

Parliamentary Library Information analysis and advice for the Parliament **BILLS DIGEST**

20 July 2007, no. 3, 2007-08, ISSN 1328-8091

Social Security Amendment (2007 Measures No. 1) Bill 2007

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Social Security Amendment (2007 Measures No. 1) Bill 2007

Date introduced: 20 June 2007

House: House of Representatives

Portfolio: Employment and Workplace Relations

Commencement: There are various commencement dates for different schedules and sections in this Bill and these are set out in the Table in **Clause 2** of the Bill. There are parts commencing from Royal Assent or are consequential upon the commencement of other legislation.

Links:

The <u>relevant links</u> to the Bill, Explanatory Memorandum and second reading speech can be accessed via BillsNet, which is at <u>http://www.aph.gov.au/bills/</u>. When Bills have been passed they can be found at ComLaw, which is at <u>http://www.comlaw.gov.au/</u>.

Purpose

To provide the legislative support for several measures announced by the government in the 2007-08 Budget. These measures feature:

- Enhancements to the provision of mobility allowance,
- A tightening of the transition to employment assistance for former full time students on youth allowance,
- Enhancement of access to supplementary payments for parenting payment partnered recipients with a partial capacity for work,
- Changes to the payment rate rules for some allowance income support payments. This will allow the care provided for a child to be recognised by the payment the higher, with dependent child rate, for persons providing a significant level of care, and
- Changes to the participation rules regarding the acknowledgment of self employment for mature aged unemployed jobseekers.

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Background

Schedule 1 – Mobility allowance

The government announced the changes to the qualification criteria for mobility allowance presented in **Schedule 1** in the 2007-08 Budget.¹

Mobility allowance

Mobility allowance is an income supplement payment to provide financial support to persons who have difficulty in using transport for reason of a disability to help them engage in employment or work training. The standard rate of mobility allowance is \$74.30 per fortnight and there is a higher rate payable of \$104.00 per fortnight. Qualification for these rates is explained below.² Mobility allowance is not subject to an income or asset test and is not taxable income.

The current qualification requirements for mobility allowance are the person:

- is 16 or over, and
- has a disability that prevents them from using public transport without substantial help for the next 12 months or longer (there does not need to be public transport in the area to qualify), and
 - is undertaking vocational training, voluntary work, paid work, independent living/life skills training, or a combination of these for at least 32 hours every four weeks on a continuing basis, or
 - has an agreement to look for work through the Job Network, or
 - is getting newstart allowance (NSA), youth allowance (YA) or Austudy and is required to satisfy the activity test, and
- needs to travel to and from home as part of work, training or job seeking, and
- is an Australian resident, in Australia and not subject to the two year newly arrived residents waiting period.

2. Mobility allowance rates effective as at July 2007.

Warning:

Department of Treasury, Budget Paper No. 2 - Budget Measures 2007-08, *Mobility Allowance – expanding eligibility*, Canberra, 8 May 2007, p. 137. <u>http://www.aph.gov.au/budget/2007-08/bp2/html/index.htm</u>

This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

To qualify for the higher rate of mobility allowance, a person needs to be receiving Disability Support Pension (DSP), newstart allowance or youth allowance (other)³ and one of the following apply:

- be working for 15 hours a week or more in the open labour market, or
- be looking for work for 15 hours a week or more under an agreement with a DEWR⁴ funded service provider.⁵

The higher rate of mobility allowance was introduced with the Welfare to Work reforms that commenced from 1 July 2006.⁶

Expansions of access to mobility allowance in Schedule 1

The amendments proposed in **Schedule 1** of the Bill to the *Social Security Act 1991* (SSA) aim to expand access to the standard rate of mobility allowance to a person with a disability undertaking a vocational rehabilitation program. The amendments also will expand assistance to the higher rate of mobility allowance to:

- a parenting payment (PP)⁷ recipient who meets the requirement to qualify for the standard rate of mobility allowance, and
- a recipient of newstart allowance, DSP, youth allowance or PP who is also working for at least 15 hours a week on wages levels set under the supported wage system.⁸

- 5. DEWR funded service provider refers to a contracted Job Network provider.
- 6. Dale Daniels and Peter Yeend, Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005, *Bills Digest No. 70 2005-06*, Parliamentary Library, Canberra, 6 December 2005. <u>http://www.aph.gov.au/library/pubs/bd/bd05-06.htm</u>
- 7. Parenting payment single (PPS) is more commonly known as the sole parent pension. Parenting payment partnered (PPP) is paid to a partnered person who has at least one child aged under 6 who is wholly or substantially in their care and has a partner and they and/or their partner's income and assets are below a certain amount.
- 8. This supported wage system (SWS) incorporates a process of productivity-based wage assessment. For example, if a person involved in the SWS is assessed as having a productivity level of 70% compared to co-workers performing the same duties, the worker and the employer can agree to ongoing employment at a pay rate of 70% of the normal rate.

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^{3.} Youth allowance (other) is paid to unemployed jobseekers aged 16 to 20.

^{4.} Department of Employment and Workplace Relations.

Cost of expanded access to mobility allowance

The Financial Impact Statement in the Explanatory Memorandum details that the cost of the expanded access to mobility allowance is estimated to be \$2.6 million in 2007-08, \$2.8 million in 2008-09, \$2.8 million in 2009-10 and \$2.9 million in 2010-11.⁹

More and different unemployed income support recipients required to look for and accept work

As a result of the government's Welfare to Work changes, the numbers of jobseekers required to look for, and accept work, with different characteristics from those of the past and who also have differing needs is likely to increase.¹⁰ For example, these include:

- jobseekers with a partial capacity for work, being those who would have previously qualified for the DSP. These are the persons assessed as being able to work for more than 15 hours a week and therefore do not now qualify for DSP, but may not be capable of full-time work. These jobseekers would have only part-time employment participation requirements,
- jobseekers who are partnered parents who do not have a qualifying child under age six. These persons would have previously qualified for parenting payment – partnered (PPP), but are now provided with NSA or YA and required to look for and accept parttime work (up to 15 hours a week),
- jobseekers who are single parents who do not have a qualifying child under age eight. They can no longer claim parenting payment – single (PPS) from 1 July 2006. They are now provided with NSA or YA and required to look for and accept part-time work (up to 15 hours a week).

There are also more jobseekers who have recently entered the pool. From 1 July 2007 a further 233 000 jobseekers on PPP or PPS will be required to look for at least 15 hours a week work.¹¹ These are the PPP or PPS recipients who claimed before 1 July 2006 and are therefore allowed to stay on PPP or PPS until their youngest child turns age 16. However, from 1 July 2006 they had a year before being required to seek part-time work (up to 15 hours a week). The year ends when their youngest child turns seven or 1 July 2007, whichever is the later.

Warning:

^{9.} Explanatory Memorandum, Financial impact statement.

^{10.} Dale Daniels and Peter Yeend, Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005, op. cit.

^{11.} The Hon. Joe Hockey, MP, Minister for Employment and Workplace Relations, *Speech to the Australian Mines and Metals Association*, Perth, Australia, 27 March 2007.

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Comment

The expansions of access to mobility allowance and also to the higher rate of mobility allowance contained in the provisions presented in **Schedule 1** are logical and are mostly a catch up reflecting the increased number of jobseekers who have a disability and/or are parents required to look for and accept work arising from the Welfare to Work changes.

Schedule 2 – Youth allowance

Introduction

The amendments to the SSA presented in **Schedule 2** of the Bill basically place the emphasis on the young person receiving youth allowance as a full time student to advise Centrelink when they cease full-time study. Failure to immediately advise that they have ceased full-time study will mean they will run the risk of not being entitled to youth allowance (or newstart allowance).

The amendments presented in **Schedule 2** arise from the initiative announced by the government in the 2007-08 Budget.¹²

Background

Currently, youth allowance is payable to a full time student 16 to 24, or if they are an unemployed jobseeker, aged 16 to 20. Unemployed jobseekers aged 21 or more may qualify for newstart allowance and full time students aged 25 or more may qualify for Austudy payment. For a full time student, once they cease full time study they can only qualify for youth allowance (or newstart allowance if aged 21 or more) if they are then an unemployed jobseeker who satisfies the work search activity test.

Under the amendments presented in **Schedule 2** of the Bill, where a youth allowance recipient does not immediately advise Centrelink that they have ceased full time study and there is then a gap between when this study stopped and when they register as an unemployed jobseeker, they cannot be paid youth allowance (or newstart allowance) in the gap. The reason they cannot qualify for payment is the new provisions will specify that the Secretary could not be satisfied the person is actively seeking work in the gap. This potentially could see a gap in qualification and therefore a gap in payments for some individuals between the date when they ceased full time study and when they advise Centrelink of this and then register as an unemployed jobseeker.

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^{12.} Department of Treasury, Budget Paper No. 2 - Budget Measures 2007-08, *Youth allowance – participation requirements for payment eligibility*, Canberra, 8 May 2007, p. 143. http://www.aph.gov.au/budget/2007-08/bp2/html/index.htm

Secretary issues notices to notify of changes in circumstances to all payment recipients

There are generic provisions in the *Social Security (Administration) Act 1999* (SSAA) empowering the issuing of notices to payment recipients requiring them to notify (Centrelink) of changes in their circumstances. Section 68 of the SSAA is one of these provisions.¹³ These notification requirements are on all letters sent by Centrelink to payment recipients, like the letter of grant of payment and any other correspondence sent. One of the notifiable events that is provided to all full time students receiving youth allowance is the requirement to notify if they cease full time study.

Cost/savings estimates for Schedule 2

The fact that there will be gaps in payment for some individuals is evidenced in the Financial Impact Statement in the Explanatory Memorandum. It details that the changed provisions for youth allowance in **Schedule 2** of the Bill is estimated to cost \$0.2 million in 2007-08 but thereafter realise some savings of \$0.6 million in 2008-09, \$0.6 million in 2009-10 and \$0.6 million in 2010-11.¹⁴

Comment

The Explanatory Memorandum explains the rationale behind the provisions presented in **Schedule 2**:

This measure will ensure the equity of treatment of job seekers receiving youth allowance in that all recipients will undertake job seeking efforts at an acceptable and appropriate level in order to remain eligible for the allowance.¹⁵

It is probable that for a number of youth allowance recipients ceasing full time study and then intending to go on to youth allowance (or newstart allowance) as an unemployed jobseeker, they do not immediately notify Centrelink when they cease study. This therefore leaves gaps up until when they do notify and are then advised to register as an unemployed jobseeker. The onus will be on the youth allowance recipient to notify immediately they cease study, otherwise there will be a gap in their payments.

Schedule 3 – Parenting payment recipients having a partial capacity to work

The amendments presented in **Schedule 3** arise from the initiative announced by the government in the 2007-08 Budget.¹⁶ Essentially the provisions are to expand access to a

15. Explanatory Memorandum, p. 7.

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^{13.} Section 68 of the *Social Security (Administration) Act 1999*. http://www.austlii.edu.au/au/legis/cth/consol_act/ssa1999338/s68.html

^{14.} Explanatory Memorandum, Financial impact statement.

range of supplementary payments and concessions for PPP recipients with a partial capacity to work, being assistance and concessions that are also currently provided to PPS recipients with a partial capacity to work.

The current access to the supplementary payments and concessions for PPS recipients with a partial capacity to work were provided with the passage of the *Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Act* 2005.¹⁷ This Schedule is like the mobility allowance provisions in **Schedule 1**, in that it is a catch up for like income support recipients with similar needs who should receive the same level of assistance.

The extra assistance to be provided to PPP recipients is access to the:

- pensioner education supplement (PES),¹⁸
- telephone allowance,¹⁹
- pensioner concession card $(PCC)^{20}$, and
- Department of Treasury, Budget Paper No. 2 Budget Measures 2007-08, Parenting Payment expanded access to supplementary concessions, Canberra, 8 May 2007, p. 138. <u>http://www.aph.gov.au/budget/2007-08/bp2/html/index.htm</u>
- 17. Dale Daniels and Peter Yeend, Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005, op. cit.
- 18. To qualify for PES, a person must be in receipt of either DSP, carer payment, (adult or child), special benefit (as a sole parent), widow B pension, widow allowance, wife pension or PPS and undertaking approved full-time or part-time study. Part-time study must be at least 25% of a full-time study load and can be approved if is a sole parent, carer or has a substantial disability. The PES rate is \$62.40pf if claimant is studying at least 50% of full-time study load and qualified for DSP, Invalidity Service Pension or war widows/ers pension and also receiving ISS and has a dependent child. The PES rate is \$31.20pf for other qualified persons.
- 19. Telephone allowance is a quarterly payment of \$21.40 (single) or \$10.70 (partnered each) to persons who are telephone subscribers and are eligible to a PCC or a Commonwealth Seniors Health Card.
- 20. A PCC is issued to a person receiving:
 - a pension,
 - parenting payment (single),
- mature age allowance,
- carer payment (adult),
- carer payment (child),
- if aged over 60 and have been receiving one (or a combination) of the following payments continuously for more than nine months: newstart allowance, sickness allowance, widow allowance, partner allowance, parenting payment or special benefit.

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• pharmaceutical allowance.²¹

As referred to in the background to **Schedule 1**, there are also more jobseekers soon to enter the pool of persons required to look for and accept work to qualify for payment. From 1 July 2007 a further 233 000 jobseekers on PPP or PPS will be required to look for at least 15 hours a week work.²² These are the PPP or PPS recipients who claimed before 1 July 2006 and are therefore allowed to stay on PPP or PPS until their youngest child turns age 16. However, they had a year before being required to seek part-time work (work of up to 15 hours a week). The year ends when their youngest child turns seven or 1 July 2007, whichever is the later.

Cost of expanded assistance for parenting payment – partnered recipients in Schedule 3

The Financial Impact Statement in the Explanatory Memorandum details that the cost of the expanded access to PPP recipients, as presented in **Schedule 3** of the Bill, is estimated to be \$1.6 million in 2007-08, \$0.6 million in 2008-09, \$0.7 million in 2009-10 and \$0.7 million in 2010-11.²³

The PCC entitles the holder to reduced cost medicines under the Pharmaceutical Benefits Scheme (PBS). The holder may also be entitled to extra concessions from State and local government authorities, which may include:

- reductions in property and water rates,
- reductions in energy bills,
- a telephone allowance,
- reduced fares on public transport,
- · reductions on motor vehicle registration, or
- one or more free rail journeys within the State each year.

PCC concessions vary from State to State and some of these extra concessions are also available for dependents.

- 21. Pharmaceutical allowance is \$5.80pf (single) or \$2.90pf (partnered each). It is paid to recipients of pension, sickness allowance, bereavement allowance, carer payment (adult), carer payment (child), or parenting payment (single). It is also payable to a person receiving mature age allowance, youth allowance, newstart allowance, Abstudy, partner allowance or widow allowance during a period of temporary illness. It is also payable to a person receiving newstart allowance, widow allowance, partner allowance, parenting payment (partnered), Austudy , Abstudy payment or special benefit and who has turned age 60 and has also been receiving income support payment continuously for at least nine months.
- 22. The Hon. Joe Hockey, MP, Minister for Employment and Workplace Relations, *Speech to the Australian Mines and Metals Association*, op. cit.
- 23. Explanatory Memorandum, Financial impact statement.

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The small estimated costs with this expanded access to supplementary payments and concessions for certain PPP recipients indicates the initiative will not be accessed by many recipients.

Pensioner education supplement (PES) to transitional disability support pension (DSP) recipients

Not all PPP recipients with a partial capacity to work will qualify for the PES. Only those who are described as a 'transitional DSP applicant' will qualify. This refers to those who claimed and were granted DSP between the 11th of May 2005 (day of the announcement of the Welfare to Work changes in the 2005-06 Budget) and the 30th of June 2006 (day before the Welfare to Work changes commenced from 1 July 2006). The DSP recipients granted in this period could be required to undertake a review of their work capacity. At this review, some may have been found to be able to work for more than 15 hours a week and subsequently cancelled from DSP. Some of these former DSP recipients may alternatively qualify for and be paid PPP. The provisions in **Schedule 3** allow these PPP recipients (who are former DSP recipients) access to the PES.

Parenting payment - partnered recipients and access to telephone allowance, the pensioner concession card (PCC) and pharmaceutical allowance

For the other supplementary payments to be provided to PPP recipients in **Schedule 3**, being telephone allowance, the PCC and pharmaceutical allowance, access is less restrictive than that for the PES. Essentially a PPP recipient with a partial capacity for work will be able to access the telephone allowance, the PCC and the pharmaceutical allowance.

Schedule 4 – Amendments relating to dependent children

Background

The amendments presented in **Schedule 4** of the Bill have their origins in the Ministerial Taskforce report on child support called *In the Best Interests of the Children – reforming the child support scheme*.²⁴ The amendments proposed will insert new definitions into the SSA for:

- family law order,
- parenting plan, and
- registered parenting plan.

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^{24.} Ministerial Taskforce on Child Support, *In the Best Interests of the Children – reforming the child support scheme*, Canberra, Australia, 3 June 2005.

These definitions will mirror like definitions in the *Family Law Act 1975* (FLA) and also in the *A New Tax System (Family Assistance) Act 1999* (FAA). The FAA is the legislation that provides for the income supplement payments paid to families in respect of children being Family Tax Benefit (FTB) and Child Care Benefit (CCB).

The government's main legislative amendments made in response to the recommendations contained in the *In the Best Interest of the Children* report were to the FLA and the Child Support Scheme (CSS) arrangements. The Acts concerned were the *Family Law Amendment (Shared Parental Responsibility) Act 2005*²⁵ and also the *Child Support Legislation Amendment (Reform of the Child Support Scheme - New Formula and Other Measures) Act 2006.*²⁶

Amendments to the SSA

The net effect of inserting these new definitions into the SSA and then amending some references and applications using these definitions will mean that for some payments, recipients will be paid a rate of assistance that acknowledges their care of a child. The child care provided will need to be for a minimum period, being for at least 14 per cent of the time over the payment period. These amendments accord with recommendations in the *In the Best Interest of the Children* report. The specific recommendation was:

Recommendation 1.15

Non-resident parents who have care of a child between 14% and 34% of nights per year should continue to have access to Rent Assistance, the Health Care Card, and the Medicare Safety Net if they meet the other eligibility criteria for FTB Part A at the required rate. They should also be paid the 'with child' rate for the relevant income support payments, where they meet the relevant eligibility criteria. The Government should also consider the adequacy of the current level of this rate in the light of the research on the costs of children conducted by the Taskforce.²⁷

Where a minimum level of care is being provided for a child (that is for at least 14 per cent of the time), the amendments will allow an increased rate of payment for youth allowance, newstart allowance, mature age allowance and sickness allowance. For example, the

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^{25.} Maryanne Neilson and Jennifer Norberry, Family Law Amendment (Shared Parental Responsibility) Bill 2005, *Bills Digest No. 99 2005-06*, Parliamentary Library, Canberra, 28 February 2006. http://www.aph.gov.au/library/pubs/bd/bd05-06n.htm

Peter Yeend, Child Support Legislation Amendment (Reform of the Child Support Scheme - New Formula and Other Measures) Bill 2006, *Bills Digest No. 43 2006-07*, Parliamentary Library, Canberra, 18 October 2006. <u>http://www.aph.gov.au/library/pubs/bd/index.htm</u>

^{27.} Ministerial Taskforce on Child Support, In the Best Interests of the Children – reforming the child support scheme, op. cit., recommendation 1.15, p. 161.

current single rate of newstart allowance with no dependent children is \$424.30 per fortnight, whereas for a single person with a dependent child the fortnightly rate is \$458.90.²⁸ Sickness allowance and mature age allowance have the same rates as newstart allowance, being all paid at the benefit rate. For youth allowance, the single rate for a person aged 18 or more living away from home is \$348.10 per fortnight, whereas for a single person with a dependent child the fortnightly rate is \$456.00.²⁹

The amendments do not propose to refer to other payments, especially PPS, which is more commonly referred to as the sole parent pension. The amendments proposed do not refer to the definition of principle carer in the SSA,³⁰so it will continue that only one person at a time can be paid PPS in respect of a child.

Cost of paying a higher rate of allowances to persons with a dependent child

The Financial Impact Statement in the Explanatory Memorandum details that the cost of the payment of higher rates of allowances to persons with a dependent child, as presented in **Schedule 4** of the Bill, is estimated to be \$1.2 million in 2007-08, \$1.2 million in 2008-09, \$1.3 million in 2009-10 and \$1.3 million in 2010-11.³¹

Schedule 5 – Participation requirements and activity test

Schedule 5 of the Bill contains minor amendments to include self employment as an acceptable activity for the activity test requirements for parenting payment or newstart allowance. Currently, the references in the SSA are only to 'suitable paid work for another person', which doesn't include self employment.³² The provisions change the

- 29. Youth allowance payment rates refer to July 2007.
- 30. In the SSA, section 5 sets out the definitions of family relationships and children. Principal care is defined in sections 5(15) to 5(24) and section 5(15) provides:
 5.(15) A person is the principal carer of a child if:

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

- (a) the adult to be legally responsible (whether alone or jointly with another person) for the day-to-day care, welfare and development of the child: subsection (16) deals with the circumstances in which a step-parent is taken to have such legal responsibility; and
- (b) a child to be in an adult's care: subsection (17) deals with the circumstances in which a child is taken to remain in an adult's care.
- 31. Explanatory Memorandum, Financial impact statement.
- 32. **502A.**(1) Subject to subsection (2), the Secretary must not notify under subsection 502(1) a person in respect of a period (the *relevant period*) if the person has reached 55 years and:
 - (a) is engaged in approved unpaid voluntary work for an approved organisation for at least 30 hours in the period; or

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^{28.} Newstart payment rates refer to July 2007.

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

references to 'paid work that the Secretary regards as suitable', so it will encompass both paid work for another person and also self employment.

Of course, for newstart allowance, the basic requirement that the person is unemployed would still need to be met, so if the person was engaged in self employment and not unemployed, qualification to newstart allowance could not be met. Any self employment would need to be minimal and the person still satisfies the requirement that they are essentially unemployed and actively seeking suitable paid employment.

For parenting payment, the participation requirements arise from the Welfare to Work changes made by the government from 1 July 2006.³³

The Financial Impact Statement in the Explanatory Memorandum details that there are no extra costs arising from these changes.³⁴

Main provisions

Schedule 1 – Mobility allowance

Items 1 and 2 insert the requirements about a vocational rehabilitation program into the qualification requirements for mobility allowance. **Item 3** adds a definition of a vocational rehabilitation program into the SSA. **Item 11** inserts provisions setting out when a person can qualify for the higher rate of mobility allowance if they are working for 15 or more hours a week and being paid under a SWS arrangement.

Schedule 2 – Youth allowance

Item 2 inserts a new sub section into section 541 of the SSA, being the activity test section stipulating that a person cannot satisfy the activity test if they haven't advised they are ceasing full time study. **Item 3** inserts provisions for the application of the amendment to section 541 being on or after the later of Royal Assent or 1 January 2008.

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

34. Explanatory Memorandum, Financial impact statement.

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⁽b) is engaged, for at least 30 hours in the period in a combination of:

⁽i) approved unpaid voluntary work for an approved organisation; and

⁽ii) suitable paid work for another person; or

^{33.} Dale Daniels and Peter Yeend, Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005, op. cit.

Schedule 3 – Parenting payment recipients having a partial capacity to work

Item 2 inserts provisions allowing for the qualification to the payment of PES where the person is a transitional DSP recipient, has a partial capacity for work and is undertaking the requisite study. **Item 3** inserts a provision that will provide for the rate of PES payable to be same as if the person was still a DSP recipient.

Item 5 provides for PPP recipients with a partial capacity for work to access the telephone allowance. **Item 7** does likewise but referring to the PCC. **Item 21** inserts a provision to apply the provisions in **Schedule 3** to persons claiming PP on or after 1 July 2006, being the date the Welfare to Work measures also commenced.

Schedule 4 – Amendments relating to dependent children

Items 1, 2 and 3 inserts provisions into the definitions section of the SSA, being section 23 to define 'family law order', 'parenting plan' and 'registered parenting plan' respectively.

Items 4 and 5 insert new provisions into the rate calculator provisions of the SSA to allow for the payment of the higher, with dependent child rate for newstart allowance, sickness allowance, mature age allowance and youth allowance. The provisions refer to a person providing for the care of a child for at least 14 per cent of the time for a period.

Schedule 5 – Participation requirements and activity test

Items 1, 2 and 3 replace existing provisions in the SSA that currently refer to 'paid work for another person' to 'paid work that the Secretary regards as suitable'.

Conclusion

The amendments to the SSA provided in this Bill are essentially beneficial. The provisions in **Schedules 1 and 3** providing expanded access to mobility allowance and also other payments and concessions to PP recipients with partial capacities for work are a catch up with the Welfare to Work provisions and arrangements that commenced from 1 July 2006.

The **Schedule 4** provisions, which will allow increased rates of assistance for persons caring for a child, could see two persons receiving the higher with child rates of assistance

in respect of one child. This is unprecedented but accords with the recommendations made in the *In the Best Interests of the Children* report.³⁵

Warning:

^{35.} Ministerial Taskforce on Child Support, *In the Best Interests of the Children – reforming the child support scheme*, op. cit.

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