 9 months if, under the *Social Security Act 1991*:
 - (i) the person were entitled to receive job search allowance for the post-18 period; and
 - (ii) job search allowance were payable to the person at the rate that would be the person’s maximum payment rate at the beginning of the post-18 period.

Note: For the person’s maximum payment rate, see MODULE A of the Benefit Rate Calculator applicable to the person under section 559 of the *Social Security Act 1991*.

Health Insurance Act 1973

46 Subsection 3(1) (definition of *DSS benefit dependant*)

After “1991,” insert “or a recipient of a youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*,”.

47 Section 4D

After subsection (1), insert:

- (1A) This section also applies to a person who is in receipt of a youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*.

48 Subsection 41(3) (definition of *qualified recipient*)

After paragraph (a), insert:

- (aa) a youth training allowance within the meaning of Part 8 of the *Student and Youth Assistance Act 1973*; or

49 Subsection 5B(12) (definition of *dependant*)

Omit subparagraphs (a)(i) and (ii), substitute:

- (i) in a case where the person is receiving youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973* or unemployment benefit or job search allowance under the *Social Security Act 1991*—is a DSS benefit dependant of the person; or
- (ii) in any other case—would be a DSS benefit dependant of the person if the person were receiving youth training allowance, unemployment benefit or job search allowance referred to in subparagraph (i); or

50 Subsection 5B(12) (definition of *income*)

- (a) After “*Social Security Act 1991*” (first occurring), insert “or Part 8 of the *Student and Youth Assistance Act 1973*”.
- (b) After paragraph (a), insert:
“(aa) a youth training allowance within the meaning of Part 8 of the *Student and Youth Assistance Act 1973*;”.

51 Paragraph 51(1)(a)

After “granted”, insert “a youth training allowance,”.

52 Paragraph 51(1A)(b)

After “pay”, insert “a youth training allowance,”.

53 Subsection 51(8)

Insert:

youth training allowance means youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*.

54 Section 130H

After “1991 “, insert “and sections 351 to 360 of the *Student and Youth Assistance Act 1973*”.

Income Tax Assessment Act 1936

55 Subsection 16(4)

After paragraph (e), insert:

- (ea) the Secretary to the Department of Employment, Education and Training for the purpose of the administration of any law of the Commonwealth relating to pensions, allowances or benefits;

56 Heading to Division 1AA of Part III

After “1991”, insert “, **Part 8 of the Student and Youth Assistance Act 1973**”.

57 Section 24AAA

After:

“Payments under the <i>Social Security Act 1991</i>	Subdivision B	24AB-24ABZB”
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insert:

“Payments under part 8 of the <i>Student and Youth Assistance Act 1973</i>	Subdivision BA	24AB-24ABZF”.
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58 After Subdivision B of Division 1AA of Part III

Insert:

“Subdivision BA—Exemption from income tax-payments of youth training allowance under Part 8 of the Student and Youth Assistance Act 1973

Interpretation

“24ABZE. (1) For the purpose of applying this Subdivision to a payment, of youth training allowance derived by a taxpayer, the supplementary amounts are:

- (a) so much of the payment as was included in the payment because the taxpayer or the partner of the taxpayer paid rent; and
- (b) so much of the payment as was included in the payment by way of remote area allowance.

“(2) A reference in subsection (1) to a partner or other person includes a reference to a dead partner or a dead other person.

“(3) Expressions used in this Subdivision that are also used in Part 8 of the *Student and Youth Assistance Act 1973* have the same meanings as in that Part.

“(4) Expressions used in a section of this Subdivision that relates to payments under a particular provision of Part 8 of the *Student and Youth Assistance Act 1973* that are also used in that provision have the same meanings as in that provision.

Youth training allowance

“24ABZF. (1) The treatment of payments of youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973* is as follows:

- (a) the supplementary amount is exempt;
- (b) the balance is not exempt.

“(2) Payments under section 169 of the *Student and Youth Assistance Act 1973* (which deal with bereavement payments) are exempt.

“(3) If a taxpayer derives a payment under section 170 of the *Student and Youth Assistance Act 1973*:

- (a) so much of the sum of that payment and other payments under Part 8 of the *Student and Youth Assistance Act 1973* derived by the taxpayer during the bereavement lump sum period as is not more than the tax-free amount calculated in accordance with subsection (5) is exempt; and

(b) the balance of the sum is not exempt.

“(4) If:

- (a) a taxpayer’s partner died; and
- (b) the taxpayer would have been qualified for payments under Division 10 of Part 8 of the *Student and Youth Assistance Act 1973* apart from paragraph 168(1)(f) of that Act (taxpayer’s allowance increased on partner’s death to such an extent that no bereavement payments); and
- (c) the taxpayer derives payments of youth training allowance during the bereavement period; then those payments are not treated under subsection (1) but are treated as follows:
- (d) the supplementary amounts are exempt;
- (e) so much of the balance as is more than what would have been the balance (payments less supplementary amounts) if the partner had not died is exempt;
- (f) the rest of the balance is not exempt.

“(5) The tax-free amount referred to in paragraph (3)(a) is worked out as follows:

Method statement

- Step 1.* Work out the amount of payments under Part 8 of the *Student and Youth Assistance Act 1973* that would have been derived by the taxpayer during the bereavement lump sum period and would have been exempt if:
- (a) the partner had not died; and
 - (b) if immediately before the partner’s death the couple were an illness separated couple or a respite care couple—they were not such a couple;
- the result is called the **notional exempt amount for the taxpayer**.
- Step 2.* Work out the amount of payments (if any) under Part 8 of the *Student and Youth Assistance Act 1973* or the *Social Security Act 1991* that would have been derived by the partner during the bereavement lump sum period if the

partner had not died: the result is called the **notional amount for the partner**.

Step 3. Add up the notional exempt amount for the taxpayer and the notional amount for the partner: the result is the **tax-free amount**.”.

59 Subsection 79A(4) (definition of *prescribed allowance*)

After “1991”, insert “, Part 8 of the *Student and Youth Assistance Act 1973*”.

60 Subsection 160AAA(1) (definition of *rebateable benefit*)

Omit paragraph (b), substitute:

(b) paid by way of a benefit under Part 8 of the *Student and Youth Assistance Act 1973*; or

61 Subsection 202CB(6)

After paragraph (a), insert:

(aa) by a person who is an applicant for a youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*; or

62 Subsection 202CE(7)

After paragraph (a), insert:

(aa) by a person who is an applicant for a youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*; or

National Health Act 1953

63 Subsection 4(1) (definition of *social security beneficiary*)

After paragraph (a), insert:

(aa) a person who is in receipt of a youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*; or

64 Subsection 84(1) (definition of *concessional beneficiary*)

After paragraph (ad), insert:

- (ae) a person to whom or in respect of whom there is being paid a youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*; or

Registration of Deaths Abroad Act 1984

65 Subsection 3(1) (definition of *prescribed person*)

- (a) Insert “or” at the end of paragraphs (a) and (b).
(b) After paragraph (c), insert:
“(ca) is in receipt of a youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*; or”.

Veterans’ Entitlements Act 1986

66 Section 5

Insert at the end of the index:

“youth training allowance 5Q(1)”.

67 Paragraph 5E(5)(b)

Add at the end:

- (iv) is not receiving a youth training allowance; and

68 Paragraph 5E(5)(c)

Insert after subparagraph (ii):

- (iia) a youth training allowance; or

69 Paragraph 5E(5)(e)

Add at the end “or a youth training allowance”.

70 Subsection 5F(1) (definition of *child*)

Add at the end “or if the person is receiving a youth training allowance”.

71 Subsection 5H(8)

After paragraph (h), insert:

(ha) a payment under Part 8 of the *Student and Youth Assistance Act 1973*;

72 Subsection 5Q(1)

Insert:

youth training allowance means a youth training allowance under Part 8 of the *Student and Youth Assistance Act 1973*.

73 Subsection 5Q(1) (definition of *education leavers waiting period*)

(a) Add at the end of paragraph (c) “or”.

(b) Add at the end of the definition:

“(d) an education leavers waiting period under section 98 of the *Student and Youth Assistance Act 1973*.”

NOTE ABOUT SECTION AND SUBSECTION HEADINGS

On the commencement of this Act:

- (a) the heading to subsection 32(9) of the *Employment Services Act 1994* is altered by omitting “or newstart allowance” and substituting “, newstart allowance or youth training allowance”;
- (b) the heading to section 35 of the *Employment Services Act 1994* is altered by omitting “and Newstart Activity Agreements” and substituting “, Newstart Activity Agreements and Youth Training Activity Agreements”;
- (c) the heading to section 135A of the *Employment Services Act 1994* is altered by omitting “or newstart allowance” and substituting “, newstart allowance or youth training allowance”;
- (d) the heading to section 22 of the *Farm Household Support Act 1992* is altered by inserting “for person over 18” after “rate”.