

EXPLANATORY STATEMENT

Social Security (Administration) (Excluded Goods — section 123TI) Specification 2010

The *Social Security (Administration) (Excluded Goods — section 123TI) Specification 2010* (the Specification) is made under paragraph 123TI(1)(d) of the *Social Security (Administration) Act 1999* (the Act). The Minister for Families, Housing, Community Services and Indigenous Affairs, as well as making the Specification in her own capacity, is also making it on behalf of the Minister for Education and the Minister for Employment and Workplace Relations.

Background

Part 3B of the Act establishes an income management regime that applies to recipients of certain welfare payments. If a person is subject to the income management regime under Part 3B, the Secretary must deduct amounts from the person's relevant welfare payments and credit those amounts to the person's income management account, in accordance with Part 3B, for the purpose of taking actions directed to meeting the priority needs of the person or his or her dependants.

Part 3B prohibits the Secretary from making a payment if there are reasonable grounds to believe that the whole or part of the amount paid will be used to acquire excluded goods or excluded services.

Home-brew kits and concentrate do not fall within the definition of 'alcoholic beverage' in section 123TC of the Act. Alcoholic beverage is defined as a beverage that contains more than 0.1 per cent by volume of ethyl alcohol.

Home-brew kits and concentrate are sold by a range of merchants including small independent merchants and some supermarkets. Income managed customers could buy home-brew kits and concentrate using their income managed funds. Home-brew kits and concentrate cannot, until now, be excluded from transactions involving income managed funds because they do not contain liquor.

The effect of this Specification is to restrict the sale of home-brew kits and concentrate in areas that are subject to income management. Restricting the sale of the home-brew kits and concentrate would support the intent of income management, by further minimising harm caused by alcohol misuse and associated violence.

Purpose

The purpose of this Specification is to specify that, for the purposes of section 123TI of the Act, home-brew kits and concentrate are excluded goods.

The Specification is a legislative instrument. It commences the day after registration.

Consultation

Consultation on the Specification was undertaken with the Department of Education, Employment and Workplace Relations and the Department of Veterans' Affairs to ensure a co-ordinated approach in respect of welfare payments for which those Departments have responsibility, which may become subject to the income management regime.

Regulatory Impact Analysis

The Specification does not require a Regulatory Impact Statement or a Business Cost Calculator Figure. The Specification is not regulatory in nature, will not impact on business activity and will have no, or minimal, compliance costs or competition impact.