



Social Security and Other Legislation Amendment (Income Support and Other Measures) Act 2012

No. 52, 2012

**An Act to amend the law relating to social security
and Indigenous education, and for related purposes**

Note: An electronic version of this Act is available in ComLaw (<http://www.comlaw.gov.au/>)

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Social Security and Other Legislation Amendment (Income Support and Other Measures) Act 2012

No. 52, 2012

**An Act to amend the law relating to social security
and Indigenous education, and for related purposes**

[Assented to 26 May 2012]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Social Security and Other Legislation
Amendment (Income Support and Other Measures) Act 2012*.

*Social Security and Other Legislation Amendment (Income Support and Other Measures) Act
2012 No. 52, 2012 1*

2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day this Act receives the Royal Assent.	26 May 2012
2. Schedules 1 and 2	1 July 2012.	1 July 2012
3. Schedule 3	1 January 2013.	1 January 2013
4. Schedule 4	The day this Act receives the Royal Assent.	26 May 2012
5. Schedule 5	1 July 2012.	1 July 2012
6. Schedule 6	The day this Act receives the Royal Assent.	26 May 2012
7. Schedule 7	1 July 2012.	1 July 2012
8. Schedule 8	The day this Act receives the Royal Assent.	26 May 2012

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

- (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Age requirements for social security payments

Social Security Act 1991

1 Paragraphs 19C(8)(b) and (c)

Omit “21”, substitute “22”.

2 Subsection 23(1) (paragraph (a) of the definition of *early school leaver*)

Omit “21”, substitute “22”.

3 Subsection 543B(1)

Omit “21” (wherever occurring), substitute “22”.

4 Subparagraph 593(1)(g)(i)

Omit “subject to subsection (2B), is at least 21”, substitute “is at least 22”.

5 Subparagraphs 593(1B)(b)(i) and (1D)(b)(i)

Omit “21”, substitute “22”.

6 Paragraph 666(1)(e)

Omit “21”, substitute “22”.

7 Section 1067F

Omit “21” (wherever occurring), substitute “22”.

8 Paragraph 1067G-D1(b)

Omit “21”, substitute “22”.

9 Paragraphs 1067G-H26(a) and (b)

Omit “21”, substitute “22”.

10 Paragraphs 1067L-D25(a) and (b)

Omit “21”, substitute “22”.

11 Paragraphs 1068-G9(a) and (b)

Omit “21”, substitute “22”.

12 Paragraphs 1068B-D22(a) and (b)

Omit “21”, substitute “22”.

13 Section 1190 (table item 4A, column 2)

Omit “, or to a recipient of youth allowance, who is under 21”, substitute “who is under 21 or to a recipient of youth allowance who is under 22”.

14 Application—persons in severe financial hardship

The amendment made by item 1 applies in relation to working out if a person is in severe financial hardship for days on or after 1 July 2012.

15 Application—youth allowance

(1) Subject to subitems (2) and (3), the amendments made by items 2 and 3 apply for the purposes of working out a person’s qualification for a youth allowance in respect of days occurring on or after 1 July 2012.

(2) If:

- (a) a person was aged 21 on 30 June 2012; and
- (b) the person was receiving a newstart allowance immediately before 1 July 2012 or the person’s payment of a newstart allowance was suspended immediately before 1 July 2012;

the amendments made by items 2 and 3 do not apply in relation to the person during the period:

- (c) beginning on 1 July 2012; and
- (d) ending on the day on which the payment of the newstart allowance to the person is cancelled.

(3) If:

- (a) before 1 July 2012, the Secretary granted a person’s claim for a newstart allowance under the *Social Security (Administration) Act 1999*; and
- (b) the person’s start day in relation to that allowance, worked out under clause 5 of Schedule 2 to that Act, is on or after 1 July 2012;

the amendments made by items 2 and 3 do not apply in relation to the person during the period:

- (c) beginning on 1 July 2012; and
 - (d) ending on the day on which the payment of the newstart allowance to the person is cancelled.
- (4) Subject to subitem (5), the amendment made by item 7 applies in relation to working out the rate of youth allowance for days on or after 1 July 2012.
- (5) The amendment made by item 7 does not apply in relation to a person:
- (a) who was aged 21 on 30 June 2012; and
 - (b) who was receiving a youth allowance immediately before 1 July 2012 or whose payment of a youth allowance was suspended immediately before 1 July 2012.
- (6) The amendment made by item 8 applies in relation to working out the rate of youth allowance for days on or after 1 July 2012.

16 Application—newstart allowance

- (1) Subject to this item, the amendments made by items 4 and 5 apply for the purposes of working out a person's qualification for a newstart allowance in respect of days occurring on or after 1 July 2012.
- (2) If:
- (a) a person was aged 21 on 30 June 2012; and
 - (b) the person was receiving a newstart allowance immediately before 1 July 2012 or the person's payment of a newstart allowance was suspended immediately before 1 July 2012;
- the amendments made by items 4 and 5 do not apply in relation to the person during the period:
- (c) beginning on 1 July 2012; and
 - (d) ending on the day on which the payment of the newstart allowance to the person is cancelled.
- (3) If:
- (a) before 1 July 2012, a person aged 21 made a claim for a newstart allowance under the *Social Security (Administration) Act 1999*; and

Schedule 1 Age requirements for social security payments

- (b) the claim had not been determined by the Secretary immediately before 1 July 2012;

the amendments made by items 4 and 5 do not apply in relation to:

- (c) the claim; and
- (d) if the claim is granted—the payment of that allowance as a result of that claim.

(4) If:

- (a) before 1 July 2012, a person aged 21 made a claim for a newstart allowance under the *Social Security (Administration) Act 1999* (disregarding subclause 4(6) of Schedule 2 to that Act); and
- (b) on 1 July 2012, the person is serving a liquid assets test waiting period in relation to the claim;

the amendments made by items 4 and 5 do not apply in relation to:

- (c) the claim; and
- (d) if the claim is granted—the payment of that allowance as a result of that claim.

(5) If:

- (a) before 1 July 2012, the Secretary granted a person's claim for a newstart allowance under the *Social Security (Administration) Act 1999*; and
- (b) on 1 July 2012, an income maintenance period applies to the person;

the amendments made by items 4 and 5 do not apply in relation to the person during the period:

- (c) beginning on 1 July 2012; and
- (d) ending on the day on which the payment of the newstart allowance to the person is cancelled.

(6) If:

- (a) before 1 July 2012, the Secretary granted a person's claim for a newstart allowance under the *Social Security (Administration) Act 1999*; and
- (b) the person's start day in relation to that allowance, worked out under clause 5 of Schedule 2 to that Act, is on or after 1 July 2012;

the amendments made by items 4 and 5 do not apply in relation to the person during the period:

- (c) beginning on 1 July 2012; and
- (d) ending on the day on which the payment of the newstart allowance to the person is cancelled.

17 Application—sickness allowance

- (1) Subject to subitem (2), the amendment made by item 6 applies for the purposes of working out a person's qualification for sickness allowance in respect of days occurring on or after 1 July 2012.
- (2) The amendment made by item 6 does not apply in relation to a person:
 - (a) who was aged 21 on 30 June 2012; and
 - (b) who was receiving sickness allowance immediately before 1 July 2012 or whose payment of sickness allowance was suspended immediately before 1 July 2012.

18 Application—general rates

The amendments made by items 9 to 12 apply in relation to working out the rates of social security payments for days on or after 1 July 2012.

Schedule 2—Income test for youth allowance

Social Security Act 1991

1 Paragraph 1067G-H29(b)

Omit “\$62”, substitute “\$143”.

2 Paragraphs 1067G-H32(c) and 1067G-H33(c)

Omit “\$188”, substitute “\$107”.

3 Application

The amendments made by items 1 and 2 apply in relation to working out the rate of youth allowance for days on or after 1 July 2012.

Schedule 3—Income test for newstart allowance

Social Security Act 1991

1 Point 1068-G1 (method statement, step 10)

Omit “and 1068-G16”, substitute “, 1068-G16 and 1068-G17”.

2 Point 1068-G14 (heading)

Repeal the heading, substitute:

Ordinary income reduction—general

3 Point 1068-G14

Omit “If”, substitute “Subject to point 1068-G17, if”.

4 Section 1068 (at the end of Module G of the Benefit Rate Calculator B)

Add:

Ordinary income reduction for certain recipients of newstart allowance

1068-G17 If:

- (a) a person has an ordinary income excess; and
- (b) the person is receiving newstart allowance; and
- (c) the person is not a member of a couple; and
- (d) the person is the principal carer of a child;

the person’s ordinary income reduction is an amount equal to 40% of the person’s ordinary income excess.

5 Application

The amendments made by this Schedule apply in relation to working out the rate of newstart allowance for days on or after 1 January 2013.

Schedule 4—Claims for newstart allowance

Social Security (Administration) Act 1999

1 Paragraph 4(2)(a) of Schedule 2

Omit “newstart allowance or”.

2 Subclause 4(5) of Schedule 2

Repeal the subclause.

3 Application

The amendments made by items 1 and 2 apply in relation to claims referred to in paragraph 4(1)(a) of Schedule 2 to the *Social Security (Administration) Act 1999* that are made on or after the commencement of those items.

Schedule 5—Working credit balances

Social Security Act 1991

1 Subsections 1073E(2), (4), (5) and (5A)

Omit “\$1,000”, substitute “the threshold amount (see subsection (7))”.

2 Paragraph 1073E(6)(b)

After “participant”, insert “on a day (the *participation day*)”.

3 Subsection 1073E(6)

Omit “\$1,000”, substitute “the threshold amount (see subsection (7))”.

4 Subsection 1073E(6)

Omit “day on which the person becomes a working credit participant”, substitute “participation day”.

5 At the end of section 1073E

Add:

Threshold amount

(7) In this section:

threshold amount means:

- (a) if, on the participation day, the person is receiving youth allowance, the person is not undertaking full-time study and the person is not a new apprentice—\$3,500; or
- (b) in any other case—\$1,000.

6 Section 1073F (method statement, step 4)

Repeal the step, substitute:

Step 4. If the participant’s rate of total ordinary income on a fortnightly basis for the day is less than \$48, there is an accrual to the participant’s working credit balance for the day of an amount equal to one fourteenth of the amount

by which \$48 exceeds that rate. The maximum working credit balance is:

- (a) if the participant became a working credit participant on a day under subsection 1073E(2), (3), (4), (5), (5A) or (6) and on that day the participant was receiving youth allowance, the participant was not undertaking full-time study and the participant was not a new apprentice—\$3,500; or
- (b) in any other case—\$1,000.

7 Application

The amendments made by this Schedule apply in relation to persons who become working credit participants, as mentioned in section 1073E of the *Social Security Act 1991*, on days on or after 1 July 2012.

Schedule 6—Parenting payment transitional arrangement

Social Security Act 1991

1 At the end of section 500F

Add:

Circumstances in which person ceases to be covered by parenting payment transitional arrangement

- (5) If a person is covered by the parenting payment transitional arrangement in relation to a child immediately before 1 January 2013, the person ceases to be covered by that arrangement:
 - (a) if the child is aged under 12 on 31 December 2012—when the child turns 12; or
 - (b) if the child is aged 12 on 31 December 2012—when the child turns 13; or
 - (c) if the child is aged 13 or more and under 16 on 31 December 2012—when the child turns 16.
- (6) Subsection (5) does not limit the circumstances in which a person may cease to be covered by the parenting payment transitional arrangement in relation to a child.

Schedule 7—Penalty for reconnection failures

Social Security (Administration) Act 1999

1 Subsection 42T(3)

Repeal the subsection, substitute:

- (3) The method determined for a reconnection failure that a person commits must not provide for a penalty amount in respect of a day in the reconnection failure period that is more than the following:

$$1.4 \times \frac{\text{Amount of the person's instalment of participation payment for the instalment period in which the day occurs}}{\text{Number of days in the person's instalment period}}$$

2 Application

The amendment made by item 1 applies in relation to a determination made under subsection 42H(1) of the *Social Security (Administration) Act 1999* on or after the commencement of that item, where the failure referred to in paragraph 42H(1)(b) of that Act occurred on or after that commencement.

Schedule 8—Other amendments

Indigenous Education (Targeted Assistance) Act 2000

1 Subsection 14B(1) (table item 4)

Omit “\$120,020,000”, substitute “\$120,701,000”.

Social Security Act 1991

2 Point 1068-B1B

Omit “For the purposes of point 1068-B1A, the”, substitute “The”.

*[Minister’s second reading speech made in—
House of Representatives on 9 February 2012
Senate on 29 February 2012]*

(3/12)

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