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The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

Presented and read a first time

**Social Security Amendment (Training
Incentives) Bill 2009**

No. , 2009

(Education, Employment and Workplace Relations)

**A Bill for an Act to amend the *Social Security Act
1991*, and for related purposes**

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1 **A Bill for an Act to amend the *Social Security Act***
2 ***1991, and for related purposes***

3 The Parliament of Australia enacts:

4 **1 Short title**

5 This Act may be cited as the *Social Security Amendment (Training*
6 *Incentives) Act 2009.*

7 **2 Commencement**

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

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	The later of: (a) immediately after the commencement of items 2 to 5, 8 and 9 of Schedule 4 to the <i>Social Security Legislation Amendment (Employment Services Reform) Act 2009</i> ; and (b) 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 both Houses of the Parliament and assented to. It will not be
3 expanded to 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.

7 **3 Schedule(s)**

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9 repealed as set out in the applicable items in the Schedule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

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Schedule 1—Amendments

Part 1—Training supplement for parenting payment and newstart allowance

Social Security Act 1991

1 Subsection 23(1)

Insert:

approved training course for training supplement, for a person,
means a training course that is approved by the Secretary under
section 28B for training supplement for the person.

2 Subsection 23(1)

Insert:

training supplement means:

- (a) an amount payable under subsection 503B(2) to a person receiving a parenting payment; or
- (b) an amount payable under subsection 644AAC(2) to a person receiving newstart allowance.

3 After paragraph 23(4AA)(a)

Insert:

- (aa) provisions in Chapter 2 that provide for an increase in a person's rate of payment by an amount to be known as the training supplement;

4 After section 28A

Insert:

28B Approved training courses for training supplement

- (1) The Secretary may approve a training course for training supplement for a person if:
 - (a) subsection (2) applies in relation to the person; and
 - (b) subsection (3) applies in relation to the course; and

Schedule 1 Amendments

Part 1 Training supplement for parenting payment and newstart allowance

- 1 (c) the Secretary is satisfied that the person will meet the
2 requirements set out in paragraph (4)(a) or (b).
- 3 (2) This subsection applies in relation to the person if:
4 (a) the person has not completed the final year of secondary
5 school or an equivalent level of education; or
6 (b) the person:
7 (i) has been awarded a VET qualification accredited at
8 Certificate I, Certificate II, Certificate III or Certificate
9 IV level in the Australian Qualifications Framework;
10 and
11 (ii) is not studying for, and has not been awarded, a
12 qualification accredited at diploma level or higher in the
13 Australian Qualifications Framework.
- 14 (3) This subsection applies in relation to the course if:
15 (a) the course lasts not more than 12 months; and
16 (b) the course:
17 (i) is accredited at Certificate I, Certificate II, Certificate III
18 or Certificate IV level in the Australian Qualifications
19 Framework; or
20 (ii) in the Secretary's opinion, is equivalent to a course
21 accredited at any of those levels; and
22 (c) in a case where paragraph (2)(b) applies in relation to the
23 person, the course:
24 (i) leads to a qualification that, in the Australian
25 Qualifications Framework, is directly related to, and at a
26 higher level than, the person's VET qualification; or
27 (ii) would, in the Secretary's opinion, enhance the person's
28 prospects of employment by allowing the person to
29 acquire skills in a trade or field other than the trade or
30 field covered by the person's VET qualification.
- 31 (4) The requirements referred to in paragraph (1)(c) are that:
32 (a) the person will be a full-time student in respect of the course
33 within the meaning given by section 569C; or
34 (b) if the person has a partial capacity to work or is the principal
35 carer of at least one child—the person will undertake a
36 number of hours of study per week in respect of the course as
37 is reasonable in the person's circumstances.
-

1 (5) In this section:

2 *Australian Qualifications Framework* has the meaning given by
3 the *Higher Education Support Act 2003*.

4 **5 Section 503AA**

5 Before “An approved”, insert “(1)”.

6 **6 At the end of section 503AA**

7 Add:

8 (2) An approved program of work supplement under section 503A is
9 not payable to a person in respect of a fortnight if a training
10 supplement is payable to the person in respect of the fortnight.

11 **7 At the end of Subdivision A of Division 4 of Part 2.10**

12 Add:

13 **503B Training supplement**

14 (1) This section applies if a person:

15 (a) is receiving a parenting payment; and

16 (b) is a person to whom paragraph 500(1)(c) applies; and

17 (c) is participating in an approved training course for training
18 supplement for the person; and

19 (d) started participating in the course during the period beginning
20 on the day on which this section commenced and ending on
21 30 June 2011.

22 (2) The rate of the person’s parenting payment is increased by an
23 amount of \$41.60 (to be known as a training supplement) for each
24 fortnight during which the person participates in the course.

25 (3) However, a training supplement is not payable for a fortnight
26 during which the person participates in the course if:

27 (a) a Parenting Payment Employment Pathway Plan is in force in
28 relation to the person; and

29 (b) during the fortnight, the person ceases to participate in the
30 course in circumstances that constitute a failure to comply
31 with the plan.

1 **8 After subsection 601(4A)**

2 Insert:

3 (4B) A person also satisfies the activity test in respect of a period if,
4 throughout the period, the person:

5 (a) is participating in an approved training course for training
6 supplement; and

7 (b) is, in the Secretary's opinion, making satisfactory progress
8 towards completing the course.

9 (4C) In forming an opinion about whether a person is making
10 satisfactory progress for the purpose of paragraph (4B)(b), the
11 Secretary must have regard to guidelines set under subsection
12 541B(3B).

13 **9 Subsection 601(5)**

14 After "subsection (1)", insert "or (4B)".

15 **10 After section 644AAA**

16 Insert:

17 **644AAB Approved program of work supplement not payable in**
18 **certain circumstances**

19 An approved program of work supplement under section 644AAA
20 is not payable to a person in respect of a fortnight if a training
21 supplement is payable to the person in respect of the fortnight.

22 **644AAC Training supplement**

23 (1) This section applies if a person:

24 (a) is receiving newstart allowance; and

25 (b) is participating in an approved training course for training
26 supplement for the person; and

27 (c) started participating in the course during the period beginning
28 on the day on which this section commenced and ending on
29 30 June 2011.

30 (2) The rate of the person's newstart allowance is increased by an
31 amount of \$41.60 (to be known as a training supplement) for each
32 fortnight during which the person participates in the course.

- 1 (3) However, a training supplement is not payable for a fortnight
2 during which the person participates in the course if, during the
3 fortnight, the person ceases to participate in the course in
4 circumstances that constitute:
5 (a) a failure of the activity test to which the person is subject; or
6 (b) if a Newstart Employment Pathway Plan is in force in
7 relation to the person—a failure to comply with a
8 requirement in the plan.

9 **11 After subsection 1049(2)**

10 Insert:

- 11 (2A) Language, literacy and numeracy supplement is not payable to a
12 person in respect of a fortnight if a training supplement is payable
13 to the person in respect of the fortnight.

14 **12 At the end of Division 3 of Part 3.15A**

15 Add:

16 **1188KA CDEP Scheme Participant Supplement not payable in**
17 **certain circumstances**

18 A CDEP Scheme Participant Supplement is not payable to a person
19 in respect of a fortnight if a training supplement is payable to the
20 person in respect of the fortnight.

21 **13 Subparagraph 1223(7)(b)(iii)**

22 Repeal the subparagraph, substitute:

- 23 (iii) if the person was receiving a parenting payment or
24 newstart allowance—the rate of the person’s parenting
25 payment or newstart allowance was increased by an
26 amount of training supplement when that rate should not
27 have been so increased; or

28 **14 Paragraph 1223(7)(e)**

29 Omit “newstart”.

1

2

Part 2—Youth allowance for early school leavers

3

Social Security Act 1991

4

15 Subsection 23(1)

5

Insert:

6

early school leaver means a person who:

7

(a) is less than 21 years old; and

8

(b) has not completed the final year of secondary school, or an equivalent level of education; and

9

10

(c) is not undertaking full-time study.

11

16 Paragraph 541(1)(b)

12

After “person” (first occurring), insert “(not being an early school leaver)”.

13

14

17 Paragraph 541(1AA)(b)

15

Omit “either”, substitute “any of the following subparagraphs applies in relation to the person”.

16

17

18 Before subparagraph 541(1AA)(b)(i)

18

Insert:

19

(ia) the person is an early school leaver;

20

19 Subparagraph 541(1AA)(b)(i)

21

Omit “or”.

22

20 Before paragraph 541(2)(a)

23

Insert:

24

(aa) the person is not an early school leaver; and

25

21 Section 541A

26

Before “A person”, insert “(1)”.

27

22 Paragraph 541A(c)

1 After “person”, insert “(not being an early school leaver)”.

2 **23 Paragraph 541A(f)**

3 Omit “program; or”, substitute “program.”.

4 **24 Paragraphs 541A(g) and (h)**

5 Repeal the paragraphs.

6 **25 At the end of section 541A**

7 Insert:

8 (2) Paragraphs (1)(d) to (f) apply in relation to a person who is an
9 early school leaver only if:

10 (a) a Youth Allowance Employment Pathway Plan is in force in
11 relation to the person; and

12 (b) the plan requires the person to take part in a labour market
13 program or, as the case may be, to undertake an approved
14 program of work for income support payment.

15 **26 After subparagraph 542A(1)(a)(i)**

16 Insert:

17 (ia) if the person is an early school leaver and a Youth
18 Allowance Employment Pathway Plan is in force in
19 relation to the person—does not have the capacity to
20 undertake the required activities; or

21 **27 Subparagraphs 542A(1)(d)(iii) and (iv)**

22 Omit “study”, substitute “study, the required activities”.

23 **28 Subsection 542A(3)**

24 Insert:

25 *required activities*, in relation to an early school leaver in relation
26 to whom a Youth Allowance Employment Plan is in force, means
27 the activities required to be undertaken by the plan.

28 Note: The heading to subsection 542A(3) is replaced by the heading “*Definitions*”.

29 **29 Subparagraph 542C(2)(a)(i)**

30 Omit “work or study”, substitute “study, the required activities or work
31 (as the case may be)”.

1 **30 Paragraph 542C(2)(b)**

2 Omit “work or study”, substitute “study, the required activities or work
3 (as the case may be)”.

4 **31 Paragraphs 542C(3)(c) and (d) and (4)(c) and (d)**

5 Omit “work or study”, substitute “study, the required activities or work
6 (as the case may be)”.

7 **32 Paragraph 542C(5)(b)**

8 Omit “work or study”, substitute “study, the required activities or work
9 (as the case may be)”.

10 **33 Subparagraph 542C(5)(c)(ii)**

11 Omit “work or study”, substitute “study, the required activities or work
12 (as the case may be)”.

13 **34 Paragraph 542C(6)(b)**

14 Omit “work or study”, substitute “study, the required activities or work
15 (as the case may be)”.

16 **35 Subparagraph 542C(6)(c)(ii)**

17 Omit “work or study”, substitute “study, the required activities or work
18 (as the case may be)”.

19 **36 Paragraph 542C(7)(c)**

20 Omit “work or study”, substitute “study, the required activities or work
21 (as the case may be)”.

22 **37 At the end of section 542C**

23 Add:

24 *Definition*

25 (9) In this section:

26 *required activities* has the meaning given by subsection 542A(3).

27 **38 At the end of paragraph 542E(1)(a)**

28 Add:

- 1 (iii) in a case where the person is an early school leaver—
2 there is no locally accessible approved course of
3 training or education within the meaning given by
4 subsection 544DA(6) (including any such course
5 available by distance education); and

6 **39 Paragraph 543A(2)(c)**

7 After “has”, insert “entered into or”.

8 **40 Paragraph 543A(2A)(e)**

9 Repeal the paragraph.

10 **41 Paragraph 543A(2A)(l)**

11 Omit “20”, substitute “25”.

12 **42 Paragraph 543A(2A)(o)**

13 Repeal the paragraph.

14 **43 Subsection 544B(1)**

15 Omit “544C and 544D”, insert “544C, 544D and 544DA”.

16 **44 After section 544D**

17 Insert:

18 **544DA Youth Allowance Employment Pathway Plans—early school**
19 **leavers**

- 20 (1) This section applies in relation to a Youth Allowance Employment
21 Pathway Plan that is in force in relation to a person who is an early
22 school leaver.
- 23 (2) Unless subsection (5) applies in relation to the person, the plan
24 must require the person to undertake for at least the appropriate
25 number of hours per week:
- 26 (a) one or more approved courses of training or education; or
27 (b) a combination of:
- 28 (i) one or more approved courses of training or education;
29 and
30 (ii) one or more other activities that the Secretary considers
31 suitable for the person.

Schedule 1 Amendments

Part 2 Youth allowance for early school leavers

- 1 (3) If subsection (5) applies in relation to the person, the plan must
2 require the person to undertake, for at least the appropriate number
3 of hours per week, one or more activities (other than an approved
4 course of training or education) that the Secretary considers
5 suitable for the person.
- 6 (4) The appropriate number of hours per week is:
7 (a) 25; or
8 (b) such other number as the Secretary determines to be
9 appropriate having regard to the person's circumstances.
- 10 (5) This subsection applies in relation to a person if:
11 (a) there is no locally accessible approved course of training or
12 education (including any such course available by distance
13 education); or
14 (b) where there is such a course:
15 (i) there is no place available on the course for the person;
16 or
17 (ii) the person is not qualified to undertake the course; or
18 (iii) the person lacks capacity to undertake the course
19 because he or she has a physical, psychiatric or
20 intellectual disability or a learning disability such as
21 attention deficit disorder; or
22 (c) in the Secretary's opinion, special circumstances exist that
23 make it unreasonable to require the person to undertake an
24 approved course of training or education.
- 25 (6) For the purposes of this section, a course is an ***approved course of***
26 ***training or education*** for a person if it:
27 (a) is a course of study or instruction determined under
28 section 5D of the *Student Assistance Act 1973* as a secondary
29 course or a tertiary course for the purposes of that Act; and
30 (b) would, in the Secretary's opinion, assist or allow the person
31 to complete the final year of secondary school or an
32 equivalent level of education.
- 33 (7) The Secretary may, by legislative instrument, set guidelines for the
34 exercise of the Secretary's discretion under (either or both):
35 (a) paragraph (5)(c); and
36 (b) paragraph (6)(b).
-

- 1 (8) In forming an opinion for the purposes of paragraph (5)(c) or
2 (6)(b), the Secretary must have regard to the guidelines.

3 **45 Application of amendments**

- 4 (1) The amendments made by this Part apply in relation to:
5 (a) payment of youth allowance claimed on or after the day on
6 which the amendments commence; and
7 (b) payment of youth allowance on or after 1 July 2010 in
8 respect of existing youth allowance recipients.
- 9 (2) Despite paragraph (1)(b), if, during the transition period, an existing
10 youth allowance recipient (being an early school leaver) enters into a
11 Youth Allowance Employment Pathway Plan complying with the
12 requirements of section 544DA, the amendments made by this Part
13 apply to the payment of youth allowance to the existing youth
14 allowance recipient from the time the plan is entered into.
- 15 (3) In this item:
16 ***existing youth allowance recipient*** means a person in receipt of youth
17 allowance as a result of a claim for youth allowance made before the
18 day on which the amendments made by this Part commence.
19 ***transition period*** means the period beginning on 1 January 2010 and
20 ending on 30 June 2010.