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The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

Presented and read a first time

**Employment and Workplace Relations
Legislation Amendment (Welfare to
Work and Other Measures) Bill 2005**

No. , 2005

(Employment and Workplace Relations)

**A Bill for an Act to amend the social security law,
and for other purposes**

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1 **A Bill for an Act to amend the social security law,**
2 **and for other purposes**

3 The Parliament of Australia enacts:

4 **1 Short title**

5 This Act may be cited as the *Employment and Workplace Relations*
6 *Legislation Amendment (Welfare to Work and Other Measures) Act*
7 *2005*.

8 **2 Commencement**

9 (1) Each provision of this Act specified in column 1 of the table
10 commences, or is taken to have commenced, in accordance with
11 column 2 of the table. Any other statement in column 2 has effect
12 according to its terms.
13

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 on which this Act receives the Royal Assent.	
2. Schedule 1, Part 1	1 July 2006.	1 July 2006
3. Schedule 1, Part 2	20 September 2006.	20 September 2006
4. Schedule 1, Part 3	Immediately after the commencement of Schedule 1 to the <i>Workplace Relations Amendment (Work Choices) Act 2005</i> .	
5. Schedule 2, Part 1	1 July 2006.	1 July 2006
6. Schedule 2, Part 2	20 September 2006.	20 September 2006
7. Schedule 2, Part 3	1 July 2006.	1 July 2006
8. Schedule 3	20 September 2006.	20 September 2006
9. Schedule 4, Parts 1 and 2	1 July 2006.	1 July 2006
10. Schedule 4, Part 3	20 September 2006.	20 September 2006
11. Schedule 5, Part 1	The day on which this Act receives the Royal Assent.	
12. Schedule 5, items 3 to 14	1 July 2006.	1 July 2006
13. Schedule 5, item 15	Immediately after the commencement of Schedule 1 to the <i>Workplace Relations Amendment (Work Choices) Act 2005</i> .	
14. Schedule 5, items 16 to 44	1 July 2006.	1 July 2006
15. Schedule 5, Part 3	1 July 2006.	1 July 2006
16. Schedule 6 Part 1	1 July 2006.	1 July 2006

Commencement information		
Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
17. Schedule 6 Part 2	20 September 2006.	20 September 2006
18. Schedule 7, Part 1	The day on which this Act receives the Royal Assent.	
19. Schedule 7, items 3 to 27	1 July 2006.	1 July 2006
20. Schedule 7, item 28	Immediately after the commencement of Schedule 1 to the <i>Workplace Relations Amendment (Work Choices) Act 2005</i> .	
21. Schedule 7, items 29 to 72	1 July 2006.	1 July 2006
22. Schedule 7, Parts 3 and 4	1 July 2006.	1 July 2006
23. Schedule 8	1 July 2006.	1 July 2006
24. Schedule 9	20 September 2006.	20 September 2006
25. Schedule 10, items 1 to 10	1 July 2006.	1 July 2006
26. Schedule 10, item 11	Immediately after the commencement of Schedule 1 to the <i>Workplace Relations Amendment (Work Choices) Act 2005</i> .	
27. Schedule 10, items 12 to 42	1 July 2006.	1 July 2006
28. Schedule 10, Parts 2 and 3	1 July 2006.	1 July 2006
29. Schedule 11	1 July 2006.	1 July 2006
30. Schedule 12	20 September 2006.	20 September 2006
31. Schedule 13	1 July 2006.	1 July 2006
32. Schedule 14, Part 1	The day on which this Act receives the Royal Assent.	
33. Schedule 14, Part 2	1 July 2006.	1 July 2006
34. Schedule 15	1 July 2006.	1 July 2006
35. Schedule 16	20 September 2006.	20 September 2006
36. Schedule 17, Parts 1 to 5	1 July 2006.	1 July 2006

Commencement information

Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
37. Schedule 17, Part 6	20 September 2006.	20 September 2006
38. Schedule 18, Part 1	1 July 2006.	1 July 2006
39. Schedule 18, Part 2	20 September 2006.	20 September 2006
40. Schedule 19, Parts 1 to 3	1 July 2006.	1 July 2006
41. Schedule 19, Part 4	20 September 2006.	20 September 2006
42. Schedule 20, Part 1	1 July 2006.	1 July 2006
43. Schedule 20, Part 2	20 September 2006.	20 September 2006
44. Schedule 21	1 July 2006.	1 July 2006
45. Schedule 22, Part 1	The day on which this Act receives the Royal Assent.	
46. Schedule 22, Parts 2 to 4	1 July 2006.	1 July 2006
47. Schedule 22, Part 5	The day on which this Act receives the Royal Assent.	
48. Schedule 22, Part 6	20 September 2006.	20 September 2006
49. Schedule 23, items 1 to 5	1 July 2006.	1 July 2006
50. Schedule 23, items 6 and 7	The day on which this Act receives the Royal Assent.	

1 Note: This table relates only to the provisions of this Act as originally
2 passed by the Parliament and assented to. It will not be expanded to
3 deal with provisions inserted in this Act after assent.

4 (2) Column 3 of the table contains additional information that is not
5 part of this Act. Information in this column may be added to or
6 edited in any published version of this Act.

1 **3 Schedule(s)**

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

1
2 **Schedule 1—Definitions and other**
3 **interpretative provisions**

4 **Part 1—Amendments commencing on 1 July 2006**

5 *Social Security Act 1991*

6 **1 Subsection 5(1)**

7 Insert:

8 *principal carer*, of a child, has the meaning given by
9 subsections (15) to (24).

10 **2 At the end of subsection 5(2)**

11 Add:

12 Note: For paragraph (a), see also subsection (16).

13 **3 At the end of section 5**

14 Add:

15 *Principal carer*

16 (15) A person is the *principal carer* of a child if:

- 17 (a) the child is a dependent child of the person; and
18 (b) the child has not turned 16.

19 Note: The definition of *dependent child* in subsection (2) requires:

- 20 (a) the adult to be legally responsible (whether alone or jointly with
21 another person) for the day-to-day care, welfare and development
22 of the child: subsection (16) deals with the circumstances in
23 which a step-parent is taken to have such legal responsibility; and
24 (b) a child to be in an adult's care: subsection (17) deals with the
25 circumstances in which a child is taken to remain in an adult's
26 care.

27 (16) For the purpose of determining whether a person is the *principal*
28 *carer* of a child, the person is taken to be legally responsible
29 (whether alone or jointly with another person) for the day-to-day
30 care, welfare and development of the child if:

- 31 (a) the person is the step-parent of the child; and

- 1 (b) the person is living with the child and a parent of the child;
2 and
3 (c) the person and the parent are members of the same couple.
4 This subsection does not, by implication, affect the determination
5 of whether a person is taken to be legally responsible (whether
6 alone or jointly with another person) for the day-to-day care,
7 welfare and development of a child in cases to which this
8 subsection does not apply.
- 9 (17) For the purpose of determining whether a person is the *principal*
10 *carer* of a child, the child is taken to remain in the person's care if:
11 (a) at the start of a period not exceeding 8 weeks, the child
12 leaves the person's care; and
13 (b) throughout the period, the child is the dependent child of
14 another person; and
15 (c) the child returns, or the Secretary is satisfied that the child
16 will return, to the first person's care at the end of the period.
17 This subsection does not, by implication, affect the determination
18 of whether a child is in the care of a person in cases to which this
19 subsection does not apply (for example, if the period exceeds 8
20 weeks).
- 21 (18) Only one person at a time can be the principal carer of a particular
22 child.
- 23 (19) If the Secretary is satisfied that, but for subsection (18), 2 or more
24 persons (*adults*) would be principal carers of the same child, the
25 Secretary must:
26 (a) make a written determination specifying one of the adults as
27 the principal carer of the child; and
28 (b) give a copy of the determination to each adult.
- 29 (20) The Secretary may make the determination even if all the adults
30 have not claimed a social security payment that is based on, or
31 would be affected by, the adult being the principal carer of the
32 child.
- 33 (21) If a child:
34 (a) leaves Australia temporarily; and
35 (b) continues to be absent from Australia for more than 13
36 weeks;
-

- 1 a person cannot be the principal carer of the child at any time after
2 the 13 weeks while the child remains absent from Australia unless,
3 at that time:
- 4 (c) the child is in the company of a person to whom Division 2
5 of Part 4.2 applies; and
 - 6 (d) but for this subsection, the person would be the principal
7 carer of the child; and
 - 8 (e) the person's portability period (within the meaning of that
9 Division) for a social security payment:
 - 10 (i) that the person was receiving immediately before the
11 person's absence from Australia; or
 - 12 (ii) the person's claim for which was granted during the
13 absence;
- 14 has not ended.
- 15 (22) For the purposes of subsection (21), in determining if an absence is
16 temporary, regard must be had to the following factors:
- 17 (a) the purpose of the absence;
 - 18 (b) the intended duration of the absence;
 - 19 (c) the frequency of such absences.
- 20 (23) If a child:
- 21 (a) is born outside Australia; and
 - 22 (b) continues to be absent from Australia for a period of more
23 than 13 weeks immediately following the child's birth;
- 24 a person cannot be the principal carer of the child at any time after
25 the 13 weeks while the child remains absent from Australia unless,
26 at that time:
- 27 (c) the child is in the company of a person to whom Division 2
28 of Part 4.2 applies; and
 - 29 (d) but for this subsection, the person would be the principal
30 carer of the child; and
 - 31 (e) the person's portability period (within the meaning of that
32 Division) for a social security payment:
 - 33 (i) that the person was receiving immediately before the
34 person's absence from Australia; or
 - 35 (ii) the person's claim for which was granted during the
36 absence;
- 37 has not ended.
-

1 (24) If:

2 (a) a person is not the principal carer of a child because of
3 subsection (21) (absence from Australia) or (23) (birth
4 outside Australia), or because of a previous application of
5 this subsection; and

6 (b) the child comes to Australia; and

7 (c) the child leaves Australia less than 13 weeks later;

8 a person cannot be the principal carer of the child when the child
9 leaves Australia as mentioned in paragraph (c).

10 **4 After section 5A**

11 Insert:

12 **5B Registered and active foster carers**

13 (1) A person is a *registered and active foster carer* if the Secretary is
14 satisfied that:

15 (a) the person meets the requirements (if any) of the law of the
16 State or Territory in which the person resides that the person
17 must meet in order to be permitted, under the law of that
18 State or Territory, to provide foster care in that State or
19 Territory; and

20 (b) the person is taken, in accordance with guidelines made
21 under subsection (2), to be actively involved in providing
22 foster care in that State or Territory.

23 (2) The Secretary may, by legislative instrument, make guidelines
24 setting out the circumstances in which persons are taken, for the
25 purposes of the social security law, to be actively involved in
26 providing foster care in that State or Territory.

27 **5C Home educators**

28 A person is a *home educator* of a child if the Secretary is satisfied
29 that:

30 (a) the child is receiving, in the person's home, education that
31 wholly or substantially replaces the education that the child
32 would otherwise receive by attending a school; and

33 (b) the person meets the requirements (if any) of the law of the
34 State or Territory in which the person resides that the person

- 1 must meet in order to be permitted, under the law of that
2 State or Territory, to provide that education to the child; and
3 (c) the person is suitably involved in providing and supervising
4 that education.

5 **5D Distance educators**

- 6 A person is a *distance educator* of a child if the Secretary is
7 satisfied that:
8 (a) the child is enrolled to receive education by undertaking a
9 distance education curriculum; and
10 (b) the child is undertaking that curriculum; and
11 (c) the person is suitably involved in assisting and supervising
12 the child in relation to that curriculum.

13 **5 Subsection 7(7)**

14 Omit “subparagraph 593(1)(g)(ii)”, substitute “subparagraphs
15 593(1)(g)(ii) and 593(1D)(b)(ii)”.

16 **6 After section 16A**

17 Insert:

18 **16B Partial capacity to work**

- 19 (1) A person has a *partial capacity to work* if:
20 (a) the person has a physical, intellectual or psychiatric
21 impairment; and
22 (b) the Secretary is satisfied that:
23 (i) the impairment of itself prevents the person from doing
24 30 hours per week of work independently of a program
25 of support within the next 2 years; and
26 (ii) no training activity is likely (because of the impairment)
27 to enable the person to do 30 hours per week of work
28 independently of a program of support within the next 2
29 years.
30 (2) A person is treated as doing work *independently of a program of*
31 *support* if the Secretary is satisfied that to do the work the person:
32 (a) is unlikely to need a program of support that:

- 1 (i) is designed to assist the person to prepare for, find or
2 maintain work; and
3 (ii) is funded (wholly or partly) by the Commonwealth or is
4 of a type that the Secretary considers is similar to a
5 program of support that is funded (wholly or partly) by
6 the Commonwealth; or
7 (b) is likely to need such a program of support provided
8 occasionally; or
9 (c) is likely to need such a program of support that is not
10 ongoing.
- 11 (3) In deciding whether he or she is satisfied as mentioned in
12 paragraph (1)(b), the Secretary is to have regard to the guidelines
13 (if any) determined and in force under subsection (4).
- 14 (4) The Secretary may, by legislative instrument, determine guidelines
15 to be complied with in deciding whether he or she is satisfied as
16 mentioned in paragraph (1)(b).
- 17 (5) In this section:
- 18 **30 hours per week of work** means work:
19 (a) that is for at least 30 hours per week at award wages or
20 above; and
21 (b) that exists in Australia, even if not within the person's locally
22 accessible labour market.
- 23 **training activity** means one or more of the following activities,
24 whether or not the activity is designed specifically for people with
25 physical, intellectual or psychiatric impairments:
26 (a) education;
27 (b) pre-vocational training;
28 (c) vocational training;
29 (d) vocational rehabilitation;
30 (e) work-related training (including on-the-job training).

31 **7 Subsection 23(1) (before paragraph (a) of the definition of**
32 **approved program of work supplement)**

33 Insert:

- 34 (aa) an amount under section 118 to a person receiving disability
35 support pension; or
-

1 **8 Subsection 23(1)**

2 Insert:

3 *austudy participation failure* has the meaning given by
4 section 576.

5 **9 Subsection 23(1) (definition of CSP)**

6 Repeal the definition.

7 **10 Subsection 23(1)**

8 Insert:

9 *distance educator* has the meaning given by section 5D.

10 **11 Subsection 23(1)**

11 Insert:

12 *home educator* has the meaning given by section 5C.

13 **12 Subsection 23(1)**

14 Insert:

15 *newstart participation failure* has the meaning given by
16 section 624.

17 **13 Subsection 23(1)**

18 Insert:

19 *Parenting Payment Activity Agreement* has the meaning given by
20 subsection 501(6).

21 **14 Subsection 23(1)**

22 Insert:

23 *parenting payment participation failure* has the meaning given by
24 section 500ZA.

25 **15 Subsection 23(1)**

26 Insert:

27 *partial capacity to work* has the meaning given by section 16B.

1 **16 Subsection 23(1)**

2 Insert:

3 *participation failure instalment period:*

- 4 (a) in relation to the payability of parenting payment—has the
5 meaning given by subsection 500ZB(3); and
6 (b) in relation to the payability of youth allowance—has the
7 meaning given by subsection 550B(3); and
8 (c) in relation to the payability of austudy payment—has the
9 meaning given by subsection 576A(3); and
10 (d) in relation to the payability of newstart allowance—has the
11 meaning given by subsection 626(3); and
12 (e) in relation to the payability of special benefit—has the
13 meaning given by subsection 742(3).

14 **17 Subsection 23(1)**

15 Insert:

16 *registered and active foster carer* has the meaning given by
17 section 5B.

18 **18 Subsection 23(1)**

19 Insert:

20 *Reserves* means:

- 21 (a) the Naval Reserve; or
22 (b) the Army Reserve; or
23 (c) the Air Force Reserve.

24 **19 Subsection 23(1) (paragraph (e) of the definition of *social***
25 ***security entitlement*)**

26 Repeal the paragraph, substitute:

- 27 (e) a parenting payment; or

28 **20 Subsection 23(1)**

29 Insert:

30 *special benefit participation failure* has the meaning given by
31 section 740.

1 **21 Subsection 23(1)**

2 Insert:

3 *subject to participation requirements*: a person is subject to
4 participation requirements if, because of paragraph 500(1)(c) or
5 500F(1)(f) or (2)(f), the person cannot be qualified for parenting
6 payment unless the person meets any participation requirements
7 that apply to the person under section 500A.

8 Note: Subsection 500F(4) limits the circumstances in which paragraph
9 500F(1)(f) or (2)(f) applies.

10 **22 Subsection 23(1)**

11 Insert:

12 *transitional DSP applicant* means a person:

- 13 (a) who made a claim for a disability support pension on or after
14 11 May 2005 and before 1 July 2006; and
15 (b) to whom, on or after 1 July 2006, a notice under subsection
16 63(2) or 64(2) of the Administration Act is given; and
17 (c) who is required under the notice to undertake a specified
18 activity for the purpose of reviewing his or her capacity to
19 perform work.

20 **23 Subsection 23(1)**

21 Insert:

22 *youth allowance participation failure* has the meaning given by
23 section 550.

24 **24 Paragraphs 28(2)(a) and (b)**

25 After “under 21”, insert “and subsection (4) does not apply to them”.

26 **25 At the end of subsection 28(2)**

27 Add:

28 ; and (c) if subsection (4) applies to the persons—more than 50 hours
29 for each fortnight of their respective participation in the
30 program.

31 **26 At the end of section 28**

32 Add:

- 1 (4) This subsection applies to a person if:
2 (a) the person is under 60; and
3 (b) the Secretary determines that the person is a person to whom
4 this subsection applies.
- 5 (5) The Secretary may determine either one or both of the following
6 by legislative instrument:
7 (a) matters that the Secretary is to take into account in making a
8 determination under paragraph (4)(b);
9 (b) matters that the Secretary is not to take into account in
10 making a determination under paragraph (4)(b).
- 11 (6) A determination under subsection (5) does not, to the extent that it
12 is a determination under paragraph (5)(a), limit the matters that the
13 Secretary may take into account in making a determination under
14 paragraph (4)(b).

1

2 **Part 2—Amendments commencing on 20 September**
3 **2006**

4 *Social Security Act 1991*

5 **27 Subsection 16A(1) (after paragraph (a) of the definition of**
6 **seasonal work)**

7 Insert:

8 (aa) work:

9 (i) that is intermittent; and

10 (ii) that is to be performed for a period of less than 12
11 months; and

12 (iii) that is to be performed for a specified period or a period
13 that can reasonably be calculated by reference to the
14 completion of a specified task; and

15 (iv) for which the person performing the work does not
16 accrue leave entitlements; or

17 **28 After subsection 16A(1)**

18 Insert:

19 (1A) Paragraph (aa) of the definition of *seasonal work* in subsection (1)
20 does not apply to a person undertaking seasonal work if the person
21 was receiving income support payments (whether or not the kind of
22 payment received has changed over the period and whether any
23 part of it occurred before or after the commencement of this
24 section) in respect of a continuous period exceeding 12 months
25 immediately before the person commenced the seasonal work.

26 **29 Paragraph 16A(3)(b)**

27 Omit “or special benefit”, substitute “, special benefit, parenting
28 payment, disability support pension, sickness allowance, carer payment
29 or austudy payment”.

30 **30 Paragraph 16A(4)(b)**

31 Omit “or special benefit”, substitute “, special benefit, disability support
32 pension, sickness allowance, carer payment or austudy payment”.

1 **31 Subsection 19C(2)**

2 After “special benefit”, insert “, disability support pension, carer
3 payment”.

4 **32 Subsection 19C(2)**

5 After “payment, benefit”, insert “, pension”.

6 **33 Subsection 19C(3)**

7 After “special benefit”, insert “, disability support pension, carer
8 payment”.

9 **34 Subsection 19C(3)**

10 After “payment, benefit”, insert “, pension”.

11 **35 Before paragraph 19C(8)(a)**

12 Insert:

13 (aa) in relation to disability support pension—means the rate
14 worked out at:

15 (i) Step 4 of the Method statement in Module A of Pension
16 Rate Calculator A; or

17 (ii) Step 5 of the Method statement in Module A of Pension
18 Rate Calculator D; or

19 (ab) in relation to carer payment—means the rate worked out at
20 Step 4 of the Method statement in Module A of Pension Rate
21 Calculator A; or

22 **36 Subsection 23(1) (definition of *income maintenance*
23 *period*)**

24 After “has the meaning given in points”, insert “1064-F4 and 1064-F5,
25 1066A-G4 and 1066A-G5”.

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2 **Part 3—Miscellaneous**

3 **37 Subsection 23(1)**

4 Insert:

5 *Australian Fair Pay and Conditions Standard* has the same
6 meaning as it has in the *Workplace Relations Act 1996*.

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Schedule 2—Disability support pension

Part 1—Participation

Social Security Act 1991

1 At the end of subsection 94(1)

Add:

; and (f) the person is not qualified for disability support pension under section 94A.

2 Subsection 94(2)

Repeal the subsection, substitute:

(2) A person has a *continuing inability to work* because of an impairment if the Secretary is satisfied that:

(a) the impairment is of itself sufficient to prevent the person from doing any work independently of a program of support within the next 2 years; and

(b) either:

(i) the impairment is of itself sufficient to prevent the person from undertaking a training activity during the next 2 years; or

(ii) if the impairment does not prevent the person from undertaking a training activity—such activity is unlikely (because of the impairment) to enable the person to do any work independently of a program of support within the next 2 years.

Note: For *work* see subsection (5).

3 Paragraph 94(3)(a)

Omit “educational or vocational training or on-the-job training”, substitute “a training activity”.

4 Paragraph 94(3)(b)

Omit “if subsection (4) does not apply to the person—”.

5 Subsection 94(4)

1 Repeal the subsection, substitute:

2 (4) A person is treated as doing work *independently of a program of*
3 *support* if the Secretary is satisfied that to do the work the person:

4 (a) is unlikely to need a program of support that:

5 (i) is designed to assist the person to prepare for, find or
6 maintain work; and

7 (ii) is funded (wholly or partly) by the Commonwealth or is
8 of a type that the Secretary considers is similar to a
9 program of support that is funded (wholly or partly) by
10 the Commonwealth; or

11 (b) is likely to need such a program of support provided
12 occasionally; or

13 (c) is likely to need such a program of support that is not
14 ongoing.

15 **6 Subsection 94(5) (definition of *educational or vocational***
16 ***training*)**

17 Repeal the definition.

18 **7 Subsection 94(5) (definition of *on-the-job training*)**

19 Repeal the definition.

20 **8 Subsection 94(5)**

21 Insert:

22 *training activity* means one or more of the following activities,
23 whether or not the activity is designed specifically for people with
24 physical, intellectual or psychiatric impairments:

25 (a) education;

26 (b) pre-vocational training;

27 (c) vocational training;

28 (d) vocational rehabilitation;

29 (e) work-related training (including on-the-job training).

30 **9 Subsection 94(5) (paragraph (a) of the definition of *work*)**

31 Omit “30”, substitute “15”.

32 **10 After section 94**

1 Insert:

2 **94A Qualification for disability support pension—person**
3 **transferring to that pension**

4 *Qualification*

5 (1) Subject to subsections (6) and (7), a person is qualified for a
6 disability support pension if:

7 (a) either:

8 (i) on or after 1 July 2006, the Secretary considered or
9 reviewed the person’s capacity to work in connection
10 with a social security benefit or social security
11 entitlement; or

12 (ii) if the person has previously qualified for disability
13 support pension under this section—the Secretary last
14 considered or reviewed the person’s capacity to work in
15 connection with a social security benefit or social
16 security entitlement; and

17 (b) as at the date of that consideration or review, the Secretary
18 was satisfied that the person had a current inability to work
19 because of a physical, intellectual or psychiatric impairment;
20 and

21 (c) immediately before qualifying for disability support pension
22 under this section, the person was receiving a social security
23 benefit or a social security entitlement (other than a disability
24 support pension); and

25 (d) the person has a physical, intellectual or psychiatric
26 impairment that is 20 points or more under the Impairment
27 Tables; and

28 Note: For Impairment Tables see subsection 23(1) and Schedule 1B.

29 (e) after the end of a period of at least 2 years (the **2 year period**)
30 since the date of the consideration or review, the Secretary
31 reviews the person’s capacity to work (the **2 year review**) in
32 connection with the benefit or entitlement referred to in
33 paragraph (c); and

34 (f) the 2 year review is the first review, after the end of the 2
35 year period, of the person’s capacity to work in connection
36 with that benefit or entitlement; and

Schedule 2 Disability support pension
Part 1 Participation

- 1 (g) the Secretary is satisfied that the person has a current
2 inability to work because of the impairment mentioned in
3 paragraph (d); and
4 (h) the person has been receiving a social security benefit or a
5 social security entitlement in respect of a continuous period
6 between the date of the consideration or review and the date
7 of the 2 year review (whether or not the kind of payment
8 received has changed over the period); and
9 Note: For the determination of whether a person received income
10 support payments in respect of a continuous period of at least 12
11 months see section 38B.
12 (i) either:
13 (i) the person undertook such training activities during the
14 2 year period as were required under an agreement with
15 the Secretary; or
16 (ii) if the person was not required (whether under an
17 agreement with the Secretary or not) to undertake
18 training activities during the 2 year period—the person
19 undertook during that period the type and number of
20 training activities that the Secretary considers were
21 appropriate for the person; and
22 (j) the person meets the residency test in subsection (5); and
23 (k) the person has turned 16.

- 24 (2) A person has a **current inability to work** because of an impairment
25 if the Secretary is satisfied that the impairment is of itself sufficient
26 to prevent the person from doing any work independently of a
27 program of support.

28 Note: For **work** see subsection (8).

- 29 (3) A person is treated as doing work **independently of a program of**
30 **support** if the Secretary is satisfied that to do the work the person:
31 (a) is unlikely to need a program of support that:
32 (i) is designed to assist the person to prepare for, find or
33 maintain work; and
34 (ii) is funded (wholly or partly) by the Commonwealth or is
35 of a type that the Secretary considers is similar to a
36 program of support that is funded (wholly or partly) by
37 the Commonwealth; or
38 (b) is likely to need such a program of support provided
39 occasionally; or
-

- 1 (c) is likely to need such a program of support that is not
2 ongoing.
- 3 (4) In deciding whether or not a person has a **current inability to work**
4 because of an impairment, the Secretary is not to have regard to the
5 availability to the person of work in the person's locally accessible
6 labour market.
- 7 (5) A person meets the residency test if the person:
8 (a) is an Australian resident at the time when the person first
9 satisfies paragraph (1)(b); or
10 (b) has 10 years qualifying Australian residence, or has a
11 qualifying residence exemption for a disability support
12 pension; or
13 (c) is born outside Australia and, at the time when the person
14 first satisfies paragraph (1)(b), the person:
15 (i) is not an Australian resident; and
16 (ii) is a dependent child of an Australian resident;
17 and the person becomes an Australian resident while a
18 dependent child of an Australian resident.

19 Note: For Australian resident, qualifying Australian residence and qualifying
20 residence exemption see section 7.

21 *Person not qualified in certain circumstances*

- 22 (6) A person is not qualified for a disability support pension on the
23 basis of a current inability to work if the person brought about the
24 inability with a view to obtaining:
25 (a) a disability support pension or a sickness allowance; or
26 (b) an exemption, because of the person's incapacity, from the
27 requirement to satisfy the activity test for the purposes of a
28 social security benefit or a social security entitlement (other
29 than a disability support pension).

30 Note: A person who is receiving a disability support pension may be
31 automatically transferred to the age pension if the person becomes
32 qualified for the age pension (see section 12 of the Administration
33 Act).

34 *When person ceases to be qualified*

- 35 (7) Unless ceasing to be qualified for a disability support pension
36 under this section sooner, a person ceases to be so qualified from
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1 the date of effect of the first decision about the person's capacity to
2 work following a review of that capacity.

3 *Definitions*

4 (8) In this section:

5 **training activity** means one or more of the following activities,
6 whether or not the activity is designed specifically for people with
7 physical, intellectual or psychiatric impairments:

- 8 (a) education;
- 9 (b) pre-vocational training;
- 10 (c) vocational training;
- 11 (d) vocational rehabilitation;
- 12 (e) work-related training (including on-the-job training).

13 **work** means work:

- 14 (a) that is for at least 15 hours per week at award wages or
15 above; and
- 16 (b) that exists in Australia, even if not within the person's locally
17 accessible labour market.

18 **11 Paragraph 729(2A)(a)**

19 After "94", insert ", 94A".

20 **12 Paragraph 1061ZD(2)(b)**

21 Omit "30", substitute "15".

22 **13 Application and transitional provisions**

23 (1) The amendments of the *Social Security Act 1991* made by this Part
24 apply in relation to any claim, and any payment of pension as a result of
25 such a claim, by a person for a disability support pension made on or
26 after 1 July 2006.

27 (2) Subject to subitem (3), the *Social Security Act 1991* applies to any claim
28 by a person for a disability support pension made before 1 July 2006,
29 and any payment of pension as a result of such a claim, as if the
30 amendments referred to in subitem (1) had not been made.

31 (3) If:

- 1 (a) on or after 1 July 2006, a notice under subsection 63(2) or
2 64(2) of the Administration Act is given to a person who
3 made a claim for a disability support pension on or after
4 11 May 2005 and before 1 July 2006; and
5 (b) under the notice, the person is required to undertake a
6 specified activity for the purpose of reviewing his or her
7 capacity to perform work;
- 8 then the amendments of the *Social Security Act 1991* referred to in
9 subitem (1) apply to the person from the date of the notice.

1

2 **Part 2—Seasonal work preclusion period**

3 *Social Security Act 1991*

4 **14 At the end of Subdivision B of Division 1 of Part 2.3 of**
5 **Chapter 2**

6 Add:

7 **104 Seasonal workers—preclusion period**

8 (1) This section applies if:

- 9 (a) a person has lodged a claim for disability support pension;
10 and
11 (b) the person qualifies, under section 94, for disability support
12 pension; and
13 (c) at any time during the 6 months immediately before the day
14 on which the person lodged the claim, the person, or the
15 person's partner, has been engaged in seasonal work.

16 Note: For *seasonal work* see subsection 16A(1).

17 (2) Disability support pension is not payable to the person:

- 18 (a) if the person is subject to a seasonal work preclusion period
19 (whether in relation to the claim referred to in subsection (1)
20 or any other claim under this Act) and the Secretary has not
21 made a determination under subsection (3) in relation to the
22 person—for the person's seasonal work preclusion period; or
23 (b) if the Secretary has made a determination under
24 subsection (3) in relation to the person—for that part (if any)
25 of the person's seasonal work preclusion period to which the
26 person is subject as a result of the determination.

27 Note: For *seasonal work preclusion period* see subsection 16A(1).

28 (3) If the Secretary is satisfied that a person is in severe financial
29 hardship because the person has incurred unavoidable or
30 reasonable expenditure while the person is subject to a seasonal
31 work preclusion period (whether in relation to the claim referred to
32 in subsection (1) or any other claim under this Act):

1 (a) the Secretary may determine that the person is not subject to
2 the whole, or any part, of the preclusion period; and

3 (b) the determination has effect accordingly.

4 Note 1: For *in severe financial hardship* see subsection 19C(2) (person who
5 is not a member of a couple) or subsection 19C(3) (person who is a
6 member of a couple).

7 Note 2: For *unavoidable or reasonable expenditure* see subsection 19C(4).

8 **15 Application provision**

9 The amendment made by this Part applies in relation to claims for
10 disability support pension made on or after 20 September 2006.

1

2 **Part 3—Approved program of work supplement**

3 *Social Security Act 1991*

4 **16 At the end of Division 5 of Part 2.3 of Chapter 2**

5 Add:

6 **118 Approved program of work supplement**

7 If a person:

- 8 (a) is receiving a disability support pension; and
9 (b) is participating in an approved program of work for income
10 support payment;

11 the rate of the person's disability support pension is increased by
12 an amount of \$20.80, to be known as the approved program of
13 work supplement, for each fortnight during which the person
14 participates in the program.

15 **119 Approved program of work supplement not payable in certain
16 circumstances**

17 An approved program of work supplement is not payable to a
18 person in respect of a fortnight if pensioner education supplement
19 under Part 2.24A or under ABSTUDY is payable to the person in
20 respect of a day in the fortnight.

21 **120 Effect of participation in an approved program of work for
22 income support payment**

23 A person is not taken to be:

- 24 (a) an employee within the meaning of section 9 of the
25 *Occupational Health and Safety (Commonwealth
26 Employment) Act 1991*; or
27 (b) an employee within the meaning of section 5 of the *Safety,
28 Rehabilitation and Compensation Act 1988*; or
29 (c) an employee for the purposes of the *Superannuation
30 Guarantee (Administration) Act 1992*; or

1 (d) an employee for the purposes of the *Workplace Relations Act*
2 *1996*;
3 merely by participating in an approved program of work for
4 income support payment in accordance with the terms of an
5 agreement with the Secretary for the purposes of this Part.

6 **17 Subparagraph 1223(7)(b)(iv)**

7 Before “parenting payment” (wherever occurring), insert “disability
8 support pension,”.

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Schedule 3—Carer payment

Social Security Act 1991

1 At the end of Subdivision B of Division 1 of Part 2.5 of Chapter 2

Add:

203 Seasonal workers—preclusion period

(1) This section applies if:

- (a) a person has lodged a claim for carer payment; and
- (b) at any time during the 6 months immediately before the day on which the person lodged the claim, the person, or the person’s partner, has been engaged in seasonal work.

Note: For *seasonal work* see subsection 16A(1).

(2) Carer payment is not payable to the person:

- (a) if the person is subject to a seasonal work preclusion period (whether in relation to the claim referred to in subsection (1) or any other claim under this Act) and the Secretary has not made a determination under subsection (3) in relation to the person—for the person’s seasonal work preclusion period; or
- (b) if the Secretary has made a determination under subsection (3) in relation to the person—for that part (if any) of the person’s seasonal work preclusion period to which the person is subject as a result of the determination.

Note: For *seasonal work preclusion period* see subsection 16A(1).

(3) If the Secretary is satisfied that a person is in severe financial hardship because the person has incurred unavoidable or reasonable expenditure while the person is subject to a seasonal work preclusion period (whether in relation to the claim referred to in subsection (1) or any other claim under this Act):

- (a) the Secretary may determine that the person is not subject to the whole, or any part, of the preclusion period; and
- (b) the determination has effect accordingly.

1 Note 1: For *in severe financial hardship* see subsection 19C(2) (person who
2 is not a member of a couple) or subsection 19C(3) (person who is a
3 member of a couple).

4 Note 2: For *unavoidable or reasonable expenditure* see subsection 19C(4).

5 **2 Application provision**

6 The amendment made by this Schedule applies in relation to claims for
7 carer payment made on or after 20 September 2006.

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Schedule 4—Parenting payment

Part 1—Participation

Social Security Act 1991

1 Paragraph 500(1)(a)

Omit “to 500H”, substitute “and 500F to 500H”.

2 Paragraph 500(1)(c)

Repeal the paragraph, substitute:

- (c) in a case where the person is not a member of a couple and does not have at least one PP child who has not turned 6—the person meets any participation requirements that apply to the person under section 500A; and

3 Subsection 500(4)

Repeal the subsection.

4 After section 500

Insert:

500A Participation requirements

The participation requirements are as follows:

- (a) the person must enter into a Parenting Payment Activity Agreement when the person is required by the Secretary under section 501 to do so;
- (b) while the agreement is in force the person must comply with its terms;
- (c) at any time while the agreement is in force the person must be prepared to enter into another such agreement, instead of the existing agreement, if required to do so by the Secretary under section 501;
- (d) the person must comply with any requirements that the Secretary notifies to the person under subsection 502(1).

5 Sections 500D to 500H

1 Repeal the sections, substitute:

2 **500D PP child**

- 3 (1) A child is a **PP child** of a person if:
- 4 (a) the child is a child of the person; and
- 5 (b) the person is a member of a couple; and
- 6 (c) the child has not turned 6; and
- 7 (d) the person is the principal carer of the child.
- 8 (2) A child is a **PP child** of a person if:
- 9 (a) the child is a child of the person; and
- 10 (b) the person is not a member of a couple; and
- 11 (c) the child has not turned 8; and
- 12 (d) the person is the principal carer of the child.
- 13 (3) A child is a **PP child** of a person if:
- 14 (a) the child is a child of the person; and
- 15 (b) the child has not turned 16; and
- 16 (c) the person is the principal carer of the child; and
- 17 (d) the person is covered by the parenting payment transitional
- 18 arrangement in relation to that child or any other child (see
- 19 section 500F); and
- 20 (e) since 1 July 2006, there has not been any continuous period
- 21 of more than 12 weeks during which the person has not at
- 22 any time been covered by the parenting payment transitional
- 23 arrangement in relation to that child or any other child (see
- 24 section 500F).

25 Note: For **principal carer** see subsections 5(15) to (24).

26 **500E Prospective determinations for some recipients**

- 27 (1) A person is qualified for parenting payment for a period
- 28 determined by the Secretary if:
- 29 (a) the person is receiving parenting payment; and
- 30 (b) the Secretary considers at the start of the period that:
- 31 (i) the person may reasonably be expected to satisfy the
- 32 qualification requirements for parenting payment (see
- 33 sections 500 to 500C) during the period; and

Schedule 4 Parenting payment
Part 1 Participation

- 1 (ii) it is reasonable to expect that parenting payment will be
2 payable to the person for the period; and
3 (iii) the person will comply with the Act during the period;
4 and
5 (c) except where the person is a CDEP Scheme participant in
6 respect of the period, the person is not indebted at the start of
7 the period to the Commonwealth under or as a result of this
8 Act; and
9 (d) the Secretary is satisfied that the person should be qualified
10 under this section for a parenting payment for the period.

11 (2) The Minister:

- 12 (a) must determine, by legislative instrument, guidelines for
13 making decisions under paragraph (1)(b); and
14 (b) may revoke or vary the determination.

15 If the Minister revokes a determination, the Minister must
16 determine, by legislative instrument, guidelines that take effect
17 immediately after the revocation.

18 **6 After Subdivision A of Division 1 of Part 2.10 of Chapter 2**

19 Insert:

20 **Subdivision AA—Parenting payment transitional arrangement**

21 **500F When a person is covered by the parenting payment**
22 **transitional arrangement**

23 *Person is not a member of a couple*

- 24 (1) Subject to subsection (3), a person is covered by the parenting
25 payment transitional arrangement in relation to a child if:
26 (a) immediately before 1 July 2006, the person was not a
27 member of a couple; and
28 (b) immediately before 1 July 2006, that child (or any other
29 child) was a PP child of the person in respect of whom:
30 (i) a determination under section 37 of the Administration
31 Act was in force granting a claim for a parenting
32 payment to the person; or

- 1 (ii) a determination under section 80, 81 or 82 of the
2 Administration Act was in force suspending payment of
3 a parenting payment to the person; and

4 Note: Section 500G expands the scope of subparagraph (i). Subsection
5 500G(4) deals with the effect of backdated start dates on that
6 subparagraph.

- 7 (c) the person is not a member of a couple; and
8 (d) in a case where the child has not turned 8—the person is
9 qualified for parenting payment in relation to the child; and
10 (e) in a case where the child has turned 8—the person would be
11 qualified for parenting payment in relation to the child if the
12 child had not turned 8; and
13 (f) the person meets any participation requirements that apply to
14 the person under section 500A.

15 *Person is a member of a couple*

- 16 (2) Subject to subsection (3), a person is covered by the parenting
17 payment transitional arrangement in relation to a child if:
18 (a) immediately before 1 July 2006, the person was a member of
19 a couple; and
20 (b) immediately before 1 July 2006, that child (or any other
21 child) was a PP child of the person in respect of whom:
22 (i) a determination under section 37 of the Administration
23 Act was in force granting a claim for a parenting
24 payment to the person; or
25 (ii) a determination under section 80, 81 or 82 of the
26 Administration Act was in force suspending payment of
27 a parenting payment to the person; and

28 Note: Section 500G expands the scope of subparagraph (i). Subsection
29 500G(4) deals with the effect of backdated start dates on that
30 subparagraph.

- 31 (c) the person is a member of a couple; and
32 (d) in a case where the child has not turned 6—the person is
33 qualified for parenting payment in relation to the child; and
34 (e) in a case where the child has turned 6—the person would be
35 qualified for parenting payment in relation to the child if the
36 child had not turned 6; and
37 (f) the person meets any participation requirements that apply to
38 the person under section 500A.
-

Schedule 4 Parenting payment
Part 1 Participation

1 *Parenting payment transitional arrangement taken never to have*
2 *covered person*

3 (3) If:

4 (a) but for this subsection, a person would be covered by the
5 parenting payment transitional arrangement in relation to a
6 child; and

7 (b) the Secretary determines that the person's parenting payment
8 is to be cancelled with effect from a day before 1 July 2006;
9 the person is taken never to have been covered by that
10 arrangement.

11 *Circumstances in which participation requirements need not be*
12 *met*

13 (4) Paragraph (1)(f) or (2)(f) (as the case requires) does not apply to
14 the person:

15 (a) before 1 July 2007; or

16 (b) while the person has a PP child who has not turned 7.

17 Note: For **PP child** see section 500D.

18 **500G When determinations are taken to be in force**

19 *Expanded scope of subparagraphs 500F(1)(b)(i) and (2)(b)(i)*

20 (1) A reference in subparagraph 500F(1)(b)(i) or (2)(b)(i) to a
21 determination under section 37 of the Administration Act that is in
22 force granting a claim for a parenting payment to a person includes
23 a reference to a determination that:

24 (a) would have been made granting a claim for that payment to
25 the person; and

26 (b) would have been in force;

27 but for one or more of the circumstances specified in an instrument
28 made under subsection (2).

29 (2) The Secretary may specify, by legislative instrument,
30 circumstances to which subsection (1) applies. The Secretary may
31 specify different circumstances in relation to each of the
32 subparagraphs referred to in subsection (1).

33 (3) A reference in subparagraph 500F(1)(b)(i) or (2)(b)(i) to a
34 determination under section 37 of the Administration Act that is in

1 force granting a claim for a parenting payment to a person includes
2 a reference to a determination that would have been in force, but
3 for the operation of subsection 500(4) as in force immediately
4 before 1 July 2006.

5 *Backdated start date*

6 (4) If:

- 7 (a) a determination is made on or after 1 July 2006 under
8 section 37 of the Administration Act granting a claim for a
9 parenting payment to a person; and
10 (b) the person's start date in relation to the payment is before
11 1 July 2006; and
12 (c) the Secretary has not determined that the parenting payment
13 is to be cancelled with effect from a day before 1 July 2006;
14 the determination is taken, for the purposes of subparagraph
15 500F(1)(b)(i) or (2)(b)(i), to have been in force immediately before
16 1 July 2006.

17 **500H The effect of cancellation**

- 18 (1) A reference in paragraph 500F(1)(d) or (e) or (2)(d) or (e) to a
19 person being qualified for parenting payment does not include a
20 reference to a person if:
21 (a) the person's parenting payment has been cancelled; and
22 (b) no determination is in force granting another claim for
23 parenting payment to the person.
24 (2) A reference in subsection (1) to the cancellation of a person's
25 parenting payment does not include a reference to a cancellation of
26 that payment because of one or more of the circumstances
27 specified in an instrument made under subsection (3).
28 (3) The Secretary may, by legislative instrument, specify
29 circumstances to which subsection (1) applies. The Secretary may
30 specify different circumstances in relation to one or more of the
31 paragraphs referred to in subsection (1).
32 (4) For the purposes of paragraph (1)(b), a determination granting
33 another claim for parenting payment to a person is taken to be in
34 force from the person's start date in relation to that parenting
35 payment.
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1 **7 Division 2 of Part 2.10 of Chapter 2**

2 Repeal the Division, substitute:

3 **Division 2—Parenting Payment Activity Agreements**

4 **501 Parenting Payment Activity Agreements**

5 (1) The Secretary may require a person who is subject to participation
6 requirements to enter into a Parenting Payment Activity Agreement
7 under this section.

8 Note: For when a person is *subject to participation requirements* see
9 subsection 23(1).

10 (2) The Secretary may require a person who is a party to a Parenting
11 Payment Activity Agreement under this section that is in force to
12 enter into another such agreement instead of the existing one.

13 (3) Subject to subsection (4), subsections (1) and (2) do not apply to a
14 person at any time during which the person is covered by a
15 participation exemption under Division 3A.

16 (4) If a person is covered by a participation exemption under
17 Division 3A only because of the application of section 502H,
18 subsections (1) and (2) apply to the person only if subsection
19 502J(1) applies to the person.

20 (5) The Secretary is to give a person who is required to enter into a
21 Parenting Payment Activity Agreement notice of:

- 22 (a) the requirement; and
23 (b) the places and times at which the agreement is to be
24 negotiated.

25 (6) A Parenting Payment Activity Agreement is a written agreement in
26 a form approved by the Secretary. The agreement is between the
27 person and the Secretary.

28 **501A Parenting Payment Activity Agreement—terms**

29 (1) Subject to subsections (2) and (3) and sections 501B to 501E, a
30 Parenting Payment Activity Agreement with a person is to require
31 the person to undertake one or more activities that the Secretary
32 regards as suitable for the person.

- 1 (2) If a Parenting Payment Activity Agreement requires a person,
2 during a period, to engage for at least 30 hours per fortnight in paid
3 work that the Secretary regards as suitable, the agreement must not
4 require the person to undertake any other activities.
- 5 (3) An agreement must not contain a requirement of a kind that the
6 Secretary determines under subsection (4).
- 7 (4) The Secretary may determine, by legislative instrument, kinds of
8 requirements that agreements must not contain.
- 9 (5) The terms of an agreement, which include the specification of the
10 activities that the person is to be required to undertake, are to be
11 approved by the Secretary.
- 12 (6) In considering whether to approve the terms of an agreement with
13 a person, the Secretary is to have regard to the person's capacity to
14 comply with the proposed agreement and the person's needs.
- 15 (7) In having regard to a person's capacity to comply with an
16 agreement, the Secretary is to take into account, but is not limited
17 to, the following matters:
- 18 (a) the person's education, experience, skills and age;
19 (b) the impact of any disability, illness, mental condition or
20 physical condition of the person on the person's ability to
21 work, to look for work or to participate in training activities;
22 (c) the state of the local labour market and the transport options
23 available to the person in accessing that market;
24 (d) the participation opportunities available to the person;
25 (e) the family and caring responsibilities of the person;
26 (f) the length of travel time required for compliance with the
27 agreement;
28 (g) the financial costs of compliance with the agreement, such as
29 travel costs, and the capacity to pay for such compliance;
30 (h) any other matters that the Secretary or the person considers
31 relevant in the circumstances.
- 32 (8) An agreement with a person:
33 (a) may be varied (in negotiation with the person) or suspended;
34 and
35 (b) if another Parenting Payment Activity Agreement is made
36 with the person, may be cancelled; and
-

1 (c) may be reviewed from time to time at the request of either
2 party to the agreement; and

3 (d) may be cancelled by the Secretary after a review under
4 paragraph (c).

5 (9) A recipient of parenting payment who is a party to an agreement is
6 to notify the Secretary of any circumstances preventing or affecting
7 the recipient's compliance with the agreement.

8 **501B Parenting Payment Activity Agreements—requirement to look**
9 **for work of appropriate number of hours per week**

10 (1) A Parenting Payment Activity Agreement that requires a person to
11 undertake, as an activity, looking for part-time paid work that the
12 Secretary regards as suitable must require the person to undertake
13 looking for such part-time paid work of at least the appropriate
14 number of hours per week.

15 (2) The appropriate number of hours per week is:

16 (a) 15; or

17 (b) such other number as the Secretary determines to be
18 appropriate having regard to the person's circumstances.

19 **501C Parenting Payment Activity Agreements—people with partial**
20 **capacity to work**

21 (1) A Parenting Payment Activity Agreement that:

22 (a) is between the Secretary and a person who has a partial
23 capacity to work; and

24 (b) requires the person to undertake, as an activity, looking for
25 part-time paid work that the Secretary regards as suitable;
26 must require the person to undertake looking for such part-time
27 paid work of at least the appropriate number of hours per week.

28 Note: For *partial capacity to work* see section 16B.

29 (2) The appropriate number of hours per week is:

30 (a) 15; or

31 (b) such other number as the Secretary determines to be
32 appropriate having regard to the person's circumstances.

1 **501D Parenting Payment Activity Agreements—requirement to**
2 **participate in an approved program of work**

- 3 (1) A Parenting Payment Activity Agreement between the Secretary
4 and a person must not require the person to participate in an
5 approved program of work for income support payment if:
6 (a) either:
7 (i) if the person’s rate of parenting payment is worked out
8 under the Pension PP (Single) Rate Calculator in
9 section 1068A—because of the application of Module E
10 of that rate calculator, the person is receiving a
11 parenting payment at a rate that has been reduced; or
12 (ii) if the person’s rate of parenting payment is worked out
13 under the Benefit PP (Partnered) Rate Calculator in
14 section 1068B—because of the application of Module D
15 of that rate calculator, the person is receiving a
16 parenting payment at a rate that has been reduced; or
17 (b) in the Secretary’s opinion:
18 (i) it has been established that there is medical evidence
19 that the person has an illness, disability or injury that
20 would be aggravated by the conditions in which the
21 work would be performed; or
22 (ii) performing the work in the conditions in which the
23 work would be performed would constitute a risk to
24 health or safety or would contravene a law of the
25 Commonwealth, a State or a Territory relating to
26 occupational health and safety; or
27 (c) the person is at least 50 years of age and is not a person to
28 whom subsection 28(4) applies.
- 29 (2) The Secretary may, by notice given to a person whom a Parenting
30 Payment Activity Agreement requires to participate in an approved
31 program of work for income support payment, revoke the
32 requirement to participate in the program if the Secretary:
33 (a) is satisfied that:
34 (i) if the person’s rate of parenting payment is worked out
35 under the Pension PP (Single) Rate Calculator in
36 section 1068A—because of the application of Module E
37 of that rate calculator, the person is receiving a
38 parenting payment at a rate that has been reduced; or

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- 1 (ii) if the person's rate of parenting payment is worked out
2 under the Benefit PP (Partnered) Rate Calculator in
3 section 1068B—because of the application of Module D
4 of that rate calculator, the person is receiving a
5 parenting payment at a rate that has been reduced; or
6 (b) forms the opinion that:
7 (i) it has been established that there is medical evidence
8 that the person has an illness, disability or injury that
9 would be aggravated by the conditions in which the
10 work would be performed; or
11 (ii) performing the work in the conditions in which the
12 work would be performed would constitute a risk to
13 health or safety or would contravene a law of the
14 Commonwealth, a State or a Territory relating to
15 occupational health and safety; or
16 (c) is satisfied that the person is at least 50 years of age and is
17 not a person to whom subsection 28(4) applies.
- 18 (3) Upon the Secretary so notifying the person, the requirement is
19 taken to have been revoked with effect from the day specified in
20 the notice.
- 21 (4) A person is not to be taken, merely by participating in an approved
22 program of work for income support payment in accordance with
23 the terms of a Parenting Payment Activity Agreement under this
24 section, to be:
25 (a) an employee within the meaning of section 9 of the
26 *Occupational Health and Safety (Commonwealth*
27 *Employment) Act 1991*; or
28 (b) an employee within the meaning of section 5 of the *Safety,*
29 *Rehabilitation and Compensation Act 1988*; or
30 (c) an employee for the purposes of the *Superannuation*
31 *Guarantee (Administration) Act 1992*; or
32 (d) an employee for the purposes of the *Workplace Relations Act*
33 *1996*.

34 **501E Parenting Payment Activity Agreements—suspension of**
35 **agreements in cases of domestic violence etc.**

36 A Parenting Payment Activity Agreement between the Secretary
37 and a person is taken to be suspended during any period during

1 which the person is covered by a participation exemption under
2 Division 3A because of section 502C or 502D.

3 **Division 3—Additional participation requirements**

4 **502 Secretary may impose additional participation requirements**

5 (1) Subject to sections 502A and 502B, if the Secretary is of the
6 opinion that, throughout a period, a person who:
7 (a) is subject to participation requirements; and
8 (b) is not covered by a participation exemption under
9 Division 3A;
10 should undertake particular paid work, other than paid work that is
11 unsuitable to be done by the person, the Secretary may notify the
12 person that the person is required to act in accordance with the
13 opinion.

14 Note 1: For when a person is *subject to participation requirements* see
15 subsection 23(1).

16 Note 2: See subsection (4) on what paid work is unsuitable.

17 (2) To avoid doubt, the work that the person is required to undertake
18 under subsection (1) may involve a number of hours per week that
19 differs from the number of hours of work per week that the person
20 is required to seek to comply with a Parenting Payment Activity
21 Agreement between the Secretary and the person.

22 (3) The person can be taken not to have complied with requirements
23 notified to the person under subsection (1) whether or not the
24 person has complied with requirements to enter into a Parenting
25 Payment Activity Agreement and comply with its terms.

26 (4) Subject to subsections (7) and (8), for the purposes of this section,
27 particular paid work is unsuitable for a person if and only if, in the
28 Secretary's opinion:

- 29 (a) the person lacks the particular skills, experience or
30 qualifications that are needed to perform the work and no
31 training will be provided by the employer; or
32 (b) it has been established that there is medical evidence that the
33 person has an illness, disability or injury that would be
34 aggravated by the conditions in which the work would be
35 performed; or

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- 1 (c) the person does not have access to appropriate care and
2 supervision, for the one or more children for whom the
3 person is the principal carer, at the times when the person
4 would be required to undertake the work; or
- 5 Note: For *principal carer* see subsections 5(15) to (24).
- 6 (d) performing the work in the conditions in which the work
7 would be performed would constitute a risk to health or
8 safety and would contravene a law of the Commonwealth, a
9 State or a Territory relating to occupational health and safety;
10 or
- 11 (e) the work would be covered by the Australian Fair Pay and
12 Conditions Standard, but the terms and conditions for the
13 work would be below the minimum terms and conditions for
14 the work under the Australian Fair Pay and Conditions
15 Standard; or
- 16 (f) the work would not be covered by the Australian Fair Pay
17 and Conditions Standard, but, if it were so covered, the terms
18 and conditions for the work would be below the minimum
19 terms and conditions for the work under the Australian Fair
20 Pay and Conditions Standard; or
- 21 (g) commuting between the person's home and the place of work
22 would be unreasonably difficult; or
- 23 (h) the work would require enlistment in the Defence Force or
24 the Reserves; or
- 25 (i) the work requires the person to move from a home in one
26 place to a home in another place; or
- 27 (j) for any other reason, the work is unsuitable for the person.
- 28 (5) A person has, for the purposes of paragraph (4)(c), access to
29 appropriate care and supervision for a child at a particular time if,
30 at that time:
- 31 (a) the child could be provided with care by an approved child
32 care service (within the meaning of the Family Assistance
33 Administration Act), and provision of that care would, in the
34 Secretary's opinion, be appropriate in the circumstances; or
- 35 (b) the child could be provided with other care that the person
36 considers to be suitable; or
- 37 (c) the child could be attending school, and attendance at that
38 school would, in the Secretary's opinion, be appropriate in
39 the circumstances.
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- 1 (6) For the purposes of paragraph (4)(c), a time when the person would
2 be required to undertake the work includes reasonable amounts of
3 time that would be needed for the person to travel from the
4 person's home to the place of work and from the place of work to
5 the person's home.
- 6 (7) If:
- 7 (a) a person seeks work in an area (the *new area*) that is outside
8 the area (the *old area*) in which the person's home is
9 situated; and
- 10 (b) the person is offered permanent work (whether or not work
11 of the kind sought) in the new area;
12 the work offered is not unsuitable for the person because of
13 paragraph (4)(g) or (i) unless:
- 14 (c) the person is under the age of 18; or
15 (d) the person or the person's partner is pregnant; or
16 (e) the person or the person's partner has a severe medical
17 condition and the condition makes it unreasonable for the
18 person to accept the offer; or
19 (f) the acceptance of the offer would jeopardise the current
20 employment, or the employment prospects, of the person's
21 partner; or
22 (g) the person or the person's partner has a child under the age of
23 16 years who is living with them or is living somewhere else
24 in the old area; or
25 (h) the person or the person's partner has significant caring
26 responsibilities in the old area; or
27 (i) the educational, cultural or religious background of the
28 person makes it unreasonable for the person to accept the
29 offer; or
30 (j) it is more appropriate for the person to participate in
31 education or training than to accept the offer; or
32 (k) the person would suffer severe financial hardship if the
33 person were to accept the offer.
- 34 (8) Without affecting what would otherwise constitute a person
35 seeking work outside the area in which the person's home is
36 situated, if a person, when seeking employment through an
37 employment service provider, represents to the provider that the
38 person is willing to undertake work outside the area in which the
39 person's home is situated, the person is taken for the purposes of
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1 subsection (7) to seek work outside the area at the time when the
2 representation is made.

3 (9) A reference in subsection (4) to remuneration for work is a
4 reference to any income derived from the work that is income from
5 personal exertion.

6 Note: For *income from personal exertion* see subsection 8(1).

7 **502A People 55 and over who are engaged in work**

- 8 (1) Subject to subsection (2), the Secretary must not notify under
9 subsection 502(1) a person in respect of a period (the *relevant*
10 *period*) if the person has reached 55 years and:
11 (a) is engaged in approved unpaid voluntary work for an
12 approved organisation for at least 30 hours in the period; or
13 (b) is engaged, for at least 30 hours in the period in a
14 combination of:
15 (i) approved unpaid voluntary work for an approved
16 organisation; and
17 (ii) suitable paid work for another person; or
18 (c) is engaged for at least 30 hours in the period in paid work
19 that the Secretary regards as suitable.
- 20 (2) This section does not apply to a person in respect of a day in a
21 relevant period if, in respect of the person, having regard to the
22 opportunities, or possible opportunities, for employment that
23 become available to the person on or before the day, the Secretary
24 considers that this section is not to apply to the person in respect of
25 that day.
- 26 (3) For the purposes of this section:
27 (a) approved voluntary unpaid work is work that has been
28 approved by the Secretary for the purposes of this section;
29 and
30 (b) an approved organisation is an organisation that has been
31 approved by the Secretary for the purposes of this section.

1 **502B Persons engaged in suitable paid work for at least 30 hours per**
2 **fortnight**

3 The Secretary must not notify under subsection 502(1) a person
4 who is engaged for at least 30 hours per fortnight in paid work that
5 the Secretary regards as suitable.

6 **Division 3A—Participation exemptions**

7 **502C Domestic violence etc.**

- 8 (1) A person is covered by a participation exemption under this
9 Division in respect of a period that the Secretary determines under
10 this section in relation to the person.
- 11 (2) The Secretary may make a determination under this section in
12 relation to the person if the Secretary is satisfied that:
- 13 (a) the person:
- 14 (i) has ceased to be a member of a couple in the period of
15 26 weeks before the determination; and
- 16 (ii) was subjected to domestic violence in that period of 26
17 weeks (whether or not the domestic violence was
18 connected with ceasing to be a member of that or any
19 other couple); and
- 20 (iii) has not again become a member of a couple; or
- 21 (b) there are special circumstances relating to the person's family
22 that make it appropriate to make the determination.
- 23 (3) The period that the Secretary determines under this section must be
24 the lesser of:
- 25 (a) the period that the Secretary considers to be appropriate; or
26 (b) 16 weeks.
- 27 (4) Any such period may be followed by one or more other periods
28 (not exceeding 16 weeks) determined under this section in relation
29 to the person.
- 30 (5) The period that the Secretary determines under this section must,
31 despite subsection (3), be 16 weeks if the determination:
- 32 (a) is made on grounds referred to in paragraph (2)(a) (or on
33 grounds that include those grounds); and

- 1 (b) is the first determination made on those grounds (or on
2 grounds that include those grounds) in connection with the
3 particular cessation referred to in subparagraph (2)(a)(i).
- 4 (6) The Secretary may revoke a determination under this section in
5 relation to a person if the Secretary is satisfied that the grounds on
6 which the determination was made no longer exist.
- 7 (7) Subsection (6) does not affect any operation that subsection 33(3)
8 of the *Acts Interpretation Act 1901* has in relation to a
9 determination under this section.

10 **502D People with disabled children and other circumstances**

- 11 (1) A person is covered by a participation exemption under this
12 Division in respect of a period that the Secretary determines under
13 this section in relation to the person.
- 14 (2) The Secretary may make a determination under this section in
15 relation to the person if the Secretary is satisfied that the person is
16 the principal carer of one or more children:
17 (a) who suffer from a physical, intellectual or psychiatric
18 disability or illness; and
19 (b) whose care needs are such that the person should, for the
20 period specified in the determination, not be required to meet
21 participation requirements.
- 22 Note: For *principal carer* see subsections 5(15) to (24).
- 23 (3) The Secretary must make a determination under this section in
24 relation to the person if the Secretary is satisfied that the person is
25 the principal carer of one or more children, and that:
26 (a) the person is a registered and active foster carer; or
27 (b) the person is a home educator of that child, or one or more of
28 those children; or
29 (c) the person is a distance educator of that child, or one or more
30 of those children.

31 Note 1: For *principal carer* see subsections 5(15) to (24).

32 Note 2: For *registered and active foster carer* see section 5B.

33 Note 3: For *home educator* see section 5C.

34 Note 4: For *distance educator* see section 5D.

- 1 (4) The Secretary may make a determination under this section in
2 relation to the person if the Secretary is satisfied that:
3 (a) the person is a person included in a class of persons specified
4 under subsection (5); and
5 (b) the person's circumstances are such that the person should
6 not be required to meet any of the participation requirements.
- 7 (5) The Secretary may, by legislative instrument, specify classes of
8 persons in respect of whom determinations under this section may
9 be made.
- 10 (6) The period that the Secretary determines under this section must be
11 the lesser of:
12 (a) the period that the Secretary considers to be appropriate; or
13 (b) 12 months.
- 14 (7) Any such period may be followed by one or more other periods
15 (not exceeding 12 months) determined under this section in
16 relation to the person.
- 17 (8) The Secretary may revoke a determination under this section in
18 relation to a person if the Secretary is satisfied that the grounds on
19 which the determination was made no longer exist.
- 20 (9) Subsection (8) does not affect any operation that subsection 33(3)
21 of the *Acts Interpretation Act 1901* has in relation to a
22 determination under this section.

23 **502E Training camps**

- 24 A person is covered by a participation exemption under this
25 Division in respect of a period when the person is attending a
26 training camp as a member of:
27 (a) the Naval Reserve; or
28 (b) the Army Reserve; or
29 (c) the Air Force Reserve.

30 **502F Special circumstances**

- 31 (1) A person is covered by a participation exemption under this
32 Division in respect of a period if:

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- 1 (a) the Secretary is satisfied that special circumstances, beyond
2 the person's control, exist; and
3 (b) the Secretary is satisfied that in those circumstances it would
4 be unreasonable to expect the person to meet participation
5 requirements for that period.
- 6 (2) The period referred to in subsection (1) is not to exceed 13 weeks.
- 7 (3) If:
- 8 (a) the Secretary makes a number of determinations under any
9 one or more of the following provisions:
10 (i) subsection 525AA(3) of this Act as previously in force;
11 (ii) subsection 542H(1) of this Act;
12 (iii) subsection 603A(1) of this Act;
13 (iv) subsection 731E(1) of this Act;
14 (v) subsection (1) of this section; and
15 (b) the periods to which the determinations relate form a
16 continuous period;
17 the continuous period is not to exceed 13 weeks, unless the
18 Secretary determines otherwise, having regard to the continued
19 existence, or likely continued existence, of the special
20 circumstances on which the last preceding determination was
21 based.

22 **502G Pre-natal and post-natal relief**

- 23 (1) A pregnant woman is covered by a participation exemption under
24 this Division for the period that starts 6 weeks before the woman's
25 expected date of confinement and ends on the day on which the
26 woman gives birth to the child (whether or not the child is born
27 alive).
- 28 (2) If a woman gives birth to a child (whether or not the child is born
29 alive), the woman is covered by a participation exemption under
30 this Division for the period that starts on the day on which she
31 gives birth to the child and ends 6 weeks after that day.

1 **502H Temporary incapacity**

- 2 (1) Subject to sections 502J and 502K, a person is covered by a
3 participation exemption under this Division in respect of a period
4 if:
5 (a) throughout the period the person is incapacitated for work
6 because of sickness or an accident; and
7 (b) the incapacity is caused wholly, or virtually wholly, by a
8 medical condition arising from the sickness or accident; and
9 (c) the incapacity is, or is likely to be, of a temporary nature; and
10 (d) the person has, whether before or after the commencement of
11 this section, given the Secretary a certificate of a medical
12 practitioner, in a form approved by the Secretary, stating:
13 (i) the medical practitioner's diagnosis; and
14 (ii) the medical practitioner's prognosis; and
15 (iii) that the person is incapacitated for work; and
16 (iv) the period for which the person is incapacitated for
17 work; and
18 (e) the Secretary is satisfied that the incapacity has not been
19 brought about with a view to obtaining an exemption from
20 meeting the participation requirements.

- 21 (2) In this section:

22 **work**, in relation to a person, means work (whether full-time,
23 part-time, permanent or casual) that:

- 24 (a) is of a kind that the person could, in the Secretary's opinion,
25 be reasonably expected to do; and
26 (b) is for at least 8 hours per week at award wages or above.

27 **502J Time limit for temporary incapacity exemption—Secretary**
28 **satisfied person can undertake activity**

- 29 (1) Section 502H ceases to apply to a person if the Secretary is
30 satisfied that, although the person meets the requirements of that
31 section, the person should undertake one or more activities that the
32 Secretary regards as suitable for the person.

- 33 (2) The cessation occurs:

- 1 (a) if the person has failed to comply with a requirement to enter
2 into a Parenting Payment Activity Agreement—when the
3 person so failed; or
4 (b) in any other case—when the person has entered into such an
5 agreement.
- 6 (3) This section does not prevent section 502H ceasing to apply to a
7 person under section 502K.

8 **502K Time limit for temporary incapacity exemption—end of**
9 **person’s maximum exemption period**

- 10 (1) Section 502H ceases to apply to a person if the person’s maximum
11 exemption period ends.
- 12 (2) Subject to this section, a person’s maximum exemption period is:
13 (a) if the person has, whether before or after the commencement
14 of this section, given the Secretary a medical certificate for
15 the purpose of enabling the Secretary to decide whether
16 section 502H applies to the person—the lesser of the
17 following periods:
18 (i) the period stated in the certificate as the period for
19 which the person would be incapacitated for work;
20 (ii) the period of 13 weeks that started or starts on the first
21 day of the period so stated in the certificate; or
22 (b) otherwise—the period of 4 weeks that started or starts on the
23 day determined by the Secretary to have been the day on
24 which the person’s incapacity for work began.
- 25 (3) If:
26 (a) section 502H applies to a person; and
27 (b) the person has, whether before or after the commencement of
28 this section, given the Secretary a certificate of a medical
29 practitioner that states the matters listed in paragraph
30 502H(1)(d) and is in accordance with the form approved
31 under that paragraph; and

- 1 (c) the Secretary is satisfied that the person's incapacity for work
2 will continue after the end of the person's maximum
3 exemption period;
4 the Secretary may extend the person's maximum exemption period
5 by a period that is not more than the lesser of the following
6 periods:
7 (d) a period equal to the period stated in the certificate as the
8 period for which the person would be incapacitated for work;
9 (e) 13 weeks.
- 10 (4) If:
11 (a) section 502H applied to a person; and
12 (b) within 14 days after the end of the person's maximum
13 exemption period the person gives the Secretary a certificate
14 of a medical practitioner that states the matters listed in
15 paragraph 502H(1)(d) and is in accordance with a form
16 approved under that paragraph; and
17 (c) the Secretary is satisfied that the person's incapacity for work
18 has continued after the end of the person's maximum
19 exemption period and that the incapacity will continue;
20 the Secretary may extend the maximum exemption period by a
21 period that is not more than the lesser of the following periods:
22 (d) a period equal to the period stated in the certificate as the
23 period for which the person would be incapacitated for work;
24 (e) 13 weeks.
- 25 (5) If:
26 (a) section 502H applies to a person; and
27 (b) the person gives the Secretary written evidence (other than a
28 certificate referred to in paragraph (3)(b)) that the person's
29 incapacity for work will continue after the end of the
30 person's maximum exemption period; and
31 (c) the Secretary is satisfied that:
32 (i) the person's circumstances make it unreasonable to
33 expect the person to obtain a certificate referred to in
34 paragraph (3)(b) before the end of the maximum
35 exemption period; and

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1 (ii) the person's incapacity for work will continue after the
2 end of the person's maximum exemption period;
3 the Secretary may extend the person's maximum exemption period
4 by not more than 4 weeks.

5 (6) If:

6 (a) section 502H applied to a person; and

7 (b) within 14 days after the end of the person's maximum
8 exemption period the person gives the Secretary written
9 evidence (other than a certificate referred to in
10 paragraph (4)(b)) that the person's incapacity for work will
11 continue after the end of the person's maximum exemption
12 period; and

13 (c) the Secretary is satisfied that:

14 (i) the person's circumstances make it unreasonable to
15 expect the person to obtain a certificate referred to in
16 paragraph (4)(b); and

17 (ii) the person's incapacity for work has continued after the
18 end of the person's maximum exemption period and that
19 the incapacity will continue;

20 the Secretary may extend the maximum exemption period by a
21 period of not more than 4 weeks from the end of the previous
22 maximum exemption period.

23 (7) If:

24 (a) section 502H applies to a person; and

25 (b) the person has, whether before or after the commencement of
26 this section, given the Secretary a certificate referred to in
27 paragraph (3)(b) before the end of the person's maximum
28 exemption period; and

29 (c) before the end of the person's maximum exemption period,
30 the Secretary does not satisfy himself or herself that the
31 person's incapacity for work will continue after the end of
32 that period; and

33 (d) the sole or dominant cause of the Secretary failing so to
34 satisfy himself or herself is an act or omission of an officer of
35 the Department;

36 the Secretary may extend the person's maximum exemption period
37 by not more than 4 weeks.

- 1 (8) This section does not prevent section 502H ceasing to apply to a
2 person under section 502J.

1

2 **Part 2—Compliance**

3 ***Social Security Act 1991***

4 **8 After section 500I**

5 Insert:

6 **500J Situations where payment not payable for failure to comply**
7 **with certain requirements**

8 Parenting payment is not payable to a person if the person refuses
9 or fails, without reasonable excuse, to comply with a requirement
10 made of the person under section 67, 68 or 192 of the
11 Administration Act.

12 **9 Subdivision C of Division 1 of Part 2.10 of Chapter 2**

13 Repeal the Subdivision, substitute:

14 **Subdivision C—Situations where payment not payable because**
15 **of parenting payment participation failure**

16 **500ZA Parenting payment participation failures**

- 17 (1) A person commits a *parenting payment participation failure* if the
18 person is subject to participation requirements and the person:
- 19 (a) fails to comply with a requirement:
 - 20 (i) that was notified to the person under subsection 63(2) or
21 64(2) of the Administration Act; and
 - 22 (ii) that was reasonable; and
 - 23 (iii) the notification of which included a statement to the
24 effect that a failure to comply with the requirement
25 could constitute a parenting payment participation
26 failure; or
 - 27 (b) fails to comply with a requirement to enter into a Parenting
28 Payment Activity Agreement; or
 - 29 (c) fails to comply with a term of a Parenting Payment Activity
30 Agreement between the Secretary and the person; or

- 1 (d) fails to comply with a requirement that the Secretary notifies
2 to the person under subsection 502(1); or
3 (e) fails to attend a job interview; or
4 (f) fails:
5 (i) to commence, complete or participate in an approved
6 program of work for income support payment that the
7 person is required to undertake; or
8 (ii) to comply with the conditions of such a program; or
9 (g) fails to continue his or her involvement in a labour market
10 program because he or she:
11 (i) voluntarily ceases to take part in the program; or
12 (ii) is dismissed from the program for misconduct; or
13 (h) fails to comply with a requirement to undertake another
14 activity referred to in paragraph 500ZB(1)(b).

15 Note: For when a person is *subject to participation requirements* see
16 subsection 23(1).

- 17 (2) Despite subsection (1), a failure of a kind referred to in that
18 subsection is not a parenting payment participation failure if the
19 person satisfies the Secretary that the person had a reasonable
20 excuse for the failure.
- 21 (3) Despite subsection (1), if a failure of a kind referred to in that
22 subsection occurs in an instalment period of the person in which
23 the person has already committed a parenting payment
24 participation failure, the failure is not a parenting payment
25 participation failure if:
26 (a) the instalment period is the person's first instalment period
27 for parenting payment; or
28 (b) the instalment period is not the person's first instalment
29 period for parenting payment, and:
30 (i) the person did not commit a parenting payment
31 participation failure in the immediately preceding
32 instalment period of the person; or
33 (ii) in respect of each parenting payment participation
34 failure that the person committed in the immediately
35 preceding instalment period of the person, the person
36 acted in accordance with a requirement of the Secretary
37 that was notified in respect of that failure.

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1 (4) Subsection (1) does not apply to a failure if the person is a new
2 apprentice.

3 Note: For *new apprentice* see subsection 23(1).

4 (5) Paragraph (1)(f) does not apply to a failure if:

5 (a) the person is under 60; and

6 (b) a determination under paragraph 28(4)(b) is in force in
7 relation to the person.

8 **500ZB Payment not payable because of parenting payment**
9 **participation failure**

10 (1) A parenting payment is not payable to a person, for the period
11 starting in accordance with section 500ZC and ending in
12 accordance with section 500ZD, if:

13 (a) the person commits a parenting payment participation failure;
14 and

15 (b) the Secretary requires the person:

16 (i) to comply with the requirement, or undertake the
17 activity, to which the parenting payment participation
18 failure relates; or

19 (ii) to comply with a particular requirement, or undertake a
20 particular activity, in place of the requirement or
21 activity to which the failure relates;

22 during the participation failure instalment period for the
23 failure, or at a particular time during that period; and

24 (c) the person fails to comply with the requirement.

25 (2) This section does not apply in relation to the failure if:

26 (a) the Secretary is satisfied that the person had a reasonable
27 excuse for the failure referred to paragraph (1)(c); or

28 (b) the Secretary is for any other reason satisfied that
29 subsection (1) should not apply to the failure.

30 (3) The *participation failure instalment period* for the parenting
31 payment participation failure is the next instalment period of the
32 person to start after the day on which the Secretary first became
33 aware that the person committed the failure.

34 (4) This section does not apply to a parenting payment participation
35 failure if section 500ZE applies to the failure.

1 **500ZC When the period of non-payment starts**

2 The period for which parenting payment is not payable to the
3 person because of section 500ZB is taken to have started at the
4 start of the participation failure instalment period for the parenting
5 payment participation failure.

6 **500ZD When the period of non-payment ends**

7 The period for which parenting payment is not payable to the
8 person because of section 500ZB ends when:

- 9 (a) in accordance with a requirement of the Secretary that the
10 person comply with the requirement, or undertake the
11 activity, to which the parenting payment participation failure
12 related, the person has complied with the requirement or
13 undertaken the activity; or
14 (b) in accordance with a requirement of the Secretary that the
15 person undertake another activity in place of the requirement
16 or activity to which the parenting payment participation
17 failure related, the person has undertaken the other activity;
18 or
19 (c) in accordance with a requirement of the Secretary that the
20 person comply with another requirement in place of the
21 requirement or activity to which the parenting payment
22 participation failure related, the person has complied with the
23 other requirement.

24 **Subdivision CA—Situations where payment not payable**
25 **because of repeated or more serious failure**

26 **500ZE Payment not payable because of repeated or more serious**
27 **failure**

- 28 (1) A parenting payment is not payable to a person, for the period of 8
29 weeks starting in accordance with section 500ZF, if the person:
30 (a) commits a parenting payment participation failure (the
31 *repeated failure*), having committed parenting payment
32 participation failures (the *earlier failures*) on 2 or more other
33 occasions during the period of 12 months preceding that
34 failure; or

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- 1 (b) is unemployed due, either directly or indirectly, to a
2 voluntary act of the person; or
3 (c) is unemployed due to the person's misconduct as a worker;
4 or
5 (d) has refused or failed, without reasonable excuse, to accept a
6 suitable offer of employment; or
7 (e) fails:
8 (i) to commence, complete or participate in an approved
9 program of work for income support payment that the
10 person is required to undertake; or
11 (ii) to comply with the conditions of such a program.
- 12 (2) For the purposes of paragraph (1)(a), disregard any earlier failure
13 that is a failure to which subsection 500ZB(1) does not apply
14 because of subsection 500ZB(2).
- 15 (3) Subsection (1) does not apply in relation to the repeated failure if
16 the Secretary is for any other reason satisfied that subsection (1)
17 should not apply to the failure.
- 18 (4) Paragraph (1)(b) does not apply if the Secretary is satisfied that the
19 person's voluntary act was reasonable.
- 20 (5) Paragraph (1)(e) applies only if:
21 (a) the person is under 60; and
22 (b) a determination under paragraph 28(4)(b) is in force in
23 relation to the person.

24 **500ZF When the period of non-payment starts**

- 25 (1) The period for which parenting payment is not payable to the
26 person because of paragraph 500ZE(1)(a) is taken to start, or to
27 have started:
28 (a) if the repeated failure occurs during a participation failure
29 instalment period for an earlier failure—at the start of the
30 participation failure instalment period for the earlier failure;
31 or
32 (b) otherwise—at the start of the next instalment period of the
33 person to start after the day on which the Secretary first
34 became aware that the person committed the failure.
- 35 Note: For *participation failure instalment period* see subsection 500ZB(3).
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1 (2) The period for which parenting payment is not payable to the
2 person because of section 500ZE (other than because of paragraph
3 500ZE(1)(a)) starts on the day the Secretary determines that
4 section 500ZE applies to the person.

5 (3) However, if:

6 (a) section 500ZE would not apply to the person but for the
7 application of paragraph 500ZE(1)(b) or (c), or both; and

8 (b) at the time of the voluntary act or misconduct in question, the
9 person was not receiving parenting payment;

10 the period for which parenting payment is not payable to the
11 person starts at the time the person became unemployed as a result
12 of the voluntary act or misconduct.

13 **10 Termination of participation agreement breach**
14 **non-payment periods**

15 To avoid doubt, any participation agreement breach non-payment
16 period that, immediately before the commencement of this item, is in
17 force comes to an end on that commencement.

18 **11 Subdivision B of Division 4 of Part 2.10 of Chapter 2**

19 Repeal the Subdivision.

20 **12 Termination of participation agreement breach rate**
21 **reduction periods**

22 To avoid doubt, any participation agreement breach rate reduction
23 period that, immediately before the commencement of this item, is in
24 force comes to an end on that commencement.

1

2 **Part 3—Seasonal work preclusion period**

3 *Social Security Act 1991*

4 **13 Paragraph 500Z(1)(a)**

5 Omit “who is a member of a couple”.

6 **14 Application provision**

7 The amendment made by this Part applies in relation to claims for
8 parenting payment made on or after 20 September 2006.

1
2 **Schedule 5—Youth allowance**

3 **Part 1—RapidConnect**

4 *Social Security Act 1991*

5 **1 Subsection 544A(1)**

6 Repeal the subsection, substitute:

7 *Requirement to enter into agreement*

- 8 (1) Subject to this section, the Secretary may require a person who is
9 not a party to a Youth Allowance Activity Agreement to enter into
10 such an agreement if:
11 (a) the person is receiving, or has made a claim for, a youth
12 allowance; or
13 (b) the Department is contacted by or on behalf of the person in
14 relation to a claim for a youth allowance.

15 **2 At the end of Subdivision A of Division 2 of Part 2.11 of**
16 **Chapter 2**

17 Add:

18 **547AA Youth allowance not payable if person fails to attend**
19 **interview etc. in certain circumstances**

20 *General*

- 21 (1) A youth allowance is not payable to a person if:
22 (a) before or after the person made a claim for a youth
23 allowance, the Department is contacted by or on behalf of the
24 person in relation to a claim for a youth allowance; and
25 (b) as a result of the contact, the Department required the person
26 to do one or both of the following:
27 (i) attend an interview with a specified person or
28 organisation at a time and place specified in the
29 requirement;
30 (ii) enter into a Youth Allowance Activity Agreement; and

- 1 (c) the person fails to comply with that requirement, or those
2 requirements; and
3 (d) the person is not undertaking full-time study and is not a new
4 apprentice.

5 Note 1: For *undertaking full-time study* see section 541B.

6 Note 2: For *new apprentice* see subsection 23(1).

7 *Secretary may decide that this section does not apply*

- 8 (2) This section does not apply to a person if the Secretary is satisfied,
9 in accordance with any guidelines under subsection (3), that it
10 should not apply to the person.
11 (3) The Secretary may, by legislative instrument, make guidelines to
12 be complied with in deciding under subsection (2) whether this
13 section applies to a person.

14 *When this section ceases to apply*

- 15 (4) This section ceases to apply:
16 (a) when the person complies with:
17 (i) that requirement, or those requirements; or
18 (ii) any requirements that the Secretary has required the
19 person to undertake in place of that requirement, or
20 those requirements; or
21 (b) at such earlier time as the Secretary determines, in
22 accordance with any guidelines under subsection (5).
23 (5) The Secretary may, by legislative instrument, make guidelines to
24 be complied with in making determinations under paragraph (4)(b).

25 *This section is unaffected by date of claim*

- 26 (6) To avoid doubt, the fact that a person is taken, because of
27 section 13 of the Administration Act, to have made a claim for a
28 youth allowance on the day on which the Department was
29 contacted by or on behalf of the person in relation to the claim does
30 not affect the operation of this section.

1

2 **Part 2—Participation**

3 *Social Security Act 1991*

4 **3 After section 540AA**

5 Insert:

6 **540AB Qualification for youth allowance—claimants with medical**
7 **conditions affecting their capacity to work**

8 *General rule*

- 9 (1) Subject to this Subdivision, a person is qualified for a youth
10 allowance in respect of the period starting in accordance with
11 subsection (2) and ending in accordance with subsection (3) if:
- 12 (a) the person satisfies the Secretary that throughout the period
13 the person is unemployed; and
 - 14 (b) throughout the period, the person is of youth allowance age
15 (see Subdivision D); and
 - 16 (c) the person has made a claim, or is taken to have made a
17 claim, for youth allowance; and
 - 18 (d) the person satisfies the Secretary that it is likely that the
19 person has a permanent medical condition that would prevent
20 the person from undertaking full-time work; and
 - 21 (e) the person satisfies the Secretary that it would be
22 unreasonable to expect the person to satisfy the activity test
23 until an assessment of the person's capacity to work has been
24 undertaken; and
 - 25 (f) throughout the period, the person:
 - 26 (i) is an Australian resident; or
 - 27 (ii) is exempt from the residence requirement within the
28 meaning of subsection 7(7).

29 Note 1: Subdivision G provides for prospective qualification for youth
30 allowance.

31 Note 2: Division 2 sets out situations in which youth allowance is not payable
32 even if the person qualifies for it.

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Period for which person is qualified

- (2) The period for which the person is qualified for a youth allowance under this section starts:
 - (a) if the person is already receiving youth allowance when the Secretary becomes aware of the medical condition referred to in paragraph (1)(d)—when the Secretary becomes aware of the medical condition; or
 - (b) otherwise—when the person made, or is taken to have made, the claim for youth allowance.
- (3) The period for which the person is qualified for a youth allowance under this section ends:
 - (a) if the person has failed to comply with a requirement to enter into a Youth Allowance Activity Agreement—on the day on which the person so failed; or
 - (b) in any other case—when the person enters into a Youth Allowance Activity Agreement.

Extending the meaning of who is unemployed

- (4) The Secretary may, for the purposes of this section, treat a person as being unemployed throughout a period if:
 - (a) during the period, the person undertakes:
 - (i) paid work that, in the Secretary’s opinion, is suitable for the person to undertake; or
 - (ii) any other activity;as a result of which he or she would, but for this subsection, not be taken to be unemployed; and
 - (b) the Secretary is of the opinion that, taking into account:
 - (i) the nature of the work or other activity; and
 - (ii) the duration of the work or other activity; and
 - (iii) any remuneration received for the work or other activity; and
 - (iv) any other matters relating to the work or other activity, or to the person’s circumstances, that the Secretary considers relevant;the activity should be disregarded.
 - (5) However, the activity must not be or include an activity of a kind that the Secretary determines under subsection (6).
-

1 (6) The Secretary may determine, by legislative instrument, kinds of
2 activities that are not to be taken into account for the purposes of
3 subsection (4).

4 **4 Paragraphs 541(1)(c) and (d)**

5 Repeal the paragraphs, substitute:

6 (c) throughout the period, the person complies with the terms of
7 a Youth Allowance Activity Agreement applying to the
8 person.

9 **5 Subsection 541(1) (notes 1 and 2)**

10 Repeal the notes, substitute:

11 Note: See section 541D on paid work that is unsuitable.

12 **6 Subsection 541(1A)**

13 Omit “CSP”, substitute “PSP”.

14 **7 After subsection 541(1A)**

15 Insert:

16 *Certain principal carers and people with partial capacity to work*

17 (1B) A person who:

18 (a) is the principal carer of at least one child; or

19 (b) has a partial capacity to work;

20 is taken to satisfy the activity test in respect of a period if, during
21 the period, the person is engaged for at least 30 hours per fortnight
22 in paid work that the Secretary regards as suitable.

23 Note 1: For *principal carer* see subsections 5(15) to (24).

24 Note 2: For *partial capacity to work* see section 16B.

25 **8 Subsections 541(2) and (2A)**

26 Repeal the subsections, substitute:

27 *Requirement to undertake paid work*

28 (2) A person also satisfies the activity test in respect of a period if:

29 (a) the Secretary is of the opinion that, throughout the period, the
30 person should undertake particular paid work, other than paid
31 work that is unsuitable to be done by the person; and

- 1 Note: See section 541D on paid work that is unsuitable.
- 2 (b) the Secretary notifies the person that the person is required to
- 3 act in accordance with the opinion; and
- 4 (c) the person complies, throughout the period, with the
- 5 Secretary's requirement.
- 6 (2A) To avoid doubt, the work that the person is required to undertake
- 7 under subsection (2) may involve a number of hours per week that
- 8 differs from the number of hours of work per week that the person
- 9 is required to seek to comply with a Youth Allowance Activity
- 10 Agreement between the Secretary and the person.
- 11 (2B) A person cannot be taken to satisfy the activity test throughout a
- 12 period if the person fails to comply with a requirement under
- 13 subsection (2):
- 14 (a) whether or not the person complies with subsection (1) or
- 15 (1A); and
- 16 (b) whether or not another provision of this Act under which the
- 17 activity test is satisfied, or taken to be satisfied, applies (or
- 18 would apart from this section apply) to the person.

19 **9 Saving certain notices under subsection 541(2)**

20 If:

- 21 (a) before the commencement of this item, the Secretary had
- 22 notified a person under subsection 541(2) of the *Social*
- 23 *Security Act 1991* that the person was required to act in
- 24 accordance with an opinion of the Secretary of the kind
- 25 referred to in paragraph 541(2)(a) of that Act; and
- 26 (b) at the time of that commencement, the period to which the
- 27 requirement relates had not come to an end;

28 the notice continues in force after that commencement as if it were a

29 notice under paragraph 541(2)(b) of that Act as amended by this Act.

30 **10 Paragraphs 541A(a) and (b)**

31 Omit "to take reasonable steps".

32 **11 Section 541A (note)**

33 Repeal the note.

34 **12 Section 541C**

1 Repeal the section.

2 **13 After paragraph 541D(1)(b)**

3 Insert:

4 (ba) the person is the principal carer for one or more children, and
5 does not have access to appropriate care and supervision for
6 the children at the times when the person would be required
7 to undertake the work; or

8 Note: For *principal carer* see subsections 5(15) to (24).

9 **14 Paragraph 541D(1)(d)**

10 Repeal the paragraph.

11 **15 Paragraphs 541D(1)(e) and (f)**

12 Repeal the paragraphs, substitute:

13 (e) the work would be covered by the Australian Fair Pay and
14 Conditions Standard, but the terms and conditions for the
15 work would be below the minimum terms and conditions for
16 the work under the Australian Fair Pay and Conditions
17 Standard; or

18 (f) the work would not be covered by the Australian Fair Pay
19 and Conditions Standard, but, if it were so covered, the terms
20 and conditions for the work would be below the minimum
21 terms and conditions for the work under the Australian Fair
22 Pay and Conditions Standard; or

23 **16 After subsection 541D(1)**

24 Insert:

25 (1AA) A person has, for the purposes of paragraph (1)(ba), access to
26 appropriate care and supervision for a child at a particular time if,
27 at that time:

28 (a) the child could be provided with care by an approved child
29 care service (within the meaning of the Family Assistance
30 Administration Act), and provision of that care would, in the
31 Secretary's opinion, be appropriate in the circumstances; or

32 (b) the child could be provided with other care that the person
33 considers to be suitable; or

1 (c) the child could be attending school, and attendance at that
2 school would, in the Secretary's opinion, be appropriate in
3 the circumstances.

4 (1AB) For the purposes of paragraph (1)(ba), a time when the person
5 would be required to undertake the work includes reasonable
6 amounts of time that would be needed for the person to travel from
7 the person's home to the place of work and from the place of work
8 to the person's home.

9 **17 Subsections 541D(2) and (3)**

10 Repeal the subsections.

11 **18 Sections 541E and 541F**

12 Repeal the sections.

13 **19 Paragraph 542(d)**

14 Repeal the paragraph, substitute:

- 15 (d) the person has a domestic violence or other special family
16 circumstances exemption under section 542F; or
17 (da) the person has a disabled children or other family
18 circumstances exemption under section 542FA; or
19 (db) the person has a new claimants exemption under
20 section 542FB; or

21 **20 Paragraph 542B(1)(d)**

22 Omit "take reasonable steps to".

23 **21 Subsection 542B(2)**

24 Omit "take reasonable steps to".

25 **22 Subsection 542B(3)**

26 Repeal the subsection.

27 **23 After section 542B**

28 Insert:

1 **542BA Time limit for temporary incapacity exemptions—capacity**
2 **to undertake activity**

3 *General*

- 4 (1) A person ceases to have a temporary incapacity exemption if the
5 Secretary is satisfied that, although the person meets the
6 requirements of section 542A, the person should undertake one or
7 more activities that the Secretary regards as suitable for the person.

8 *When cessation occurs*

- 9 (2) The cessation occurs:
10 (a) if the person has been required to enter into a Youth
11 Allowance Activity Agreement but has failed to enter that
12 agreement—when the person so failed; or
13 (b) in any other case—when the person has entered into such an
14 agreement.

15 *Section 542C unaffected by this section*

- 16 (3) This section does not prevent a person ceasing to have a temporary
17 incapacity exemption under section 542C.

18 **24 At the end of section 542C**

19 Add:

20 *Section 542BA unaffected by this section*

- 21 (8) This section does not prevent a person ceasing to have a temporary
22 incapacity exemption under section 542BA.

23 Note: The heading to section 542C is altered by adding at the end “—**maximum exemption**
24 **period**”.

25 **25 Section 542F**

26 Repeal the section, substitute:

1 **542F Domestic violence or other special family circumstances**
2 **exemption**

3 *General*

- 4 (1) A person has a domestic violence or other special family
5 circumstances exemption in respect of a period that the Secretary
6 determines under this section in relation to the person.

7 *Circumstances in which a determination may be made*

- 8 (2) The Secretary may make a determination under this section in
9 relation to the person if the Secretary is satisfied that:
10 (a) the person:
11 (i) is the principal carer of one or more children; and
12 (ii) has ceased to be a member of a couple in the period of
13 26 weeks before the determination; and
14 (iii) was subjected to domestic violence in that period of 26
15 weeks (whether or not the domestic violence was
16 connected with ceasing to be a member of that or any
17 other couple); and
18 (iv) has not again become a member of a couple; or
19 (b) the person is the principal carer of one or more children, and
20 there are special circumstances relating to the person's family
21 that make it appropriate to make the determination.

22 Note: For *principal carer* see subsections 5(15) to (24).

23 *Duration of period*

- 24 (3) The period that the Secretary determines under this section must be
25 the lesser of:
26 (a) the period that the Secretary considers to be appropriate; or
27 (b) 16 weeks.
- 28 (4) Any such period may be followed by one or more other periods
29 (not exceeding 16 weeks) determined under this section in relation
30 to the person.
- 31 (5) The period that the Secretary determines under this section must,
32 despite subsection (3), be 16 weeks if the determination:
33 (a) is made on grounds referred to in paragraph (2)(a) (or on
34 grounds that include those grounds); and
-

1 (b) is the first determination made on those grounds (or on
2 grounds that include those grounds) in connection with the
3 particular cessation referred to in subparagraph (2)(a)(ii).

4 *Revocation of determination*

5 (6) The Secretary may revoke a determination under this section in
6 relation to a person if the Secretary is satisfied that the grounds on
7 which the determination was made no longer exist.

8 (7) Subsection (6) does not affect any operation that subsection 33(3)
9 of the *Acts Interpretation Act 1901* has in relation to a
10 determination under this section.

11 **542FA Disabled children or other family circumstances exemption**

12 *General*

13 (1) A person has a disabled children or other family circumstances
14 exemption in respect of a period that the Secretary determines
15 under this section in relation to the person.

16 *Circumstances in which a determination may be made*

17 (2) The Secretary may make a determination under this section in
18 relation to the person if the Secretary is satisfied that the person is
19 the principal carer of one or more children:

20 (a) who suffer from a physical, intellectual or psychiatric
21 disability or illness; and

22 (b) whose care needs are such that the person should, for the
23 period specified in the determination, not be required to
24 satisfy the activity test.

25 Note: For *principal carer* see subsections 5(15) to (24).

26 (3) The Secretary must make a determination under this section in
27 relation to the person if the Secretary is satisfied that the person is
28 the principal carer of one or more children, and that:

29 (a) the person is a registered and active foster carer; or

30 (b) the person is a home educator of that child, or one or more of
31 those children; or

32 (c) the person is a distance educator of that child, or one or more
33 of those children.

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1 Note 1: For *principal carer* see subsections 5(15) to (24).

2 Note 2: For *registered and active foster carer* see section 5B.

3 Note 3: For *home educator* see section 5C.

4 Note 4: For *distance educator* see section 5D.

5 (4) The Secretary may make a determination under this section in
6 relation to the person if the Secretary is satisfied that:

7 (a) the person is a person included in a class of persons specified
8 under subsection (5); and

9 (b) the person's circumstances are such that the person should
10 not be required to satisfy the activity test for the period.

11 (5) The Secretary may, by legislative instrument, specify classes of
12 persons in respect of whom determinations under this section may
13 be made.

14 *Duration of period*

15 (6) The period that the Secretary determines under this section must be
16 the lesser of:

17 (a) the period that the Secretary considers to be appropriate; or

18 (b) 12 months.

19 (7) Any such period may be followed by one or more other periods
20 (not exceeding 12 months) determined under this section in
21 relation to the person.

22 *Revocation of determination*

23 (8) The Secretary may revoke a determination under this section in
24 relation to a person if the Secretary is satisfied that the grounds on
25 which the determination was made no longer exist.

26 (9) Subsection (8) does not affect any operation that subsection 33(3)
27 of the *Acts Interpretation Act 1901* has in relation to a
28 determination under this section.

29 **542FB New claimants exemption**

30 *General*

31 (1) A person has a new claimants exemption in respect of the period to
32 which subsection (4) applies if:

- 1 (a) during the period, the person undertakes:
2 (i) paid work that, in the Secretary's opinion, is suitable for
3 the person to undertake; or
4 (ii) any other activity; and
5 (b) the Secretary is of the opinion that, taking into account:
6 (i) the nature of the work or other activity; and
7 (ii) the duration of the work or other activity; and
8 (iii) any remuneration received for the work or other
9 activity; and
10 (iv) any other matters relating to the work or other activity,
11 or to the person's circumstances, that the Secretary
12 considers relevant;
13 it would be unreasonable to expect the person to satisfy the
14 activity test for the period.

15 *Work or other activities that are not to be taken into account*

- 16 (2) However, the work or other activity must not be or include any
17 work or other activity of a kind that the Secretary determines under
18 subsection (3).
19 (3) The Secretary may determine, by legislative instrument, kinds of
20 work or other activity that are not to be taken into account for the
21 purposes of subsection (1).

22 *Duration of period*

- 23 (4) This subsection applies to the period:
24 (a) starting:
25 (i) when the person made a claim, or is taken to have made
26 a claim, for youth allowance; or
27 (ii) when the person started to undertake the work or other
28 activity;
29 whichever happens later; and
30 (b) ending:
31 (i) if the person has been required to enter into a Youth
32 Allowance Activity Agreement but has failed to enter
33 that agreement—when the person so failed; or
34 (ii) in any other case—when the person has entered into
35 such an agreement.
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1 **26 Paragraph 544(1)(b)**

2 Omit “take reasonable steps, to the satisfaction of the Secretary, to”.

3 Note: The heading to subsection 544(1) is deleted.

4 **27 Paragraph 544(1)(b) (note)**

5 Repeal the note.

6 **28 Subsections 544(2) and (2A)**

7 Repeal the subsections.

8 **29 At the end of section 544**

9 Add:

10 (4) For the purposes of this Part, if:

11 (a) a person starts to receive youth allowance on a particular day;
12 and

13 (b) immediately before that day, the person was a party to a
14 Parenting Payment Activity Agreement; and

15 (c) the period covered by the agreement ends after that day;
16 the agreement has effect on and after that day as if it were a Youth
17 Allowance Activity Agreement.

18 **30 Paragraph 544A(2)(a)**

19 Repeal the paragraph.

20 Note: The heading to subsection 544A(2) is replaced by the heading “*Persons who have*
21 *certain exemptions etc. are not to be required to enter agreements*”.

22 **31 After paragraph 544A(2)(b)**

23 Insert:

24 (ba) has a domestic violence or other special family circumstances
25 exemption under section 542F; or

26 (bb) has a disabled children or other family circumstances
27 exemption under section 542FA; or

28 **32 After subsection 544A(2)**

29 Insert:

1 *Persons who have a temporary incapacity exemption*

- 2 (2A) A person who has a temporary incapacity exemption under
3 section 542A is not to be required to enter into a Youth Allowance
4 Activity Agreement unless subsection 542BA(1) applies to the
5 person.

6 **33 Subsection 544A(4)**

7 Omit “a notice in writing”, substitute “notice”.

8 **34 Paragraph 544A(4)(c)**

9 Omit “set out in the notice”.

10 **35 Subsection 544B(1)**

11 Repeal the subsection, substitute:

12 *Suitable activities*

- 13 (1) Subject to sections 544C and 544D, a Youth Allowance Activity
14 Agreement with a person is to require the person to undertake one
15 or more activities that the Secretary regards as suitable for the
16 person.
- 17 (1A) However, an agreement must not require the person to undertake
18 an activity of a kind that the Secretary determines under
19 subsection (1B).
- 20 (1B) The Secretary may determine, by legislative instrument, kinds of
21 activities that agreements must not require persons to undertake.

22 **36 Application of subsection 544B(1A)**

23 Subsection 544B(1A) of the *Social Security Act 1991* as amended by
24 this Act does not apply to any Youth Allowance Activity Agreement
25 entered into before the commencement of this item.

26 **37 Paragraph 544B(4)(a)**

27 Repeal the paragraph, substitute:

- 28 (a) the person’s education, experience, skills and age;
29 (aa) the impact of any disability, illness, mental condition or
30 physical condition of the person on the person’s ability to
31 work, to look for work or to participate in training activities;

1 **38 Paragraph 544B(4)(e)**

2 Omit “, by reference to what constitutes unreasonably difficult
3 commuting for the purposes of paragraph 541D(1)(g)”.

4 **39 Subsections 544B(5A) to (5C)**

5 Repeal the subsections.

6 **40 After subsection 544B(7)**

7 Insert:

8 *Revocation of requirement to participate in an approved program*
9 *of work*

10 (7A) The Secretary may, by notice given to a person whom a Youth
11 Allowance Activity Agreement requires to participate in an
12 approved program of work for income support payment, revoke the
13 requirement to participate in the program if the Secretary:

14 (a) is satisfied that the person is undertaking full-time study; or

15 (b) is satisfied that the person is a person to whom
16 paragraph (7)(c) applies; or

17 (c) forms the opinion that subparagraph (7)(d)(i) or (ii) applies in
18 relation to the performance of that work by the person.

19 **41 Sections 544C to 544E**

20 Repeal the sections, substitute:

21 **544C Youth Allowance Activity Agreements—principal carers**

22 (1) A Youth Allowance Activity Agreement that:

23 (a) is between the Secretary and a person who is the principal
24 carer of at least one child; and

25 Note: For *principal carer* see subsections 5(15) to (24).

26 (b) requires the person to undertake, as an activity, looking for
27 part-time paid work that the Secretary regards as suitable;
28 must require the person to undertake looking for such part-time
29 work of at least the appropriate number of hours per week.

30 (2) The appropriate number of hours per week is:

31 (a) 15; or

- 1 (b) such other number as the Secretary determines to be
2 appropriate having regard to the person's circumstances.

3 **544D Youth Allowance Activity Agreements—people with partial**
4 **capacity to work**

- 5 (1) A Youth Allowance Activity Agreement that:
6 (a) is between the Secretary and a person who has a partial
7 capacity to work; and
8 Note: For *partial capacity to work* see section 16B.
9 (b) requires the person to undertake, as an activity, looking for
10 part-time paid work that the Secretary regards as suitable;
11 must require the person to undertake looking for part-time work of
12 at least the appropriate number of hours per week.
- 13 (2) The appropriate number of hours per week is:
14 (a) 15; or
15 (b) such other number as the Secretary determines to be
16 appropriate having regard to the person's circumstances.

17 **544E Youth Allowance Activity Agreements—suspension of**
18 **agreements for people with certain exemptions**

- 19 A Youth Allowance Activity Agreement between the Secretary and
20 a person is taken to be suspended during any period in respect of
21 which the person:
22 (a) has a domestic violence or other special family circumstances
23 exemption under section 542F; or
24 (b) has a disabled children or other family circumstances
25 exemption under section 542FA.

26 **42 Subsection 546(1)**

27 After "for a period", insert "determined by the Secretary".

28 **43 Paragraph 546(1)(d)**

29 Repeal the paragraph, substitute:

- 30 (d) the Secretary is satisfied that the person should be qualified
31 under this section for youth allowance for the period.

32 **44 Subsections 546(3) to (7)**

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1 Repeal the subsections.

1

2 **Part 3—Compliance**

3 *Social Security Act 1991*

4 **45 At the end of Subdivision A of Division 2 of Part 2.11 of**
5 **Chapter 2**

6 Add:

7 **547AB Situations where allowance not payable for failure to comply**
8 **with certain requirements**

9 A youth allowance is not payable to a person if the person refuses
10 or fails, without reasonable excuse, to comply with a requirement
11 made of the person under section 67, 68 or 192 of the
12 Administration Act.

13 **46 Subdivision D of Division 2 of Part 2.11 of Chapter 2**

14 Repeal the Subdivision, substitute:

15 **Subdivision D—Situations where allowance not payable**
16 **because of youth allowance participation failure**

17 **550 Youth allowance participation failures**

18 *Meaning of youth participation failure*

19 (1) A person commits a *youth allowance participation failure* if the
20 person:

21 (a) fails to comply with a requirement:

22 (i) that was notified to the person under subsection 63(2) or
23 64(2) of the Administration Act; and

24 (ii) that was reasonable; and

25 (iii) the notification of which included a statement to the
26 effect that a failure to comply with the requirement
27 could constitute a youth allowance participation failure;
28 or

29 (b) fails to satisfy the activity test; or

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- 1 (c) fails to comply with a requirement to enter into a Youth
2 Allowance Activity Agreement; or
3 (d) fails to comply with a term of a Youth Allowance Activity
4 Agreement between the Secretary and the person; or
5 (e) fails to attend a job interview; or
6 (f) fails:
7 (i) to commence, complete or participate in an approved
8 program of work for income support payment that the
9 person is required to undertake; or
10 (ii) to comply with the conditions of such a program; or
11 (g) fails to continue his or her involvement in a labour market
12 program because he or she:
13 (i) voluntarily ceases to take part in the program; or
14 (ii) is dismissed from the program for misconduct; or
15 (h) is issued with a notice under subsection 550A(1) and fails to
16 comply with it within the period specified in the notice; or
17 (i) fails to comply with subsection 550A(2); or
18 (j) fails to comply with a requirement included in a Youth
19 Allowance Activity Agreement between the Secretary and
20 the person to:
21 (i) undertake a certain number of job searches per
22 fortnight; and
23 (ii) keep a record of the person's job searches in a document
24 referred to in the agreement as a job seeker diary; and
25 (iii) return the job seeker diary to the Department at the end
26 of the period specified in the agreement; or
27 (k) fails to comply with a requirement to undertake another
28 activity referred to in paragraph 550B(1)(b).

29 *Reasonable excuse*

- 30 (2) Despite subsection (1), a failure of a kind referred to in that
31 subsection is not a youth allowance participation failure if the
32 person satisfies the Secretary that the person had a reasonable
33 excuse for the failure.

34 *Subsequent failures in the same instalment period*

- 35 (3) Despite subsection (1), if a failure of a kind referred to in that
36 subsection occurs in an instalment period of the person in which
-

1 the person has already committed a youth allowance participation
2 failure, the failure is not a youth allowance participation failure if:

- 3 (a) the instalment period is the person's first instalment period
4 for youth allowance; or
5 (b) the instalment period is not the person's first instalment
6 period for youth allowance, and:
7 (i) the person did not commit a youth allowance
8 participation failure in the immediately preceding
9 instalment period of the person; or
10 (ii) in respect of each youth allowance participation failure
11 that the person committed in the immediately preceding
12 instalment period of the person, the person acted in
13 accordance with a requirement of the Secretary notified
14 in respect of that failure.

15 *Failures covered by section 547AA*

- 16 (4) Despite subsection (1), a failure of a kind referred to in that
17 subsection is not a youth allowance participation failure if it results
18 in youth allowance not being payable to the person under
19 section 547AA.

20 *Full-time study*

- 21 (5) Paragraphs (1)(c) to (j) do not apply to a failure if the person is
22 undertaking full-time study.

23 Note: For *undertaking full-time study* see section 541B.

24 *New apprentices*

- 25 (6) Subsection (1) does not apply to a failure if the person is a new
26 apprentice.

27 Note: For *new apprentice* see subsection 23(1).

28 *Failures relating to participation in approved programs of work*

- 29 (7) Paragraph (1)(f) does not apply to a failure if:
30 (a) the person is under 60; and
31 (b) a determination under paragraph 28(4)(b) is in force in
32 relation to the person.

1 *Effect of paragraph (1)(j)*

2 (8) Paragraph (1)(j) does not limit the scope of paragraph (1)(d).

3 **550A Requiring a person to apply for job vacancies**

4 *General*

5 (1) The Secretary may notify a person in writing (other than a person
6 who is undertaking full-time study or who is a new apprentice) that
7 the person must apply for a particular number of advertised job
8 vacancies in the period stated in the notice, being a period of not
9 less than 14 days.

10 Note 1: For *undertaking full-time study* see section 541B.

11 Note 2: For *new apprentice* see subsection 23(1).

12 *Statements confirming job applications*

13 (2) The person must give the Secretary a written statement from each
14 employer whose job vacancy the person applied for that confirms
15 that the person applied for the job vacancy.

16 *Form of statements*

17 (3) The statement from the employer must be in a form approved by
18 the Secretary.

19 *Exemption from giving the Secretary statements*

20 (4) Subsection (2) does not apply to a person if the Secretary is
21 satisfied that there are special circumstances in which it is not
22 reasonable to expect the person to give the statement referred to in
23 that subsection.

24 **550B Allowance not payable because of youth allowance
25 participation failure**

26 *General*

27 (1) A youth allowance is not payable to a person, for the period
28 starting in accordance with section 550C and ending in accordance
29 with section 550D, if:

- 1 (a) the person commits a youth allowance participation failure;
2 and
3 (b) the Secretary requires the person:
4 (i) to comply with the requirement, or undertake the
5 activity, to which the youth allowance participation
6 failure relates; or
7 (ii) to comply with a particular requirement, or undertake a
8 particular activity, in place of the requirement or
9 activity to which the failure relates;
10 during the participation failure instalment period for the
11 failure, or at a particular time during that period; and
12 (c) the person fails to comply with the requirement.
13 However, paragraphs (b) and (c) do not apply in relation to a youth
14 allowance participation failure of a kind referred to in paragraph
15 550(1)(h), (i) or (j).

16 *Reasonable excuse etc.*

- 17 (2) This section does not apply in relation to the failure if:
18 (a) the Secretary is satisfied that the person had a reasonable
19 excuse for the failure referred to paragraph (1)(c); or
20 (b) the Secretary is for any other reason satisfied that
21 subsection (1) should not apply to the failure.

22 *Meaning of participation failure instalment period*

- 23 (3) The **participation failure instalment period** for the youth
24 allowance participation failure is:
25 (a) if the failure is a failure of a kind referred to in paragraph
26 550(1)(h) or (i), the next instalment period of the person to
27 start after the end of the period specified in the notice under
28 subsection 550A(1) to which the failure relates; or
29 (b) if the failure is a failure of a kind referred to in paragraph
30 550(1)(j), the next instalment period of the person to start
31 after the end of the period referred to in subparagraph
32 550(1)(j)(iii); or
33 (c) otherwise—the next instalment period of the person to start
34 after the day on which the Secretary first became aware that
35 the person committed the failure.

1 *Failures covered by section 551*

2 (4) This section does not apply to a youth allowance participation
3 failure if section 551 applies to the failure.

4 **550C When the period of non-payment starts**

5 The period for which youth allowance is not payable to the person
6 because of section 550B is taken to have started at the start of the
7 participation failure instalment period for the youth allowance
8 participation failure.

9 **550D When the period of non-payment ends**

10 The period for which youth allowance is not payable to the person
11 because of section 550B ends when:

- 12 (a) in accordance with a requirement of the Secretary that the
13 person comply with the requirement, or undertake the
14 activity, to which the youth allowance participation failure
15 related, the person has complied with the requirement or
16 undertaken the activity; or
17 (b) in accordance with a requirement of the Secretary that the
18 person undertake another activity in place of the requirement
19 or activity to which the youth allowance participation failure
20 related, the person has undertaken the other activity; or
21 (c) in accordance with a requirement of the Secretary that the
22 person comply with another requirement in place of the
23 requirement or activity to which the youth allowance
24 participation failure related, the person has complied with the
25 other requirement.

26 **Subdivision E—Situations where allowance not payable
27 because of repeated or more serious failure**

28 **551 Allowance not payable because of repeated or more serious
29 failure**

30 *General*

31 (1) A youth allowance is not payable to a person, for the period of 8
32 weeks starting in accordance with section 551A, if the person:

- 1 (a) commits a youth allowance participation failure (the *repeated*
2 *failure*), having committed youth allowance participation
3 failures (the *earlier failures*) on 2 or more other occasions
4 during the period of 12 months preceding that failure; or
5 (b) is unemployed due, either directly or indirectly, to a
6 voluntary act of the person; or
7 (c) is unemployed due to the person's misconduct as a worker;
8 or
9 (d) has refused or failed, without reasonable excuse, to accept a
10 suitable offer of employment; or
11 (e) fails:
12 (i) to commence, complete or participate in an approved
13 program of work for income support payment that the
14 person is required to undertake; or
15 (ii) to comply with the conditions of such a program.

16 *Reasonable excuse etc.*

- 17 (2) For the purposes of paragraph (1)(a), disregard any earlier failure
18 that is a failure to which subsection 550B(1) does not apply
19 because of subsection 550B(2).
20 (3) Subsection (1) does not apply in relation to the repeated failure if
21 the Secretary is for any other reason satisfied that subsection (1)
22 should not apply to the failure.

23 *Full-time study and new apprentices*

- 24 (4) Paragraphs (1)(b) to (e) do not apply to a failure if the person:
25 (a) is undertaking full-time study; or
26 (b) is a new apprentice.

27 Note 1: For *undertaking full-time study* see section 541B.

28 Note 2: For *new apprentice* see subsection 23(1).

29 *Unemployment due to voluntary act*

- 30 (5) Paragraph (1)(b) does not apply if the Secretary is satisfied that the
31 person's voluntary act was reasonable.

32 *Failures relating to participation in approved programs of work*

- 33 (6) Paragraph (1)(e) applies only if:
-

- 1 (a) the person is under 60; and
2 (b) a determination under paragraph 28(4)(b) is in force in
3 relation to the person.

4 **551A When the period of non-payment starts**

5 *Repeated failures*

- 6 (1) The period for which youth allowance is not payable to the person
7 because of paragraph 551(1)(a) is taken to start, or to have started:
8 (a) if the repeated failure is a failure of a kind referred to in
9 paragraph 550(1)(h), (i) or (j)—at the start of the
10 participation failure instalment period for the repeated
11 failure; or
12 (b) if paragraph (a) of this subsection does not apply and the
13 repeated failure occurs during a participation failure
14 instalment period for an earlier failure—at the start of the
15 participation failure instalment period for the earlier failure;
16 or
17 (c) otherwise—at the start of the next instalment period of the
18 person to start after the day on which the Secretary first
19 became aware that the person committed the failure.

20 Note: For *participation failure instalment period* see subsection 550B(3).

21 *Other failures*

- 22 (2) The period for which youth allowance is not payable to the person
23 because of section 551 (other than because of paragraph 551(1)(a))
24 starts on the day the Secretary determines that section 551 applies
25 to the person.
- 26 (3) However, if:
27 (a) section 551 would not apply to the person but for the
28 application of paragraph 551(1)(b) or (c), or both; and
29 (b) at the time of the voluntary act or misconduct in question, the
30 person was not receiving youth allowance;
31 the period for which youth allowance is not payable to the person
32 starts at the time the person became unemployed as a result of the
33 voluntary act or misconduct.

34 **47 Saving provision relating to activity test breaches**

- 1 (1) If:
2 (a) as a result of an activity test breach committed by the person
3 before the commencement of this item, an activity test
4 non-payment period applied to the person under Subdivision
5 D of Division 2 of Part 2.11 of the *Social Security Act 1991*;
6 and
7 (b) on that commencement, the activity test non-payment period
8 had not ended;
9 the activity test non-payment period continues to apply to the person
10 after that commencement as if that Subdivision had not been repealed
11 by this Act.

- 12 (2) In this item:
13 **activity test breach** has the same meaning as it had in section 550A of
14 the *Social Security Act 1991* before the commencement of this item.

15 **48 Transitional provision relating to repeated breaches**

- 16 (1) The reference in paragraph 551(1)(a) of the *Social Security Act 1991* as
17 amended by this Act to youth allowance participation failures
18 committed by a person during the period of 12 months preceding a
19 youth allowance participation failure includes a reference to any activity
20 test failures committed by the person:
21 (a) during that period of 12 months; and
22 (b) before the commencement of this item.

- 23 (2) In this item:
24 **activity test failure** means any activity test breach (within the meaning
25 of section 550A of the *Social Security Act 1991*) that:
26 (a) was constituted by a failure of a kind referred to in paragraph
27 550A(1)(a) or (b) of that Act; and
28 (b) was committed by the person as a result of which an activity
29 test penalty period applied to the person, before the
30 commencement of this item, under:
31 (i) Subdivision D of Division 2 of Part 2.11 of that Act; or
32 (ii) Subdivision B of Division 5 of Part 2.11 of that Act.

33 **49 Subdivision A of Division 5 of Part 2.11 of Chapter 2** 34 **(heading)**

- 35 Repeal the heading.
-

1 **50 Subdivision B of Division 5 of Part 2.11 of Chapter 2**

2 Repeal the Subdivision.

3 **51 Saving provision relating to activity test breach rate**
4 **reductions**

5 (1) If:

6 (a) as a result of an activity test breach committed by the person
7 before the commencement of this item, an activity test breach
8 rate reduction period applied to the person under Subdivision
9 B of Division 5 of Part 2.11 of the *Social Security Act 1991*;
10 and

11 (b) on that commencement, the activity test breach rate reduction
12 period had not ended;

13 the activity test breach rate reduction period continues to apply to the
14 person after that commencement as if that Subdivision had not been
15 repealed by this Act.

16 (2) The fact that an activity test breach rate reduction period is applying to
17 the person because of this item does not prevent the application to the
18 person, at the same time, of a period during which youth allowance is
19 not payable because of Subdivision D or E of Division 2 of Part 2.11 of
20 the *Social Security Act 1991* as amended by this Act.

21 (3) In this item:

22 *activity test breach* has the same meaning as it had in section 550A of
23 the *Social Security Act 1991* before the commencement of this item.

24 **52 Subdivision C of Division 5 of Part 2.11 of Chapter 2**
25 **(heading)**

26 Repeal the heading.

27 **53 Sections 558 to 558G**

28 Repeal the sections.

29 **54 Saving provision relating to administrative breaches**

30 (1) If:

31 (a) as a result of an administrative breach committed by the
32 person before the commencement of this item, an

1 administrative breach rate reduction period applied to the
2 person under section 558 of the *Social Security Act 1991*; and

3 (b) on that commencement, the administrative breach rate
4 reduction period had not ended;

5 the administrative breach rate reduction period continues to apply to the
6 person after that commencement as if that section had not been repealed
7 by this Act.

8 (2) In this item:

9 ***administrative breach*** means any refusal or failure by the person as a
10 result of which an administrative breach rate reduction period applied to
11 the person, before the commencement of this item, under section 558 of
12 the *Social Security Act 1991*.

13 **55 Saving provision relating to sections 558A to 558G**

14 (1) If:

15 (a) as a result of an administrative breach committed by the
16 person before the commencement of this item, an
17 administrative breach rate reduction period applied to the
18 person under:

- 19 (i) section 558 of the *Social Security Act 1991*; or
20 (ii) subsection 63(4) or 64(4) of the *Social Security*
21 *(Administration) Act 1999*; and

22 (b) on that commencement, the administrative breach rate
23 reduction period had not ended;

24 sections 558A to 558G of the *Social Security Act 1991* continue to
25 apply to the administrative breach rate reduction period after that
26 commencement as if they had not been repealed by this Act.

27 (2) The fact that an administrative breach rate reduction period is applying
28 to the person because of this item does not prevent the application to the
29 person, at the same time, of a period during which youth allowance is
30 not payable because of Subdivision D or E of Division 2 of Part 2.11 of
31 the *Social Security Act 1991* as amended by this Act.

32 (3) In this item:

33 ***administrative breach*** means any refusal, failure or non-compliance by
34 the person as a result of which an administrative breach rate reduction
35 period applied to the person, before the commencement of this item,
36 under:

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- 1 (a) section 558 of the *Social Security Act 1991*; or
2 (b) subsection 63(4) or 64(4) of the *Social Security*
3 (*Administration*) *Act 1999*.

1
2 **Schedule 6—Austudy payment**

3 **Part 1—Compliance**

4 *Social Security Act 1991*

5 **1 At the end of Subdivision A of Division 2 of Part 2.11A of**
6 **Chapter 2**

7 Add:

8 **572A Situations where austudy payment not payable for failure to**
9 **comply with certain requirements**

10 Austudy payment is not payable to a person if the person refuses or
11 fails, without reasonable excuse, to comply with a requirement
12 made of the person under section 67, 68 or 192 of the
13 Administration Act.

14 **2 Subdivision E of Division 2 of Part 2.11A of Chapter 2**

15 Repeal the Subdivision, substitute:

16 **Subdivision E—Situations where austudy payment not payable**
17 **because of austudy participation failure**

18 **576 Austudy participation failures**

19 *Meaning of austudy participation failure*

20 (1) A person commits an *austudy participation failure* if the person:

21 (a) fails to comply with a requirement:

22 (i) that was notified to the person under subsection 63(2) or
23 64(2) of the Administration Act; and

24 (ii) that was reasonable; and

25 (iii) the notification of which included a statement to the
26 effect that a failure to comply with the requirement
27 could constitute an austudy participation failure; or

28 (b) fails to satisfy the activity test; or

29 (c) fails to comply with a requirement to undertake another
30 activity referred to in paragraph 576A(1)(b).

1 *Reasonable excuse*

- 2 (2) Despite subsection (1), a failure of a kind referred to in that
3 subsection is not an austudy participation failure if the person
4 satisfies the Secretary that the person had a reasonable excuse for
5 the failure.

6 *Subsequent failures in the same instalment period*

- 7 (3) Despite subsection (1), if a failure of a kind referred to in that
8 subsection occurs in an instalment period of the person in which
9 the person has already committed an austudy participation failure,
10 the failure is not an austudy participation failure if:
11 (a) the instalment period is the person's first instalment period
12 for austudy payment; or
13 (b) the instalment period is not the person's first instalment
14 period for austudy payment, and:
15 (i) the person did not commit an austudy participation
16 failure in the immediately preceding instalment period
17 of the person; or
18 (ii) in respect of each austudy participation failure that the
19 person committed in the immediately preceding
20 instalment period of the person, the person acted in
21 accordance with a requirement of the Secretary that was
22 notified in respect of that failure.

23 **576A Allowance not payable because of austudy participation**
24 **failure**

25 *General*

- 26 (1) Austudy payment is not payable to a person, for the period starting
27 in accordance with section 576B and ending in accordance with
28 section 576C, if:
29 (a) the person commits an austudy participation failure; and
30 (b) the Secretary requires the person:
31 (i) to comply with the requirement, or undertake the
32 activity, to which the austudy participation failure
33 relates; or

- 1 (ii) to comply with a particular requirement, or undertake a
2 particular activity, in place of the requirement or
3 activity to which the failure relates;
4 during the participation failure instalment period for the
5 failure, or at a particular time during that period; and
6 (c) the person fails to comply with the requirement.

7 *Reasonable excuse etc.*

- 8 (2) This section does not apply in relation to the failure if:
9 (a) the Secretary is satisfied that the person had a reasonable
10 excuse for the failure referred to paragraph (1)(c); or
11 (b) the Secretary is for any other reason satisfied that
12 subsection (1) should not apply to the failure.

13 *Meaning of participation failure instalment period*

- 14 (3) The **participation failure instalment period** for the austudy
15 participation failure is the next instalment period of the person to
16 start after the day on which the Secretary first became aware that
17 the person committed the failure.

18 *Failures covered by section 577*

- 19 (4) This section does not apply to an austudy participation failure if
20 section 577 applies to the failure.

21 **576B When the period of non-payment starts**

22 The period for which austudy payment is not payable to the person
23 because of section 576A is taken to have started at the start of the
24 participation failure instalment period for the austudy participation
25 failure.

26 **576C When the period of non-payment ends**

27 The period for which austudy payment is not payable to the person
28 because of section 576A ends when:

- 29 (a) in accordance with a requirement of the Secretary that the
30 person comply with the requirement, or undertake the
31 activity, to which the austudy participation failure related, the

- 1 person has complied with the requirement or undertaken the
2 activity; or
3 (b) in accordance with a requirement of the Secretary that the
4 person undertake another activity in place of the requirement
5 or activity to which the austudy participation failure related,
6 the person has undertaken the other activity; or
7 (c) in accordance with a requirement of the Secretary that the
8 person comply with another requirement in place of the
9 requirement or activity to which the austudy participation
10 failure related, the person has complied with the other
11 requirement.

12 **Subdivision F—Situations where payment not payable because**
13 **of repeated failure**

14 **577 Payment not payable because of repeated failure**

15 *General*

- 16 (1) Austudy payment is not payable to a person, for the period of 8
17 weeks starting in accordance with section 577A, if the person
18 commits an austudy participation failure (the *repeated failure*),
19 having committed austudy participation failures (the *earlier*
20 *failures*) on 2 or more other occasions during the period of 12
21 months preceding that failure.

22 *Reasonable excuse etc.*

- 23 (2) Disregard any earlier failure that is a failure to which subsection
24 576A(1) does not apply because of subsection 576A(2).
25 (3) Subsection (1) does not apply in relation to the repeated failure if
26 the Secretary is for any other reason satisfied that subsection (1)
27 should not apply to the failure.

28 **577A When the period of non-payment starts**

29 The period for which austudy payment is not payable to the person
30 is taken to start, or to have started:

- 31 (a) if the repeated failure occurs during a participation failure
32 instalment period for an earlier failure—at the start of the

- 1 participation failure instalment period for the earlier failure;
2 or
3 (b) otherwise—at the start of the next instalment period of the
4 person to start after the day on which the Secretary first
5 became aware that the person committed the failure.

6 Note: For *participation failure instalment period* see subsection 576A(3).

7 **3 Saving provision relating to activity test non-payment**
8 **periods**

- 9 (1) If:
10 (a) as a result of an activity test breach committed by the person
11 before the commencement of this item, an activity test
12 non-payment period applied to the person under Subdivision
13 E of Division 2 of Part 2.11A of the *Social Security Act*
14 *1991*; and
15 (b) on that commencement, the activity test non-payment period
16 had not ended;
17 the activity test non-payment period continues to apply to the person
18 after that commencement as if that Subdivision had not been repealed
19 by this Act.

- 20 (2) In this item:
21 **activity test breach** has the same meaning as it had in section 576A of
22 the *Social Security Act 1991* before the commencement of this item.

23 **4 Transitional provision relating to repeated breaches**

- 24 (1) The reference in subsection 577(1) of the *Social Security Act 1991* as
25 amended by this Act to austudy participation failures committed by a
26 person during the period of 12 months preceding an austudy
27 participation failure includes a reference to any activity test failures
28 committed by the person:
29 (a) during that period of 12 months; and
30 (b) before the commencement of this item.
- 31 (2) In this item:
32 **activity test failure** means any activity test breach (within the meaning
33 of section 576A of the *Social Security Act 1991*) that:
34 (a) was constituted by a failure of a kind referred to in paragraph
35 576A(1)(a) of that Act; and
-

- 1 (b) was committed by the person as a result of which an activity
2 test penalty period applied to the person, before the
3 commencement of this item, under:
4 (i) Subdivision E of Division 2 of Part 2.11A of that Act;
5 or
6 (ii) Subdivision B of Division 5 of Part 2.11A of that Act.

7 **5 Subdivision A of Division 5 of Part 2.11A of Chapter 2**
8 **(heading)**

9 Repeal the heading.

10 **6 Subdivisions B and C of Division 5 of Part 2.11A of**
11 **Chapter 2**

12 Repeal the Subdivisions.

13 **7 Saving provision relating to activity test breach rate**
14 **reduction periods**

15 (1) If:

- 16 (a) as a result of an activity test breach committed by the person
17 before the commencement of this item, an activity test breach
18 rate reduction period applied to the person under Subdivision
19 B of Division 5 of Part 2.11A of the *Social Security Act*
20 *1991*; and
21 (b) on that commencement, the activity test breach rate reduction
22 period had not ended;

23 the activity test breach rate reduction period continues to apply to the
24 person after that commencement as if that Subdivision had not been
25 repealed by this Act.

26 (2) The fact that an activity test breach rate reduction period is applying to
27 the person because of this item does not prevent the application to the
28 person, at the same time, of a period during which austudy payment is
29 not payable because of Subdivision E or F of Division 2 of Part 2.11A
30 of the *Social Security Act 1991* as amended by this Act.

31 (3) In this item:

32 ***activity test breach*** has the same meaning as it had in section 576A of
33 the *Social Security Act 1991* before the commencement of this item.

1 **8 Saving provision relating to administrative breach rate**
2 **reduction periods**

3 (1) If:

- 4 (a) as a result of an administrative breach committed by the
5 person before the commencement of this item, an
6 administrative breach rate reduction period applied to the
7 person under section 583 of the *Social Security Act 1991*; and
8 (b) on that commencement, the administrative breach rate
9 reduction period had not ended;

10 the administrative breach rate reduction period continues to apply to the
11 person after that commencement as if that section had not been repealed
12 by this Act.

13 (2) In this item:

14 ***administrative breach*** means any refusal or failure by the person as a
15 result of which an administrative breach rate reduction period applied to
16 the person, before the commencement of this item, under section 583 of
17 the *Social Security Act 1991*.

18 **9 Saving provision relating to sections 583A to 583G**

19 (1) If:

- 20 (a) as a result of an administrative breach committed by the
21 person before the commencement of this item, an
22 administrative breach rate reduction period applied to the
23 person under section 583 of the *Social Security Act 1991*; and
24 (b) on that commencement, the administrative breach rate
25 reduction period had not ended;

26 sections 583A to 583G of the *Social Security Act 1991* continue to
27 apply to the administrative breach rate reduction period after that
28 commencement as if they had not been repealed by this Act.

29 (2) The fact that an administrative breach rate reduction period is applying
30 to the person because of this item does not prevent the application to the
31 person, at the same time, of a period during which austudy payment is
32 not payable because of Subdivision E or F of Division 2 of Part 2.11A
33 of the *Social Security Act 1991* as amended by this Act.

34 (3) In this item:

Schedule 6 Austudy payment
Part 1 Compliance

1 ***administrative breach*** means any refusal, failure or non-compliance by
2 the person as a result of which an administrative breach rate reduction
3 period applied to the person, before the commencement of this item,
4 under section 583 of the *Social Security Act 1991*.

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Part 2—Seasonal work preclusion period

Social Security Act 1991

10 After section 575E

Insert:

575EA Seasonal workers—preclusion period

Application

- (1) This section applies if:
 - (a) a person has lodged a claim for austudy payment; and
 - (b) at any time during the 6 months immediately before the day on which the person lodged the claim, the person, or the person’s partner, has been engaged in seasonal work.

Note: For *seasonal work* see subsection 16A(1).

Exclusion during seasonal work preclusion period

- (2) Austudy payment is not payable to the person:
 - (a) if the person is subject to a seasonal work preclusion period (whether in relation to the claim referred to in subsection (1) or any other claim under this Act) and the Secretary has not made a determination under subsection (3) in relation to the person—for the person’s seasonal work preclusion period; or
 - (b) if the Secretary has made a determination under subsection (3) in relation to the person—for that part (if any) of the person’s seasonal work preclusion period to which the person is subject as a result of the determination.

Note: For *seasonal work preclusion period* see subsection 16A(1).

Exemption in cases of severe financial hardship

- (3) If the Secretary is satisfied that a person is in severe financial hardship because the person has incurred unavoidable or reasonable expenditure while the person is subject to a seasonal work preclusion period (whether in relation to the claim referred to in subsection (1) or any other claim under this Act):

Schedule 6 Austudy payment
Part 2 Seasonal work preclusion period

1 (a) the Secretary may determine that the person is not subject to
2 the whole, or any part, of the preclusion period; and

3 (b) the determination has effect accordingly.

4 Note 1: For *in severe financial hardship* see subsection 19C(2) (person who
5 is not a member of a couple) or subsection 19C(3) (person who is a
6 member of a couple).

7 Note 2: For *unavoidable or reasonable expenditure* see subsection 19C(4).

8 **11 Point 1067L-D22**

9 Repeal the point, substitute:

10 *Operation of points 1067L-D20 and 1067L-D21*

11 1067L-D22 Points 1067L-D20 and 1067L-D21 have effect even if the person
12 who has made the claim:

13 (a) is subject to a liquid assets test waiting period or an income
14 maintenance period in respect of the allowance claimed; or

15 (b) is subject to a seasonal work preclusion period;
16 during the period of 12 months referred to in those points.

17 **12 Application provision**

18 The amendments made by this Part apply in relation to claims for
19 austudy payment made on or after 20 September 2006.

1
2 **Schedule 7—Newstart allowance**

3 **Part 1—RapidConnect**

4 *Social Security Act 1991*

5 **1 Subsection 605(1)**

6 Repeal the subsection, substitute:

- 7 (1) Subject to this section, the Secretary may require a person who is
8 not a party to a Newstart Activity Agreement to enter into such an
9 agreement if:
10 (a) the person is receiving, or has made a claim for, a newstart
11 allowance; or
12 (b) the Department is contacted by or on behalf of the person in
13 relation to a claim for a newstart allowance.

14 **2 At the end of Subdivision D of Division 1 of Part 2.12 of**
15 **Chapter 2**

16 Add:

17 **615 Newstart allowance not payable if person fails to attend**
18 **interview etc. in certain circumstances**

- 19 (1) A newstart allowance is not payable to a person if:
20 (a) before or after the person made a claim for a newstart
21 allowance, the Department is contacted by or on behalf of the
22 person in relation to a claim for a newstart allowance; and
23 (b) as a result of the contact, the Department required the person
24 to do one or both of the following:
25 (i) attend an interview with a specified person or
26 organisation at a time and place specified in the
27 requirement;
28 (ii) enter into a Newstart Activity Agreement; and
29 (c) the person fails to comply with that requirement, or those
30 requirements.

- 1 (2) This section does not apply to a person if the Secretary is satisfied,
2 in accordance with any guidelines under subsection (3), that it
3 should not apply to the person.
- 4 (3) The Secretary may, by legislative instrument, make guidelines to
5 be complied with in deciding under subsection (2) whether this
6 section applies to a person.
- 7 (4) This section ceases to apply:
8 (a) when the person complies with:
9 (i) that requirement, or those requirements; or
10 (ii) any requirements that the Secretary has required the
11 person to undertake in place of that requirement, or
12 those requirements; or
13 (b) at such earlier time as the Secretary determines, in
14 accordance with any guidelines under subsection (5).
- 15 (5) The Secretary may, by legislative instrument, make guidelines to
16 be complied with in making determinations under paragraph (4)(b).
- 17 (6) To avoid doubt, the fact that a person is taken, because of
18 section 13 of the Administration Act, to have made a claim for a
19 newstart allowance on the day on which the Department was
20 contacted by or on behalf of the person in relation to the claim does
21 not affect the operation of this section.

1

2 **Part 2—Participation**

3 *Social Security Act 1991*

4 **3 Paragraph 593(1)(c)**

5 Omit “subsection 604(1)”, substitute “subsection 605(1)”.

6 **4 Paragraph 593(1)(d)**

7 Omit “subsection 604(1)”, substitute “subsection 605(1) or (2)”.

8 **5 Paragraph 593(1)(f)**

9 Omit “is taking reasonable steps to comply with”, substitute “is
10 complying with”.

11 **6 Paragraph 593(1)(f) (note)**

12 Repeal the note.

13 **7 Subsection 593(1) (note 3)**

14 Omit “604 to 607”, substitute “605 and 606”.

15 **8 After subsection 593(1C)**

16 Insert:

17 (1D) Subject to sections 596, 596A and 598, a person is qualified for a
18 newstart allowance, in respect of the period starting in accordance
19 with subsection (1E) and ending in accordance with
20 subsection (1F), if:

21 (a) the person satisfies the Secretary that throughout the period
22 the person is unemployed; and

23 (b) throughout the period the person:

24 (i) has reached the age of 21 years and has not reached the
25 pension age; and

26 (ii) is an Australian resident or is exempt from the residence
27 requirement within the meaning of subsection 7(7); and

28 (c) the person was not in receipt of a youth allowance during the
29 period; and

- 1 (d) the person has made, or is taken to have made, a claim for
2 newstart allowance; and
- 3 (e) the person satisfies the Secretary that it is likely that the
4 person has a permanent medical condition that would prevent
5 the person from undertaking full-time work; and
- 6 (f) the person satisfies the Secretary that it would be
7 unreasonable to expect the person to satisfy the activity test
8 until an assessment of the person’s capacity to work has been
9 undertaken.
- 10 (1E) The period for which the person is qualified for a newstart
11 allowance under subsection (1D) starts:
- 12 (a) if the person is already receiving newstart allowance when
13 the Secretary becomes aware of the medical condition
14 referred to in paragraph (1D)(e)—when the Secretary
15 becomes aware of the medical condition; or
- 16 (b) otherwise—when the person made, or is taken to have made,
17 the claim for newstart allowance.
- 18 (1F) The period for which the person is qualified for a newstart
19 allowance under subsection (1D) ends:
- 20 (a) if the person has failed to comply with a requirement to enter
21 into a Newstart Activity Agreement—on the day on which
22 the person so failed; or
- 23 (b) in any other case—when the person enters into a Newstart
24 Activity Agreement.

25 **9 Paragraph 593(2)(c)**

26 Omit “subsection 604(1)”, substitute “subsection 605(1)”.

27 **10 Paragraph 593(2)(d)**

28 Omit “subsection 604(1)”, substitute “subsection 605(1) or (2)”.

29 **11 Paragraph 593(2)(f)**

30 Omit “is taking reasonable steps to comply with”, substitute “is
31 complying with”.

32 **12 Paragraph 593(2)(f) (note)**

33 Repeal the note.

1 **13 Subsection 593(2) (note 2)**

2 Omit “604 to 607”, substitute “605 and 606”.

3 **14 Subsections 593(2A) and (2B)**

4 Repeal the subsections.

5 **15 Subsections 595(1) to (2)**

6 Repeal the subsections, substitute:

7 (1) The Secretary may treat a person as being unemployed throughout
8 a period if:

9 (a) during the period, the person undertakes:

10 (i) paid work that, in the Secretary’s opinion, is suitable for
11 the person to undertake; or

12 (ii) any other activity;

13 as a result of which he or she would, but for this subsection,
14 not be taken to be unemployed; and

15 (b) the Secretary is of the opinion that, taking into account:

16 (i) the nature of the work or other activity; and

17 (ii) the duration of the work or other activity; and

18 (iii) any remuneration received for the work or other
19 activity; and

20 (iv) any other matters relating to the work or other activity,
21 or to the person’s circumstances, that the Secretary
22 considers relevant;

23 the activity should be disregarded.

24 Note: The person may, under subsection 603(3), also be treated as satisfying
25 the activity test.

26 (1A) However, the work or other activity must not be or include any
27 work or other activity of a kind that the Secretary determines under
28 subsection (1B).

29 (1B) The Secretary may determine, by legislative instrument, kinds of
30 work or other activity that are not to be taken into account for the
31 purposes of subsection (1).

32 (2) A person complying with a Newstart Activity Agreement, or with a
33 requirement under subsection 601(1A), may be treated by the
34 Secretary as being unemployed.

1 **16 Paragraph 595(3)(a)**

2 Omit “subsection 601(2)”, substitute “subsection 601(1A)”.

3 **17 Paragraph 598(8)(b)**

4 Omit “the CSP or”.

5 **18 Subsection 600(1)**

6 After “for a period”, insert “determined by the Secretary”.

7 **19 Paragraph 600(1)(d)**

8 Repeal the paragraph, substitute:

9 (d) the Secretary is satisfied that the person should be qualified
10 under this section for a newstart allowance for the period.

11 **20 Subsections 600(3) to (7)**

12 Repeal the subsections.

13 **21 Subsection 601(1)**

14 Omit “(3)”, substitute “(5)”.

15 **22 Subsection 601(1) (note 1)**

16 Repeal the note, substitute:

17 Note 1: For situations in which a person is taken to satisfy, or is not required
18 to satisfy, the activity test see:

- 19 (a) section 603 (persons attending training camps or in remote
20 areas);
21 (b) section 603A (special circumstances);
22 (c) section 603AA (persons 55 and over who are engaged in work);
23 (d) section 603AB (certain principal carers and people with partial
24 capacity to work).

25 **23 Subsections 601(1A) to (2)**

26 Repeal the subsections, substitute:

27 (1A) A person also satisfies the activity test in respect of a period if:

- 28 (a) the Secretary is of the opinion that, throughout the period, the
29 person should undertake particular paid work, other than paid
30 work that is unsuitable to be done by the person; and

31 Note: See subsection (2A) on what paid work is unsuitable.

- 1 (b) the Secretary notifies the person that the person is required to
2 act in accordance with that opinion; and
3 (c) the person complies, throughout the period, with the
4 Secretary's requirement.

5 (1B) To avoid doubt, the work that the person is required to undertake
6 under subsection (1A) may involve a number of hours per week
7 that differs from the number of hours of work per week that the
8 person is required to seek to comply with a Newstart Activity
9 Agreement between the Secretary and the person.

- 10 (2) A person cannot be taken to satisfy the activity test throughout a
11 period if the person fails to comply with a requirement under
12 subsection (1A):
13 (a) whether or not the person complies with subsection (1), (4)
14 or (6A); and
15 (b) whether or not another provision of this Act under which the
16 activity test is satisfied, or taken to be satisfied, applies (or
17 would apart from this section apply) to the person.

18 **24 Saving certain notices under subsection 601(2)**

19 If:

- 20 (a) before the commencement of this item, the Secretary had
21 notified a person under paragraph 601(2)(b) of the *Social*
22 *Security Act 1991* that the person was required to act in
23 accordance with an opinion of the Secretary of the kind
24 referred to in subparagraph 601(2)(a)(i) of that Act; and
25 (b) at the time of that commencement, the period to which the
26 requirement relates had not come to an end;

27 the notice continues in force after that commencement as if it were a
28 notice under paragraph 601(1A)(b) of that Act as amended by this Act.

29 **25 Subsection 601(2A)**

30 Omit "subparagraph (2)(a)(i)", substitute "paragraph (1A)(a)".

31 **26 After paragraph 601(2A)(b)**

32 Insert:

- 33 (ba) the person is the principal carer for one or more children, and
34 does not have access to appropriate care and supervision for

1 the children at the times when the person would be required
2 to undertake the work; or

3 Note: For *principal carer* see subsections 5(15) to (24).

4 **27 Paragraph 601(2A)(d)**

5 Repeal the paragraph.

6 **28 Paragraphs 601(2A)(e) and (f)**

7 Repeal the paragraphs, substitute:

8 (e) the work would be covered by the Australian Fair Pay and
9 Conditions Standard, but the terms and conditions for the
10 work would be below the minimum terms and conditions for
11 the work under the Australian Fair Pay and Conditions
12 Standard; or

13 (f) the work would not be covered by the Australian Fair Pay
14 and Conditions Standard, but, if it were so covered, the terms
15 and conditions for the work would be below the minimum
16 terms and conditions for the work under the Australian Fair
17 Pay and Conditions Standard; or

18 **29 After subsection 601(2A)**

19 Insert:

20 (2AAA) A person has, for the purposes of paragraph (2A)(ba), access to
21 appropriate care and supervision for a child at a particular time if,
22 at that time:

23 (a) the child could be provided with care by an approved child
24 care service (within the meaning of the Family Assistance
25 Administration Act), and provision of that care would, in the
26 Secretary's opinion, be appropriate in the circumstances; or

27 (b) the child could be provided with other care that the person
28 considers to be suitable; or

29 (c) the child could be attending school, and attendance at that
30 school would, in the Secretary's opinion, be appropriate in
31 the circumstances.

32 (2AAB) For the purposes of paragraph (2A)(ba), a time when the person
33 would be required to undertake the work includes reasonable
34 amounts of time that would be needed for the person to travel from
35 the person's home to the place of work and from the place of work
36 to the person's home.

1 **30 Paragraph 601(2AA)(c)**

2 Omit “or over the age of 50”.

3 **31 Subsections 601(2B) and (2C)**

4 Repeal the subsections.

5 **32 Subsections 601(2E), (2F) and (3)**

6 Repeal the subsections.

7 **33 Subsection 601(4)**

8 Omit “is taking reasonable steps to comply with”, substitute “is
9 complying with”.

10 **34 Subsection 601(4) (note)**

11 Repeal the note.

12 **35 Subsection 601(5)**

13 Omit “take reasonable steps to”.

14 **36 Subsection 601(5) (note 1)**

15 Repeal the note, substitute:

16 Note 1: For situations in which a person is not required to satisfy the activity
17 test see section 603 (persons attending training camps or in remote
18 areas).

19 **37 Subsection 601(6)**

20 Repeal the subsection.

21 **38 Subsection 601(6A)**

22 Omit “CSP”, substitute “PSP”.

23 **39 Subsection 601(7)**

24 Repeal the subsection.

25 **40 Sections 601A and 602**

26 Repeal the sections.

27 **41 After section 602A**

28 Insert:

1 **602B Relief from activity test—domestic violence etc.**

- 2 (1) A person is not required to satisfy the activity test in respect of a
3 period that the Secretary determines under this section in relation
4 to the person.
- 5 (2) The Secretary may make a determination under this section in
6 relation to the person if the Secretary is satisfied that:
- 7 (a) the person:
- 8 (i) is the principal carer of one or more children; and
9 (ii) has ceased to be a member of a couple in the period of
10 26 weeks before the determination; and
11 (iii) was subjected to domestic violence in that period of 26
12 weeks (whether or not the domestic violence was
13 connected with ceasing to be a member of that or any
14 other couple); and
15 (iv) has not again become a member of a couple; or
16 (b) the person is the principal carer of one or more children, and
17 there are special circumstances relating to the person's family
18 that make it appropriate to make the determination.
- 19 Note: For *principal carer* see subsections 5(15) to (24).
- 20 (3) The period that the Secretary determines under this section must be
21 the lesser of:
- 22 (a) the period that the Secretary considers to be appropriate; or
23 (b) 16 weeks.
- 24 (4) Any such period may be followed by one or more other periods
25 (not exceeding 16 weeks) determined under this section in relation
26 to the person.
- 27 (5) The period that the Secretary determines under this section must,
28 despite subsection (3), be 16 weeks if the determination:
- 29 (a) is made on grounds referred to in paragraph (2)(a) (or on
30 grounds that include those grounds); and
31 (b) is the first determination made on those grounds (or on
32 grounds that include those grounds) in connection with the
33 particular cessation referred to in subparagraph (2)(a)(ii).
- 34 (6) The Secretary may revoke a determination under this section in
35 relation to a person if the Secretary is satisfied that the grounds on
36 which the determination was made no longer exist.
-

- 1 (7) Subsection (6) does not affect any operation that subsection 33(3)
2 of the *Acts Interpretation Act 1901* has in relation to a
3 determination under this section.

4 **602C Relief from activity test—people with disabled children and**
5 **other circumstances**

- 6 (1) A person is not required to satisfy the activity test in respect of a
7 period that the Secretary determines under this section in relation
8 to the person.

- 9 (2) The Secretary may make a determination under this section in
10 relation to the person if the Secretary is satisfied that the person is
11 the principal carer of one or more children:

- 12 (a) who suffer from a physical, intellectual or psychiatric
13 disability or illness; and
14 (b) whose care needs are such that the person should, for the
15 period specified in the determination, not be required to
16 satisfy the activity test.

17 Note: For *principal carer* see subsections 5(15) to (24).

- 18 (3) The Secretary must make a determination under this section in
19 relation to the person if the Secretary is satisfied that the person is
20 the principal carer of one or more children, and that:

- 21 (a) the person is a registered and active foster carer; or
22 (b) the person is a home educator of that child, or one or more of
23 those children; or
24 (c) the person is a distance educator of that child, or one or more
25 of those children.

26 Note 1: For *principal carer* see subsections 5(15) to (24).

27 Note 2: For *registered and active foster carer* see section 5B.

28 Note 3: For *home educator* see section 5C.

29 Note 4: For *distance educator* see section 5D.

- 30 (4) The Secretary may make a determination under this section in
31 relation to the person if the Secretary is satisfied that:

- 32 (a) the person is a person included in a class of persons specified
33 under subsection (5); and
34 (b) the person's circumstances are such that the person should
35 not be required to satisfy the activity test for the period.
-

- 1 (5) The Secretary may, by legislative instrument, specify classes of
2 persons in respect of whom determinations under this section may
3 be made.
- 4 (6) The period that the Secretary determines under this section must be
5 the lesser of:
6 (a) the period that the Secretary considers to be appropriate; or
7 (b) 12 months.
- 8 (7) Any such period may be followed by one or more other periods
9 (not exceeding 12 months) determined under this section in
10 relation to the person.
- 11 (8) The Secretary may revoke a determination under this section in
12 relation to a person if the Secretary is satisfied that the grounds on
13 which the determination was made no longer exist.
- 14 (9) Subsection (8) does not affect any operation that subsection 33(3)
15 of the *Acts Interpretation Act 1901* has in relation to a
16 determination under this section.

17 **42 Subsection 603(1A)**

18 Repeal the subsection.

19 **43 Continued application of subsection 603(1A)**

20 Despite the repeal of subsection 603(1A) of the *Social Security Act*
21 *1991* by this Act, that subsection:

- 22 (a) continues to apply after the commencement of this item to a
23 person to whom it applied immediately before that
24 commencement; and
25 (b) ceases to apply:
26 (i) if the person has been required to enter into a Newstart
27 Activity Agreement but has failed, or is taken to have
28 failed, to enter that agreement—when the person so
29 failed or is taken to have so failed; or
30 (ii) in any other case—when the person has entered into
31 such an agreement.

32 **44 Paragraph 603(2)(a)**

33 Repeal the paragraph, substitute:

- 1 (a) it would be reasonable to assume that, at the end of a period,
2 a person is present in an area where:
3 (i) there is no locally accessible labour market; and
4 (ii) there is no locally accessible vocational training course
5 or labour market program; and
6 (aa) it would be reasonable to assume that, throughout the period,
7 the person is unemployed and is capable of undertaking, and
8 is willing to undertake, paid work that, in the Secretary's
9 opinion, is suitable for the person to undertake; and

10 **45 Subsection 603(2)**

11 Omit “subsection 601(2)”, substitute “subsection 601(1A)”.

12 **46 At the end of section 603**

13 Add:

14 (3) If:

- 15 (a) a person is treated as being unemployed because of
16 subsection 595(1); and
17 (b) the Secretary is satisfied that it is appropriate for this
18 subsection to apply;
19 the person is taken to satisfy the activity test during the period
20 starting when the person made a claim, or is to be taken to have
21 made a claim, for newstart allowance and ending:
22 (c) if the person has been required to enter into a Newstart
23 Activity Agreement but has failed to enter that agreement—
24 when the person so failed; or
25 (d) in any other case—when the person has entered into such an
26 agreement.

27 (4) Subsection (3) does not apply if, at the time of becoming a person
28 who is treated as being unemployed because of subsection 595(1),
29 the person had already been required to enter into a Newstart
30 Activity Agreement.

31 **47 Subsection 603AA(1)**

32 Omit “50 years”, substitute “55 years”.

33 Note: The heading to section 603AA is altered by omitting “**engaged in voluntary work**” and
34 substituting “**55 and over who are engaged in work**”.

1 **48 Paragraph 603AA(1)(a)**

2 Omit “full-time”.

3 **49 Paragraph 603AA(1)(a)**

4 Omit “32 hours”, substitute “30 hours”.

5 **50 Paragraph 603AA(1)(b)**

6 Omit “40 hours”, substitute “30 hours”.

7 **51 At the end of subsection 603AA(1)**

8 Add:

9 ; or (c) is engaged for at least 30 hours in the period in paid work
10 that the Secretary regards as suitable.

11 **52 Subsection 603AA(2)**

12 Repeal the subsection.

13 **53 Subsection 603AA(3)**

14 Omit “Neither subsections (1) nor (2)”, substitute “This section does
15 not”.

16 **54 Subsection 603AA(3)**

17 Omit “the subsection”, substitute “this section”.

18 **55 Subsection 603AA(4)**

19 Omit “subsections (1) and (2)”, substitute “this section”.

20 **56 After section 603AA**

21 Insert:

22 **603AB Relief from activity test—certain principal carers and people**
23 **with partial capacity to work**

24 A person who:

25 (a) is the principal carer of at least one child; or

26 (b) has a partial capacity to work;

27 is taken to satisfy the activity test in respect of a period if, during
28 the period, the person is engaged for at least 30 hours per fortnight
29 in paid work that the Secretary regards as suitable.

1 Note 1: For *principal carer* see subsections 5(15) to (24).

2 Note 2: For *partial capacity to work* see section 16B.

3 **57 After section 603C**

4 Insert:

5 **603D Time limit for exemption—Secretary satisfied person can**
6 **undertake activity**

7 (1) A person ceases to be exempt, under this Subdivision, from the
8 activity test if the Secretary is satisfied that, although the person
9 meets the requirements of section 603C, the person should
10 undertake one or more activities that the Secretary regards as
11 suitable for the person.

12 (2) The cessation occurs:

13 (a) if the person has failed to comply with a requirement to enter
14 into a Newstart Activity Agreement—when the person so
15 failed; or

16 (b) in any other case—when the person has entered into such an
17 agreement.

18 (3) This section does not prevent a person ceasing to be exempt under
19 section 603F.

20 **58 At the end of section 603F**

21 Add:

22 (7) This section does not prevent a person ceasing to be exempt under
23 section 603D.

24 Note: The heading to section 603F is altered by omitting “**from requirement to satisfy**
25 **activity test**” and substituting “**—end of person’s maximum exemption period**”.

26 **59 Section 604**

27 Repeal the section.

28 **60 Subsection 605(2A)**

29 Repeal the subsection, substitute:

1 (2A) If, under Subdivision BA, a person is not required to satisfy the
2 activity test, subsections (1) and (2) apply to the person only if
3 subsection 603D(1) applies to the person.

4 **61 After subsection 605(2B)**

5 Insert:

6 (2C) Subsections (1) and (2) do not apply to a person at a time during
7 which, under section 602B or 602C, the person is not required to
8 satisfy the activity test.

9 **62 At the end of section 605**

10 Add:

11 (4) A Newstart Activity Agreement is a written agreement in a form
12 approved by the Secretary. The agreement is between the person
13 and the Secretary.

14 (5) For the purposes of this Part, if:
15 (a) a person starts to receive newstart allowance on a particular
16 day; and
17 (b) immediately before that day, the person was a party to a
18 Parenting Payment Activity Agreement; and
19 (c) the period covered by the agreement ends after that day;
20 the agreement has effect on and after that day as if it were a
21 Newstart Activity Agreement.

22 (6) For the purposes of this Part, if:
23 (a) a person starts to receive newstart allowance on a particular
24 day; and
25 (b) immediately before that day, the person was a party to a
26 Youth Allowance Activity Agreement; and
27 (c) the period covered by the agreement ends after that day;
28 the agreement has effect on and after that day as if it were a
29 Newstart Activity Agreement.

30 (7) For the purposes of this Part, if:
31 (a) a person starts to receive newstart allowance on a particular
32 day; and
33 (b) immediately before that day the person was a party to a
34 Special Benefit Activity Agreement; and

1 (c) the period covered by the agreement ends after that day;
2 the agreement has effect on and after that day as if it were a
3 Newstart Activity Agreement.

4 **63 Subsections 606(1) to (1AC)**

5 Repeal the subsections, substitute:

6 (1) Subject to sections 607 to 607B, a Newstart Activity Agreement
7 with a person is to require the person to undertake one or more
8 activities that the Secretary regards as suitable for the person.

9 (1A) However, an agreement must not contain a requirement of a kind
10 that the Secretary determines under subsection (1B).

11 (1B) The Secretary may determine, by legislative instrument, the kinds
12 of requirements that agreements must not contain.

13 **64 Application of subsection 606(1A)**

14 Subsection 606(1A) of the *Social Security Act 1991* as amended by this
15 Act does not apply to any Newstart Activity Agreement entered into
16 before the commencement of this item.

17 **65 Paragraph 606(4)(a)**

18 Repeal the paragraph, substitute:

19 (a) the person's education, experience, skills and age; and

20 (aa) the impact of any disability, illness, mental condition or
21 physical condition of the person on the person's ability to
22 work, to look for work or to participate in training activities;
23 and

24 **66 Paragraph 606(4)(e)**

25 Omit “, by reference to what constitutes unreasonably difficult
26 commuting for the purposes of paragraph 601(2A)(g)”.

27 **67 Subsections 606(5A) to (5C)**

28 Repeal the subsections.

29 **68 Sections 607 to 607B**

30 Repeal the sections, substitute:

1 **607 Newstart Activity Agreements—principal carers**

2 (1) A Newstart Activity Agreement that:

3 (a) is between the Secretary and a person who is the principal
4 carer of at least one child; and

5 (b) requires the person to undertake, as an activity, looking for
6 part-time paid work that the Secretary regards as suitable;
7 must require the person to undertake looking for such part-time
8 paid work of at least the appropriate number of hours per week.

9 Note: For *principal carer* see subsections 5(15) to (24).

10 (2) The appropriate number of hours per week is:

11 (a) 15; or

12 (b) such other number as the Secretary determines to be
13 appropriate having regard to the person's circumstances.

14 **607A Newstart Activity Agreements—people with partial capacity**
15 **to work**

16 (1) A Newstart Activity Agreement that:

17 (a) is between the Secretary and a person who has a partial
18 capacity to work; and

19 (b) requires the person to undertake, as an activity, looking for
20 part-time paid work that the Secretary regards as suitable;
21 must require the person to undertake looking for such part-time
22 paid work of at least the appropriate number of hours per week.

23 Note: For *partial capacity to work* see section 16B.

24 (2) The appropriate number of hours per week is:

25 (a) 15; or

26 (b) such other number as the Secretary determines to be
27 appropriate having regard to the person's circumstances.

28 **607B Newstart Activity Agreements—requirement to participate in**
29 **an approved program of work**

30 (1) A Newstart Activity Agreement between the Secretary and a
31 person must not require the person to participate in an approved
32 program of work for income support payment if:

- 1 (a) because of the application of Module G of Payment Rate
2 Calculator B in section 1068, the person is receiving a
3 newstart allowance at a rate that has been reduced; or
4 (b) in the Secretary's opinion:
5 (i) it has been established that there is medical evidence
6 that the person has an illness, disability or injury that
7 would be aggravated by the conditions in which the
8 work would be performed; or
9 (ii) performing the work in the conditions in which the
10 work would be performed would constitute a risk to
11 health or safety or would contravene a law of the
12 Commonwealth, a State or a Territory relating to
13 occupational health and safety; or
14 (c) the person is at least 50 years of age and is not a person to
15 whom subsection 28(4) applies.
- 16 (2) The Secretary may, by notice given to a person whom a Newstart
17 Activity Agreement requires to participate in an approved program
18 of work for income support payment, revoke the requirement to
19 participate in the program if the Secretary:
20 (a) is satisfied that, because of the application of Module G of
21 Payment Rate Calculator B in section 1068, the person is
22 receiving a newstart allowance at a rate that has been
23 reduced; or
24 (b) forms the opinion that:
25 (i) it has been established that there is medical evidence
26 that the person has an illness, disability or injury that
27 would be aggravated by the conditions in which the
28 work would be performed; or
29 (ii) performing the work in the conditions in which the
30 work would be performed would constitute a risk to
31 health or safety or would contravene a law of the
32 Commonwealth, a State or a Territory relating to
33 occupational health and safety; or
34 (c) is satisfied that the person is at least 50 years of age and is
35 not a person to whom subsection 28(4) applies.
- 36 (3) Upon the Secretary so notifying the person, the requirement is
37 taken to have been revoked with effect from the day specified in
38 the notice.
-

1 **607C Newstart Activity Agreements—suspension of agreements in**
2 **cases of domestic violence etc.**

3 A Newstart Activity Agreement between the Secretary and a
4 person is taken to be suspended during any period during which the
5 person is not required to satisfy the activity test because of
6 section 602B or 602C.

7 **69 Paragraph 613(2)(a)**

8 Repeal the paragraph.

9 **70 Subsection 613(2) (notes)**

10 Repeal the notes, substitute:

11 Note 1: For Newstart Activity Agreement see sections 605 and 606.

12 Note 2: The operation of this section is modified for participants in the case
13 management system by section 45 of the *Employment Services Act*
14 *1994*.

15 **71 Paragraph 620(2)(b)**

16 Omit “the CSP or”.

17 **72 Section 631C**

18 Omit “with a requirement of the Secretary under section 601 or”.

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Part 3—Compliance

Social Security Act 1991

73 Subdivision F of Division 1 of Part 2.12 of Chapter 2

Repeal the Subdivision, substitute:

Subdivision F—Situations where allowance not payable because of newstart participation failure

624 Newstart participation failures

- (1) A person commits a *newstart participation failure* if the person:
- (a) fails to comply with a requirement:
 - (i) that was notified to the person under subsection 63(2) or 64(2) of the Administration Act; and
 - (ii) that was reasonable; and
 - (iii) the notification of which included a statement to the effect that a failure to comply with the requirement could constitute a newstart participation failure; or
 - (b) fails to satisfy the activity test; or
 - (c) fails to comply with a requirement to enter into a Newstart Activity Agreement; or
 - (d) fails to comply with a term of a Newstart Activity Agreement between the Secretary and the person; or
 - (e) fails to attend a job interview; or
 - (f) fails:
 - (i) to commence, complete or participate in an approved program of work for income support payment that the person is required to undertake; or
 - (ii) to comply with the conditions of such a program; or
 - (g) fails to continue his or her involvement in a labour market program because he or she:
 - (i) voluntarily ceases to take part in the program; or
 - (ii) is dismissed from the program for misconduct; or
 - (h) is issued with a notice under subsection 625(1) and fails to comply with it within the period specified in the notice; or

- 1 (i) fails to comply with subsection 625(2); or
2 (j) fails to comply with a requirement included in a Newstart
3 Activity Agreement between the Secretary and the person to:
4 (i) undertake a certain number of job searches per
5 fortnight; and
6 (ii) keep a record of the person's job searches in a document
7 referred to in the agreement as a job seeker diary; and
8 (iii) return the job seeker diary to the Department at the end
9 of the period specified in the agreement; or
10 (k) fails to comply with a requirement to undertake another
11 activity referred to in paragraph 626(1)(b).
- 12 (2) Despite subsection (1), a failure of a kind referred to in that
13 subsection is not a newstart participation failure if the person
14 satisfies the Secretary that the person had a reasonable excuse for
15 the failure.
- 16 (3) Despite subsection (1), if a failure of a kind referred to in that
17 subsection occurs in an instalment period of the person in which
18 the person has already committed a newstart participation failure,
19 the failure is not a newstart participation failure if:
20 (a) the instalment period is the person's first instalment period
21 for newstart allowance; or
22 (b) the instalment period is not the person's first instalment
23 period for newstart allowance, and:
24 (i) the person did not commit a newstart participation
25 failure in the immediately preceding instalment period
26 of the person; or
27 (ii) in respect of each newstart participation failure that the
28 person committed in the immediately preceding
29 instalment period of the person, the person acted in
30 accordance with a requirement of the Secretary notified
31 in respect of that failure.
- 32 (4) Despite subsection (1), a failure of a kind referred to in that
33 subsection is not a newstart participation failure if it results in
34 newstart allowance not being payable to the person under
35 section 615.
- 36 (5) Paragraph (1)(f) does not apply to a failure if:
37 (a) the person is under 60; and
-

1 (b) a determination under paragraph 28(4)(b) is in force in
2 relation to the person.

3 (6) Paragraph (1)(j) does not limit the scope of paragraph (1)(d).

4 **625 Requiring a person to apply for job vacancies**

5 (1) The Secretary may notify a person (other than a person who is not
6 required to satisfy the activity test) who is receiving a newstart
7 allowance that the person must apply for a particular number of
8 advertised job vacancies in the period specified in the notice.

9 (2) The person must give the Secretary a written statement from each
10 employer whose job vacancy the person applied for during that
11 period that confirms that the person applied for that job vacancy.

12 (3) The statement from the employer must be in a form approved by
13 the Secretary.

14 (4) Subsection (2) does not apply to a person if the Secretary is
15 satisfied that there are special circumstances in which it is not
16 reasonable to expect the person to give the statement referred to in
17 that subsection.

18 **626 Allowance not payable because of newstart participation failure**

19 (1) A newstart allowance is not payable to a person, for the period
20 starting in accordance with section 627 and ending in accordance
21 with section 628, if:

22 (a) the person commits a newstart participation failure; and

23 (b) the Secretary requires the person:

24 (i) to comply with the requirement, or undertake the
25 activity, to which the newstart participation failure
26 relates; or

27 (ii) to comply with a particular requirement, or undertake a
28 particular activity, in place of the requirement or
29 activity to which the failure relates;

30 during the participation failure instalment period for the
31 failure, or at a particular time during that period; and

32 (c) the person fails to comply with the requirement.

- 1 However, paragraphs (b) and (c) do not apply in relation to a
2 newstart participation failure of a kind referred to in paragraph
3 624(1)(h), (i) or (j).
- 4 (2) This section does not apply in relation to the failure if:
- 5 (a) the Secretary is satisfied that the person had a reasonable
6 excuse for the failure referred to paragraph (1)(c); or
7 (b) the Secretary is for any other reason satisfied that
8 subsection (1) should not apply to the failure.
- 9 (3) The *participation failure instalment period* for the newstart
10 participation failure is:
- 11 (a) if the failure is a failure of a kind referred to in paragraph
12 624(1)(h) or (i)—the next instalment period of the person to
13 start after the end of the period specified in the notice under
14 subsection 625(1) to which the failure relates; or
15 (b) if the failure is a failure of a kind referred to in paragraph
16 624(1)(j)—the next instalment period of the person to start
17 after the end of the period referred to in subparagraph
18 624(1)(j)(iii); or
19 (c) otherwise—the next instalment period of the person to start
20 after the day on which the Secretary first became aware that
21 the person committed the failure.
- 22 (4) This section does not apply to a newstart participation failure if
23 section 629 applies to the failure.

627 When the period of non-payment starts

24
25 The period for which newstart allowance is not payable to the
26 person because of section 626 is taken to have started at the start of
27 the participation failure instalment period for the newstart
28 participation failure.

628 When the period of non-payment ends

29
30 The period for which newstart allowance is not payable to the
31 person because of section 626 ends when:

32 (a) in accordance with a requirement of the Secretary that the
33 person comply with the requirement, or undertake the
34 activity, to which the newstart participation failure related,

- 1 the person has complied with the requirement or undertaken
2 the activity; or
- 3 (b) in accordance with a requirement of the Secretary that the
4 person undertake another activity in place of the requirement
5 or activity to which the newstart participation failure related,
6 the person has undertaken the other activity; or
- 7 (c) in accordance with a requirement of the Secretary that the
8 person comply with another requirement in place of the
9 requirement or activity to which the newstart participation
10 failure related, the person has complied with the other
11 requirement.

12 **Subdivision FA—Situations where allowance not payable**
13 **because of repeated or more serious failure**

14 **629 Allowance not payable because of repeated or more serious**
15 **failure**

- 16 (1) A newstart allowance is not payable to a person, for the period of 8
17 weeks starting in accordance with section 630, if the person:
- 18 (a) commits a newstart participation failure (the *repeated*
19 *failure*), having committed newstart participation failures
20 (the *earlier failures*) on 2 or more other occasions during the
21 period of 12 months preceding that failure; or
- 22 (b) is unemployed due, either directly or indirectly, to a
23 voluntary act of the person; or
- 24 (c) is unemployed due to the person's misconduct as a worker;
25 or
- 26 (d) has refused or failed, without reasonable excuse, to accept a
27 suitable offer of employment; or
- 28 (e) fails:
- 29 (i) to commence, complete or participate in an approved
30 program of work for income support payment that the
31 person is required to undertake; or
- 32 (ii) to comply with the conditions of such a program.
- 33 (2) For the purposes of paragraph (1)(a), disregard any earlier failure
34 that is a failure to which subsection 626(1) does not apply because
35 of subsection 626(2).

- 1 (3) Subsection (1) does not apply in relation to the repeated failure if
2 the Secretary is for any other reason satisfied that subsection (1)
3 should not apply to the failure.
- 4 (4) Paragraph (1)(b) does not apply if the Secretary is satisfied that the
5 person's voluntary act was reasonable.
- 6 (5) Paragraph (1)(e) applies only if:
7 (a) the person is under 60; and
8 (b) a determination under paragraph 28(4)(b) is in force in
9 relation to the person.

10 **630 When the period of non-payment starts**

- 11 (1) The period for which newstart allowance is not payable to the
12 person because of paragraph 629(1)(a) is taken to start, or to have
13 started:
14 (a) if the repeated failure is a failure of a kind referred to in
15 paragraph 624(1)(h), (i) or (j)—at the start of the
16 participation failure instalment period for the repeated
17 failure; or
18 (b) if paragraph (a) of this subsection does not apply and the
19 repeated failure occurs during a participation failure
20 instalment period for an earlier failure—at the start of the
21 participation failure instalment period for the earlier failure;
22 or
23 (c) otherwise—at the start of the next instalment period of the
24 person to start after the day on which the Secretary first
25 became aware that the person committed the failure.
- 26 Note: For *participation failure instalment period* see subsection 626(3).
- 27 (2) The period for which newstart allowance is not payable to the
28 person because of section 629 (other than because of paragraph
29 629(1)(a)) starts on the day the Secretary determines that
30 section 629 applies to the person.
- 31 (3) However, if:
32 (a) section 629 would not apply to the person but for the
33 application of paragraph 629(1)(b) or (c), or both; and
34 (b) at the time of the voluntary act or misconduct in question, the
35 person was not receiving newstart allowance;

1 the period for which newstart allowance is not payable to the
2 person starts at the time the person became unemployed as a result
3 of the voluntary act or misconduct.

4 **74 Saving provision relating to activity test breaches**

5 (1) If:

6 (a) as a result of an activity test breach committed by the person
7 before the commencement of this item, an activity test
8 penalty period applied to the person under Subdivision F of
9 Division 1 of Part 2.12 of the *Social Security Act 1991*; and

10 (b) on that commencement, the activity test penalty period had
11 not ended;

12 the activity test penalty period continues to apply to the person after that
13 commencement as if that Subdivision had not been repealed by this Act.

14 (2) In this item:

15 **activity test breach** means any failure, voluntary act or misconduct
16 committed by the person as a result of which an activity test penalty
17 period applied to the person, before the commencement of this item,
18 under Subdivision F of Division 1 of Part 2.12 of the *Social Security*
19 *Act 1991*.

20 **75 Transitional provision relating to repeated breaches**

21 (1) The reference in paragraph 629(1)(a) of the *Social Security Act 1991*, as
22 amended by this Act, to newstart participation failures committed by a
23 person during the period of 12 months preceding a newstart
24 participation failure includes a reference to any activity test failures
25 committed by the person:

26 (a) during that period of 12 months; and

27 (b) before the commencement of this item.

28 (2) In this item:

29 **activity test failure** means any failure committed by the person as a
30 result of which an activity test penalty period applied to the person,
31 before the commencement of this item, under section 624, 625 or 626 of
32 the *Social Security Act 1991*.

33 **76 Section 631**

34 Repeal the section, substitute:

1 **631 Situations where allowance not payable for failure to comply**
2 **with certain requirements**

3 A newstart allowance is not payable to a person if the person
4 refuses or fails, without reasonable excuse, to comply with a
5 requirement made of the person under section 67, 68 or 192 of the
6 Administration Act.

7 **77 Saving provision relating to administrative breaches**

8 (1) If:

- 9 (a) as a result of an administrative breach committed by the
10 person before the commencement of this item, an
11 administrative breach rate reduction period applied to the
12 person under section 631 of the *Social Security Act 1991*; and
13 (b) on that commencement, the administrative breach rate
14 reduction period had not ended;

15 the administrative breach rate reduction period continues to apply to the
16 person after that commencement as if that section had not been repealed
17 by this Act.

18 (2) In this item:

19 *administrative breach* means any refusal or failure by the person as a
20 result of which an administrative breach rate reduction period applied to
21 the person, before the commencement of this item, under section 631 of
22 the *Social Security Act 1991*.

23 **78 Sections 631A and 631B**

24 Repeal the sections.

25 **79 Subdivision GB of Division 1 of Part 2.12 of Chapter 2**

26 Repeal the Subdivision.

27 **80 Subdivision A of Division 4 of Part 2.12 of Chapter 2**
28 **(heading)**

29 Repeal the heading.

30 **81 Subdivision AA of Division 4 of Part 2.12 of Chapter 2**

31 Repeal the Subdivision.

1 **82 Saving provision relating to activity test breach rate**
2 **reductions**

3 (1) If:

4 (a) as a result of an activity test breach committed by the person
5 before the commencement of this item, an activity test breach
6 rate reduction period applied to the person under Subdivision
7 F of Division 1 of Part 2.12 of the *Social Security Act 1991*;
8 and

9 (b) on that commencement, the activity test breach rate reduction
10 period had not ended;

11 Subdivision AA of Division 4 of Part 2.12 of the *Social Security Act*
12 *1991* continues to apply to the activity test breach rate reduction period
13 after that commencement as if it had not been repealed by this Act.

14 (2) The fact that an activity test breach rate reduction period is applying to
15 the person because of this item does not prevent the application to the
16 person, at the same time, of a period during which newstart allowance is
17 not payable because of Subdivision F or FA of Division 1 of Part 2.12
18 of the *Social Security Act 1991* as amended by this Act.

19 (3) In this item:

20 **activity test breach** means any failure, voluntary act or misconduct
21 committed by the person as a result of which an activity test penalty
22 period applied to the person, before the commencement of this item,
23 under Subdivision F of Division 1 of Part 2.12 of the *Social Security*
24 *Act 1991*.

25 **83 Subdivision B of Division 4 of Part 2.12 of Chapter 2**
26 **(heading)**

27 Repeal the heading.

28 **84 Sections 644B to 644H**

29 Repeal the sections.

30 **85 Saving provision relating to administrative breaches**

31 (1) If:

32 (a) as a result of an administrative breach committed by the
33 person before the commencement of this item, an

1 administrative breach rate reduction period applied to the
2 person under:

- 3 (i) section 631 of the *Social Security Act 1991*; or
4 (ii) subsection 63(5) or 64(4) of the *Social Security*
5 *(Administration) Act 1999*; and

6 (b) on that commencement, the administrative breach rate
7 reduction period had not ended;

8 sections 644B to 644H of the *Social Security Act 1991* continue to
9 apply to the administrative breach rate reduction period after that
10 commencement as if they had not been repealed by this Act.

11 (2) The fact that an administrative breach rate reduction period is applying
12 to the person because of this item does not prevent the application to the
13 person, at the same time, of a period during which newstart allowance is
14 not payable because of Subdivision F or FA of Division 1 of Part 2.12
15 of the *Social Security Act 1991* as amended by this Act.

16 (3) In this item:

17 ***administrative breach*** means any refusal, failure or non-compliance by
18 the person as a result of which an administrative breach rate reduction
19 period applied to the person, before the commencement of this item,
20 under:

- 21 (a) section 631 of the *Social Security Act 1991*; or
22 (b) subsection 63(5) or 64(4) of the *Social Security*
23 *(Administration) Act 1999*.

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2 **Part 4—Consequential amendment**

3 *Social Security Act 1991*

4 **86 Subsection 1217(4) (table item 15A)**

5 Repeal the item.

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Schedule 8—Employment entry payment

Social Security Act 1991

1 At the end of subsection 661(1)

Add:

; and (g) the person is not qualified under section 663 or 663D in relation to the employment.

Note: The heading to section 661 is replaced by the heading “**Former newstart allowees (standard employment entry payment)**”.

2 After section 662

Insert:

663 Former newstart or youth allowees (increased employment entry payment)

(1) A person is qualified for an employment entry payment under this section if:

- (a) the person is in paid employment (other than sheltered employment); and
- (b) the person’s income from the employment exceeds the threshold amount; and
- (c) immediately before the person commenced the employment, the person:
 - (i) had a partial capacity to work; and
 - (ii) was receiving newstart allowance or youth allowance; and
 - (iii) if the person was receiving youth allowance—was not undertaking full-time study and was not a new apprentice; and

Note 1: For *partial capacity to work* see section 16B.

Note 2: For *undertaking full-time study* see section 541B.

Note 3: For *new apprentice* see subsection 23(1).

(d) in the Secretary’s opinion the person’s employment is likely to continue for more than 4 weeks; and

- 1 (e) the person has not received a payment under this Part within
2 the last 12 months.
- 3 (2) If the Secretary is satisfied that:
- 4 (a) a person has entered an agreement under which the person is
5 to be employed; and
- 6 (b) on the commencement of that employment, the person would
7 (but for receiving a payment under this subsection) be
8 qualified for a payment under subsection (1);
- 9 then:
- 10 (c) subject to paragraph (d), the person is qualified for an
11 employment entry payment which is payable to the person at
12 such time as the Secretary determines; and
- 13 (d) the person is not qualified for the employment entry payment
14 unless the Secretary is still satisfied as mentioned in
15 paragraphs (a) and (b) at the time at which the payment is
16 payable to the person.
- 17 (3) The time determined under paragraph (2)(c) is not to be more than
18 28 days before the person is to commence the employment.
- 19 (4) In this section:
- 20 ***threshold amount*** means the maximum amount per fortnight that a
21 person receiving newstart allowance can earn, derive or receive
22 without the allowance ceasing to be payable, if the person:
- 23 (a) is not a member of a couple; and
24 (b) is not receiving rent assistance; and
25 (c) is not receiving remote area allowance; and
26 (d) has turned 21 but has not turned 60; and
27 (e) has no dependent children.

28 **663A Amount of section 663 payment**

29 The amount of an employment entry payment under section 663 is
30 \$312.

31 **663B Newstart or youth allowees**

32 A person is qualified for an employment entry payment under this
33 section if:

- 1 (a) the person is receiving newstart or youth allowance; and
2 (b) if the person is receiving youth allowance—the person is not
3 undertaking full-time study and is not a new apprentice; and
4 Note 1: For *undertaking full-time study* see section 541B.
5 Note 2: For *new apprentice* see subsection 23(1).
6 (c) the person has been receiving income support payments in
7 respect of a continuous period of at least 12 months (whether
8 or not the kind of payment received has changed over the
9 period and whether the period or any part of it occurred
10 before or after the commencement of this paragraph); and
11 Note 1: For *income support payment* see subsection 23(1).
12 Note 2: For the determination of whether a person received income
13 support payments in respect of a continuous period of at least 12
14 months, see section 38B.
15 (d) the person has a partial capacity to work; and
16 Note: For *partial capacity to work* see section 16B.
17 (e) either:
18 (i) the person commences employment for at least 15 hours
19 per week at award wages or above; or
20 (ii) the person's hours of employment at award wages or
21 above increase to at least 15 hours per week; and
22 (f) the employment, or the increase in hours worked, has
23 continued for at least 4 consecutive weeks; and
24 (g) the person has not previously received a payment under this
25 section in respect of that employment; and
26 (h) the person has not received a payment under another section
27 of this Part within the last 12 months.

28 **663C Amount of section 663B payment**

29 The amount of an employment entry payment under section 663B
30 is \$312.

31 **663D Former newstart or youth allowees (principal carer of a child)**

- 32 (1) A person is qualified for an employment entry payment under this
33 section if:
34 (a) the person is the principal carer of a child; and
35 Note: For *principal carer* see subsections 5(15) to (24).

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- (b) the person is not a member of a couple; and
Note: For *member of a couple* see subsections 4(2) to (6A).
- (c) at a particular time, the person starts to earn income from employment or the person's income from employment increases; and
- (d) immediately before that time:
 - (i) the person was receiving newstart allowance or youth allowance; and
 - (ii) if the person was receiving youth allowance—the person was not undertaking full-time study and was not a new apprentice; andNote 1: For *undertaking full-time study* see section 541B.
Note 2: For *new apprentice* see subsection 23(1).
- (e) because of the income, or the increase in income, the person's income from employment exceeds the threshold amount; and
- (f) the person's income from employment is, in the Secretary's opinion, likely to exceed the threshold amount for more than 4 weeks; and
- (g) the person has not received a payment under this Part within the last 12 months.

- (2) If the Secretary is satisfied that:
 - (a) a person has entered an agreement under which the person is to be employed or the person's income is to be increased; and
 - (b) on the commencement of that employment or increase in income, the person would (but for receiving a payment under this subsection) be qualified for a payment under subsection (1);then:
 - (c) subject to paragraph (d), the person is qualified for an employment entry payment, which is payable to the person at such time as the Secretary determines; and
 - (d) the person is not qualified for the employment entry payment unless the Secretary is still satisfied as mentioned in paragraphs (a) and (b) at the time at which the payment is payable to the person.

1 (3) The time determined under paragraph (2)(c) must not be more than
2 14 days before the person is to commence the employment or the
3 person's income from employment is to increase.

4 (4) In this section:

5 **threshold amount** means the maximum amount per fortnight that a
6 person receiving newstart allowance can earn, derive or receive
7 without the allowance ceasing to be payable, if the person:

- 8 (a) is not a member of a couple; and
9 (b) is not receiving rent assistance; and
10 (c) is not receiving remote area allowance; and
11 (d) has turned 21 but has not turned 60; and
12 (e) has no dependent children.

13 **663E Amount of section 663D payment**

14 The amount of an employment entry payment under section 663D
15 is \$104.

16 **663F Newstart or youth allowees (principal carer of a child)**

17 A person is qualified for an employment entry payment under this
18 section if:

- 19 (a) the person is the principal carer of a child; and
20 Note: For **principal carer** see subsections 5(15) to (24).
21 (b) the person is receiving newstart or youth allowance; and
22 (c) if the person is receiving youth allowance—the person is not
23 undertaking full-time study and is not a new apprentice; and

24 Note 1: For **undertaking full-time study** see section 541B.

25 Note 2: For **new apprentice** see subsection 23(1).

- 26 (d) the person has been receiving income support payments in
27 respect of a continuous period of at least 12 months (whether
28 or not the kind of payment received has changed over the
29 period and whether the period or any part of it occurred
30 before or after the commencement of this paragraph); and

31 Note 1: For **income support payment** see subsection 23(1).

32 Note 2: For the determination of whether a person received income
33 support payments in respect of a continuous period of at least 12
34 months see section 38B.

- 1 (e) either:
2 (i) the person commences employment for at least 15 hours
3 per week at award wages or above; or
4 (ii) the person's hours of employment at award wages or
5 above increase to at least 15 hours per week; and
6 (f) the employment, or the increase in hours worked, has
7 continued for at least 4 consecutive weeks; and
8 (g) the person has not previously received a payment under this
9 section in respect of that employment; and
10 (h) the person has not received a payment under another section
11 of this Part within the last 12 months.

12 **663G Amount of section 663F payment**

13 The amount of an employment entry payment under section 663F
14 is \$104.

15 **3 After section 664B**

16 Insert:

17 **664BA Parenting payment recipients**

18 A person is qualified for an employment entry payment under this
19 section if:

- 20 (a) the person is the principal carer of a child; and
21 Note: For *principal carer* see subsections 5(15) to (24).
22 (b) the person is receiving a pension PP (single) or a benefit PP
23 (partnered); and
24 (c) the person has been receiving income support payments in
25 respect of a continuous period of at least 12 months (whether
26 or not the kind of payment received has changed over the
27 period and whether the period or any part of it occurred
28 before or after the commencement of this paragraph); and

29 Note 1: For *income support payment* see subsection 23(1).

30 Note 2: For the determination of whether a person received income
31 support payments in respect of a continuous period of at least 12
32 months see section 38B.

- 33 (d) either:
34 (i) the person commences employment for at least 15 hours
35 per week at award wages or above; or
-

- 1 (ii) the person's hours of employment at award wages or
2 above increase to at least 15 hours per week; and
3 (e) the employment, or the increase in hours worked, has
4 continued for at least 4 consecutive weeks; and
5 (f) the person has not previously received a payment under this
6 section in respect of that employment; and
7 (g) the person has not received a payment under another section
8 of this Part within the last 12 months.

9 **664BB Amount of section 664BA payment**

10 The amount of an employment entry payment under
11 section 664BA is \$104.

12 Note: The heading to section 664A is replaced by the heading "**Pension PP (single)**
13 **recipients**".

14 **4 Subsection 665(1)**

15 Omit "661, 664A,", substitute "661, 663, 663B, 663D, 663F, 664A,
16 664BA,".

17 **5 Subsection 665(2)**

18 After "661", insert ", 663".

19 **6 Subsection 665(3)**

20 After "section", insert "663D,".

21 **7 After subsection 665(3)**

22 Insert:

- 23 (3A) A person is not qualified for an employment entry payment under
24 section 663B, 663F or 664BA if the claim for payment is made
25 more than 56 days after:
26 (a) the commencement of the employment; or
27 (b) the increase in hours worked;
28 in respect of which the claim is made.

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Schedule 9—Sickness allowance

Social Security Act 1991

1 At the end of Subdivision C of Division 1 of Part 2.14 of Chapter 2

Add:

697 Seasonal workers—preclusion period

- (1) This section applies if:
 - (a) a person has lodged a claim for sickness allowance; and
 - (b) at any time during the 6 months immediately before the day on which the person lodged the claim, the person, or the person’s partner, has been engaged in seasonal work.

Note: For *seasonal work* see subsection 16A(1).

- (2) Sickness allowance is not payable to the person:
 - (a) if the person is subject to a seasonal work preclusion period (whether in relation to the claim referred to in subsection (1) or any other claim under this Act) and the Secretary has not made a determination under subsection (3) in relation to the person—for the person’s seasonal work preclusion period; or
 - (b) if the Secretary has made a determination under subsection (3) in relation to the person—for that part (if any) of the person’s seasonal work preclusion period to which the person is subject as a result of the determination.

Note: For *seasonal work preclusion period* see subsection 16A(1).

- (3) If the Secretary is satisfied that a person is in severe financial hardship because the person has incurred unavoidable or reasonable expenditure while the person is subject to a seasonal work preclusion period (whether in relation to the claim referred to in subsection (1) or any other claim under this Act):
 - (a) the Secretary may determine that the person is not subject to the whole, or any part, of the preclusion period; and
 - (b) the determination has effect accordingly.

Schedule 9 Sickness allowance

1 Note 1: For *in severe financial hardship* see subsection 19C(2) (person who
2 is not a member of a couple) or subsection 19C(3) (person who is a
3 member of a couple).

4 Note 2: For *unavoidable or reasonable expenditure* see subsection 19C(4).

5 **2 Application provision**

6 The amendment made by this Schedule applies in relation to claims for
7 sickness allowance made on or after 20 September 2006.

1
2 **Schedule 10—Special benefit**

3 **Part 1—Participation**

4 *Social Security Act 1991*

5 **1 Paragraph 729(2B)(e)**

6 Omit “is taking reasonable steps to comply with”, substitute “is
7 complying with”.

8 **2 Subsections 729(2C) and (2CA)**

9 Repeal the subsections.

10 **3 Subsections 731A(2) to (6)**

11 Repeal the subsections.

12 **4 Subsections 731A(7) to (10)**

13 Repeal the subsections, substitute:

14 (7) A person to whom this Subdivision applies also satisfies the
15 activity test in respect of a period if:

16 (a) the Secretary is of the opinion that, throughout the period, the
17 person should undertake particular paid work, other than
18 unsuitable paid work within the meaning of section 731B;
19 and

20 (b) the Secretary notifies the person that the person is required to
21 act in accordance with the opinion; and

22 (c) the person complies, throughout the period, with the
23 Secretary’s requirement.

24 (8) To avoid doubt, the work that the person is required to undertake
25 under subsection (7) may involve a number of hours per week that
26 differs from the number of hours of work per week that the person
27 is required to seek to comply with a Special Benefit Activity
28 Agreement between the Secretary and the person.

29 (9) A person cannot be taken to satisfy the activity test throughout a
30 period if the person fails to comply with a requirement under
31 subsection (7):

- 1 (a) whether or not the person complies with subsection (1) or
2 (11); and
3 (b) whether or not another provision of this Act under which the
4 activity test is satisfied, or taken to be satisfied, applies (or
5 would apart from this section apply) to the person.

6 **5 Subsection 731A(11)**

7 Omit “is taking reasonable steps to comply with”, substitute “is
8 complying with”.

9 **6 Subsection 731A(12)**

10 Omit “take reasonable steps to”.

11 **7 Subsection 731A(13)**

12 Repeal the subsection.

13 **8 Subsection 731B(1)**

14 Omit “subparagraph 731A(7)(a)(i)”, substitute “paragraph 731A(7)(a)”.

15 **9 After paragraph 731B(1)(b)**

16 Insert:

- 17 (ba) the person is the principal carer for one or more children, and
18 does not have access to appropriate care and supervision for
19 the children at the times when the person would be required
20 to undertake the work; or

21 Note: For *principal carer* see subsections 5(15) to (24).

22 **10 Paragraph 731B(1)(d)**

23 Repeal the paragraph.

24 **11 Paragraphs 731B(1)(e) and (f)**

25 Repeal the paragraphs, substitute:

- 26 (e) the work would be covered by the Australian Fair Pay and
27 Conditions Standard, but the terms and conditions for the
28 work would be below the minimum terms and conditions for
29 the work under the Australian Fair Pay and Conditions
30 Standard; or
31 (f) the work would not be covered by the Australian Fair Pay
32 and Conditions Standard, but, if it were so covered, the terms

1 and conditions for the work would be below the minimum
2 terms and conditions for the work under the Australian Fair
3 Pay and Conditions Standard; or

4 **12 After subsection 731B(1)**

5 Insert:

6 (1A) A person has, for the purposes of paragraph (1)(ba), access to
7 appropriate care and supervision for a child at a particular time if,
8 at that time:

9 (a) the child could be provided with care by an approved child
10 care service (within the meaning of the Family Assistance
11 Administration Act), and provision of that care would, in the
12 Secretary's opinion, be appropriate in the circumstances; or

13 (b) the child could be provided with other care that the person
14 considers to be suitable; or

15 (c) the child could be attending school, and attendance at that
16 school would, in the Secretary's opinion, be appropriate in
17 the circumstances.

18 (1B) For the purposes of paragraph (1)(ba), a time when the person
19 would be required to undertake the work includes reasonable
20 amounts of time that would be needed for the person to travel from
21 the person's home to the place of work and from the place of work
22 to the person's home.

23 **13 Paragraph 731B(2)(c)**

24 Omit "or over the age of 50".

25 **14 Subsections 731B(5) and (6)**

26 Repeal the subsections.

27 **15 Section 731C**

28 Repeal the section.

29 **16 Paragraph 731D(a)**

30 Repeal the paragraph, substitute:

31 (a) it would be reasonable to assume that, at the end of a period,
32 a person is present in an area where:

33 (i) there is no locally accessible labour market; and

- 1 (ii) there is no locally accessible vocational training course;
2 and
3 (aa) it would be reasonable to assume that, throughout the period,
4 the person is capable of undertaking, and willing to
5 undertake, paid work that in the Secretary's opinion is
6 suitable to be undertaken by the person; and

7 **17 After section 731D**

8 Insert:

9 **731DA Relief from activity test—domestic violence etc.**

- 10 (1) A person is not required to satisfy the activity test in respect of a
11 period that the Secretary determines under this section in relation
12 to the person.
- 13 (2) The Secretary may make a determination under this section in
14 relation to the person if the Secretary is satisfied that:
- 15 (a) the person:
- 16 (i) is the principal carer of one or more children; and
17 (ii) has ceased to be a member of a couple in the period of
18 26 weeks before the determination; and
19 (iii) was subjected to domestic violence in that period of 26
20 weeks (whether or not the domestic violence was
21 connected with ceasing to be a member of that or any
22 other couple); and
23 (iv) has not again become a member of a couple; or
24 (b) the person is the principal carer of one or more children, and
25 there are special circumstances relating to the person's family
26 that make it appropriate to make the determination.
- 27 Note: For *principal carer* see subsections 5(15) to (24).
- 28 (3) The period that the Secretary determines under this section must be
29 the lesser of:
- 30 (a) the period that the Secretary considers to be appropriate; or
31 (b) 16 weeks.
- 32 (4) Any such period may be followed by one or more other periods
33 (not exceeding 16 weeks) determined under this section in relation
34 to the person.

- 1 (5) The period that the Secretary determines under this section must,
2 despite subsection (3), be 16 weeks if the determination:
3 (a) is made on grounds referred to in paragraph (2)(a) (or on
4 grounds that include those grounds); and
5 (b) is the first determination made on those grounds (or on
6 grounds that include those grounds) in connection with the
7 particular cessation referred to in subparagraph (2)(a)(ii).
- 8 (6) The Secretary may revoke a determination under this section in
9 relation to a person if the Secretary is satisfied that the grounds on
10 which the determination was made no longer exist.
- 11 (7) Subsection (6) does not affect any operation that subsection 33(3)
12 of the *Acts Interpretation Act 1901* has in relation to a
13 determination under this section.

14 **731DB Relief from activity test—people with disabled children and**
15 **other circumstances**

- 16 (1) A person is not required to satisfy the activity test in respect of a
17 period that the Secretary determines under this section in relation
18 to the person.
- 19 (2) The Secretary may make a determination under this section in
20 relation to the person if the Secretary is satisfied that the person is
21 the principal carer of one or more children:
22 (a) who suffer from a physical, intellectual or psychiatric
23 disability or illness; and
24 (b) whose care needs are such that the person should, for the
25 period specified in the determination, not be required to
26 satisfy the activity test.
- 27 Note: For *principal carer* see subsections 5(15) to (24).
- 28 (3) The Secretary must make a determination under this section in
29 relation to the person if the Secretary is satisfied that the person is
30 the principal carer of one or more children, and that:
31 (a) the person is a registered and active foster carer; or
32 (b) the person is a home educator of that child, or one or more of
33 those children; or
34 (c) the person is a distance educator of that child, or one or more
35 of those children.

Schedule 10 Special benefit
Part 1 Participation

1 Note 1: For *principal carer* see subsections 5(15) to (24).

2 Note 2: For *registered and active foster carer* see section 5B.

3 Note 3: For *home educator* see section 5C.

4 Note 4: For *distance educator* see section 5D.

5 (4) The Secretary may make a determination under this section in
6 relation to the person if the Secretary is satisfied that:

7 (a) the person is a person included in a class of persons specified
8 under subsection (5); and

9 (b) the person's circumstances are such that the person should
10 not be required to satisfy the activity test for the period.

11 (5) The Secretary may, by legislative instrument, specify classes of
12 persons in respect of whom determinations under this section may
13 be made.

14 (6) The period that the Secretary determines under this section must be
15 the lesser of:

16 (a) the period that the Secretary considers to be appropriate; or

17 (b) 12 months.

18 (7) Any such period may be followed by one or more other periods
19 (not exceeding 12 months) determined under this section in
20 relation to the person.

21 (8) The Secretary may revoke a determination under this section in
22 relation to a person if the Secretary is satisfied that the grounds on
23 which the determination was made no longer exist.

24 (9) Subsection (8) does not affect any operation that subsection 33(3)
25 of the *Acts Interpretation Act 1901* has in relation to a
26 determination under this section.

27 **731DC Persons may be treated as actively seeking etc. paid work**

28 (1) A person is not required to satisfy the activity test in respect of the
29 period to which subsection (4) applies if:

30 (a) during the period, the person undertakes:

31 (i) paid work that, in the Secretary's opinion, is suitable for
32 the person to undertake; or

33 (ii) any other activity; and

34 (b) the Secretary is of the opinion that, taking into account:

- 1 (i) the nature of the work or other activity; and
2 (ii) the duration of the work or other activity; and
3 (iii) any remuneration received for the work or other
4 activity; and
5 (iv) any other matters relating to the work or other activity,
6 or to the person's circumstances, that the Secretary
7 considers relevant;
8 it would be unreasonable to expect the person to satisfy the
9 activity test for the period.
- 10 (2) However, the work or other activity must not be or include any
11 work or other activity of a kind that the Secretary determines under
12 subsection (3).
- 13 (3) The Secretary may determine, by legislative instrument, kinds of
14 work or other activity that are not to be taken into account for the
15 purposes of subsection (1).
- 16 (4) This subsection applies to the period:
17 (a) starting:
18 (i) when the person made a claim, or is taken to have made
19 a claim, for special benefit; or
20 (ii) when the person started to undertake the work or other
21 activity;
22 whichever happens later; and
23 (b) ending:
24 (i) if the person has been required to enter into a Special
25 Benefit Activity Agreement but has failed to enter that
26 agreement—when the person so failed; or
27 (ii) in any other case—when the person has entered into
28 such an agreement.

29 **18 Subsection 731G(1)**

30 Omit “50 years”, substitute “55 years”.

31 Note: The heading to section 731G is altered by omitting “**engaged in voluntary work**” and
32 substituting “**55 and over who are engaged in work**”.

33 **19 Paragraph 731G(1)(a)**

34 Omit “full-time”.

1 **20 Paragraph 731G(1)(a)**

2 Omit “32 hours”, substitute “30 hours”.

3 **21 Paragraph 731G(1)(b)**

4 Omit “40 hours”, substitute “30 hours”.

5 **22 Subparagraph 731G(1)(b)(ii)**

6 Omit “for another person”.

7 **23 At the end of subsection 731G(1)**

8 Add:

9 ; or (c) is engaged for at least 30 hours in the period in paid work
10 that the Secretary regards as suitable.

11 **24 Subsection 731G(2)**

12 Repeal the subsection.

13 **25 Subsection 731G(3)**

14 Omit “Neither subsection (1) nor (2) applies”, substitute “This section
15 does not apply”.

16 **26 Subsection 731G(3)**

17 Omit “the subsection”, substitute “this section”.

18 **27 After section 731G**

19 Insert:

20 **731GA Relief from activity test—certain principal carers and people**
21 **with partial capacity to work**

22 A person who:

23 (a) is the principal carer of at least one child; or

24 (b) has a partial capacity to work;

25 is taken to satisfy the activity test in respect of a period if, during
26 the period, the person is engaged for at least 30 hours per fortnight
27 in paid work that the Secretary regards as suitable.

28 **28 Paragraph 731H(1)(b)**

29 Omit “16”, substitute “6”.

1 **29 After section 731K**

2 Insert:

3 **731KA Time limit for exemption—Secretary satisfied person can**
4 **undertake activity**

5 (1) A person ceases to be exempt, under this Subdivision, from the
6 activity test if the Secretary is satisfied that, although the person
7 meets the requirements of section 731K, the person should
8 undertake one or more activities that the Secretary regards as
9 suitable for the person.

10 (2) The cessation occurs:

11 (a) if the person has been required to enter into a Special Benefit
12 Activity Agreement but has failed to enter that agreement—
13 when the person so failed; or

14 (b) in any other case—when the person has entered into such an
15 agreement.

16 **30 Subsection 731L(3)**

17 Omit “731E, 731F, 731JA or 731K”, substitute “731DA, 731DB, 731E,
18 731F or 731JA”.

19 **31 After subsection 731L(3)**

20 Insert:

21 (3A) If, under section 731K, a person is not required to satisfy the
22 activity test, subsections (1) and (2) apply to the person only if
23 subsection 731KA(1) applies to the person.

24 **32 Subsections 731M(1) to (1B)**

25 Repeal the subsections, substitute:

26 (1) Subject to subsection (2) and to sections 731N to 731Q, a Special
27 Benefit Activity Agreement with a person is to require the person
28 to undertake one or more activities that the Secretary regards as
29 suitable for the person.

30 (1A) However, an agreement must not require the person to undertake
31 an activity of a kind that the Secretary determines under
32 subsection (1B).

1 (1B) The Secretary may determine, by legislative instrument, kinds of
2 activities that agreements must not require persons to undertake.

3 **33 Application of subsection 731M(1A)**

4 Subsection 731M(1A) of the *Social Security Act 1991* as amended by
5 this Act does not apply to any Special Benefit Activity Agreement
6 entered into before the commencement of this item.

7 **34 At the end of subsection 731M(2)**

8 Add:
9 ; or (d) the person is at least 50 years of age and is not a person to
10 whom subsection 28(4) applies.

11 **35 At the end of subsection 731M(2)**

12 Add:
13 Note: Section 731Q provides for revocation of such requirements.

14 **36 Paragraph 731M(5)(a)**

15 Repeal the paragraph, substitute:
16 (a) the person's education, experience, skills and age;
17 (aa) the impact of any disability, illness, mental condition or
18 physical condition of the person on the person's ability to
19 work, to look for work or to participate in training activities;

20 **37 Paragraph 731M(5)(e)**

21 Omit “, by reference to what constitutes unreasonably difficult
22 commuting for the purposes of paragraph 731B(1)(g)”.

23 **38 Subsections 731M(6A) to (6C)**

24 Repeal the subsections.

25 **39 Section 731N**

26 Repeal the section, substitute:

27 **731N Special Benefit Activity Agreements—principal carers**

28 (1) A Special Benefit Activity Agreement that:
29 (a) is between the Secretary and a person who is the principal
30 carer of at least one child; and

1 (b) requires the person to undertake, as an activity, looking for
2 part-time work that the Secretary regards as suitable;
3 must require the person to undertake looking for such part-time
4 work of at least the appropriate number of hours per week.

5 Note: For *principal carer* see subsections 5(15) to (24).

- 6 (2) The appropriate number of hours per week is:
7 (a) 15; or
8 (b) such other number as the Secretary determines to be
9 appropriate having regard to the person's circumstances.

10 **731P Special Benefit Activity Agreements—people with partial**
11 **capacity to work**

- 12 (1) A Special Benefit Activity Agreement that:
13 (a) is between the Secretary and a person who has a partial
14 capacity to work; and
15 (b) requires the person to undertake, as an activity, looking for
16 part-time work that the Secretary regards as suitable;
17 must require the person to undertake looking for such part-time
18 work of at least the appropriate number of hours per week.

19 Note: For *partial capacity to work* see section 16B.

- 20 (2) The appropriate number of hours per week is:
21 (a) 15; or
22 (b) such other number as the Secretary determines to be
23 appropriate having regard to the person's circumstances.

24 **731Q Special Benefit Activity Agreements—revocation of**
25 **requirement to participate in approved program of work**

- 26 (1) The Secretary may, by notice given to a person whom a Special
27 Benefit Activity Agreement requires to participate in an approved
28 program of work for income support payment, revoke the
29 requirement to participate in the program if the Secretary:
30 (a) is satisfied that the person or the person's partner has income;
31 or
32 (b) forms the opinion that:
33 (i) it has been established that there is medical evidence
34 that the person has an illness, disability or injury that

Schedule 10 Special benefit
Part 1 Participation

- 1 would be aggravated by the conditions in which the
2 work would be performed; or
3 (ii) performing the work in the conditions in which the
4 work would be performed would constitute a risk to
5 health or safety or would contravene a law of the
6 Commonwealth, a State or a Territory relating to
7 occupational health and safety; or
8 (c) is satisfied that the person is at least 50 years of age and is
9 not a person to whom subsection 28(4) applies.
- 10 (2) Upon the Secretary so notifying the person, the requirement is
11 taken to have been revoked with effect from the day specified in
12 the notice.

13 **731R Special Benefit Activity Agreements—suspension of**
14 **agreements in cases of domestic violence etc.**

15 A Special Benefit Activity Agreement between the Secretary and a
16 person is taken to be suspended during any period during which the
17 person is not required to satisfy the activity test because of
18 section 731DA or 731DB.

19 **40 Paragraph 736(1)(d)**

20 Omit “take reasonable steps to”.

21 **41 Subsection 736(2)**

22 Omit “takes reasonable steps to comply with”, substitute “complies
23 with”.

24 **42 Paragraph 737(3)(a)**

25 Omit “731A or”.

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Part 2—Compliance

Social Security Act 1991

43 Subdivision C of Division 1 of Part 2.15 of Chapter 2

Repeal the Subdivision, substitute:

Subdivision C—Situations where benefit not payable because of special benefit participation failure

740 Special benefit participation failures

- (1) A person who is a nominated visa holder commits a *special benefit participation failure* if the person:
- (a) fails to comply with a requirement:
 - (i) that was notified to the person under subsection 63(2) or 64(2) of the Administration Act; and
 - (ii) that was reasonable; and
 - (iii) the notification of which included a statement to the effect that a failure to comply with the requirement could constitute a special benefit participation failure; or
 - (b) fails to satisfy the activity test; or
 - (c) fails to comply with a requirement to enter into a Special Benefit Activity Agreement; or
 - (d) fails to comply with a term of a Special Benefit Activity Agreement between the Secretary and the person; or
 - (e) fails to attend a job interview; or
 - (f) fails:
 - (i) to commence, complete or participate in an approved program of work for income support payment that the person is required to undertake; or
 - (ii) to comply with the conditions of such a program; or
 - (g) fails to continue his or her involvement in a labour market program because he or she:
 - (i) voluntarily ceases to take part in the program; or
 - (ii) is dismissed from the program for misconduct; or

Schedule 10 Special benefit
Part 2 Compliance

- 1 (h) is issued with a notice under subsection 741(1) and fails to
2 comply with it within the period specified in the notice; or
3 (i) fails to comply with subsection 741(2); or
4 (j) fails to comply with a requirement included in a Special
5 Benefit Activity Agreement between the Secretary and the
6 person to:
7 (i) undertake a certain number of job searches per
8 fortnight; and
9 (ii) keep a record of the person's job searches in a document
10 referred to in the agreement as a job seeker diary; and
11 (iii) return the job seeker diary to the Department at the end
12 of the period specified in the agreement; or
13 (k) fails to comply with a requirement to undertake another
14 activity referred to in paragraph 742(1)(b).
- 15 (2) Despite subsection (1), a failure of a kind referred to in that
16 subsection is not a special benefit participation failure if the person
17 satisfies the Secretary that the person had a reasonable excuse for
18 the failure.
- 19 (3) Despite subsection (1), if a failure of a kind referred to in that
20 subsection occurs in an instalment period of the person in which
21 the person has already committed a special benefit participation
22 failure, the failure is not a special benefit participation failure if:
23 (a) the instalment period is the person's first instalment period
24 for special benefit; or
25 (b) the instalment period is not the person's first instalment
26 period for special benefit, and:
27 (i) the person did not commit a special benefit participation
28 failure in the immediately preceding instalment period
29 of the person; or
30 (ii) in respect of each special benefit participation failure
31 that the person committed in the immediately preceding
32 instalment period of the person, the person acted in
33 accordance with a requirement of the Secretary notified
34 in respect of that failure.
- 35 (4) Paragraph (1)(f) does not apply to a failure if:
36 (a) the person is under 60; and
37 (b) a determination under paragraph 28(4)(b) is in force in
38 relation to the person.
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1 (5) Paragraph (1)(j) does not limit the scope of paragraph (1)(d).

2 **741 Requiring a person to apply for job vacancies**

3 (1) The Secretary may notify a person who:

4 (a) is a nominated visa holder (other than a person who is not
5 required to satisfy the activity test); and

6 (b) is receiving special benefit;

7 that the person must apply for a particular number of advertised job
8 vacancies in the period specified in the notice.

9 (2) The person must give the Secretary a written statement from each
10 employer whose job vacancy the person applied for that confirms
11 that the person applied for that job vacancy.

12 (3) The statement from the employer must be in a form approved by
13 the Secretary.

14 (4) Subsection (2) does not apply to the person if the Secretary is
15 satisfied that there are special circumstances in which it is not
16 reasonable to expect the person to give the statement referred to in
17 that subsection.

18 **742 Allowance not payable because of special benefit participation**
19 **failure**

20 (1) A special benefit is not payable to a person, for the period starting
21 in accordance with section 743 and ending in accordance with
22 section 744, if:

23 (a) the person commits a special benefit participation failure; and

24 (b) the Secretary requires the person:

25 (i) to comply with the requirement, or undertake the
26 activity, to which the special benefit participation failure
27 relates; or

28 (ii) to comply with a particular requirement, or undertake a
29 particular activity, in place of the requirement or
30 activity to which the failure relates;

31 during the participation failure instalment period for the
32 failure, or at a particular time during that period; and

33 (c) the person fails to comply with the requirement.

- 1 However, paragraphs (b) and (c) do not apply in relation to a
2 special benefit participation failure of a kind referred to in
3 paragraph 740(1)(h), (i) or (j).
- 4 (2) This section does not apply in relation to the failure if:
- 5 (a) the Secretary is satisfied that the person had a reasonable
6 excuse for the failure referred to paragraph (1)(c); or
7 (b) the Secretary is for any other reason satisfied that
8 subsection (1) should not apply to the failure.
- 9 (3) The *participation failure instalment period* for the special benefit
10 participation failure is:
- 11 (a) if the failure is a failure of a kind referred to in paragraph
12 740(1)(h) or (i)—the next instalment period of the person to
13 start after the end of the period specified in the notice under
14 subsection 741(1) to which the failure relates; or
15 (b) if the failure is a failure of a kind referred to in paragraph
16 740(1)(j)—the next instalment period of the person to start
17 after the end of the period referred to in subparagraph
18 740(1)(j)(iii); or
19 (c) otherwise—the next instalment period of the person to start
20 after the day on which the Secretary first became aware that
21 the person committed the failure.
- 22 (4) This section does not apply to a special benefit participation failure
23 if section 745 applies to the failure.

24 **743 When the period of non-payment starts**

25 The period for which special benefit is not payable to the person
26 because of section 742 is taken to have started at the start of the
27 participation failure instalment period for the special benefit
28 participation failure.

29 **744 When the period of non-payment ends**

30 The period for which special benefit is not payable to the person
31 because of section 742 ends when:

32 (a) in accordance with a requirement of the Secretary that the
33 person comply with the requirement, or undertake the
34 activity, to which the special benefit participation failure

- 1 related, the person has complied with the requirement or
2 undertaken the activity; or
- 3 (b) in accordance with a requirement of the Secretary that the
4 person undertake another activity in place of the requirement
5 or activity to which the special benefit participation failure
6 related, the person has undertaken the other activity; or
- 7 (c) in accordance with a requirement of the Secretary that the
8 person comply with another requirement in place of the
9 requirement or activity to which the special benefit
10 participation failure related, the person has complied with the
11 other requirement.

12 **Subdivision CA—Situations where allowance not payable**
13 **because of repeated or more serious failure**

14 **745 Allowance not payable because of repeated or more serious**
15 **failure**

- 16 (1) A special benefit is not payable to a person, for the period of 8
17 weeks starting in accordance with section 745A, if the person:
- 18 (a) commits a special benefit participation failure (the *repeated*
19 *failure*), having committed special benefit participation
20 failures (the *earlier failures*) on 2 or more other occasions
21 during the period of 12 months preceding that failure; or
- 22 (b) is unemployed due, either directly or indirectly, to a
23 voluntary act of the person; or
- 24 (c) is unemployed due to the person's misconduct as a worker;
25 or
- 26 (d) has refused or failed, without reasonable excuse, to accept a
27 suitable offer of employment; or
- 28 (e) fails:
- 29 (i) to commence, complete or participate in an approved
30 program of work for income support payment that the
31 person is required to undertake; or
- 32 (ii) to comply with the conditions of such a program.
- 33 (2) For the purposes of paragraph (1)(a), disregard any earlier failure
34 that is a failure to which subsection 742(1) does not apply because
35 of subsection 742(2).

- 1 (3) Subsection (1) does not apply in relation to the repeated failure if
2 the Secretary is for any other reason satisfied that subsection (1)
3 should not apply to the failure.
- 4 (4) Paragraph (1)(b) does not apply if the Secretary is satisfied that the
5 person's voluntary act was reasonable.
- 6 (5) Paragraph (1)(e) applies only if:
7 (a) the person is under 60; and
8 (b) a determination under paragraph 28(4)(b) is in force in
9 relation to the person.

10 **745A When the period of non-payment starts**

- 11 (1) The period for which special benefit is not payable to the person
12 because of paragraph 745(1)(a) is taken to start, or to have started:
13 (a) if the repeated failure is a failure of a kind referred to in
14 paragraph 740(1)(h), (i) or (j)—at the start of the
15 participation failure instalment period for the repeated
16 failure; or
17 (b) if paragraph (a) of this subsection does not apply and the
18 repeated failure occurs during a participation failure
19 instalment period for an earlier failure—at the start of the
20 participation failure instalment period for the earlier failure;
21 or
22 (c) otherwise—at the start of the next instalment period of the
23 person to start after the day on which the Secretary first
24 became aware that the person committed the failure.
- 25 Note: For *participation failure instalment period* see subsection 742(3).
- 26 (2) The period for which special benefit is not payable to the person
27 because of section 745 (other than because of paragraph 745(1)(a))
28 starts on the day the Secretary determines that section 745 applies
29 to the person.
- 30 (3) However, if:
31 (a) section 745 would not apply to the person but for the
32 application of paragraph 745(1)(b) or (c), or both; and
33 (b) at the time of the voluntary act or misconduct in question, the
34 person was not receiving special benefit;

1 the period for which special benefit is not payable to the person
2 starts at the time the person became unemployed as a result of the
3 voluntary act or misconduct.

4 **44 Saving provision relating to activity test breaches**

5 (1) If:

6 (a) as a result of an activity test breach committed by the person
7 before the commencement of this item, an activity test
8 penalty period applied to the person under Subdivision C of
9 Division 1 of Part 2.15 of the *Social Security Act 1991*; and

10 (b) on that commencement, the activity test penalty period had
11 not ended;

12 the activity test penalty period continues to apply to the person after that
13 commencement as if that Subdivision had not been repealed by this Act.

14 (2) In this item:

15 **activity test breach** means any failure, voluntary act or misconduct
16 committed by the person as a result of which an activity test penalty
17 period applied to the person, before the commencement of this item,
18 under Subdivision C of Division 1 of Part 2.15 of the *Social Security*
19 *Act 1991*.

20 **45 Transitional provision relating to repeated breaches**

21 (1) The reference in paragraph 745(1)(a) of the *Social Security Act 1991*, as
22 amended by this Act, to special benefit participation failures committed
23 by a person during the period of 12 months preceding a special benefit
24 participation failure includes a reference to any activity test failures
25 committed by the person:

26 (a) during that period of 12 months; and

27 (b) before the commencement of this item.

28 (2) In this item:

29 **activity test failure** means any failure committed by the person as a
30 result of which an activity test penalty period applied to the person,
31 before the commencement of this item, under section 740, 741 or 742 of
32 the *Social Security Act 1991*.

33 **46 Section 745H**

34 Repeal the section, substitute:

1 **745H Situations where special benefit not payable for failure to**
2 **comply with certain requirements**

3 Special benefit is not payable to a person who is a nominated visa
4 holder if the person refuses or fails, without reasonable excuse, to
5 comply with a requirement made of the person under section 67, 68
6 or 192 of the Administration Act.

7 **47 Saving provision relating to administrative breaches**

8 (1) If:

9 (a) as a result of an administrative breach committed by the
10 person before the commencement of this item, an
11 administrative breach rate reduction period applied to the
12 person under section 745H of the *Social Security Act 1991*;
13 and

14 (b) on that commencement, the administrative breach rate
15 reduction period had not ended;

16 the administrative breach rate reduction period continues to apply to the
17 person after that commencement as if that section had not been repealed
18 by this Act.

19 (2) In this item:

20 *administrative breach* means any refusal or failure by the person as a
21 result of which an administrative breach rate reduction period applied to
22 the person, before the commencement of this item, under section 745H
23 of the *Social Security Act 1991*.

24 **48 Subdivision A of Division 4 of Part 2.15 of Chapter 2**
25 **(heading)**

26 Repeal the heading.

27 **49 Subdivision B of Division 4 of Part 2.15 of Chapter 2**
28 **(heading)**

29 Repeal the heading.

30 **50 Subdivisions C and D of Division 4 of Part 2.15 of**
31 **Chapter 2**

32 Repeal the Subdivisions.

1 **51 Saving provision relating to activity test breach rate**
2 **reductions**

3 (1) If:

4 (a) as a result of an activity test breach committed by the person
5 before the commencement of this item, an activity test breach
6 rate reduction period applied to the person under Subdivision
7 C of Division 1 of Part 2.15 of the *Social Security Act 1991*;
8 and

9 (b) on that commencement, the activity test breach rate reduction
10 period had not ended;

11 Subdivision C of Division 4 of Part 2.15 of the *Social Security Act 1991*
12 continues to apply to the activity test breach rate reduction period after
13 that commencement as if it had not been repealed by this Act.

14 (2) The fact that an activity test breach rate reduction period is applying to
15 the person because of this item does not prevent the application to the
16 person, at the same time, of a period during which special benefit is not
17 payable because of Subdivision C or CA of Division 1 of Part 2.15 of
18 the *Social Security Act 1991* as amended by this Act.

19 (3) In this item:

20 **activity test breach** means any failure, voluntary act or misconduct
21 committed by the person as a result of which an activity test penalty
22 period applied to the person, before the commencement of this item,
23 under Subdivision C of Division 4 of Part 2.15 of the *Social Security*
24 *Act 1991*.

25 **52 Saving provision relating to administrative breaches**

26 (1) If:

27 (a) as a result of an administrative breach committed by the
28 person before the commencement of this item, an
29 administrative breach rate reduction period applied to the
30 person under:

31 (i) section 745H of the *Social Security Act 1991*; or

32 (ii) subsection 63(5) or 64(4) of the *Social Security*
33 *(Administration) Act 1999*; and

34 (b) on that commencement, the administrative breach rate
35 reduction period had not ended;

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1 Subdivision D of Division 4 of Part 2.15 of the *Social Security Act 1991*
2 continues to apply to the administrative breach rate reduction period
3 after that commencement as if it had not been repealed by this Act.

4 (2) The fact that an administrative breach rate reduction period is applying
5 to the person because of this item does not prevent the application to the
6 person, at the same time, of a period during which special benefit is not
7 payable because of Subdivision C or CA of Division 1 of Part 2.15 of
8 the *Social Security Act 1991* as amended by this Act.

9 (3) In this item:

10 *administrative breach* means any refusal, failure or non-compliance by
11 the person as a result of which an administrative breach rate reduction
12 period applied to the person, before the commencement of this item,
13 under:

14 (a) section 745H of the *Social Security Act 1991*; or

15 (b) subsection 63(5) or 64(4) of the *Social Security*
16 *(Administration) Act 1999*.

17 **53 Subdivision E of Division 4 of Part 2.15 of Chapter 2**
18 **(heading)**

19 Repeal the heading.

1

2 **Part 3—Rate of special benefit**

3 *Social Security Act 1991*

4 **54 At the end of section 746**

5 Add:

6 (3) In working out, for the purposes of subsection (2), the rate at which
7 youth allowance would be payable to a person, disregard any
8 amount by which the rate would be increased because of point
9 1067G-B3A of the Youth Allowance Rate Calculator.

10 (4) In working out, for the purposes of subsection (2), the rate at which
11 newstart allowance would be payable to a person, disregard any
12 amount by which the rate would be increased because of point
13 1068-B5 of Benefit Rate Calculator B.

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2 **Schedule 11—Mobility allowance**
3

4 *Social Security Act 1991*

5 **1 Subsection 1035(1)**

6 After “mobility allowance”, insert “at the rate specified in subsection
7 1044(1)”.

8 Note: The heading to section 1035 is replaced by the heading “**Qualification for mobility**
9 **allowance (rate specified in subsection 1044(1))**”.

10 **2 After section 1035**

11 Insert:

12 **1035A Qualification for mobility allowance (rate specified in**
13 **subsection 1044(1A))**

14 *General principle*

15 (1) A person is qualified for a mobility allowance at the rate specified
16 in subsection 1044(1A) if:

- 17 (a) the person is a handicapped person; and
18 (b) the Secretary is of the opinion that the person is unable to use
19 public transport without substantial assistance (either
20 permanently or for an extended period) due to the person’s
21 physical or mental disability; and
22 (c) the person is an Australian resident; and
23 (d) the person satisfies one or more of subsections (2) to (7).

24 *Disability support pension*

25 (2) A person satisfies this subsection if:

- 26 (a) at a particular time, the person’s hours of work per week at
27 award wages or above increase to at least 30 hours per week;
28 and
29 (b) immediately before that time, the person was receiving
30 disability support pension as a result of a claim made before
31 1 July 2006; and

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- 1 (c) the person ceased to be qualified for disability support
 2 pension because of the increase in the number of hours
 3 worked; and
 4 (d) since the time mentioned in paragraph (a), the person:
 5 (i) has been working for at least 30 hours per week at award
 6 wages or above; and
 7 (ii) has not received another income support payment; and
 8 (e) the person is required to travel to and from the person's home
 9 for the purpose of performing that work.

10 However, this subsection ceases to apply to a transitional DSP
 11 applicant from the date of effect of the first decision about the
 12 person's capacity to perform work made on or after 1 July 2006
 13 following a review of the person's capacity to perform work.

- 14 (3) A person satisfies this subsection if:
 15 (a) the person is receiving disability support pension; and
 16 (b) one or both of the following applies to the person:
 17 (i) the person is working for at least 15 hours per week at
 18 award wages or above;
 19 (ii) the person is undertaking job search activities under an
 20 agreement between the Secretary and a service provider
 21 nominated by the Secretary of the Employment
 22 Department for work of at least 15 hours per week at
 23 award wages or above; and
 24 (c) if the person is working as mentioned in
 25 subparagraph (b)(i)—the person is required to travel to and
 26 from the person's home for the purpose of performing the
 27 work; and
 28 (d) if the person is undertaking job search activities as mentioned
 29 in subparagraph (b)(ii)—the person is required to travel to
 30 and from the person's home for the purpose of undertaking
 31 those activities.

- 32 (4) A person satisfies this subsection if:
 33 (a) subsection (2) does not apply (or has ceased to apply) to the
 34 person; and
 35 (b) the person is working for at least 15 hours per week at award
 36 wages or above; and
 37 (c) immediately before the person started that work, the person
 38 was receiving disability support pension; and
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- 1 (d) the person ceased to be qualified for disability support
2 pension because of the number of hours worked; and
3 (e) since starting that work, the person:
4 (i) has been working at least 15 hours per week at award
5 wages or above; and
6 (ii) has not received another income support payment; and
7 (f) the person is required to travel to and from the person's home
8 for the purpose of performing that work.
- 9 (5) A person satisfies this subsection if:
10 (a) subsection (2) does not apply (or has ceased to apply) to the
11 person; and
12 (b) at a particular time, the person starts to earn income from
13 work or the person's income from work increases; and
14 (c) immediately before that time, the person was receiving
15 disability support pension; and
16 (d) the disability support pension ceased to be payable to the
17 person because the rate of the pension is nil due to the
18 income, or increased income, the person earned from the
19 work; and
20 (e) since the time mentioned in paragraph (b), the person has
21 been working at least 15 hours per week at award wages or
22 above; and
23 (f) the person is required to travel to and from the person's home
24 for the purpose of performing that work; and
25 (g) since the time mentioned in paragraph (b), no income support
26 payment has been payable to the person because the rate of
27 the payment is nil due to the income, or increased income,
28 the person has been earning from the work.

29 *Newstart allowance or youth allowance recipients*

- 30 (6) A person satisfies this subsection if:
31 (a) the person:
32 (i) is receiving newstart allowance; or
33 (ii) is receiving youth allowance, but is not undertaking
34 full-time study and is not a new apprentice; and
35 (b) one or both of the following applies to the person:
36 (i) the person is working at least 15 hours per week at
37 award wages or above;
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- 1 (ii) the person is undertaking job search activities under an
 2 agreement between the Secretary and a service provider
 3 nominated by the Secretary of the Employment
 4 Department for work of at least 15 hours per week at
 5 award wages or above; and
 6 (c) if the person is working as mentioned in
 7 subparagraph (b)(i)—the person is required to travel to and
 8 from the person’s home for the purpose of performing the
 9 work; and
 10 (d) if the person is undertaking job search activities as mentioned
 11 in subparagraph (b)(ii)—the person is required to travel to
 12 and from the person’s home for the purpose of undertaking
 13 those activities.

14 Note 1: For *undertaking full-time study* see section 541B.

15 Note 2: For *new apprentice* see subsection 23(1).

16 (7) A person satisfies this subsection if:

- 17 (a) at a particular time, the person starts to earn income from
 18 work or the person’s income from work increases; and
 19 (b) immediately before that time, the person:
 20 (i) was receiving newstart allowance; or
 21 (ii) was receiving youth allowance, but was not undertaking
 22 full-time study and was not a new apprentice; and
 23 (c) the newstart allowance or youth allowance ceased to be
 24 payable to the person because the rate of the allowance was
 25 nil due to the income, or increased income, the person earned
 26 from his or her work; and
 27 (d) since the time mentioned in paragraph (a), the person has
 28 been working at least 15 hours per week at award wages or
 29 above; and
 30 (e) the person is required to travel to and from the person’s home
 31 for the purpose of performing that work; and
 32 (f) since the time mentioned in paragraph (a), no income support
 33 payment has been payable to the person because the rate of
 34 the payment is nil due to the income, or increased income,
 35 the person has been earning from the work.

36 Note 1: For *undertaking full-time study* see section 541B.

37 Note 2: For *new apprentice* see subsection 23(1).

38 **3 Before section 1037**

1 Insert:

2 **1036 Mobility allowance not payable at 2 rates**

3 Mobility allowance at the rate specified in subsection 1044(1) is
4 not payable to a person while mobility allowance at the rate
5 specified in subsection 1044(1A) is payable to the person.

6 **4 Subsection 1044(1)**

7 After “mobility allowance”, insert “for a person who qualifies for the
8 allowance under section 1035”.

9 **5 After subsection 1044(1)**

10 Insert:

11 (1A) The fortnightly rate of mobility allowance for a person who
12 qualifies for the allowance under section 1035A is \$100.

13 **6 Paragraph 1046(1)(a)**

14 After “mobility allowance”, insert “at the rate specified in subsection
15 1044(1)”.

16 **7 Paragraph 1046(2)(a)**

17 After “mobility allowance”, insert “at the rate specified in subsection
18 1044(1)”.

19 **8 After subsection 1046(2)**

20 Insert:

21 (2A) This section applies to a person if:

- 22 (a) a mobility allowance is payable to a person at the rate
23 specified in subsection 1044(1A); and
24 (b) the person would, apart from this section, cease to be
25 qualified for the mobility allowance because he or she ceases,
26 in the Secretary’s opinion, to satisfy one or more of
27 subsections 1035A(2), (3), (4), (5), (6) and (7).

28 (2B) This section applies to a person if:

- 29 (a) a mobility allowance is payable to a person at the rate
30 specified in subsection 1044(1A) because the person satisfies
31 one or both of subsections 1035A(6) and (7); and
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- (b) the person would, apart from this section, cease to be qualified for the mobility allowance because he or she ceases, in the Secretary’s opinion:
 - (i) to receive newstart allowance for a reason other than the application of section 601 or 605 of this Act or section 81 of the Administration Act; or
 - (ii) to receive youth allowance for a reason other than the application of section 541A, 544A, 550B, 551 or 553B of this Act or section 81 of the Administration Act; or
 - (iii) to undertake job search activities, under an agreement between the Secretary and a service provider nominated by the Secretary of the Employment Department, for work of at least 15 hours per week at award wages or above.

9 Paragraph 1046(4)(b)

Omit “and (2)”, substitute “, (2), (2A) and (2B)”.

10 Section 1190 (table item 57)

Repeal the item, substitute:

Mobility allowance			
57.	mobility allowance for a person qualified under section 1035	MA rate (standard)	[subsection 1044(1)]
58.	mobility allowance for a person qualified under section 1035A	MA rate (increased)	[subsection 1044(1A)]

11 Subsection 1191(1) (table item 34)

Omit “MA rate”, substitute “MA rate (standard)”.

12 Subsection 1191(1) (after table item 34)

Insert:

Schedule 11 Mobility allowance

34A.	MA rate (increased)	1 January	June	highest June quarter before the reference quarter (but not earlier than June 2006 quarter)	\$0.10
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1 **13 Subsection 1192(3)**

2 After “MA rate”, insert “(standard)”.

3 **14 After subsection 1192(3)**

4 Insert:

5 (3A) The first indexation of the MA rate (increased) under
6 subsection (1) is to take place on 1 January 2007.

1
2 **Schedule 12—Advance payments of benefit**
3 **PP (partnered)**
4

5 *Social Security Act 1991*

6 **1 Subsection 1061EE(1)**

7 After “widow allowance,” insert “benefit PP (partnered),”.

8 Note: The heading to section 1061EE is replaced by the heading “**Amount of advance**
9 **payment—certain other social security payments**”.

10 **2 Subsection 1061EE(4)**

11 After “advance payment of”, insert “benefit PP (partnered),”.

12 Note: The heading to subsection 1061EE(4) is replaced by the heading “*Formula for*
13 *maximum amount of advance: benefit PP (partnered), youth allowance, austudy*
14 *payment or newstart allowance*”.

15 **3 Subsection 1061EE(6) (definition of fortnightly payment**
16 **rate)**

17 Repeal the definition (not including the example), substitute:

18 *fortnightly payment rate* means:

- 19 (a) in relation to benefit PP (partnered)—the fortnightly rate of
20 that benefit payable under the Benefit PP (Partnered) Rate
21 Calculator to the person on the last payday before the
22 application for the advance payment was made, excluding
23 any amount payable by way of remote area allowance; or
24 (b) in relation to widow allowance, youth allowance, austudy
25 payment, mature age allowance under Part 2.12B or newstart
26 allowance—the fortnightly rate of that benefit payable under
27 Benefit Rate Calculator B to the person on the last payday
28 before the application for the advance payment was made,
29 excluding any amount payable by way of remote area
30 allowance.

31 **4 Subsection 1206H(3)**

32 Repeal the subsection.

33 **5 Subsection 1206Q(3)**

1 Repeal the subsection.

2 **6 Paragraph 1224E(1)(d)**

3 Omit “or benefit PP (partnered)”.

4 **7 Application of items 1, 2 and 3**

5 The amendments made by items 1, 2 and 3 of this Schedule apply to
6 applications for advance payment of benefit PP (partnered) made on or
7 after 20 September 2006.

1
2 **Schedule 13—Pensioner education**
3 **supplement**
4

5 *Social Security Act 1991*

6 **1 Subparagraph 1061PE(4)(d)(i)**

7 Omit “or a pension PP (single)”, substitute “, a pension PP (single), a
8 youth allowance or a newstart allowance”.

9 **2 After paragraph 1061PJ(2)(d)**

10 Insert:

11 (da) subject to subsection (2A), a youth allowance;

12 (db) subject to subsection (2B), a newstart allowance;

13 **3 After subsection 1061PJ(2)**

14 Insert:

15 (2A) Paragraph (2)(da) only applies if:

16 (a) the person receiving the payment:

17 (i) has a partial capacity to work; and

18 (ii) on the day (being a day occurring on or after 1 July
19 2006) immediately before the person last qualified for a
20 youth allowance, was a transitional DSP applicant and
21 was receiving a disability support pension; and

22 (iii) on that day ceased to be qualified for that disability
23 support pension because he or she no longer had a
24 continuing inability to work within the meaning of
25 section 94; and

26 (iv) on that day was qualified for a pensioner education
27 supplement in relation to a particular course of
28 education or study; or

29 (b) the person receiving the payment:

30 (i) is the principal carer of at least one child and is not a
31 member of a couple; and

32 (ii) on the day (being a day occurring on or after 1 July
33 2006) immediately before the person last qualified for a

- 1 youth allowance, was receiving a pension (PP) single;
2 and
3 (iii) on that day ceased to be qualified for a parenting
4 payment because he or she no longer had a PP child for
5 the reason that his or her youngest dependent child had
6 turned 8; and
7 (iv) on that day was qualified for a pensioner education
8 supplement in relation to a particular course of
9 education or study;

10 and the person has:

- 11 (c) at all times since that day, been qualified both for:
12 (i) a youth allowance; and
13 (ii) a pensioner education supplement in relation to that
14 particular course of education or study; and
15 (d) at no time since that day, either undertaken full-time study or
16 been a new apprentice.

17 Note 1: For *partial capacity to work* see section 16B.

18 Note 2: For *transitional DSP applicant* see subsection 23(1).

19 Note 3: For *principal carer* see subsections 5(15) to (24).

20 Note 4: For *undertaking full-time study* see section 541B.

21 Note 5: For *new apprentice* see subsection 23(1).

22 (2B) Paragraph (2)(db) only applies if:

- 23 (a) the person receiving the payment:
24 (i) has a partial capacity to work; and
25 (ii) on the day (being a day occurring on or after 1 July
26 2006) immediately before the person last qualified for a
27 newstart allowance, was a transitional DSP applicant
28 and was receiving a disability support pension, or was
29 receiving a youth allowance in respect of which
30 subsection (2A) applied; and
31 (iii) if he or she was receiving a disability support pension—
32 on that day ceased to be qualified for it because he or
33 she no longer had a continuing inability to work within
34 the meaning of section 94; and
35 (iv) on that day was qualified for a pensioner education
36 supplement in relation to a particular course of
37 education or study; or
38 (b) the person receiving the payment:
-

- 1 (i) is the principal carer of at least one child and is not a
 2 member of a couple; and
 3 (ii) on the day (being a day occurring on or after 1 July
 4 2006) immediately before the person last qualified for a
 5 newstart allowance, was receiving a pension (PP)
 6 single, or was receiving a youth allowance in respect of
 7 which subsection (2A) applied; and
 8 (iii) if he or she was receiving a pension (PP) single—on
 9 that day ceased to be qualified for a parenting payment
 10 because he or she no longer had a PP child for the
 11 reason that his or her youngest dependent child had
 12 turned 8; and
 13 (iv) on that day was qualified for a pensioner education
 14 supplement in relation to a particular course of
 15 education or study;
 16 and the person has, at all times since that day, been qualified both
 17 for:
 18 (c) a newstart allowance; and
 19 (d) a pensioner education supplement in relation to that
 20 particular course of education or study.
 21 Note 1: For *partial capacity to work* see section 16B.
 22 Note 2: For *transitional DSP applicant* see subsection 23(1).
 23 Note 3: For *principal carer* see subsections 5(15) to (24).

24 **4 After subparagraph 1061PZG(1)(b)(i)**

25 Insert:

- 26 (ia) a youth allowance or newstart allowance under this Act,
 27 in a case where the person has a partial capacity to
 28 work;

29 **5 At the end of subsection 1061PZG(1)**

30 Add:

- 31 Note 1: Recipients of youth allowance or newstart allowance only qualify for
 32 pensioner education supplement in the limited circumstances set out in
 33 subsection 1061PJ(2A) or (2B).
 34 Note 2: For *partial capacity to work* see section 16B.

1
2 **Schedule 14—Telephone allowance**

3 **Part 1—Amendments commencing on Royal Assent**

4 *Social Security Act 1991*

5 **1 Paragraphs 1061Q(3)(b) and (3A)(e)**

6 Omit “(whether or not the kind of payment received has changed over
7 the period and whether the period or any part of it occurred before or
8 after the commencement of this paragraph)”.

9 **2 Subsection 1061Q(4)**

10 Repeal the subsection, substitute:

11 (3C) If:

12 (a) a person has been receiving one of the following:

13 (i) a social security pension;

14 (ii) a mature age allowance under Part 2.12B; and

15 (b) the person ceases to receive the pension or allowance because
16 the person or the person’s partner earns, derives or receives,
17 or is taken to earn, derive or receive, employment income;
18 and

19 (c) the person is a telephone subscriber;

20 the person is qualified for a telephone allowance:

21 (d) if the person has been receiving a disability support
22 pension—for a period of 12 months from the date on which
23 the person ceases to receive the pension; or

24 (e) in any other situation mentioned in paragraph (a)—for a
25 period of 6 months from the date on which the person ceases
26 to receive the pension or allowance.

27 Note 1: For *telephone subscriber* see subsection (5).

28 Note 2: Subsection 23(4A) can affect when a person is taken to be receiving
29 the pension or allowance.

30 (3F) If:

31 (a) a person has been receiving one of the following social
32 security benefits:

33 (i) newstart allowance;

- 1 (ii) widow allowance;
2 (iii) partner allowance;
3 (iv) sickness allowance;
4 (v) special benefit;
5 (vi) benefit PP (partnered); and
6 (b) the person ceases to receive the benefit because the person or
7 the person's partner earns, derives or receives, or is taken to
8 earn, derive or receive, employment income; and
9 (c) the person has turned 60; and
10 (d) immediately before the person ceases to receive the benefit,
11 the person had been receiving income support payments in
12 respect of a continuous period of at least 9 months; and
13 (e) the person is a telephone subscriber;
14 the person is qualified for a telephone allowance for a period of 6
15 months from the date on which the person ceases to receive the
16 benefit.

17 Note 1: For *telephone subscriber* see subsection (5).

18 Note 2: Subsection 23(4A) can affect when a person is taken to be receiving
19 the benefit.

20 (3G) If:

- 21 (a) a person has been receiving partner allowance or benefit PP
22 (partnered); and
23 (b) the person ceases to receive the benefit because the person or
24 the person's partner earns, derives or receives, or is taken to
25 earn, derive or receive, employment income; and
26 (c) the person's partner has turned 60; and
27 (d) the person's partner:
28 (i) is receiving newstart allowance or sickness allowance;
29 or
30 (ii) was receiving newstart allowance or sickness allowance
31 immediately before the person ceased to receive partner
32 allowance or benefit PP (partnered); and
33 (e) immediately before the person ceases to receive the benefit,
34 the person's partner had been receiving income support
35 payments in respect of a continuous period of at least 9
36 months; and
37 (f) the person is a telephone subscriber;

Schedule 14 Telephone allowance
Part 1 Amendments commencing on Royal Assent

1 the person is qualified for a telephone allowance for a period of 6
2 months from the date on which the person ceases to receive the
3 benefit.

4 Note 1: For *telephone subscriber* see subsection (5).

5 Note 2: Subsection 23(4A) can affect when a person is taken to be receiving
6 the benefit.

7 (3J) A reference in paragraph (3C)(b), (3F)(b) or (3G)(b) to the
8 employment income of a person is a reference to that person's
9 employment income either alone or in combination with any other
10 ordinary income earned, derived or received, or taken to have been
11 earned, derived or received, by the person or the person's partner.

12 (4) For the purposes of paragraph (3)(b), (3A)(e), (3F)(d) or (3G)(e), it
13 does not matter:

14 (a) whether the kind of payment received has changed over the
15 period in question; or

16 (b) whether the period or any part of it occurred before or after
17 the commencement of that paragraph.

1

2 **Part 2—Amendments commencing on 1 July 2006**

3 ***Social Security Act 1991***

4 **3 After subsection 1061Q(1)**

5 Insert:

- 6 (2) A person is qualified for a telephone allowance if:
- 7 (a) the person is receiving a youth allowance; and
- 8 (b) the person is not undertaking full-time study; and
- 9 (c) the person is not a new apprentice; and
- 10 (d) the person:
- 11 (i) has a partial capacity to work; or
- 12 (ii) is the principal carer of at least one child and is not a
- 13 member of a couple; and
- 14 (e) the person is a telephone subscriber.

15 Note 1: For *undertaking full-time study* see section 541B.

16 Note 2: For *new apprentice* see subsection 23(1).

17 Note 3: For *partial capacity to work* see section 16B.

18 Note 4: For *principal carer* see subsections 5(15) to (24).

19 Note 5: For *telephone subscriber* see subsection (5).

- 20 (2A) A person is qualified for a telephone allowance if:
- 21 (a) the person is receiving a newstart allowance; and
- 22 (b) the person:
- 23 (i) has a partial capacity to work; or
- 24 (ii) is the principal carer of at least one child and is not a
- 25 member of a couple; and
- 26 (c) the person is a telephone subscriber.

27 Note 1: For *partial capacity to work* see section 16B.

28 Note 2: For *principal carer* see subsections 5(15) to (24).

29 Note 3: For *telephone subscriber* see subsection (5).

- 30 (2B) A person is qualified for a telephone allowance if:
- 31 (a) the person is:

- 1 (i) receiving a youth allowance while the person is not
2 undertaking full-time study and is not a new apprentice;
3 or
4 (ii) receiving a newstart allowance; and
5 (b) the person is the principal carer of at least one child and is a
6 member of a couple; and
7 (c) the person is a telephone subscriber; and
8 (d) the person's partner has turned 60; and
9 (e) the person's partner is receiving newstart allowance or
10 sickness allowance; and
11 (f) the person's partner has been receiving income support
12 payments in respect of a continuous period of at least 9
13 months.

14 Note 1: For *undertaking full-time study* see section 541B.

15 Note 2: For *new apprentice* see subsection 23(1).

16 Note 3: For *principal carer* see subsections 5(15) to (24).

17 Note 4: For *telephone subscriber* see subsection (5).

18 Note 5: For *income support payment* see subsection 23(1).

19 Note 6: Subsection 23(4A) can affect when a person is taken to be receiving
20 the pension or allowance.

21 **4 After subsection 1061Q(3C)**

22 Insert:

- 23 (3D) Subsection (3C) applies to a person who:
24 (a) has been receiving a youth allowance while the person:
25 (i) has had a partial capacity to work; and
26 (ii) has not been undertaking full-time study; and
27 (iii) has not been a new apprentice; or
28 (b) has been receiving a newstart allowance while the person has
29 had a partial capacity to work;
30 as if the person had been receiving a disability support pension.

31 Note 1: For *partial capacity to work* see section 16B.

32 Note 2: For *undertaking full-time study* see section 541B.

33 Note 3: For *new apprentice* see subsection 23(1).

- 34 (3E) Subsection (3C) applies to a person who:
35 (a) has been receiving a youth allowance while the person:
-

- 1 (i) has been the principal carer of at least one child; and
2 (ii) has not been a member of a couple; and
3 (iii) has not had a partial capacity to work; and
4 (iv) has not been undertaking full-time study; and
5 (v) has not been a new apprentice; or
6 (b) has been receiving a newstart allowance while the person:
7 (i) has been the principal carer of at least one child; and
8 (ii) has not been a member of a couple; and
9 (iii) has not had a partial capacity to work;
10 as if the person had been receiving pension PP (single).

11 Note 1: For *principal carer* see subsections 5(15) to (24).

12 Note 2: For *partial capacity to work* see section 16B.

13 Note 3: For *undertaking full-time study* see section 541B.

14 Note 4: For *new apprentice* see subsection 23(1).

15 **5 After subsection 1061Q(3G)**

16 Insert:

- 17 (3H) Subsection (3G) applies to a person who:
18 (a) has been receiving youth allowance while the person:
19 (i) has been the principal carer of at least one child; and
20 (ii) has been a member of a couple; and
21 (iii) has not been undertaking full-time study; and
22 (iv) has not been a new apprentice; or
23 (b) has been receiving newstart allowance while the person:
24 (i) has been the principal carer of at least one child; and
25 (ii) has been a member of a couple;
26 as if the person had been receiving partner allowance or benefit PP
27 (partnered).

28 Note 1: For *principal carer* see subsections 5(15) to (24).

29 Note 2: For *undertaking full-time study* see section 541B.

30 Note 3: For *new apprentice* see subsection 23(1).

31 **6 Subsection 1061Q(4)**

32 After “paragraph”, insert “(2B)(f),”.

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Schedule 15—Concession cards

Social Security Act 1991

1 After subsection 1061ZA(2)

Insert:

- (2A) Subject to subsection (3), a person is qualified for a pensioner concession card on a day if, on that day:
- (a) the person is receiving a youth allowance; and
 - (b) the person is not undertaking full-time study and is not a new apprentice; and
 - (c) the person:
 - (i) has a partial capacity to work; or
 - (ii) is the principal carer of at least one child and is not a member of a couple.

Note 1: For *undertaking full-time study* see section 541B.

Note 2: For *new apprentice* see subsection 23(1).

Note 3: For *partial capacity to work* see section 16B.

Note 4: For *principal carer* see subsections 5(15) to (24).

- (2B) Subject to subsection (3), a person is qualified for a pensioner concession card on a day if, on that day:
- (a) the person is receiving a newstart allowance; and
 - (b) the person:
 - (i) has a partial capacity to work; or
 - (ii) is the principal carer of at least one child and is not a member of a couple; and
 - (c) the person is not qualified for a pensioner concession card under subsection (2).

Note 1: For *partial capacity to work* see section 16B.

Note 2: For *principal carer* see subsections 5(15) to (24).

2 Subsection 1061ZA(3)

Omit “subsections (1) and (2)”, substitute “subsections (1), (2), (2A) and (2B)”.

1 **3 Subsection 1061ZA(4)**

2 Omit “subsections (1) and (2)”, substitute “subsections (1), (2), (2A)
3 and (2B)”.

4 **4 After paragraph 1061ZC(1)(c)**

5 Insert:

6 and (ca) the person did not become qualified under section 1061ZEB
7 for a pensioner concession card because of that employment
8 or increase in ordinary income;

9 **5 Subsection 1061ZD(1)**

10 Omit “subsection (5)”, substitute “subsections (5), (5A) and (7)”.

11 **6 After subsection 1061ZD(5)**

12 Insert:

13 (5A) If, during the period of 52 weeks referred to in subsection (1), a
14 person receives an instalment of:

15 (a) a youth allowance while subsection 1061ZA(2A) applies to
16 the person; or

17 (b) a newstart allowance while subsection 1061ZA(2B) applies
18 to the person;

19 that relates to one or more days within that period, the person is not
20 qualified under this section for a pensioner concession card on the
21 day or days in relation to which the person receives the instalment.

22 **7 At the end of section 1061ZD**

23 Add:

24 (7) This section does not apply in any case where a person is qualified
25 for a pensioner concession card under section 1061ZEB.

26 **8 Subsection 1061ZEA(1)**

27 Omit “or 1061ZE”, substitute “, 1061ZE or 1061ZEB”.

28 **9 Paragraph 1061ZEA(2)(f)**

29 Omit “1061ZA(2)”, substitute “1061ZA(2), (2A) or (2B)”.

30 **10 Subparagraph 1061ZEA(2)(g)(ii)**

1 Omit “1061ZA(2)”, substitute “1061ZA(2), (2A) or (2B)”.

2 **11 After section 1061ZEA**

3 Insert:

4 **1061ZEB Extended qualification rule: persons with a partial**
5 **capacity to work**

6 (1) A person is qualified for a pensioner concession card for the period
7 of 52 weeks starting on the day on which this section begins to
8 apply to the person.

9 (2) Subject to subsection (3), this section applies to a person if:

10 (a) either:

11 (i) the person has been receiving a youth allowance while
12 the person was not undertaking full-time study and was
13 not a new apprentice; or

14 (ii) the person has been receiving a newstart allowance; and

15 (b) because there is an increase in the person’s ordinary income
16 from employment (and after any working credit balance of
17 the person is reduced to nil), the youth allowance or newstart
18 allowance ceases to be payable to the person; and

19 (c) at the time of the cessation the person:

20 (i) was qualified for a pensioner concession card because
21 of subsection 1061ZA(2A) or (2B); and

22 (ii) had a partial capacity to work.

23 Note 1: For *undertaking full-time study* see section 541B.

24 Note 2: For *new apprentice* see subsection 23(1).

25 Note 3: For *partial capacity to work* see section 16B.

26 (3) This section only applies to a person while the person is in
27 Australia and is an Australian resident.

28 (4) If, during the period of 52 weeks referred to in subsection (1), a
29 person receives an instalment of:

30 (a) a youth allowance while subsection 1061ZA(2A) applies to
31 the person; or

32 (b) a newstart allowance while subsection 1061ZA(2B) applies
33 to the person; or

34 (c) a social security pension;

1 that relates to one or more days within that period, the person is not
2 qualified under this section for a pensioner concession card on the
3 day or days in relation to which the person receives the instalment.

4 **12 Subsection 1061ZK(5)**

5 After “to a person”, insert “(other than a person who is qualified for a
6 pensioner concession card because of subsection 1061ZA(2A))”.

7 **13 After subsection 1061ZM(1B)**

8 Insert:

9 (1BA) If the person:

- 10 (a) was an employment-affected person because of receiving
- 11 youth allowance or newstart allowance; and
- 12 (b) was, on the day on which the person ceased to be an
- 13 employment-affected person, the principal carer of at least
- 14 one child; and
- 15 (c) is qualified for a pensioner concession card under
- 16 section 1061ZEA until a day (the *particular day*);
- 17 subsection (1) has effect as if the reference to the period of 26
- 18 weeks starting on the day on which the person ceases to be an
- 19 employment-affected person were a reference to the period starting
- 20 on the particular day and ending 26 weeks after the person ceases
- 21 to be an employment-affected person.

22 Note: For *principal carer* see subsections 5(15) to (24).

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Schedule 16—Pension Rate Calculators

Part 1—Amendment of Pension Rate Calculator A

Social Security Act 1991

1 Point 1064-A1 (method statement, after step 5)

Insert:

Note:	Module F contains provisions that may apply to working out the ordinary income of a person, and the ordinary income of a partner of the person, for the purposes of disability support pension.
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2 Point 1064-E1 (method statement, step 1, note)

Repeat the note, substitute:

Note 1:	For the treatment of the ordinary income of members of a couple see point 1064-E2.
Note 2:	Module F contains provisions that may apply to working out the ordinary income of a person, and the ordinary income of a partner of the person, for the purposes of disability support pension.

3 At the end of point 1064-E2

Add:

Note: For the purposes of working out a person's disability support pension rate under this Rate Calculator, Module F applies to working out the ordinary incomes of both members of the couple.

4 Section 1064 (after Module E)

Insert:

Module F—Ordinary income for the purposes of disability support pension

Application of this Module

1064-F1 This Module applies only for the purposes of working out the rate of disability support pension payable to a person. It so applies to

1 that person and, if the person is a member of a couple, to the
2 person's partner.

3 *Lump sum payments arising from termination of employment*

4 1064-F2 Subject to points 1064-F3 to 1064-F14 (inclusive), if:

5 (a) a person's employment has been terminated; and

6 (b) as a result the person is entitled to a lump sum payment from
7 the person's former employer;

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

10 *Rolling over lump sum payments*

11 1064-F3 If:

12 (a) a person's employment has been terminated; and

13 (b) as a result the person is entitled to a lump sum termination
14 payment from the person's former employer; and

15 (c) the person rolls over the lump sum termination payment into
16 an approved deposit fund, a superannuation fund or a
17 deferred annuity;

18 the lump sum termination payment is to be disregarded in working
19 out the ordinary income of the person for the purposes of Module
20 E.

21 *Certain leave payments taken to be ordinary income—employment*
22 *continuing*

23 1064-F4 If:

24 (a) a person is employed; and

25 (b) the person is on leave for a period; and

26 (c) the person is or was entitled to receive a leave payment
27 (whether as a lump sum payment, as a payment that is one of
28 a series of regular payments or otherwise) in respect of a part
29 or all of a leave period;

30 the person is taken to have received ordinary income for a period
31 (the *income maintenance period*) equal to the leave period to
32 which the leave payment entitlement relates.

1 *Certain payments taken to be ordinary income—employment*
2 *terminated*

3 1064-F5 If:

- 4 (a) a person’s employment has been terminated; and
5 (b) the person receives a termination payment (whether as a
6 lump sum payment, as a payment that is one of a series of
7 regular payments or otherwise);

8 the person is taken to have received ordinary income for a period
9 (the ***income maintenance period***) equal to the period to which the
10 payment relates.

11 *More than one termination payment on a day*

12 1064-F6 If:

- 13 (a) a person is covered by point 1064-F5; and
14 (b) the person receives more than one termination payment on a
15 day;

16 the income maintenance period is worked out by adding the
17 periods to which the payments relate.

18 *Start of income maintenance period—employment continuing*

19 1064-F7 If a person is covered by point 1064-F4, the income maintenance
20 period starts on the first day of the leave period to which the leave
21 payment entitlement relates.

22 *Start of income maintenance period—employment terminated*

23 1064-F8 If a person is covered by point 1064-F5, the income maintenance
24 period starts, subject to point 1064-F9, on the day on which the
25 person is paid the termination payment.

26 *Commencement of income maintenance period where there is a*
27 *second termination payment*

28 1064-F9 If:

- 29 (a) a person who is covered by point 1064-F5 is subject to an
30 income maintenance period (the ***first period***); and
31 (b) the person is paid another termination payment during that
32 period (the ***second termination payment***);

1 the income maintenance period for the second termination payment
2 starts on the day after the end of the first period.

3 *Leave payments or termination payments in respect of periods*
4 *longer than a fortnight*

5 1064-F10 If:

6 (a) a person receives a leave payment or termination payment;
7 and

8 (b) the payment is in respect of a period longer than a fortnight;
9 the person is taken to receive in a payment fortnight or part of a
10 payment fortnight an amount calculated by:

11 (c) dividing the amount received by the number of days in the
12 period to which the payment relates (the *daily rate*); and

13 (d) multiplying the daily rate by the number of days in the
14 payment fortnight that are also in the period.

15 1064-F11 If the Secretary is satisfied that a person is in severe financial
16 hardship because the person has incurred unavoidable or
17 reasonable expenditure while an income maintenance period
18 applies to the person, the Secretary may determine that the whole,
19 or any part, of the period does not apply to the person.

20 Note 1: For *in severe financial hardship* see subsection 19C(2) (person who
21 is not a member of a couple) and subsection 19C(3) (person who is a
22 member of a couple).

23 Note 2: For *unavoidable or reasonable expenditure* see subsection 19C(4).

24 Note 3: If an income maintenance period applies to a person, then, during that
25 period:

26 (a) the pension claimed may not be payable to the person; or

27 (b) the amount of the pension payable to the person may be reduced.

28 *When a person receives a leave payment or a termination payment*

29 1064-F12 For the purposes of points 1064-F3 to 1064-F11 (inclusive), a
30 person (the *first person*) is taken to receive a leave payment or
31 termination payment if:

32 (a) the payment is made to another person:

33 (i) at the direction of the first person or a court; or

34 (ii) on behalf of the first person; or

35 (iii) for the benefit of the first person; or

1 (b) the first person waives or assigns his or her right to receive
2 the payment.

3 *Single payment in respect of different kinds of termination*
4 *payments*

5 1064-F13 If a person who is covered by point 1064-F5 receives a single
6 payment in respect of different kinds of termination payments,
7 then, for the purposes of the application of points 1064-F3 to
8 1064-F12 (inclusive):

9 (a) each part of the payment that is in respect of a different kind
10 of termination payment is taken to be a separate payment;
11 and

12 (b) the income maintenance period in respect of the single
13 payment is worked out by adding the periods to which the
14 separate payments relate.

15 *Definitions*

16 1064-F14 In this Module:

17 *leave payment* includes a payment in respect of sick leave, annual
18 leave, maternity leave and long service leave.

19 *payment fortnight* means a fortnight in respect of which a
20 disability support pension is paid, or would be paid apart from the
21 application of an income maintenance period, to a person.

22 *period to which the payment relates* means:

23 (a) if the payment is a leave payment—the leave period to which
24 the payment relates; or

25 (b) if the payment is a redundancy payment and is calculated as
26 an amount equivalent to an amount of ordinary income that
27 the person would (but for the redundancy) have received
28 from the employment that was terminated—the period for
29 which the person would have received that amount of
30 ordinary income; or

31 (c) if the payment is a redundancy payment and paragraph (b)
32 does not apply—the period of weeks (rounded down to the
33 nearest whole number) in respect of which the person would
34 have received ordinary income, from the employment that
35 was terminated, of an amount equal to the amount of the
36 redundancy payment if:

- 1 (i) the person's employment had continued; and
2 (ii) the person received ordinary income from the
3 employment at the rate per week at which the person
4 usually received ordinary income from the employment
5 prior to the termination.

6 **redundancy payment** does not include a qualifying eligible
7 termination payment within the meaning of Subdivision AA of
8 Division 2 of Part III of the *Income Tax Assessment Act 1936*.

9 **roll-over**, in relation to a lump sum leave payment or a lump sum
10 redundancy payment, has the meaning that **roll-over** has in
11 section 27D of the *Income Tax Assessment Act 1936* in relation to
12 an eligible termination payment.

13 **termination payment** means:

- 14 (a) a leave payment relating to a person's employment that has
15 been terminated; or
16 (b) a redundancy payment.

1

2

Part 2—Amendment of Pension Rate Calculator D

3

Social Security Act 1991

4

5 Point 1066A-A1 (method statement, after step 5)

5

Insert:

6

7

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9

Note:	Module G contains provisions that may apply to working out, under this Rate Calculator, the ordinary income of a person, and the ordinary income of a partner of the person.
-------	--

10

6 Point 1066A-F1 (method statement, step 1, note)

11

Repeal the note, substitute:

12

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16

17

Note 1:	For the treatment of the ordinary income of members of a couple see point 1066A-F2.
Note 2:	Module G contains provisions that may apply to working out, under this Rate Calculator, the ordinary income of a person, and the ordinary income of a partner of the person.

18

7 Section 1066A (after Module F)

19

Insert:

20

Module G—Payments taken to be ordinary income

21

Application of this Module

22

23

1066A-G1 This Module applies to a person and, if the person is a member of a couple, the person's partner.

24

Lump sum payments arising from termination of employment

25

26

27

28

29

30

1066A-G2 Subject to points 1066A-G3 to 1066A-G14 (inclusive), 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.

1 *Rolling over lump sum payments*

2 1066A-G3 If:

- 3 (a) a person's employment has been terminated; and
4 (b) as a result the person is entitled to a lump sum termination
5 payment from the person's former employer; and
6 (c) the person rolls over the lump sum termination payment into
7 an approved deposit fund, a superannuation fund or a
8 deferred annuity;

9 the lump sum termination payment is to be disregarded in working
10 out the ordinary income of the person for the purposes of Module
11 F.

12 *Certain leave payments taken to be ordinary income—employment*
13 *continuing*

14 1066A-G4 If:

- 15 (a) a person is employed; and
16 (b) the person is on leave for a period; and
17 (c) the person is or was entitled to receive a leave payment
18 (whether as a lump sum payment, as a payment that is one of
19 a series of regular payments or otherwise) in respect of a part
20 or all of a leave period;

21 the person is taken to have received ordinary income for a period
22 (the *income maintenance period*) equal to the leave period to
23 which the leave payment entitlement relates.

24 *Certain payments taken to be ordinary income—employment*
25 *terminated*

26 1066A-G5 If:

- 27 (a) a person's employment has been terminated; and
28 (b) the person receives a termination payment (whether as a
29 lump sum payment, as a payment that is one of a series of
30 regular payments or otherwise);

31 the person is taken to have received ordinary income for a period
32 (the *income maintenance period*) equal to the period to which the
33 payment relates.

1 *More than one termination payment on a day*

2 1066A-G6 If:

- 3 (a) a person is covered by point 1066A-G5; and
4 (b) the person receives more than one termination payment on a
5 day;
6 the income maintenance period is worked out by adding the
7 periods to which the payments relate.

8 *Start of income maintenance period—employment continuing*

9 1066A-G7 If a person is covered by point 1066A-G4, the income maintenance
10 period starts on the first day of the leave period to which the leave
11 payment entitlement relates.

12 *Start of income maintenance period—employment terminated*

13 1066A-G8 If a person is covered by point 1066A-G5, the income maintenance
14 period starts, subject to point 1066A-G9, on the day on which the
15 person is paid the termination payment.

16 *Commencement of income maintenance period where there is a
17 second termination payment*

18 1066A-G9 If:

- 19 (a) a person who is covered by point 1066A-G5 is subject to an
20 income maintenance period (the **first period**); and
21 (b) the person is paid another termination payment during that
22 period (the **second termination payment**);
23 the income maintenance period for the second termination payment
24 starts on the day after the end of the first period.

25 *Leave payments or termination payments in respect of periods
26 longer than a fortnight*

27 1066A-G10 If:

- 28 (a) a person receives a leave payment or termination payment;
29 and
30 (b) the payment is in respect of a period longer than a fortnight;
31 the person is taken to receive in a payment fortnight or part of a
32 payment fortnight an amount calculated by:

- 1 (c) dividing the amount received by the number of days in the
2 period to which the payment relates (the **daily rate**); and
3 (d) multiplying the daily rate by the number of days in the
4 payment fortnight that are also in the period.

5 1066A-G11 If the Secretary is satisfied that a person is in severe financial
6 hardship because the person has incurred unavoidable or
7 reasonable expenditure while an income maintenance period
8 applies to the person, the Secretary may determine that the whole,
9 or any part, of the period does not apply to the person.

10 Note 1: For **in severe financial hardship** see subsection 19C(2) (person who
11 is not a member of a couple) and subsection 19C(3) (person who is a
12 member of a couple).

13 Note 2: For **unavoidable or reasonable expenditure** see subsection 19C(4).

14 Note 3: If an income maintenance period applies to a person, then, during that
15 period:

- 16 (a) the pension claimed may not be payable to the person; or
17 (b) the amount of the pension payable to the person may be reduced.

18 *When a person receives a leave payment or a termination payment*

19 1066A-G12 For the purposes of points 1066A-G3 to 1066A-G11 (inclusive), a
20 person (the **first person**) is taken to receive a leave payment or
21 termination payment if:

- 22 (a) the payment is made to another person:
23 (i) at the direction of the first person or a court; or
24 (ii) on behalf of the first person; or
25 (iii) for the benefit of the first person; or
26 (b) the first person waives or assigns his or her right to receive
27 the payment.

28 *Single payment in respect of different kinds of termination*
29 *payments*

30 1066A-G13 If a person who is covered by point 1066A-G5 receives a single
31 payment in respect of different kinds of termination payments,
32 then, for the purposes of the application of points 1066A-G3 to
33 1066A-G12 (inclusive):

- 34 (a) each part of the payment that is in respect of a different kind
35 of termination payment is taken to be a separate payment;
36 and
-

1 (b) the income maintenance period in respect of the single
2 payment is worked out by adding the periods to which the
3 separate payments relate.

4 *Definitions*

5 1066A-G14 In this Module:

6 *leave payment* includes a payment in respect of sick leave, annual
7 leave, maternity leave and long service leave.

8 *payment fortnight* means a fortnight in respect of which a
9 disability support pension is paid, or would be paid apart from the
10 application of an income maintenance period, to a person.

11 *period to which the payment relates* means:

- 12 (a) if the payment is a leave payment—the leave period to which
13 the payment relates; or
14 (b) if the payment is a redundancy payment and is calculated as
15 an amount equivalent to an amount of ordinary income that
16 the person would (but for the redundancy) have received
17 from the employment that was terminated—the period for
18 which the person would have received that amount of
19 ordinary income; or
20 (c) if the payment is a redundancy payment and paragraph (b)
21 does not apply—the period of weeks (rounded down to the
22 nearest whole number) in respect of which the person would
23 have received ordinary income, from the employment that
24 was terminated, of an amount equal to the amount of the
25 redundancy payment if:
26 (i) the person's employment had continued; and
27 (ii) the person received ordinary income from the
28 employment at the rate per week at which the person
29 usually received ordinary income from the employment
30 prior to the termination.

31 *redundancy payment* does not include a qualifying eligible
32 termination payment within the meaning of Subdivision AA of
33 Division 2 of Part III of the *Income Tax Assessment Act 1936*.

34 *roll-over*, in relation to a lump sum leave payment or a lump sum
35 redundancy payment, has the meaning that *roll-over* has in

1 section 27D of the *Income Tax Assessment Act 1936* in relation to
2 an eligible termination payment.

3 ***termination payment*** means:

4 (a) a leave payment relating to a person's employment that has
5 been terminated; or

6 (b) a redundancy payment.

7 **8 Application provision**

8 The amendments made by this Schedule apply in relation to claims for
9 social security payments made on or after 20 September 2006.

1
2 **Schedule 17—Youth Allowance Rate**
3 **Calculator**

4 **Part 1—Income test**

5 *Social Security Act 1991*

6 **1 Point 1067G-H28**

7 Omit “70%”, substitute “60%”.

8 **2 Point 1067G-H28 (example)**

9 Repeal the example, substitute:

10 Example:

11 Facts: Alice’s partner Martin has an ordinary income of \$800. Assume that
12 the partner income free area under point 1067G-H26 is \$640.

13 Result: Martin’s ordinary income exceeds the partner income free area.
14 Alice therefore has a partner income excess under point 1067G-H27
15 of:

16
$$\$800 - \$640 = \$160$$

17 Alice’s partner income reduction under point 1067G-H28 is
18 therefore:

19
$$60\% \times \$160 = \$96$$

20 **3 Points 1067G-H32 and 1067G-H33**

21 Repeal the points, substitute:

22 *Lower range reduction*

23 1067G-H32 The person’s lower range reduction is an amount equal to 50% of
24 the part of the person’s ordinary income excess that does not
25 exceed:

26 (a) if the person is undertaking full-time study at any time in the
27 fortnight in respect of which a youth allowance may be
28 payable—\$80; or

29 (b) if the person is a new apprentice at any time in the fortnight
30 in respect of which a youth allowance may be payable—\$80;
31 or

1 (c) otherwise—\$188.

2 *Upper range reduction*

3 1067G-H33 The person's upper range reduction is an amount equal to 60% of
4 the part (if any) of the person's ordinary income excess that
5 exceeds:

6 (a) if the person is undertaking full-time study at any time in the
7 fortnight in respect of which a youth allowance may be
8 payable—\$80; or

9 (b) if the person is a new apprentice at any time in the fortnight
10 in respect of which a youth allowance may be payable—\$80;
11 or

12 (c) otherwise—\$188.

1

2 **Part 2—Maximum basic rate**

3 *Social Security Act 1991*

4 **4 Paragraph (b) of point 1067G-B1**

5 After “Table BB”, insert “or point 1067G-B3A”.

6 **5 After point 1067G-B3**

7 Insert:

8 1067G-B3A Despite point 1067G-B3, if a person:

- 9 (a) is independent (see section 1067A) and is not a long term
10 income support student (see section 1067F); and
11 (b) is not a member of a couple; and
12 (c) has an exemption under section 542FA because of a
13 determination in relation to the person under subsection
14 542FA(3);

15 the person’s maximum basic rate is the amount worked out as
16 follows:

17
$$\frac{\text{Pension PP (Single) maximum basic amount}}{26}$$

18 where:

19 *pension PP (Single) maximum basic amount* is the sum of:

- 20 (a) the amount that would have been the person’s maximum
21 basic rate under Module B of the Pension PP (Single) Rate
22 Calculator if the person was receiving parenting payment;
23 and
24 (b) the amount that would have been the person’s pension
25 supplement under Module BA of the Pension PP (Single)
26 Rate Calculator if the person was receiving parenting
27 payment.

28 Note 1: A person’s maximum basic rate under Module B of the Pension PP
29 (Single) Rate Calculator is indexed 6 monthly in line with increases in
30 Male Total Average Weekly Earnings (see section 1195).

31 Note 2: A person’s pension supplement amount under Module BA of the
32 Pension PP (Single) Rate Calculator is indexed 6 monthly in line with
33 CPI increases (see sections 1191 to 1194).

1

2 **Part 3—Pharmaceutical allowance**

3 *Social Security Act 1991*

4 **6 Point 1067G-C1**

5 Repeal the point, substitute:

6 *Qualification for pharmaceutical allowance*

7 1067G-C1 Subject to points 1067G-C2 and 1067G-C2A, an amount by way of
8 pharmaceutical allowance is to be added to a person's maximum
9 basic rate if the person:

- 10 (a) has a partial capacity to work; or
11 (b) is the principal carer of at least one child and is not a member
12 of a couple; or
13 (c) has a temporary incapacity exemption under section 542A.

14 Note 1: For *partial capacity to work* see section 16B.

15 Note 2: For *principal carer* see subsections 5(15) to (24).

16 **7 After point 1067G-C2**

17 Insert:

18 *No pharmaceutical allowance for full-time students and new*
19 *apprentices without temporary incapacity exemptions*

20 1067G-C2A Pharmaceutical allowance is not to be added to a person's
21 maximum basic rate if the person:

- 22 (a) does not have a temporary incapacity exemption under
23 section 542A; and
24 (b) is undertaking full-time study or is a new apprentice.

25 Note 1: For *undertaking full-time study* see section 541B.

26 Note 2: For *new apprentice* see subsection 23(1).

1

2 **Part 4—Youth disability supplement**

3 *Social Security Act 1991*

4 **8 At the end of section 1067G**

5 Add:

- 6 (3) The rate of a person's youth allowance is not to be more than the
7 rate at which the allowance would be payable to the person if the
8 person's rate were worked out using the Benefit Rate Calculator B
9 at the end of section 1068.

10 **9 Point 1067G-A1 (method statement, after step 2)**

11 Insert:

12 *Step 2A.* Work out the amount per fortnight (if any) for youth
13 disability supplement using Module D below.

14 **10 Section 1067G (after Module C)**

15 Insert:

16 **Module D—Youth disability supplement**

17 *Youth disability supplement*

18 1067G-D1 If a person:

- 19 (a) has a partial capacity to work; and
20 (b) has not turned 21;

21 an amount by way of youth disability supplement is to be added to
22 a person's rate. The rate of youth disability supplement is \$92.40
23 per fortnight.

24 Note 1: For *partial capacity to work* see section 16B.

25 Note 2: The rate of youth disability supplement is adjusted annually in line
26 with CPI increases (see section 1198C).

27 **11 Section 1190 (table item 4A)**

28 Omit the table item, substitute:

**Youth disability
supplement**

- 4A. Youth disability supplement payable to a disability support pensioner, or to a recipient of youth allowance, who is under 21 youth disability supplement [Pension Rate Calculator D—point 1066A-C1—the annual rate]
[Pension Rate Calculator E—point 1066B-C1—the annual rate]
[Youth Allowance Rate Calculator—point 1067G-D1—the fortnightly rate]

1 **12 Section 1198C**

2 Before “This Act”, insert “(1)”.

3 **13 Section 1198C**

4 After “disability supplement”, insert “under Module C of Pension Rate
5 Calculator D or Module C of Pension Rate Calculator E”.

6 **14 At the end of section 1198C**

7 Add:

8 (2) This Act (and any other Act that refers to this Act) has effect as if,
9 on 1 January each year, the current figure, as at that 1 January, was
10 substituted for the amount of the rate of the youth disability
11 supplement under Module D of the Youth Allowance Rate
12 Calculator.

13 Note: For *current figure* see subsection 20(1).

1

2 **Part 5—Exemption from parental means test**

3 *Social Security Act 1991*

4 **15 At the end of section 1067A**

5 Add:

6 *People with a partial capacity to work*

7 (12) A person is independent if the person:

8 (a) has turned 16; and

9 (b) has a partial capacity to work; and

10 (c) is not undertaking full-time study and is not a new
11 apprentice.

12 Note 1: For *partial capacity to work* see section 16B.

13 Note 2: For *undertaking full-time study* see section 541B.

14 Note 3: For *new apprentice* see subsection 23(1).

1

2 **Part 6—Income maintenance periods**

3 *Social Security Act 1991*

4 **16 Point 1067G-H10**

5 Omit “leave” (wherever occurring), substitute “termination”.

6 Note: The heading to point 1067G-H10 is altered by omitting “leave”.

7 **17 Paragraph (b) of point 1067G-H12**

8 Omit “leave”, substitute “termination”.

9 Note: The heading to point 1067G-H12 is replaced by the heading “*Certain termination*
10 *payments taken to be ordinary income*”.

11 **18 Point 1067G-H12**

12 Omit “leave” (last occurring).

13 **19 Paragraph (b) of point 1067G-H13**

14 Omit “leave”, substitute “termination”.

15 Note: The heading to point 1067G-H13 is altered by omitting “leave” and substituting
16 “*termination*”.

17 **20 Point 1067G-H13**

18 Omit “leave” (last occurring).

19 **21 Point 1067G-H14A**

20 Omit “leave”, substitute “termination”.

21 **22 Point 1067G-H14B**

22 Omit “leave” (wherever occurring), substitute “termination”.

23 Note: The heading to point 1067G-H14B is altered by omitting “*leave payment—employment*
24 *terminated*” and substituting “*termination payment*”.

25 **23 Paragraph (a) of point 1067G-H15**

26 After “leave payment”, insert “or termination payment”.

27 Note: The heading to point 1067G-H15 is altered by inserting “*or termination payments*” after
28 “*Leave payments*”.

1 **24 Paragraphs (b), (c) and (d) of point 1067G-H15**

2 Omit “of leave”.

3 **25 Point 1067G-H17**

4 After “leave payment”, insert “or termination payment”.

5 Note: The heading to point 1067G-H17 is altered by inserting “*or a termination payment*”
6 after “*leave payment*”.

7 **26 Point 1067G-H18**

8 Omit “leave” (first occurring), substitute “termination payments”.

9 Note: The heading to point 1067G-H18 is altered by omitting “*leave—employment*
10 *terminated*” and substituting “*termination payments*”.

11 **27 Point 1067G-H18**

12 Omit “leave” (second occurring), substitute “termination payment”.

13 **28 Point 1067G-H18**

14 Omit “leave” (last occurring).

15 **29 Point 1067G-H19**

16 Insert:

17 *period to which the payment relates* means:

- 18 (a) if the payment is a leave payment—the leave period to which
19 the payment relates; or
20 (b) if the payment is a redundancy payment and is calculated as
21 an amount equivalent to an amount of ordinary income that
22 the person would (but for the redundancy) have received
23 from the employment that was terminated—the period for
24 which the person would have received that amount of
25 ordinary income; or
26 (c) if the payment is a redundancy payment and paragraph (b)
27 does not apply—the period of weeks (rounded down to the
28 nearest whole number) in respect of which the person would
29 have received ordinary income, from the employment that
30 was terminated, of an amount equal to the amount of the
31 redundancy payment if:
32 (i) the person’s employment had continued; and

- 1 (ii) the person received ordinary income from the
2 employment at the rate per week at which the person
3 usually received ordinary income from the employment
4 prior to the termination.

5 **30 Point 1067G-H19**

6 Insert:

7 *redundancy payment* does not include a qualifying eligible
8 termination payment within the meaning of Subdivision AA of
9 Division 2 of Part III of the *Income Tax Assessment Act 1936*.

10 **31 Point 1067G-H19 (definition of roll-over)**

11 After “leave payment”, insert “or lump sum redundancy payment”.

12 **32 Point 1067G-H19**

13 Insert:

14 *termination payment* means:

- 15 (a) a leave payment relating to a person’s employment that has
16 been terminated; or
17 (b) a redundancy payment.

18 Note: The heading to point 1067G-H4 is replaced by the heading “*Lump sum payments*
19 *arising from termination of employment*”.

20 **33 Application**

21 The amendments made by this Part apply in relation to claims for youth
22 allowance made on or after 20 September 2006.

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Schedule 18—Austudy Payment Rate Calculator

Part 1—Income test

Social Security Act 1991

1 Point 1067L-D27

Omit “70%”, substitute “60%”.

2 Point 1067L-D27 (example)

Repeal the example, substitute:

Example:

Facts: Alice’s partner Martin has an ordinary income of \$800. Assume that the partner income free area under point 1067L-D25 is \$640.

Result: Martin’s ordinary income exceeds the partner income free area. Alice therefore has a partner income excess under point 1067L-D26 of:

$$\$800 - \$640 = \$160$$

Alice’s partner income reduction under point 1067L-D27 is therefore:

$$60\% \times \$160 = \$96$$

3 Point 1067L-D32

Omit “70%”, substitute “60%”.

1

2 **Part 2—Income maintenance periods**

3 *Social Security Act 1991*

4 **4 Point 1067L-D4**

5 Omit “leave” (wherever occurring), substitute “termination”.

6 Note: The heading to point 1067L-D4 is altered by omitting “leave”.

7 **5 Paragraph (b) of point 1067L-D6**

8 Omit “leave”, substitute “termination”.

9 Note: The heading to point 1067L-D6 is replaced by the heading “*Certain termination*
10 *payments taken to be ordinary income*”.

11 **6 Point 1067L-D6**

12 Omit “leave” (last occurring).

13 **7 Paragraph (b) of point 1067L-D7**

14 Omit “leave”, substitute “termination”.

15 Note: The heading to point 1067L-D7 is altered by omitting “leave” and substituting
16 “*termination*”.

17 **8 Point 1067L-D7**

18 Omit “leave” (last occurring).

19 **9 Point 1067L-D9**

20 Omit “leave”, substitute “termination”.

21 **10 Point 1067L-D10**

22 Omit “leave” (wherever occurring), substitute “termination”.

23 Note: The heading to point 1067L-D10 is altered by omitting “*leave payment—employment*
24 *terminated*” and substituting “*termination payment*”.

25 **11 Paragraph (a) of point 1067L-D11**

26 After “leave payment”, insert “or termination payment”.

27 Note: The heading to point 1067L-D11 is altered by inserting “*or termination payments*” after
28 “*Leave payments*”.

1 **12 Paragraphs (b), (c) and (d) of point 1067L-D11**

2 Omit “of leave”.

3 **13 Point 1067L-D13**

4 After “leave payment”, insert “or termination payment”.

5 Note: The heading to point 1067L-D13 is altered by inserting “*or a termination payment*”
6 after “*leave payment*”.

7 **14 Point 1067L-D14**

8 Omit “leave”, substitute “termination payments”.

9 Note: The heading to point 1067L-D14 is altered by omitting “*leave—employment*
10 *terminated*” and substituting “*termination payments*”.

11 **15 Paragraph (a) of point 1067L-D14**

12 Omit “leave”, substitute “termination payment”.

13 **16 Paragraph (b) of point 1067L-D14**

14 Omit “leave”.

15 **17 Point 1067L-D15**

16 Insert:

17 *period to which the payment relates* means:

- 18 (a) if the payment is a leave payment—the leave period to which
19 the payment relates; or
20 (b) if the payment is a redundancy payment and is calculated as
21 an amount equivalent to an amount of ordinary income that
22 the person would (but for the redundancy) have received
23 from the employment that was terminated—the period for
24 which the person would have received that amount of
25 ordinary income; or
26 (c) if the payment is a redundancy payment and paragraph (b)
27 does not apply—the period of weeks (rounded down to the
28 nearest whole number) in respect of which the person would
29 have received ordinary income, from the employment that
30 was terminated, of an amount equal to the amount of the
31 redundancy payment if:
32 (i) the person’s employment had continued; and

- 1 (ii) the person received ordinary income from the
2 employment at the rate per week at which the person
3 usually received ordinary income from the employment
4 prior to the termination.

5 **18 Point 1067L-D15**

6 Insert:

7 *redundancy payment* does not include a qualifying eligible
8 termination payment within the meaning of Subdivision AA of
9 Division 2 of Part III of the *Income Tax Assessment Act 1936*.

10 **19 Point 1067L-D15 (definition of roll-over)**

11 After “leave payment”, insert “or lump sum redundancy payment”.

12 **20 Point 1067L-D15**

13 Insert:

14 *termination payment* means:

- 15 (a) a leave payment relating to a person’s employment that has
16 been terminated; or
17 (b) a redundancy payment.

18 Note: The heading to point 1067L-D3 is replaced by the heading “*Lump sum payments arising*
19 *from termination of employment*”.

20 **21 Application provision**

21 The amendments made by this Part apply in relation to claims for
22 austudy payment made on or after 20 September 2006.

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Schedule 19—Benefit Rate Calculator B

Part 1—Income test

Social Security Act 1991

1 Point 1068-G11

Omit “70%”, substitute “60%”.

2 Point 1068-G11 (example)

Repeat the example, substitute:

Example:

Facts: Susan’s partner Colin has an ordinary income of \$800. Assume that the partner income free area under point 1068-G9 is \$640.

Application: Colin’s ordinary income exceeds the partner income free area. He therefore has a partner income excess under point 1068-G10 of:

$$\$800 - \$640 = \$160$$

Susan’s partner income reduction under point 1068-G11 is therefore:

$$60\% \times \$160 = \$96$$

3 Point 1068-G15

Omit “\$80”, substitute “\$188”.

4 Point 1068-G16

Omit “70%”, substitute “60%”.

5 Point 1068-G16

Omit “\$80”, substitute “\$188”.

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Part 2—Maximum basic rate for certain newstart allowance recipients

Social Security Act 1991

6 At the end of point 1068-B1

Add:

Note 8: Some recipients of newstart allowance have a maximum basic rate based on the maximum basic rate under the Pension PP (Single) Rate Calculator (see point 1068-B5).

7 After point 1068-B4

Insert in Module C:

Maximum basic rate for certain newstart allowance recipients

1068-B5 Despite point 1068-B1, if a person:

- (a) is not a member of a couple; and
- (b) receives newstart allowance; and
- (c) is not required to satisfy the activity test because of a determination in relation to the person under subsection 602C(3);

the person's maximum basic rate is the amount worked out as follows:

$$\frac{\text{Pension PP (Single) maximum basic amount}}{26}$$

where:

pension PP (Single) maximum basic amount is the sum of:

- (a) the amount that would have been the person's maximum basic rate under Module B of the Pension PP (Single) Rate Calculator if the person was receiving parenting payment; and
- (b) the amount that would have been the person's pension supplement under Module BA of the Pension PP (Single) Rate Calculator if the person was receiving parenting payment.

Schedule 19 Benefit Rate Calculator B

Part 2 Maximum basic rate for certain newstart allowance recipients

- 1 Note 1: A person's maximum basic rate under Module B of the Pension PP
2 (Single) Rate Calculator is indexed 6 monthly in line with increases in
3 Male Total Average Weekly Earnings (see section 1195).
- 4 Note 2: A person's pension supplement amount under Module BA of the
5 Pension PP (Single) Rate Calculator is indexed 6 monthly in line with
6 CPI increases (see sections 1191 to 1194).

1

2 **Part 3—Pharmaceutical allowance**

3 *Social Security Act 1991*

4 **8 Subparagraph (c)(ii) of point 1068-D1**

5 Repeal the subparagraph, substitute:

- 6 (ii) the person is receiving widow allowance, newstart
7 allowance or partner allowance and point 1068-D2,
8 1068-D2A, 1068-D2B or 1068-D3 applies to the person.

9 **9 After point 1068-D2A**

10 Insert:

11 *Newstart recipients who have a partial capacity to work or are*
12 *principal carers*

13 1068-D2B This point applies to a person who is receiving newstart allowance
14 if the person:

- 15 (a) has a partial capacity to work; or
16 (b) is the principal carer of at least one child and is not a member
17 of a couple.

18 Note 1: For *partial capacity to work* see section 16B.

19 Note 2: For *principal carer* see subsections 5(15) to (24).

1

2 **Part 4—Income maintenance periods**

3 *Social Security Act 1991*

4 **10 Point 1068-G7AF**

5 Omit “leave” (wherever occurring), substitute “termination”.

6 Note: The heading to point 1068-G7AF is altered by omitting “leave”.

7 **11 Paragraph (b) of point 1068-G7AH**

8 Omit “leave”, substitute “termination”.

9 Note: The heading to point 1068-G7AH is replaced by the heading “*Certain termination*
10 *payments taken to be ordinary income*”.

11 **12 Point 1068-G7AH**

12 Omit “leave” (last occurring).

13 **13 Paragraph (b) of point 1068-G7AJ**

14 Omit “leave”, substitute “termination”.

15 Note: The heading to point 1068-G7AJ is altered by omitting “leave” and substituting
16 “*termination*”.

17 **14 Point 1068-G7AJ**

18 Omit “leave” (last occurring).

19 **15 Point 1068-G7AKA**

20 Omit “leave”, substitute “termination”.

21 **16 Point 1068-G7AKB**

22 Omit “leave” (wherever occurring), substitute “termination”.

23 Note: The heading to point 1068-G7AKB is altered by omitting “*leave payment—employment*
24 *terminated*” and substituting “*termination payment*”.

25 **17 Paragraph (a) of point 1068-G7AL**

26 After “leave payment”, insert “or termination payment”.

27 Note: The heading to point 1068-G7AL is altered by inserting “*or termination payments*” after
28 “*Leave payments*”.

1 **18 Paragraphs (b), (c) and (d) of point 1068-G7AL**

2 Omit “of leave”.

3 **19 Point 1068-G7AN**

4 After “leave payment”, insert “or termination payment”.

5 Note: The heading to point 1068-G7AN is altered by inserting “*or a termination payment*”
6 after “*leave payment*”.

7 **20 Point 1068-G7AP**

8 Omit “leave” (first occurring), substitute “termination payments”.

9 Note: The heading to point 1068-G7AP is altered by omitting “*leave—employment*
10 *terminated*” and substituting “*termination payments*”.

11 **21 Point 1068-G7AP**

12 Omit “leave” (second occurring), substitute “termination payment”.

13 **22 Point 1068-G7AP**

14 Omit “leave” (last occurring).

15 **23 Point 1068-G7AQ**

16 Insert:

17 *period to which the payment relates* means:

- 18 (a) if the payment is a leave payment—the leave period to which
19 the payment relates; or
20 (b) if the payment is a redundancy payment and is calculated as
21 an amount equivalent to an amount of ordinary income that
22 the person would (but for the redundancy) have received
23 from the employment that was terminated—the period for
24 which the person would have received that amount of
25 ordinary income; or
26 (c) if the payment is a redundancy payment and paragraph (b)
27 does not apply—the period of weeks (rounded down to the
28 nearest whole number) in respect of which the person would
29 have received ordinary income, from the employment that
30 was terminated, of an amount equal to the amount of the
31 redundancy payment if:
32 (i) the person’s employment had continued; and

- 1 (ii) the person received ordinary income from the
2 employment at the rate per week at which the person
3 usually received ordinary income from the employment
4 prior to the termination.

5 **24 Point 1068-G7AQ**

6 Insert:

7 *redundancy payment* does not include a qualifying eligible
8 termination payment within the meaning of Subdivision AA of
9 Division 2 of Part III of the *Income Tax Assessment Act 1936*.

10 **25 Point 1068-G7AQ (definition of roll-over)**

11 After “leave payment”, insert “or lump sum redundancy payment”.

12 **26 Point 1068-G7AQ**

13 Insert:

14 *termination payment* means:

- 15 (a) a leave payment relating to a person’s employment that has
16 been terminated; or
17 (b) a redundancy payment.

18 Note: The heading to point 1068-G7 is replaced by the heading “*Lump sum payments arising*
19 *from termination of employment*”.

20 **27 Application**

21 The amendments made by this Part apply in relation to claims for the
22 following types of payments made on or after 20 September 2006:

- 23 (a) newstart allowance;
24 (b) sickness allowance;
25 (c) partner allowance;
26 (d) mature age allowance;
27 (e) widow allowance.

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Schedule 20—Parenting Payment Rate Calculators

Part 1—Income test

Social Security Act 1991

1 Point 1068B-D24

Omit “70%”, substitute “60%”.

2 Point 1068B-D30

Omit “\$183”, substitute “\$188”.

3 Point 1068B-D31

Omit “70%”, substitute “60%”.

4 Point 1068B-D31

Omit “\$183”, substitute “\$188”.

1

2 **Part 2—Income maintenance periods**

3 *Social Security Act 1991*

4 **5 Point 1068A-E2**

5 Omit “leave” (wherever occurring), substitute “termination”.

6 Note: The heading to point 1068A-E2 is altered by omitting “leave”.

7 **6 Paragraph (b) of point 1068A-E4**

8 Omit “leave”, substitute “termination”.

9 Note: The heading to point 1068A-E4 is replaced by the heading “*Certain termination*
10 *payments taken to be ordinary income*”.

11 **7 Point 1068A-E4**

12 Omit “leave” (last occurring).

13 **8 Paragraph (b) of point 1068A-E5**

14 Omit “leave”, substitute “termination”.

15 Note: The heading to point 1068A-E5 is altered by omitting “leave” and substituting
16 “*termination*”.

17 **9 Point 1068A-E5**

18 Omit “leave” (last occurring).

19 **10 Point 1068A-E7**

20 Omit “leave”, substitute “termination”.

21 **11 Point 1068A-E8**

22 Omit “leave” (wherever occurring), substitute “termination”.

23 Note: The heading to point 1068A-E8 is altered by omitting “*leave payment—employment*
24 *terminated*” and substituting “*termination payment*”.

25 **12 Point 1068A-E10**

26 After “leave payment”, insert “or termination payment”.

27 Note: The heading to point 1068A-E10 is altered by inserting “*or a termination payment*”
28 after “*leave payment*”.

1 **13 Point 1068A-E11**

2 Omit “leave” (first occurring), substitute “termination payments”.

3 Note: The heading to point 1068A-E11 is altered by omitting “*leave—employment*
4 *terminated*” and substituting “*termination payments*”.

5 **14 Point 1068A-E11**

6 Omit “leave” (second occurring), substitute “termination payment”.

7 **15 Point 1068A-E11**

8 Omit “leave” (last occurring).

9 **16 Point 1068A-E12**

10 Insert:

11 *period to which the payment relates* means:

- 12 (a) if the payment is a leave payment—the leave period to which
13 the payment relates; or
14 (b) if the payment is a redundancy payment and is calculated as
15 an amount equivalent to an amount of ordinary income that
16 the person would (but for the redundancy) have received
17 from the employment that was terminated—the period for
18 which the person would have received that amount of
19 ordinary income; or
20 (c) if the payment is a redundancy payment and paragraph (b)
21 does not apply—the period of weeks (rounded down to the
22 nearest whole number) in respect of which the person would
23 have received ordinary income, from the employment that
24 was terminated, of an amount equal to the amount of the
25 redundancy payment if:
26 (i) the person’s employment had continued; and
27 (ii) the person received ordinary income from the
28 employment at the rate per week at which the person
29 usually received ordinary income from the employment
30 prior to the termination.

31 **17 Point 1068A-E12**

32 Insert:

1 *redundancy payment* does not include a qualifying eligible
2 termination payment within the meaning of Subdivision AA of
3 Division 2 of Part III of the *Income Tax Assessment Act 1936*.

4 **18 Point 1068A-E12 (definition of *roll-over*)**

5 After “leave payment”, insert “or lump sum redundancy payment”.

6 **19 Point 1068A-E12**

7 Insert:

8 *termination payment* means:

- 9 (a) a leave payment relating to a person’s employment that has
10 been terminated; or
11 (b) a redundancy payment.

12 **20 Point 1068B-D8**

13 Omit “leave” (wherever occurring), substitute “termination”.

14 Note: The heading to point 1068B-D8 is altered by omitting “leave”.

15 **21 Paragraph (b) of point 1068B-D10**

16 Omit “leave”, substitute “termination”.

17 Note: The heading to point 1068B-D10 is replaced by the heading “*Certain termination*
18 *payments taken to be ordinary income*”.

19 **22 Point 1068B-D10**

20 Omit “leave” (last occurring).

21 **23 Paragraph (b) of point 1068B-D11**

22 Omit “leave”, substitute “termination”.

23 Note: The heading to point 1068B-D11 is altered by omitting “leave” and substituting
24 “*termination*”.

25 **24 Point 1068B-D11**

26 Omit “leave” (last occurring).

27 **25 Point 1068B-D13**

28 Omit “leave”, substitute “termination”.

29 **26 Point 1068B-D14**

1 Omit “leave” (wherever occurring), substitute “termination”.

2 Note: The heading to point 1068B-D14 is altered by omitting “*leave payment—employment*
3 *terminated*” and substituting “*termination payment*”.

4 **27 Point 1068B-D16**

5 After “leave payment”, insert “or termination payment”.

6 Note: The heading to point 1068B-D16 is altered by inserting “*or a termination payment*”
7 after “*leave payment*”.

8 **28 Point 1068B-D17**

9 Omit “leave” (first occurring), substitute “termination payments”.

10 Note: The heading to point 1068B-D17 is altered by omitting “*leave—employment*
11 *terminated*” and substituting “*termination payments*”.

12 **29 Point 1068B-D17**

13 Omit “leave” (second occurring), substitute “termination payment”.

14 **30 Point 1068B-D17**

15 Omit “leave” (last occurring).

16 **31 Point 1068B-D18**

17 Insert:

18 *period to which the payment relates* means:

19 (a) if the payment is a leave payment—the leave period to which
20 the payment relates; or

21 (b) if the payment is a redundancy payment and is calculated as
22 an amount equivalent to an amount of ordinary income that
23 the person would (but for the redundancy) have received
24 from the employment that was terminated—the period for
25 which the person would have received that amount of
26 ordinary income; or

27 (c) if the payment is a redundancy payment and paragraph (b)
28 does not apply—the period of weeks (rounded down to the
29 nearest whole number) in respect of which the person would
30 have received ordinary income, from the employment that
31 was terminated, of an amount equal to the amount of the
32 redundancy payment if:

33 (i) the person’s employment had continued; and

- 1 (ii) the person received ordinary income from the
2 employment at the rate per week at which the person
3 usually received ordinary income from the employment
4 prior to the termination.

5 **32 Point 1068B-D18**

6 Insert:

7 *redundancy payment* does not include a qualifying eligible
8 termination payment within the meaning of Subdivision AA of
9 Division 2 of Part III of the *Income Tax Assessment Act 1936*.

10 **33 Point 1068B-D18 (definition of roll-over)**

11 After “leave payment”, insert “or lump sum redundancy payment”.

12 **34 Point 1068B-D18**

13 Insert:

14 *termination payment* means:

- 15 (a) a leave payment relating to a person’s employment that has
16 been terminated; or
17 (b) a redundancy payment.

18 Note: The heading to point 1068B-D7 is replaced by the heading “*Lump sum payments arising*
19 *from termination of employment*”.

20 **35 Application provision**

21 The amendments made by this Part apply in relation to claims for
22 parenting payment made on or after 20 September 2006.

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Schedule 21—Overpayments and debt recovery

Social Security Act 1991

1 At the end of subsection 1222(2)

Add:

Note: An additional 10% penalty is payable in some cases: see section 1228B.

2 After section 1228A

Insert:

1228B Additional 10% penalty for understatement etc. of income

- (1) An amount by way of penalty is added to a debt due to the Commonwealth under this Chapter by a person in relation to a social security payment if:
 - (a) at the time the payment was made, the person:
 - (i) had attained the minimum age for youth allowance as defined by section 543A; and
 - (ii) had not reached pension age; and
 - Note: For *pension age* see subsections 23(5A), (5B), (5C) and (5D).
 - (b) the payment was:
 - (i) a social security benefit; or
 - (ii) a disability support pension; or
 - (iii) a wife pension; or
 - (iv) a widow B pension; or
 - (v) a pension PP (single); and
 - (c) the debt arose wholly or partly because the person had:
 - (i) refused or failed to provide information in relation to the person's income from personal exertion; or
 - (ii) knowingly or recklessly provided false or misleading information in relation to the person's income from personal exertion;

1 when required, under a provision of the social security law,
2 to provide information in relation to the person's income
3 from personal exertion.

4 Note: For *income from personal exertion* see subsection 8(1).

5 (2) The amount added by way of penalty is an amount equal to 10% of
6 so much of the debt as arose because the person refused or failed to
7 provide the information or provided the false or misleading
8 information.

9 (3) An amount worked out under subsection (2) must be rounded down
10 to the nearest 5 cents.

11 (4) This section does not apply if the Secretary is satisfied that the
12 person had a reasonable excuse for refusing or failing to provide
13 the information.

14 (5) This section does not apply in relation to a debt due to the
15 Commonwealth under section 1229A or 1229AB.

16 **3 Application of section 1228B**

17 Section 1228B of the *Social Security Act 1991*, as amended by this Act,
18 applies to:

- 19 (a) a debt that relates to a social security payment, of a kind
20 mentioned in paragraph 1228B(1)(b), that is made on or after
21 the commencement of this Schedule; and
22 (b) a debt:
23 (i) that relates to a social security payment of that kind that
24 was made before that commencement; and
25 (ii) in relation to which a notice is given under section 1229
26 after that commencement.

27 **4 Section 1230B**

28 Omit "and 1228", substitute ", 1228 and 1228B".

1
2 **Schedule 22—Administration**

3 **Part 1—RapidConnect**

4 ***Social Security (Administration) Act 1999***

5 **1 At the end of paragraph 37(2)(b)**

6 Add:
7 ; or (vi) the operation of section 615 of the 1991 Act.

8 **2 At the end of paragraph 37(6)(b)**

9 Add:
10 ; or (vi) if the claim is a claim for youth allowance—the
11 operation of section 547AA of the 1991 Act.

12 **3 Subsection 63(1)**

13 Repeal the subsection, substitute:

- 14 (1) This section applies to a person if:
- 15 (a) the person is receiving, or has made a claim for, a social
16 security payment; or
 - 17 (b) the Department is contacted by or on behalf of the person in
18 relation to a claim for:
 - 19 (i) if the person is not undertaking full-time study and is
20 not a new apprentice—a youth allowance; or
 - 21 (ii) in any case—a newstart allowance;
22 to be paid to the person; or
 - 23 (c) the person is the holder of, or has made a claim for, a
24 concession card.

25 However, this section does not apply to a person to whom
26 section 64 applies.

27 Note 1: For *undertaking full-time study* see section 541B of the 1991 Act.

28 Note 2: For *new apprentice* see subsection 23(1) of the 1991 Act.

29 **4 Subsection 63(2)**

30 Omit “give the person written notice”, substitute “notify the person”.

1 **5 Paragraph 63(4)(b)**

2 Omit “gives the person a notice”, substitute “notifies the person”.

3 **6 Paragraph 63(6)(b)**

4 Omit “gives the person a notice”, substitute “notifies the person”.

5 **7 Subsection 63(7)**

6 Omit “give a person a notice”, substitute “notify a person”.

7 **8 Subsection 63(11)**

8 Omit “notice under subsection (2) or a notification under
9 subsection (3)”, substitute “notification under subsection (2) or (3)”.

10 **9 At the end of section 80**

11 Add:

12 (4) A reference in this section to a social security payment being, or
13 having been, paid includes a reference to:

14 (a) if the social security payment is a youth allowance—the
15 youth allowance being payable but for the operation of
16 section 547AA; or

17 (b) if the social security payment is a newstart allowance—the
18 newstart allowance being payable but for the operation of
19 section 615.

20 **10 Subclause 5(2) of Schedule 2 (at the end of the definition
21 of *exclusion period*)**

22 Add:

23 ; and (e) if the payment is a youth allowance or newstart allowance—a
24 period during which the payment is not payable because of
25 the operation of section 547AA or 615 of the 1991 Act.

1

2 **Part 2—Disability support pension**

3 ***Social Security (Administration) Act 1999***

4 **11 Paragraph 96(1)(a)**

5 Omit “30”, substitute “15”.

6 **12 After subsection 96(3)**

7 Insert:

8 (3A) If:

- 9 (a) the Secretary makes a determination under subsection (1) or
10 (3) suspending a person’s disability support pension; and
11 (b) within 2 years from the date of effect of the determination,
12 the Secretary reconsiders the decision to suspend; and
13 (c) as a result of the reconsideration, the Secretary is satisfied
14 that the person is not receiving disability support pension that
15 is payable to the person;
16 the Secretary is to determine that the disability support pension is
17 payable to the person.

18 (3B) The reconsideration referred to in paragraph (3A)(b) may be a
19 reconsideration on an application under section 129 or a
20 reconsideration on the Secretary’s own initiative.

21 Note: The heading to section 96 is replaced by the heading “**Disability support pension—**
22 **suspension instead of cancellation under section 93**”.

23 **13 Paragraph 97(1)(a)**

24 Omit “30”, substitute “15”.

25 **14 After section 97**

26 Insert:

27 **97A Disability support pension—suspension instead of cancellation**
28 **under section 94 (person obtains work)**

29 (1) If:

- 1 (a) a person was receiving disability support pension as a result
2 of a claim made before 1 July 2006; and
3 (b) the person ceased to be qualified for disability support
4 pension because he or she obtained paid work that was for at
5 least 30 hours per week; and
6 (c) the person subsequently informs the Secretary that he or she
7 has obtained that work; and
8 (d) the person's disability support pension was cancelled under
9 section 94 because of that work; and
10 (e) within the period of 2 years and 14 days after the person
11 ceased to be qualified for the disability support pension, the
12 person ceases to do work of the kind referred to in
13 paragraph (b);

14 the Secretary may determine that:

- 15 (f) the person is to be treated as if section 94 had not applied to
16 the person's disability support pension; and
17 (g) the person's disability support pension is suspended from the
18 day on which the person ceased to be qualified for the
19 pension.

20 However, this subsection ceases to apply to a transitional DSP
21 applicant from the date of effect of the first decision about the
22 person's capacity to perform work made on or after 1 July 2006
23 following a review of the person's capacity to perform work.

24 (2) If:

- 25 (a) subsection (1) does not apply, or has ceased to apply, to a
26 person; and
27 (b) the person ceased to be qualified for disability support
28 pension because he or she obtained paid work that is for at
29 least 15 hours per week; and
30 (c) the person subsequently informs the Secretary that he or she
31 has obtained that work; and
32 (d) the person's disability support pension was cancelled under
33 section 94 because of that work; and
34 (e) within the period of 2 years and 14 days after the person
35 ceased to be qualified for the disability support pension, the
36 person ceases to do work of the kind referred to in
37 paragraph (b);

38 the Secretary may determine that:

- 1 (f) the person is to be treated as if section 94 had not applied to
2 the person's disability support pension; and
3 (g) the person's disability support pension is suspended from the
4 day on which the person ceased to be qualified for the
5 pension.
- 6 (3) Neither subsection (1) nor (2) applies to a person if:
7 (a) the Secretary gives written notice to the person that the
8 person is no longer qualified for disability support pension;
9 and
10 (b) the Secretary's notice is given before the person informs the
11 Secretary that the person has obtained work.
- 12 (4) If:
13 (a) the Secretary makes a determination under subsection (1) or
14 (2) suspending a person's disability support pension; and
15 (b) the determination continues in force throughout the period
16 (or the balance of the period) of 2 years and 14 days after its
17 date of effect;
18 then, at the end of that period (or the balance of that period), the
19 determination granting the person disability support pension is, by
20 force of this subsection, revoked.
- 21 (5) If:
22 (a) the Secretary makes a determination under subsection (1) or
23 (2) suspending a person's disability support pension; and
24 (b) the person's partner had ceased to be qualified for wife
25 pension or carer payment when the person ceased to be
26 qualified for disability support pension for the reason
27 mentioned in paragraph (1)(b) or (2)(b);
28 the Secretary may determine that the partner is to be treated as if
29 the partner's wife pension or carer payment, as the case may be,
30 had not been cancelled but had been suspended for the period of
31 the suspension of the person's disability support pension.
- 32 (6) If:
33 (a) the Secretary makes a determination under subsection (1) or
34 (2) suspending a person's disability support pension; and
35 (b) within 2 years and 14 days from the date of effect of the
36 determination, the Secretary reconsiders the decision to
37 suspend; and
-

- 1 (c) as a result of the reconsideration, the Secretary is satisfied
2 that the person is not receiving disability support pension that
3 is payable to the person;
4 the Secretary is to determine that the disability support pension is
5 payable to the person.
- 6 (7) The reconsideration referred to in paragraph (6)(b) may be a
7 reconsideration on an application under section 129 or a
8 reconsideration on the Secretary's own initiative.

9 **97B Disability support pension—suspension instead of cancellation**
10 **under section 94 (person's income)**

- 11 (1) If:
- 12 (a) disability support pension ceased to be payable to a person
13 because the rate of the pension was nil as a result of the
14 income, or increased income, earned by the person from his
15 or her employment; and
16 (b) the person subsequently informs the Secretary of that income
17 or increased income; and
18 (c) the person's disability support pension was cancelled under
19 section 94 because the pension ceased to be payable to the
20 person for the reason mentioned in paragraph (a); and
21 (d) within the period of 2 years and 14 days after the pension
22 ceased to be payable, the income the person earned from his
23 or her employment is reduced to a rate that would not
24 preclude the person from receiving disability support
25 pension;
- 26 the Secretary may determine that:
- 27 (e) the person is to be treated as if section 94 had not applied to
28 the person's disability support pension; and
29 (f) the person's disability support pension is suspended from the
30 day on which the pension ceased to be payable to the person.
- 31 (2) Subsection (1) does not apply to a person if:
- 32 (a) the Secretary gives written notice to the person that the
33 person is no longer qualified for disability support pension;
34 and
35 (b) the Secretary's notice is given before the person informs the
36 Secretary of the person's income or increased income.

1 (3) If:
2 (a) the Secretary makes a determination under subsection (1)
3 suspending a person's disability support pension; and
4 (b) the determination continues in force throughout the period
5 (or the balance of the period) of 2 years and 14 days after its
6 date of effect;
7 then, at the end of that period (or the balance of that period), the
8 determination granting the person disability support pension is, by
9 force of this subsection, revoked.

10 (4) If:
11 (a) the Secretary makes a determination under subsection (1)
12 suspending a person's disability support pension; and
13 (b) the person's partner had ceased to be qualified for wife
14 pension or carer payment when disability support pension
15 ceased to be payable to the person for the reason mentioned
16 in paragraph (1)(a);
17 the Secretary may determine that the partner is to be treated as if
18 the partner's wife pension or carer payment, as the case may be,
19 had not been cancelled but had been suspended for the period of
20 the suspension of the person's disability support pension.

21 (5) If:
22 (a) the Secretary makes a determination under subsection (1)
23 suspending a person's disability support pension; and
24 (b) within 2 years and 14 days from the date of effect of the
25 determination, the Secretary reconsiders the decision to
26 suspend; and
27 (c) as a result of the reconsideration, the Secretary is satisfied
28 that the person is not receiving disability support pension that
29 is payable to the person;
30 the Secretary is to determine that the disability support pension is
31 payable to the person.

32 (6) The reconsideration referred to in paragraph (5)(b) may be a
33 reconsideration on an application under section 129 or a
34 reconsideration on the Secretary's own initiative.

35 **15 Application and transitional provisions—items 11 and 13**

- 1 (1) The amendments of the *Social Security (Administration) Act 1999* made
2 by items 11 and 13 of this Schedule apply in relation to any claim, and
3 any payment of pension as a result of such a claim, by a person for a
4 disability support pension made on or after 1 July 2006.
- 5 (2) Subject to subitem (3), the *Social Security (Administration) Act 1999*
6 applies to any claim by a person for a disability support pension made
7 before 1 July 2006, and any payment of pension as a result of such a
8 claim, as if the amendments referred to in subitem (1) had not been
9 made.
- 10 (3) If:
- 11 (a) on or after 1 July 2006, a notice under subsection 63(2) or
12 64(2) of the *Social Security (Administration) Act 1999* is
13 given to a person who made a claim for a disability support
14 pension on or after 11 May 2005 and before 1 July 2006; and
15 (b) under the notice, the person is required to undertake a
16 specified activity for the purpose of reviewing his or her
17 capacity to perform work;
- 18 then, the amendments of the *Social Security (Administration) Act 1999*
19 referred to in subitem (1) apply to the person from the date of the
20 notice.

21 **16 Application provision—item 12**

22 The amendment of the *Social Security (Administration) Act 1999* made
23 by item 12 of this Schedule apply in relation to determinations under
24 subsection 96(1) or (3) of that Act whose date of effect is on or after
25 1 July 2006.

26 **17 Application provision—item 14**

27 The amendment of the *Social Security (Administration) Act 1999* made
28 by item 14 of this Schedule applies in relation to persons whose
29 disability support pension is cancelled, with effect on or after 1 July
30 2006.

1

2 **Part 3—Participation**

3 *Social Security (Administration) Act 1999*

4 **18 Subsection 131(2)**

5 Repeal the subsection.

6 **19 Sections 132A to 134A**

7 Repeal the sections.

8 **20 Sections 146A to 148A**

9 Repeal the sections.

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2 **Part 4—Compliance**

3 ***Social Security (Administration) Act 1999***

4 **21 Subsection 63(2)**

5 Omit “, other than a person to whom subsection (3) applies,”.

6 **22 Subsections 63(3) and (3A)**

7 Repeal the subsections.

8 **23 Subsection 63(4)**

9 Omit all the words after paragraph (d), substitute:

10 the payment that the person is receiving or has claimed is not
11 payable.

12 **24 Subsections 63(5) and (5A)**

13 Repeal the subsections, substitute:

14 (5) Subsection (4) does not apply if:

- 15 (a) the social security payment is a parenting payment and the
16 notification under subsection (2) included a statement to the
17 effect that a failure to comply with the requirement could
18 constitute a parenting payment participation failure; or
19 (b) the social security payment is a youth allowance and the
20 notification under subsection (2) included a statement to the
21 effect that a failure to comply with the requirement could
22 constitute a youth allowance participation failure; or
23 (c) the social security payment is an austudy payment and the
24 notification under subsection (2) included a statement to the
25 effect that a failure to comply with the requirement could
26 constitute an austudy participation failure; or
27 (d) the social security payment is a newstart allowance and the
28 notification under subsection (2) included a statement to the
29 effect that a failure to comply with the requirement could
30 constitute a newstart participation failure; or
31 (e) the social security payment is a special benefit and the
32 notification under subsection (2) included a statement to the

1 effect that a failure to comply with the requirement could
2 constitute a special benefit participation failure.

3 Note: Failure by a recipient of, or claimant for, one of these payments to
4 comply with a requirement notified under subsection (2) may result in
5 the payment not being payable to the person: see sections 500ZB,
6 500ZE, 550B, 551, 576A, 577, 626, 629, 742 and 745 of the 1991 Act.

7 **25 Saving provision relating to administrative breaches**

8 (1) If:

- 9 (a) as a result of an administrative breach committed by the
10 person before the commencement of this item, an
11 administrative breach rate reduction period applied to the
12 person under subsection 63(5) of the *Social Security*
13 *(Administration) Act 1999*; and
14 (b) on that commencement, the administrative breach rate
15 reduction period had not ended;

16 the administrative breach rate reduction period continues to apply to the
17 person after that commencement as if that subsection had not been
18 repealed by this Act.

19 (2) In this item:

20 *administrative breach* means any non-compliance by the person as a
21 result of which an administrative breach rate reduction period applied to
22 the person, before the commencement of this item, under subsection
23 63(5) of the *Social Security (Administration) Act 1999*.

24 **26 Subsection 63(8)**

25 Repeal the subsection.

26 **27 Subsection 63(9)**

27 Repeal the subsection, substitute:

- 28 (9) The Secretary may determine that a social security payment that
29 was not payable because of subsection (4) is payable to a person if
30 the Secretary is satisfied that the person had a reasonable excuse
31 for not complying with the requirement under subsection (2).

32 **28 Subsection 64(1)**

33 Repeal the subsection, substitute:

- 34 (1) This section applies to a person if:
-

- 1 (a) the person is receiving, or has claimed, a disability support
2 pension, parenting payment, youth allowance, newstart
3 allowance, sickness allowance, special benefit, or mobility
4 allowance; or
5 (b) the Department is contacted by or on behalf of the person in
6 relation to a claim for youth allowance or newstart allowance
7 to be paid to the person.

8 **29 Subsection 64(2)**

9 Omit “give the person written notice”, substitute “notify the person”.

10 **30 Subsection 64(3)**

11 Omit “give a person notice”, substitute “notify a person”.

12 **31 Paragraph 64(4)(a)**

13 Omit “gives a person notice”, substitute “notifies a person”.

14 **32 Subsection 64(4)**

15 Omit all the words after paragraph (c), substitute:
16 the payment that the person is receiving or has claimed is not
17 payable.

18 **33 Saving provision relating to administrative breaches**

19 (1) If:

20 (a) as a result of an administrative breach committed by the
21 person before the commencement of this item, an
22 administrative breach rate reduction period applied to the
23 person under subsection 64(4) of the *Social Security*
24 *(Administration) Act 1999*; and

25 (b) on that commencement, the administrative breach rate
26 reduction period had not ended;

27 the administrative breach rate reduction period continues to apply to the
28 person after that commencement as if that subsection had not been
29 amended by this Act.

30 (2) In this item:

1 *administrative breach* means any non-compliance by the person as a
2 result of which an administrative breach rate reduction period applied to
3 the person, before the commencement of this item, under subsection
4 64(4) of the *Social Security (Administration) Act 1999*.

5 **34 After subsection 64(4)**

6 Insert:

7 (4A) Subsection (4) does not apply if:

- 8 (a) the social security payment is a parenting payment and the
9 notification under subsection (2) included a statement to the
10 effect that a failure to comply with the requirement could
11 constitute a parenting payment participation failure; or
12 (b) the social security payment is a youth allowance and the
13 notification under subsection (2) included a statement to the
14 effect that a failure to comply with the requirement could
15 constitute a youth allowance participation failure; or
16 (c) the social security payment is an austudy payment and the
17 notification under subsection (2) included a statement to the
18 effect that a failure to comply with the requirement could
19 constitute an austudy participation failure; or
20 (d) the social security payment is a newstart allowance and the
21 notification under subsection (2) included a statement to the
22 effect that a failure to comply with the requirement could
23 constitute a newstart participation failure; or
24 (e) the social security payment is a special benefit and the
25 notification under subsection (2) included a statement to the
26 effect that a failure to comply with the requirement could
27 constitute a special benefit participation failure.

28 Note: Failure by a recipient of, or claimant for, one of these payments to
29 comply with a requirement notified under subsection (2) may result in
30 the payment not being payable to the person: see sections 500ZB,
31 500ZE, 550B, 551, 576A, 577, 626, 629, 742 and 745 of the 1991 Act.

32 **35 Subsection 64(5)**

33 Omit “notice”, substitute “notification”.

34 **36 At the end of section 80**

35 Add:

- 1 (4) Subsection (1) does not authorise the Secretary to make a
2 determination that cancels the payment of a parenting payment,
3 youth allowance, austudy payment, newstart allowance or special
4 benefit to a person if:
5 (a) paragraph (1)(a) does not apply to the person; and
6 (b) paragraph (1)(b) would not apply to the person but for the
7 fact that the payment is not, or was not, payable because of:
8 (i) section 500ZB or 500ZE of the 1991 Act (if the
9 payment is a parenting payment); or
10 (ii) section 550B or 551 of that Act (if the payment is a
11 youth allowance); or
12 (iii) section 576A or 577 of that Act (if the payment is an
13 austudy payment); or
14 (iv) section 626 or 629 of that Act (if the payment is a
15 newstart allowance); or
16 (v) section 742 or 745 of that Act (if the payment is a
17 special benefit).

18 **37 At the end of section 109**

19 Add:

- 20 (6) This section does not apply to determinations to which
21 section 110A applies.

22 **38 At the end of section 110**

23 Add:

- 24 (12) This section does not apply to determinations to which
25 section 110A applies.

26 **39 After section 110**

27 Insert:

28 **110A Date of effect of favourable determinations resuming payment**
29 **after suspensions relating to non-compliance**

30 If:

- 31 (a) a favourable determination is made under section 85
32 resuming payment of a parenting payment, youth allowance,

- 1 austudy payment, newstart allowance or special benefit the
2 payment of which had been suspended under section 80; and
3 (b) the payment had been suspended because it was not payable
4 because of:
5 (i) section 500ZB or 500ZE of the 1991 Act (if the
6 payment was a parenting payment); or
7 (ii) section 550B or 551 of that Act (if the payment was a
8 youth allowance); or
9 (iii) section 576A or 577 of that Act (if the payment was an
10 austudy payment); or
11 (iv) section 626 or 629 of that Act (if the payment was a
12 newstart allowance); or
13 (v) section 742 or 745 of that Act (if the payment was a
14 special benefit);
15 the determination takes effect, or is taken to have taken effect, on
16 the day after the end of the period for which the payment,
17 allowance or benefit is not payable because of that section.

18 **40 Subsection 114(1)**

19 Omit “neither section 109 nor section 110 applies”, substitute “none of
20 sections 109, 110 and 110A apply”.

21 **41 Paragraph 118(11)(a)**

22 After “section”, insert “80,”.

23 **42 After subsection 118(12B)**

24 Insert:

25 (12C) If:

- 26 (a) an adverse determination is made under section 80
27 suspending the payment of a parenting payment, youth
28 allowance, austudy payment, newstart allowance or special
29 benefit to a person; and
30 (b) the determination was made because of the application of:
31 (i) section 500ZB or 500ZE of the 1991 Act (if the
32 payment is a parenting payment); or
33 (ii) section 550B or 551 of that Act (if the payment is a
34 youth allowance); or

Schedule 22 Administration
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- 1 (iii) section 576A or 577 of that Act (if the payment is an
2 austudy payment); or
3 (iv) section 626 or 629 of that Act (if the payment is a
4 newstart allowance); or
5 (v) section 742 or 745 of that Act (if the payment is a
6 special benefit);
7 the determination is taken to have taken effect on the day of the
8 start of the period for which the payment, allowance or benefit is
9 not payable because of that section.
- 10 (12D) However, subsection (12C) does not apply to an adverse
11 determination if the determination would take effect on an earlier
12 day under another provision of this Act.

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2 **Part 5—Information exchange**

3 ***Social Security (Administration) Act 1999***

4 **43 After subsection 202(2)**

5 Insert:

6 (2A) A person engaged (whether as an employee or otherwise) by a
7 service organisation may:

- 8 (a) obtain protected information; or
9 (b) make a record of protected information; or
10 (c) disclose protected information to another person; or
11 (d) otherwise use protected information;

12 if the person believes, on reasonable grounds, that the obtaining,
13 recording, disclosure or use that is proposed to be made of the
14 information by the person is reasonably necessary for one or more
15 of the purposes specified in subsection (2B).

16 Note: In addition to the requirements of this section, information disclosed
17 under this section must be dealt with in accordance with section 14 of
18 the *Privacy Act 1988*.

19 (2B) The purposes for which the person may obtain, record, disclose or
20 use protected information are as follows:

- 21 (a) facilitating access by a service recipient to a work-related
22 service provided by a service organisation;
23 (b) facilitating efficient and effective delivery of a work-related
24 service by a service organisation;
25 (c) facilitating efficient and effective performance of duties or
26 exercise of functions relating to the provision of work-related
27 services by a service organisation;
28 (d) facilitating efficient and effective administration by the
29 Commonwealth of one or more of the matters mentioned in
30 paragraphs (a), (b) or (c) (for example, payments to service
31 organisations by the Commonwealth);
32 (e) any other purpose determined by the Secretary under
33 subsection (2E).

34 (2C) A person may:

- 35 (a) obtain protected information; or
-

- 1 (b) make a record of protected information; or
2 (c) disclose protected information to another person; or
3 (d) otherwise use protected information;
4 if the Secretary believes, on reasonable grounds, that the obtaining,
5 recording, disclosure or use that is proposed to be made of the
6 information by the person is reasonably necessary for one or more
7 of the following purposes:
8 (e) research into matters of relevance to a Department that is
9 administering any part of the social security law;
10 (f) statistical analysis of matters of relevance to a Department
11 that is administering any part of the social security law;
12 (g) policy development.

13 (2D) In this section:

14 **service organisation** means:

- 15 (a) an Agency (within the meaning of the *Public Service Act*
16 *1999*); or
17 (b) another authority of the Commonwealth; or
18 (c) an organisation that performs services for the
19 Commonwealth.

20 **service recipient** means a person:

- 21 (a) who is receiving a social security payment, benefit or
22 allowance; or
23 (b) who has made a claim for a social security payment, benefit
24 or allowance; or
25 (c) who has contacted the Department about the receipt of, or an
26 existing or future claim for, a social security payment, benefit
27 or allowance; or
28 (d) on whose behalf another person, with the person's authority,
29 has contacted the Department about any of the matters
30 mentioned in paragraphs (a) to (c) relating to the person.

31 **work-related service** means a service of the following kind:

- 32 (a) assessment of the capacity to work of a service recipient;
33 (b) assistance given to a service recipient with the purpose of
34 preparing the service recipient to seek or undertake work;
35 (c) placement of a service recipient in a position of employment;

- 1 (d) a service of a kind determined by the Secretary under
2 subsection (2E).
- 3 (2E) The Secretary may, by legislative instrument, determine either or
4 both of the following:
- 5 (a) that a specified purpose that is related to a matter mentioned
6 in paragraphs (2B)(a) to (d) is a purpose for which the person
7 may obtain, record, disclose or use protected information
8 under subsection (2A);
- 9 (b) services of a specified kind are work-related services for the
10 purposes of this section.

11 **44 Subsection 234(7)**

12 Repeal the subsection, substitute:

- 13 (7) Without limiting the operation of the definition of *officer* in
14 subsection 23(1), in this section *officer* includes a person engaged
15 (whether as an employee or otherwise) by:
- 16 (a) an Agency (within the meaning of the *Public Service Act*
17 *1999*); or
- 18 (b) another authority of the Commonwealth; or
- 19 (c) an organisation that performs services for the
20 Commonwealth;
- 21 but does not include the CEO or an employee of the Agency.

22 **45 Saving provision**

23 A delegation in force under section 234 of the *Social Security*
24 *(Administration) Act 1999* immediately before the commencement of
25 item 45 continues to have effect after that commencement as if it were a
26 delegation under that section as amended by this Act.

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2 **Part 6—Seasonal work preclusion period**

3 *Social Security (Administration) Act 1999*

4 **46 At the end of subsection 37(4)**

5 Add:

6 ; (h) disability support pension;

7 (i) sickness allowance;

8 (j) carer payment;

9 (k) austudy payment.

10 **47 Application provision**

11 The amendment made by this Part applies in relation to claims for
12 social security payments made on or after 20 September 2006.

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Schedule 23—Other amendments

Disability Services Act 1986

1 Subsection 20(1)

Repeal the subsection, substitute:

- (1) Subject to section 21, if:
 - (a) there are guidelines formulated under section 5 that relate to this section; and
 - (b) the Secretary is satisfied that the provision of a rehabilitation program for a person in the target group would comply with the guidelines;the Secretary may, on the Commonwealth’s behalf, approve the provision of the rehabilitation program for the person, together with any follow-up program that the Secretary considers necessary or desirable.

2 Paragraphs 21A(1)(b) and (c)

Repeal the paragraphs, substitute:

- (b) after the time determined by the Secretary under subsection (1A).

3 After subsection 21A(1)

Insert:

- (1A) The Secretary may determine that provision of a rehabilitation program must end after a specified time.

4 Subsection 21A(2)

After “In making a determination”, insert “under subsection (1A)”.

5 Application provision

The amendments of the *Disability Services Act 1986* made by this Schedule apply to all rehabilitation programs being considered for approval on or after the commencement of this Schedule.

1 ***Family and Community Services Legislation Amendment***
2 ***(Australians Working Together and other 2001***
3 ***Budget Measures) Act 2003***

4 **6 Section 4**

5 Repeal the section.

6 ***Social Security Act 1991***

7 **7 Subsection 1134(3)**

8 Repeal the subsection.