

2010-2011-2012

The Parliament of the  
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

*Presented and read a first time*

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

**No.     , 2012**

*(Education, Employment and Workplace Relations)*

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



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1     **A Bill for an Act to amend the law relating to social**  
2     **security and Indigenous education, and for related**  
3     **purposes**

4     The Parliament of Australia enacts:

5     **1 Short title**

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

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.

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**Commencement information**

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

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

4 (2) Any information in column 3 of the table is not part of this Act.  
5 Information may be inserted in this column, or information in it  
6 may be 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9 repealed as set out in the applicable items in the Schedule  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—Age requirements for social security payments**

*Social Security Act 1991*

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

Omit “21”, substitute “22”.

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

Omit “21”, substitute “22”.

**3 Subsection 543B(1)**

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

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

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

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

Omit “21”, substitute “22”.

**6 Paragraph 666(1)(e)**

Omit “21”, substitute “22”.

**7 Section 1067F**

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

**8 Paragraph 1067G-D1(b)**

Omit “21”, substitute “22”.

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

Omit “21”, substitute “22”.

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

Omit “21”, substitute “22”.

1 **11 Paragraphs 1068-G9(a) and (b)**

2 Omit “21”, substitute “22”.

3 **12 Paragraphs 1068B-D22(a) and (b)**

4 Omit “21”, substitute “22”.

5 **13 Section 1190 (table item 4A, column 2)**

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

9 **14 Application—persons in severe financial hardship**

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

12 **15 Application—youth allowance**

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

16 (2) If:

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

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

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

26 (3) If:

- 27 (a) before 1 July 2012, the Secretary granted a person’s claim for  
28 a newstart allowance under the *Social Security*  
29 *(Administration) Act 1999*; and  
30 (b) the person’s start day in relation to that allowance, worked  
31 out under clause 5 of Schedule 2 to that Act, is on or after  
32 1 July 2012;



- 1 the amendments made by items 2 and 3 do not apply in relation to the  
2 person during the period:
- 3 (c) beginning on 1 July 2012; and  
4 (d) ending on the day on which the payment of the newstart  
5 allowance to the person is cancelled.
- 6 (4) Subject to subitem (5), the amendment made by item 7 applies in  
7 relation to working out the rate of youth allowance for days on or after  
8 1 July 2012.
- 9 (5) The amendment made by item 7 does not apply in relation to a person:  
10 (a) who was aged 21 on 30 June 2012; and  
11 (b) who was receiving a youth allowance immediately before  
12 1 July 2012 or whose payment of a youth allowance was  
13 suspended immediately before 1 July 2012.
- 14 (6) The amendment made by item 8 applies in relation to working out the  
15 rate of youth allowance for days on or after 1 July 2012.

## 16 **16 Application—newstart allowance**

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

**Schedule 1** Age requirements for social security payments

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- 1 (b) the claim had not been determined by the Secretary  
2 immediately before 1 July 2012;  
3 the amendments made by items 4 and 5 do not apply in relation to:  
4 (c) the claim; and  
5 (d) if the claim is granted—the payment of that allowance as a  
6 result of that claim.

- 7 (4) If:  
8 (a) before 1 July 2012, a person aged 21 made a claim for a  
9 newstart allowance under the *Social Security*  
10 *(Administration) Act 1999* (disregarding subclause 4(6) of  
11 Schedule 2 to that Act); and  
12 (b) on 1 July 2012, the person is serving a liquid assets test  
13 waiting period in relation to the claim;  
14 the amendments made by items 4 and 5 do not apply in relation to:  
15 (c) the claim; and  
16 (d) if the claim is granted—the payment of that allowance as a  
17 result of that claim.

- 18 (5) If:  
19 (a) before 1 July 2012, the Secretary granted a person's claim for  
20 a newstart allowance under the *Social Security*  
21 *(Administration) Act 1999*; and  
22 (b) on 1 July 2012, an income maintenance period applies to the  
23 person;  
24 the amendments made by items 4 and 5 do not apply in relation to the  
25 person during the period:  
26 (c) beginning on 1 July 2012; and  
27 (d) ending on the day on which the payment of the newstart  
28 allowance to the person is cancelled.

- 29 (6) If:  
30 (a) before 1 July 2012, the Secretary granted a person's claim for  
31 a newstart allowance under the *Social Security*  
32 *(Administration) Act 1999*; and  
33 (b) the person's start day in relation to that allowance, worked  
34 out under clause 5 of Schedule 2 to that Act, is on or after  
35 1 July 2012;

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

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

6 **17 Application—sickness allowance**

- 7 (1) Subject to subitem (2), the amendment made by item 6 applies for the  
8 purposes of working out a person's qualification for sickness allowance  
9 in respect of days occurring on or after 1 July 2012.
- 10 (2) The amendment made by item 6 does not apply in relation to a person:  
11 (a) who was aged 21 on 30 June 2012; and  
12 (b) who was receiving sickness allowance immediately before  
13 1 July 2012 or whose payment of sickness allowance was  
14 suspended immediately before 1 July 2012.

15 **18 Application—general rates**

16 The amendments made by items 9 to 12 apply in relation to working out  
17 the rates of social security payments for days on or after 1 July 2012.  
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## **Schedule 2—Income test for youth allowance**

### ***Social Security Act 1991***

#### **1 Paragraph 1067G-H29(b)**

Omit “\$62”, substitute “\$143”.

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

Omit “\$188”, substitute “\$107”.

#### **3 Application**

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

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**Schedule 3—Income test for newstart allowance**

*Social Security Act 1991*

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

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

**2 Point 1068-G14 (heading)**

Repeal the heading, substitute:

*Ordinary income reduction—general*

**3 Point 1068-G14**

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

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

Add:

*Ordinary income reduction for certain recipients of newstart allowance*

1068-G17 If:

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

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

**5 Application**

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

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## **Schedule 4—Claims for newstart allowance**

### ***Social Security (Administration) Act 1999***

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

Omit “newstart allowance or”.

#### **2 Subclause 4(5) of Schedule 2**

Repeal the subclause.

#### **3 Application**

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

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## Schedule 5—Working credit balances

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### *Social Security Act 1991*

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

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

7

#### **2 Paragraph 1073E(6)(b)**

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

9

#### **3 Subsection 1073E(6)**

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

11

#### **4 Subsection 1073E(6)**

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

14

#### **5 At the end of section 1073E**

15 Add:

16 *Threshold amount*

17 (7) In this section:

18 *threshold amount* means:

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

23

#### **6 Section 1073F (method statement, step 4)**

24 Repeal the step, substitute:

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

## Schedule 5 Working credit balances

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

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

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(b) in any other case—\$1,000.

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### 7 Application

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



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## **Schedule 6—Parenting payment transitional arrangement**

### ***Social Security Act 1991***

#### **1 At the end of section 500F**

Add:

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

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

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## Schedule 7—Penalty for reconnection failures

### *Social Security (Administration) Act 1999*

#### **1 Subsection 42T(3)**

Repeal the subsection, substitute:

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

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

#### **2 Application**

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

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## **Schedule 8—Other amendments**

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### ***Indigenous Education (Targeted Assistance) Act 2000***

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

6

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

7

### ***Social Security Act 1991***

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#### **2 Point 1068-B1B**

9

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