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2004 Administrative Arrangements Changes

In October 2004 responsibility for some income support payments (including Newstart Allowance, Parenting Payment, Partner Allowance, Youth Allowance (Other) and Disability Support Pension) was transferred to the Australian Government Department of Employment and Workplace Relations and responsibility for Youth Allowance (Students) and Austudy Payment was transferred to the Australian Government Department of Education, Science and Training.

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Indexed by Michael Harrington
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Notwithstanding the assistance I have had from time to time, I naturally take full responsibility for any discrepancies or omissions which have arisen in a document which covers 18 years of detailed and complex legislation. I would be only too pleased to receive comments from users of the compendium, including details of any discrepancies they might identify.

Bob Daprè
Explanatory notes

Abbreviations

The compendium contains a number of abbreviations for frequently used terms. Unless otherwise stated or the context clearly indicates to the contrary, the following terms have the meanings given below:

- ‘Minister’ means the Minister for Social Security up to September 1998 and the Minister for Family and Community Services thereafter;
- ‘Department’ means the Department of Social Security up to September 1998 and the Department of Family and Community Services thereafter;
- ‘Director-General’ means the Director-General of the Department of Social Security;
- ‘Secretary’ means the Secretary to the Department of Social Security up to September 1998 and the Secretary to the Department of Family and Community Services thereafter;
- ‘Employment Minister’, ‘Employment Department’ and ‘Employment Secretary’ mean the Minister, department and Secretary to the department respectively responsible for employment issues. The portfolio and department had a variety of titles over the 18-year period; and
- ‘Act’ means the *Social Security Act 1947* or the *Social Security Act 1991*.

Names of payments

In the earlier years of the 18-year period covered by the compendium, a number of social security payments had apostrophes in their names. These were removed over time, many of them when the 1991 Social Security Act replaced the 1947 Act. For example, Sole Parent’s Pension and Wife’s Pension were renamed Sole Parent Pension and Wife Pension in the 1991 Act. The terms used in the compendium are those that prevailed at the time.

Inappropriate terminology

Certain terminology used in the compendium may be considered inappropriate and/or offensive by readers. However, the language used is an accurate reflection of the terminology employed by the legislation upon which this document reports. Readers are asked to note that revising such language to suit current standards would compromise the historical accuracy of the document. In more general sections of the document, the currently more acceptable terminology has been used.

References to powers of the Director-General or Secretary

The legislation contains many provisions giving discretionary powers to the department’s Director-General/Secretary to make a variety of decisions—for example, on whether a person has complied with the qualifying conditions for a particular social security payment. The description of the legislation has retained this legal form of words. However, it should be noted that this does not represent the way the law is applied. In practice, these powers have always been delegated to departmental officers.
**Disallowable instruments**

The compendium makes numerous references to pieces of legislation being ‘disallowable instruments’. This means that the legislation has to be placed in the Commonwealth Gazette and laid before both Houses of the Parliament within a prescribed period. The Parliament has the opportunity to disallow the legislation in that period.

**Financial year**

Reference is made in certain records to the ‘financial year’. In Australia, this is the year ended 30 June. It is the year used for tax purposes.

**Format of compendium**

The legislative changes have been presented in the strict chronological order in which the amending Acts were passed and, within an amending Act, in the order in which the changes arose. The only exception to this has been to consolidate amendments (mainly in the 1947 Act) where identical changes affecting different payments were spread throughout the Act. In these instances, the changes are in order based on the first of the relevant amendments. It should be noted that the order in which changes are legislated is not related in any way to the date of their implementation.

The tables for each record contain in every case details of the location of changes in the amending Act, the date of commencement, the date of application and payments affected by any changes. A description of the changes then follows the table. On occasions, where background information is provided related to more than one record, it is located under the name of the amending Act or at the beginning of the year. Records have been located in numerical order within each year.

**Location in Act**

The section headed ‘Location in Act’ sets out precisely the sections and/or schedules (or items in schedules) in the amending Acts where a change or changes occurred. Generic standard sections at the front of amending Acts covering dates of commencement and application have not been recorded.

**Commencement and application dates**

The tables provide both a ‘date of commencement’ and ‘date of application’. The date of application represents the date on which the change took effect and, for policy and research purposes, in the vast majority of cases is the only date of any importance. The actual date has been included in each case even though it may not have been known at the time the legislation was passed. The date of commencement is frequently different from the application date and reflects various legislative requirements.

The information under dates of commencement and application has generally been reported as expressed in the legislation. The dates may be the Date of Royal Assent, a variable or unspecified date hinging on the date on which a certain other Act (or Acts) commence, or whether they commence, or can be a date to be proclaimed. (Proclaimed means the date on which the Governor-General proclaimed Royal Assent to the relevant part of the Act in the Commonwealth Gazette.) On occasions, there can be several provisos to these starting dates.
Explanatory notes

and, where these provisos have been very detailed, full information has not always been given. In most cases, this ancillary information was important only at the time the legislation was passed and is of no more than academic interest after the event. The Date of Royal Assent has been given at the beginning of each amending Act.

The date of application is not necessarily the same as the date on which new rates of payment are made. Social security payments have generally been made for instalment periods and the date of payment in these cases depends on when precisely the instalment period commenced.

Listing of payments affected

The tables contain the names of all the payments affected by a change.

Categorisation of payments

For some purposes, it is useful to identify social security payments by broad categories. The Australian system contains the following payments:

- ‘pensions’, which are generally intended to provide a basic level of long-term income support;
- ‘benefits’, which provide a basic level of short-term income support;
- ‘supplementary payments’ (‘add-ons’). These are additional entitlements paid almost exclusively to pensioners and beneficiaries. Entitlement to them is based on entitlement to the primary payment and they are not paid in their own right. They encompass payments such as Rent Assistance, Guardian Allowance and Pharmaceutical Allowance;
- ‘family payments’, which covered (before the new structure applying from July 2000) payments such as Family Allowance and Maternity Allowance in the Social Security Act; and
- ‘other payments’, which constitute all the other cash payments such as Mobility Allowance and Funeral Benefit.

The compendium also covers non-cash fringe benefits, as they are available to pensioners and beneficiaries on the basis of their social security status and aspects of them are dealt with in the Social Security Act. They have been regarded as a payment type for purposes of the compendium.

For each change described in records, the compendium lists all payments potentially affected under the Social Security Act. Sometimes in practice, a change will mainly impact on only certain of the designated payments and have minimal (if any) impact on others. This situation most frequently arises where a change would generally affect only older or younger people, while a listed payment exclusively or predominantly assists people at the opposite end of the age scale to those the change is targeted to. For example, changes related to the treatment of superannuation in means tests would have very limited, if any, application to Job Search Allowance recipients during the period before 1 July 1991, when the allowance was paid only to 16–17 year-olds. Readers should exercise their judgement in these cases andpayments unlikely to be affected have been excluded from the index.
**Pensions and benefits**

Pensions and benefits have been clearly differentiated in the Social Security Act over the years as they generally have different rates and income tests. However, some confusion can arise because of the names of the payments.

While many pensions carry the name ‘pension’, a number do not. Supporting Parent’s Benefit (not now in existence) was a pension, notwithstanding that it had the term ‘benefit’ in its name. Other pensions have had the terms ‘allowance’ or ‘payment’ in their names. On the other hand Double Orphan Pension has the designation ‘pension’ but is not an income support payment and has not been included in the pension category.

For a number of years after 1982, all benefits had the name ‘benefits’. Now only one (Special Benefit) retains that name and most are currently called allowances.

**Mature Age Allowance** has been both a pension and a benefit. The allowance was paid under pension conditions from its inception in March 1994 and was regarded as a pension. Following changes applying from July 1996, it was paid under benefit conditions to new recipients and was classified as a benefit. However, persons to whom it had been granted before that date continued to receive it under pension conditions. Accordingly, changes can apply to it as a pension or benefit, or both. When separately identified as a payment type, the terms ‘Mature Age Allowance (pension)’ and ‘Mature Age Allowance (benefit)’ have been used.

Another complication relates to Parenting Allowance and Parenting Payment. Parenting Allowance had two components, Basic Parenting Allowance which was regarded as a family payment and Additional Parenting Allowance which was a benefit. The establishment of Parenting Payment involved a third component, Parenting Payment (single), which replaced Sole Parent Pension and was a pension. These components have been spelt out separately in recording payments affected.

In the tables, where several pensions or benefits are covered by a change, the terms ‘pensions’ and ‘benefits’ have been used to specify payments affected. A list of what constitutes a pension or benefit has been presented in the ‘Key to pensions and benefits at different dates’ section at the end of the Explanatory notes. The information has been provided for different time periods. Accordingly, to ascertain what ‘pension’ or ‘benefit’ means for a particular change, the reader should note the date on which the change was implemented and check what constituted a pension or benefit at that date. These will be the ones covered by the record unless the description indicates some variation from this. It should also be noted that where the terms pensions or benefits are used on their own in descriptions, they always mean a social security pension or benefit at a particular date as set out at the end of the Explanatory notes. The terms ‘pensioner’ and ‘beneficiary’ have an analogous meaning.

The only variation to this approach relates to **Special Benefit**. Records relating to rate or income test changes contain the words ‘Special Benefit (in effect)’ when identifying payments affected by a change. This reflects the fact that there has never been a specified maximum rate or a specific income test for Special Benefit. Instead the legislation has stated that the rate was to be at the discretion of the Director-General/Secretary with the qualification that it could not exceed that of certain other benefits if the person had been entitled to one of them. The assets test on the other hand applies to Special Benefit.
The term ‘in effect’ takes account of the fact that, notwithstanding the wording of the Act, the general practice since before 1983 has been to pay Special Benefit at the maximum relevant benefit rate and, up to September 1990, subject to the benefit income test. Since September 1990, a dollar for dollar withdrawal rate has been applied to recipients of Special Benefit with non-benefit income so that from that time income test changes have been of little practical relevance. However, as this was an administrative rather than a legislative change, the words ‘in effect’ have been retained. When the words ‘benefits, Special Benefit (in effect)’ are used, it means all benefits are included in the change but Special Benefit only in the sense outlined. Given the discretionary nature of Special Benefit, the term benefit when used in the general description could include or exclude it.

To avoid excessive repetition, the term ‘workforce benefits’ has been used at times in the general descriptions. This term includes Unemployment Benefit, Job Search Allowance, Sickness Benefit and Sickness Allowance according to which of them were in existence at the date of implementation of a change.

Another feature of the payment types is that, in the restructuring of unemployment payments from 1 July 1991, Job Search Allowance retained its name. However, the group of people covered by the allowance from that time differed greatly from those covered before the change.

**Supplementary payments**

Supplementary payments have been regarded as payments in their own right for purposes of recording changes specific to those payments. This approach makes recording much easier through avoiding endless repetition by, for example, having to record every pension and benefit whenever a change to Rent Assistance is made.

Changes to the primary pension or benefit to which supplementary payments relate are not covered in these changes except where the supplementary payment has been introduced or abolished in respect of a pension or benefit, or there has been a name change. Accordingly, when Rent Assistance was first extended to unemployment beneficiaries, this was recorded as a change to both Rent Assistance and Unemployment Benefit. Thereafter, any further changes are recorded only as changes to Rent Assistance. Researchers who wish to trace the history of Unemployment Benefit, and are interested in the conditions under which Rent Assistance is paid to unemployment beneficiaries, would need to check all references to Rent Assistance in the compendium following the extension of such assistance to those beneficiaries.

Likewise, when a new pension or benefit has been introduced, all the supplementary payments attached to that payment have not been recorded in the ‘payments affected’ row.

**Other payments and general provisions**

Payments other than pensions and benefits have been individually spelt out under ‘payments affected’ in each record. For some payments affected, the words ‘general provision’ have been used. This applies where, for example, there has been a change to a definition that applied throughout the Act, or the change amounted to the signing of a reciprocal Social Security Agreement with another country.
Payment names not covered by legislation

Certain records refer to changes to Additional Pension for Children, Additional Benefit for Children, Additional Allowance for Children (used for only a very short time), Mother’s/Guardian’s Allowance and Special Temporary Allowance (none of these payments exists currently). These terms were never used in the Social Security Act but were in common use and recorded as such in the department’s annual reports. Additional Pension, Benefit and Allowance were supplements to pensions and benefits for dependent children; Mother’s/Guardian’s Allowance (Guardian Allowance and in the Act since 1991) was a supplement for sole parent pensioners and beneficiaries; and Special Temporary Allowance was used to describe a provision under which, following the death of a member of a pensioner couple, the surviving pensioner continued to receive the combined married rate of pension for 12 weeks.

Payments not identified as categories in their own right

While the general approach has been to classify any payment, including supplementary payments, as payments in their own right, there are two exceptions to this. ‘Special needs’ pensions are treated simply as part of the category to which they belong—for example, a change to special needs Wife Pension is treated as a change to Wife Pension. The other is the addition to what (up to June 2000) was Family Allowance for families with triplets or higher multiples. This is not regarded as a separate payment in the Social Security Act but was commonly known as ‘Multiple Birth Payment’ and (between 1992 and mid-2000) as ‘Multiple Birth Allowance’.

Residual and consequential categories of payment

In recording changes, only the primary payment is mentioned under ‘payments affected’. For example, if a change stated that a particular family payment was not to be regarded as income in the income test for Newstart Allowance, the only payment type mentioned would be Newstart Allowance as, in this case, there has been no change in the conditions under which the family payment was made.

In addition, consequential effects on payments have not been counted as ‘payments affected’. For example, the introduction of Youth Allowance affected Newstart Allowance as Newstart Allowance was no longer paid to persons aged under 21 years and a change to Invalid Pension (before its abolition in 1991) would usually flow through to Sheltered Employment Allowance as a person could receive the allowance only if he/she otherwise qualified for the pension.

Non-social security payments

Payments not made under the Social Security Act are mentioned only to the extent that they impinge on social security payments. When they are mentioned, it is usually in the context that a person becomes eligible for, or is entitled to a higher rate of, pension or benefit only if he/she has been receiving a social security or other income support payment for a specified period. The most commonly mentioned such payments are those made under the Veterans’ Entitlements Act, Youth Training Allowance and certain labour force payments.

References to payments under the Veterans’ Entitlements Act have been referred to in descriptions as ‘specified veterans’ payment’. Exactly what the term means
for a particular record or at a particular time has not been spelt out. In recent years it has generally referred to Age Service Pension, Invalidity Service Pension, Partner Service Pension or Carer Service Pension. Occasionally, it has also included an Income Support Supplement paid to Armed Service widows and widowers.

Interpretation of payments affected

On occasions, the list of ‘payments affected’ may give a misleading impression. In the case, for example, of changes to the general categories of income which are exempt from income tests, Family Allowance and Family Allowance Supplement, and the successors to those payments, have not been included under that sub-heading. This reflects the fact that Family Allowance, since it became subject to an income test in late 1987, and Family Allowance Supplement and its successors since late 1988, have been income tested based on taxable income. The same categories of income exempted from other social security income tests would in most (probably all) cases also be exempt income for income tax purposes. In effect, therefore, the same exemptions would apply to these payments but would not be reflected under ‘payments affected’ in compendium tables.

Description of changes

The description of the changes has been recorded below the tables and provides the main information. Explanations of, and comments on, changes where they do not form part of the main description have been placed in square brackets.

The compendium seeks to provide plain English descriptions which keep fairly close to the meaning of the legislation. It does not purport, nor is it intended, to be a replica of the legislation. People who need for any purpose to know or interpret the precise meaning of sections of the Social Security Act should consult the Act itself.

Guide to identifying developments from 1983 to 2000

During the period covered by the 1983–2000 compendium, there was a substantial restructuring of most assistance for people affected by life’s major contingencies. While some payments which existed at the start of the period remained 18 years later, many new payments were introduced and others were either abolished in the period or absorbed into the new payments. In addition, a number of payments were renamed with little or no other change made to them.

This short guide seeks to assist readers wishing to identify developments in assistance during the period by highlighting, in respect of the various contingencies, the payment to which they should give attention. The guide makes reference to all payments contained in the ‘Payments affected’ row in the tables for each record. It initially deals with basic income support payments available in respect of the various contingencies, and then with other payments whether supplementing this income support or paid in their own right.

The most recent spelling only has been used when citing payments whose names contained an apostrophe ‘s’ which was later removed following a legislative amendment.
A compendium of legislative changes in social security 1983–2000

**Basic income support**

**Assistance to the aged**

Age Pension and Wife Pension provided income support to the aged throughout the period but a phasing out of Wife Pension commenced during it. Mature Age Allowance was introduced in the period as a bridge between work and retirement with Mature Age Partner Allowance available at one stage to an allowee’s spouse.

**Assistance to people affected by long-term disabilities or sickness**

Disability Support Pension replaced Invalid Pension, Sheltered Employment Allowance and Rehabilitation Allowance in the period and provided income support to this group. Disability Wage Supplement was introduced later and also abolished in the period. Details for Wife Pension are as for Age Pension.

**Assistance to carers**

There was no specific income support for carers at the commencement of the period—Wife Pension would have played a role in some instances for women who were eligible for it but many carers were dependent on Special Benefit. Spouse Carer’s Pension was introduced in the period and provided income support to certain men assuming a caring role. It was replaced by a Carer Pension available to men and women and which was later renamed Carer Payment.

**Assistance to sole parents**

Sole Parent Pension replaced Class A Widow’s Pension and Supporting Parent Benefit in the period and provided income support to sole parents. Sole Parent Pension was later abolished and replaced by Parenting Parent (single), a component of Parenting Payment.

**Assistance to older single women without children**

Class B Widow’s Pension, which provided this income support, began to be phased out during the period. It was also renamed Widow B Pension. Later a Widow Allowance was introduced and assisted certain older women without children under benefit conditions.

**Assistance following a death**

Income support for women in these circumstances was provided by Class C Widow’s Pension until it was replaced by Widowed Person Allowance, which was paid under different conditions and not restricted to women. Widowed Person Allowance was later renamed Bereavement Allowance. Related support was also provided by certain payments not regarded as basic income support – these are dealt with under ‘Other payments’.

**Assistance to the unemployed**

Unemployment Benefit provided this income support at the commencement of the period. Job Search Allowance for unemployed people under 18 years was introduced in the period. In a major restructuring, Unemployment Benefit was abolished and Newstart Allowance, along with a much different Job Search Allowance not restricted to young people, provided assistance to the
unemployed. For a time income support for persons aged under 18 years was provided outside the Social Security Act by Youth Training Allowance. Later Job Search Allowance was abolished. Additional Parenting Allowance, Partner Allowance and Parenting Payment (partnered) also had a role in unemployment assistance while Mature Age Allowance provided a bridge between work and retirement for older people. When Youth Allowance was introduced, it assisted younger unemployed people.

**Assistance to persons with temporary sickness or disability**

Sickness Benefit performed the income support function but was replaced during the period by Sickness Allowance, which was similar but had some different conditions. Conditions of payment of Sickness Allowance (as for Sickness Benefit) were aligned with unemployment payments rather than with payments for people with long-term medical conditions. Additional Parenting Allowance, Partner Allowance and Parenting Payment (partnered) are also relevant to this assistance. Later Youth Allowance provided income support for younger persons in this category.

**Assistance to students**

Income support for students was provided by education payments outside of the Social Security Act until Youth Allowance and Austudy Payment were introduced in social security legislation late in the period.

**Assistance of last resort**

Special Benefit continued as before the period to be a temporary last resort safety net for people not eligible for other income support payments.

**Other payments**

**Assistance to people paying rent**

Rental assistance had been provided by Supplementary Assistance or Supplementary Allowance but these two payments were replaced during the period by Rent Assistance. Incentive Allowance was retained but started to be phased out. Residential Care Allowance had a small role in rental assistance for a short period.

**Assistance to carers**

A Carer Allowance was introduced in the period. It assisted people caring for adults who were sick or had a disability but also replaced Child Disability Allowance (traditionally regarded as a family benefit) for persons caring for children in such circumstances.

**Assistance to families with children**

There were several major restructures in assistance to families with children within the period. Various payments were absorbed by other payments with new names and conditions, and some payments which had at one time been supplements to pensions and benefits in respect of children were absorbed into more general family assistance. Family Income Supplement was abolished and
Family Allowance Supplement introduced. Additional Pension/Benefit/Allowance for Children was abolished. Then Family Allowance and Family Allowance Supplement were replaced with Family Payment (which had ‘Basic’ and ‘Additional’ components). A further restructure created a new Family Payment with ‘minimum’ and ‘more than minimum’ components. A Family Tax Payment was introduced and the name ‘Family Allowance’ was restored. Near the end of the period all general assistance for families with children was abolished, or abolished in its prevailing form, and removed from the Social Security Act.

In assistance specific to sole parents, Mother’s/Guardian Allowance was renamed Guardian Allowance. The allowance was removed from the Social Security Act with a number of other family payments.

Home Child Care Allowance was introduced and shortly thereafter was subsumed by Basic Parenting Allowance which later became Basic Parenting Payment (partnered). The last mentioned payment was also absorbed into the new family payments provided outside the Social Security Act.

A Maternity Allowance and Maternity Immunisation Allowance were established within the period. They were removed from the Social Security Act with most other family payments but remained substantially unchanged in the new Act.

Double Orphan Pension was in place at the start of the period and remained in the Social Security Act at the end of it.

Handicapped Child’s Allowance was replaced by a Child Disability Allowance paid under different conditions. This family payment was absorbed into Carer Allowance as previously stated.

**Assistance following a death**

Funeral Benefit and Special Temporary Allowance were abolished and replaced by a much broader range of payments which went under the title of Bereavement Payments. There was also provision for certain family payments to continue to be paid for a period following the death of a child. This assistance in the event of a death should be examined in conjunction with income support following a death described above.

**Payments not elsewhere included**

Other payments (unless otherwise stated, all were introduced during the period 1983–2000) are listed below:

- Mobility Allowance provided assistance to people with disabilities throughout the period. Youth Disability Supplement was an additional payment made to young recipients of Disability Support Pension;
- Remote Area Allowance assisted pensioners and beneficiaries living in remote areas;
- Pharmaceutical Allowance (initially named Pharmaceutical Supplement) was paid as a supplement to pensions and benefits to cover the cost of pharmaceuticals;
- an Employment Entry Payment assisted a wide range of pensioners and beneficiaries who obtained employment;
an Education Entry Payment assisted a number of categories of pensioner and beneficiary attending education courses;

Young Homeless Allowance, before it was absorbed into the general benefit rates structure, provided additional income to homeless young beneficiaries;

Job Search Training Supplement, Newstart Training Supplement and Training Supplement for Widows provided assistance to recipients of Job Search Allowance, Newstart Allowance and Widow Allowance respectively while undertaking approved training;

Approved Program of Work Supplement was a supplement paid to the unemployed under the Work for the Dole Scheme;

Participant Supplement was a supplement provided to participants in the Community Development Employment Projects Scheme;

Pensioner Education Supplement assisted certain pensioners and beneficiaries undertaking qualifying study;

Fares Allowance mainly assisted Youth Allowance, Austudy Payment and Pensioner Education Supplement recipients with travel costs incurred while undertaking tertiary study;

Disaster Relief Payment provided short-term assistance to residents in the event of a major disaster;

Crisis Payment was available to persons qualified for a pension or benefit who were experiencing severe financial hardship in specified circumstances;

Pension Supplement enabled appropriate compensation to be paid to pensioners when the new Goods and Services Tax was introduced;

Telephone Allowance replaced a telephone rental concession voucher scheme and provided assistance to pensioners and beneficiaries;

non-cash Fringe Benefits continued to be available to pensioners throughout the period and were extended to certain beneficiaries; and

a Seniors Health Card extended a range of health care benefits to certain elderly people not entitled to a pension.

Note: In relation to educational assistance, there were also numerous changes in the period in the assistance provided to full-time students under the family payments system. Also, to a limited extent Family Allowance and Youth Allowance were alternative payments for full-time students (refer to Record 1 of 1998 and Record 11 of 1999).

Key to pensions and benefits at different dates
(This should be read in conjunction with the sections of the Explanatory notes titled ‘Names of payments’ and ‘Pensions and benefits’.)

Pensions
1 January 1983—30 November 1983
Age Pension; Invalid Pension; Rehabilitation Allowance; Sheltered Employment Allowance; Wife’s Pension; Class A Widow’s Pension; Class B Widow’s Pension; Class C Widow’s Pension; Supporting Parent’s Benefit
1 December 1983—31 October 1985
Age Pension; Invalid Pension; Rehabilitation Allowance; Sheltered Employment Allowance; Wife's Pension; Class A Widow's Pension; Class B Widow's Pension; Class C Widow's Pension; Supporting Parent's Benefit; Spouse Carer's Pension

1 November 1985—28 February 1989
Age Pension; Invalid Pension; Rehabilitation Allowance; Sheltered Employment Allowance; Wife's Pension; Class A Widow's Pension; Class B Widow's Pension; Class C Widow's Pension; Supporting Parent's Benefit; Carer's Pension

1 March 1989—30 June 1991
Age Pension; Invalid Pension; Rehabilitation Allowance; Sheltered Employment Allowance; Wife's Pension; Sole Parent's Pension; Class B Widow's Pension; Widowed Person Allowance; Carer's Pension

1 July 1991—11 November 1991
Age Pension; Invalid Pension; Rehabilitation Allowance; Sheltered Employment Allowance; Wife Pension; Sole Parent Pension; Widow B Pension; Widowed Person Allowance; Carer Pension

12 November 1991—19 March 1994
Age Pension; Disability Support Pension; Rehabilitation Allowance; Wife Pension; Sole Parent Pension; Widow B Pension; Widowed Person Allowance; Carer Pension

20 March 1994—30 June 1994
Age Pension; Disability Support Pension; Rehabilitation Allowance; Wife Pension; Sole Parent Pension; Widow B Pension; Widowed Person Allowance; Carer Pension; Mature Age Allowance; Mature Age Partner Allowance

1 July 1994—31 December 1994
Age Pension; Disability Support Pension; Rehabilitation Allowance; Wife Pension; Sole Parent Pension; Widow B Pension; Widowed Person Allowance; Carer Pension; Mature Age Allowance; Mature Age Partner Allowance; Disability Wage Supplement

1 January 1995—30 June 1997
Age Pension; Disability Support Pension; Rehabilitation Allowance; Wife Pension; Sole Parent Pension; Widow B Pension; Bereavement Allowance; Carer Pension; Mature Age Allowance; Mature Age Partner Allowance; Disability Wage Supplement

1 July 1997—31 December 1997
Age Pension; Disability Support Pension; Rehabilitation Allowance; Wife Pension; Sole Parent Pension; Widow B Pension; Bereavement Allowance; Carer Payment; Mature Age Allowance; Mature Age Partner Allowance; Disability Wage Supplement

1 January 1998—19 March 1998
Age Pension; Disability Support Pension; Rehabilitation Allowance; Wife Pension; Sole Parent Pension; Widow B Pension; Bereavement Allowance; Carer Payment; Mature Age Allowance; Mature Age Partner Allowance
20 March 1998—26 June 2000
Age Pension; Disability Support Pension; Rehabilitation Allowance; Wife Pension; Parenting Payment (single); Widow B Pension; Bereavement Allowance; Carer Payment; Mature Age Allowance; Mature Age Partner Allowance

27 June 2000—31 December 2000
Age Pension; Disability Support Pension; Wife Pension; Parenting Payment (single); Widow B Pension; Bereavement Allowance; Carer Payment; Mature Age Allowance; Mature Age Partner Allowance

Benefits
1 January 1983—31 December 1987
Unemployment Benefit; Sickness Benefit; Special Benefit

1 January 1988—30 June 1991
Unemployment Benefit; Job Search Allowance; Sickness Benefit; Special Benefit

1 July 1991—11 November 1991
Job Search Allowance; Newstart Allowance; Sickness Benefit; Special Benefit

12 November 1991—19 September 1994
Job Search Allowance; Newstart Allowance; Sickness Allowance; Special Benefit

20 September 1994—30 June 1995
Job Search Allowance; Newstart Allowance; Sickness Allowance; Special Benefit; Partner Allowance

1 July 1995—30 June 1996
Job Search Allowance; Newstart Allowance; Sickness Allowance; Special Benefit; Partner Allowance; Additional Parenting Allowance; Widow Allowance

1 July 1996—19 September 1996
Job Search Allowance; Newstart Allowance; Sickness Allowance; Special Benefit; Partner Allowance; Additional Parenting Allowance; Mature Age Allowance; Widow Allowance

20 September 1996—19 March 1998
Newstart Allowance; Sickness Allowance; Special Benefit; Partner Allowance; Additional Parenting Allowance; Mature Age Allowance; Widow Allowance

Newstart Allowance; Sickness Allowance; Special Benefit; Partner Allowance; Additional Parenting Payment (partnered); Mature Age Allowance; Widow Allowance

1 July 1998—31 December 2000
Newstart Allowance; Sickness Allowance; Special Benefit; Youth Allowance; Austudy Payment; Partner Allowance; Additional Parenting Payment (partnered); Mature Age Allowance; Widow Allowance

Note: Where the terms 'Parenting Allowance' or 'Parenting Payment' are used on their own, they incorporate a benefit component.
Acronyms used

ADAT    Adult Disability Assessment Tool
AICS    Assistance for Isolated Children Scheme
ATSIC   Aboriginal and Torres Strait Islander Commission
CDAT    Child Disability Assessment Tool
CDEP Scheme Community Development Employment Projects Scheme
DHFS    Department of Health and Family Services
FBT     Fringe Benefits Tax
GAM     Gross Actual Means
GST     Goods and Services Tax
LEAP    Landcare and Environment Action Program
NEIS    New Enterprise Incentive Scheme
NPBL    Net passive business loss
RAS     Rural Adjustment Scheme
TNITML  Total notional income tax/Medicare levy
Introduction

The two compendiums

This compendium provides a detailed description of all policy changes in the Social Security Act enacted in the calendar years 1983 to 2000. An earlier publication of the (then) Department of Social Security, originally published in June 1983 and reprinted in 2006, entitled A Compendium of Legislative Changes in Social Security 1908–1982, covers all social security policy changes in the Social Security Act and its predecessors in the specified period. Together the two compendiums cover the legislative history of social security in Australia since its inception.

While the material covered by the two compendiums is essentially the same, there are a number of key differences in the way developments have been treated:

◗ greater detail has been added in the 1983–2000 compendium, in large part reflecting the growing size and complexity of legislation since 1983;
◗ the 1908–1982 compendium presents the changes in separate sections according to the main payment types. The 1983–2000 compendium lists the changes in strict amending Act order and in the order in which they appear in the amending Acts;
◗ the 1983–2000 compendium identifies the exact sections and/or schedules and items within schedules in the amending Acts where the changes are to be found;
◗ the 1908–1982 compendium provides details of some legislation other than that in the Social Security Act and its predecessors, in particular taxation changes relevant to social security. The 1983–2000 compendium is confined to the Social Security Act; and
◗ the 1908–1982 compendium contains certain information—such as historical tables of social security payment rates and income test parameters and a list of Second Reading Speeches—which are not contained in the 1983–2000 compendium.

The remainder of this Introduction deals only with the 1983–2000 compendium. (The 1908–1982 compendium contains the original Introduction written in 1983.)

Scope of legislation

Extent to which the Social Security Act covers full range of social security changes

This compendium (just as its predecessor) essentially deals with the history of social security cash payments and the term ‘social security’ as used is by and large restricted to them. Up to 30 June 2000, the Social Security Act covered the vast majority of legislation relevant to social security cash payments. The Department of Social Security’s business before October 1998 (when it became the Department of Family and Community Services and took on a much broader range of social welfare functions) was also predominantly concerned with cash payments.
At the same time, it should be noted that certain developments closely related to social security have never been covered in the Social Security Act. Also what has constituted social security and is covered by the Act has changed over time.

Income support for students was not in the Social Security Act up to mid-1998 and such payments (mainly under the Austudy umbrella) were not treated as social security payments. This changed from 1 July 1998, with the introduction of Youth Allowance. The allowance provides income support for young unemployed and sick people and also for students previously covered under Austudy. Furthermore, income support for full-time students aged 25 years and over became payable under a new Austudy Payment in the Social Security Act and certain other student assistance was transferred to the Act. Youth Training Allowance (which existed from 1 January 1995 to 30 June 1998) was an education payment paid under the Student Assistance Act, although the conditions under which it was paid were similar in many ways to those for social security benefits.

Issues such as Health Care cards, child support policy and changes to the personal income tax system affecting social security are, and always have been, covered in health, child support and taxation legislation respectively. Also cash child-care assistance (in family assistance legislation since mid-1998) was never previously in social security legislation.

Restructuring of social security legislation from 1 July 2000

In legislation passed in 1999, certain social security payments and other matters previously contained in the Social Security Act were moved into separate Acts with the new arrangements applying from 1 July 2000:

- most family assistance was moved from the Social Security Act to the A New Tax System (Family Assistance) Act 1999;
- all machinery and most administrative provisions of the Social Security Act were moved to the Social Security (Administration Act) 1999; and
- social security international agreements were transferred to the Social Security (International Agreements) Act 1999.

The second and third changes are not significant for purposes of the compendium. The administrative changes moved out of the Social Security Act were, with minor exceptions, those omitted from the present compendium while international social security agreements only receive a brief mention.

The removal of family payments is more important. While the compendium covers most social security payments to 31 December 2000, it covers the great majority of family payments only to 30 June 2000. From 1 July 2000, family payments were restructured and most of the existing such payments ceased to exist in their previous form and title. However, Maternity Allowance and Maternity Immunisation Allowance moved to the new Act in their existing form.

The new Social Security Act in 1991

From 1 July 1991, the 1947 Social Security Act was replaced by the 1991 Act. The 1991 Act had a totally different style and structure than the 1947 Act. A number of transitional Acts were required to give effect to the move from the old to the new Act. In the event, a number of minor changes occurred in the transition which may not have been picked up in the compendium and, given the differences
between the two Acts, a certain degree of discontinuity has resulted. More
details of these issues have been provided in the preliminary note to the 1991
legislation.

**Changes covered within the Social Security Act**

**Policy versus administrative changes**

The compendium aims to cover policy changes which, in broad terms, are those
that affect the rates and eligibility conditions for payments. Purely administrative
changes have been omitted. However, there is some overlap between the
two, as many administrative provisions have policy implications. Also it is
sometimes important to include administrative details of a change to assist
an understanding of the underlying policy. For these reasons, where there was
doubt about whether a change should be incorporated, it has been included and
background information sometimes covers administrative issues.

Certain broader administrative changes which are not strictly policy-related but
which are of historical interest have been covered—these include events such
as the abolition of the National Welfare Fund and the bringing of Christmas
Island and the Cocos (Keeling) Islands within the ambit of the Australian social
security system. Generic administrative provisions such as a requirement that
an applicant for a social security payment must have, or seek to obtain, a tax file
number have been omitted. Legislation dealing with appeals, incorrect payments
and fraud, amnesties, enforcement of debts and prosecutions for offences have
been omitted in every case.

Minor changes of a technical nature or removing unintended defects in the
legislation have generally been omitted. On occasions, however, they have been
referred to in the text of descriptions or in endnotes although not covered in a
record of their own.

**Changes in rates of payment and other variables**

All ad hoc changes in rates of social security payments and in other parameters
such as income and assets test thresholds have been covered in the
compendium. Progressively over the 18-year period covered, the trend to adjust
rates and other variables automatically (usually every six or 12 months) has
increased so that, since long before the end of 2000, the vast majority have been
adjusted in this way. Each adjustment does not require legislation and automatic
indexation changes have not been included in the compendium. Historical
rate changes are available on the Internet or from the Department on request.
Changes to the enabling legislation for indexation have been included.

**Number of changes**

It should be noted that, while a record frequently contains only one change,
this is not always the case. Many records contain multiple changes. Discrete
changes have usually been identified either by separate dot points or, in the
case of the more detailed changes, by separate sub-headings. However, even
among the smaller records, there may be more than one change inherent in an
altered provision. In the case of integrated packages of legislation such as the
1991 Disability Reform Package, a single record may contain a large number of
changes. Also, one change may affect more than one type of payment. Readers interested in identifying the number of changes in a period would have to exercise some judgment.

Purpose, style and usefulness of compendium

The main purpose of the compendium is to provide a detailed description of legislative changes as an information base for policy development and research. It should also be particularly useful for people interested in the history of the social security system, as it provides details of changes in the precise form they were introduced and the dates. Frequently, the final form of legislation is quite different from that foreshadowed when it was announced by the Government. Furthermore, legislation is sometimes amended after it has been enacted, with the amendment backdated or the date of application deferred. All such information is contained in the compendium and major future amendments overriding earlier legislation have been flagged on the earlier record. This information is not readily available in any other source apart from the legislation itself.

The descriptions are intended to be comprehensive with the aim of ensuring that, for policy and research purposes, in the great majority of cases the compendium will suffice as the sole source of information that needs to be consulted. These descriptions seek to adhere closely to the meaning of the legislation although some tension exists between this objective and that of another objective—to provide a plain English version of the legislation. In order to achieve the latter objective, it has been necessary to generalise to some extent. The compendium should nonetheless prove a useful reference source for lawyers and others wishing to examine and interpret the precise wording of legislation by enabling them to identify when the major changes occurred and their precise location in the amending Acts.

The Act contains many, sometimes lengthy, definitions. These have been included in full, summarised or omitted according to their importance to the operation of a provision. Transitional and savings provisions can also be very detailed and cover numerous situations. These have been included in descriptions where they were considered to have an ongoing importance but in other cases only a passing reference to them has been made.

The concepts behind, and structure of, the legislation have varied over time and have been adopted in the compendium only where they have been found to be useful. An example of a legislative concept not adopted is the distinction between ‘qualification’ and ‘payability’ of a social security payment—under this, a person may be qualified for a payment but it may not be payable to him/her because of, for example, an activity test or administrative breach. The compendium is concerned solely with whether a person is eligible or not for a payment and not with such technical distinctions.

This compendium, just as the earlier one, concentrates on providing only factual information. Accordingly, it has sought to avoid normative statements such as those relating to the government’s objectives in introducing the legislation or words such as ‘reform’. The best sources for this information are to be found in the government’s announcements of changes (usually in the context of the Federal Budget) and Ministers’ Second Reading Speeches in Parliament. To a limited extent, some objectives of legislation have been mentioned in order to
provide background information on changes which are not self-explanatory. Of course, in the small number of cases where objectives have been spelt out in the legislation, they have been included as part of the description of that legislation.

The principal (and frequently the only readily available) source for interpreting the legislation and understanding its background has been the explanatory memorandum(s) to the amending Bill. Other sources examined have been Budget documents (Budget kits put out by the Minister and the Portfolio Budget Statements), the Ministers’ Second Reading Speeches and the department’s annual reports. On occasions, media releases, departmental or Centrelink information documents, National Instructions of the department or Centrelink and guides to the legislation have been consulted. Also the assistance of departmental officers has been sought from time to time.

**Tracking historical developments**

In tracking historical developments, care should be exercised when comparing changes dealt with up to and including amending Act No.6 of 1991 (which were in the 1947 Social Security Act) and those occurring thereafter (which, apart from some transitional ones in 1991, were in the 1991 Act). While (except for some minor ones identified in the main text) there were no policy changes when translating the provisions of the 1947 Act to the 1991 Act, the provisions and concepts in the later Act (which was much longer) were quite different from those in its predecessor. The Explanatory Memorandum to the 1991 Act did not indicate how provisions in the 1991 Act related to provisions in the 1947 Act. Also, certain provisions in the 1991 Act, which were found after the event not to have been accurately translated from the 1947 Act, were subsequently corrected.
Legislation passed in 1983

Social Security Amendment Act 1983, No. 4

Date of Royal Assent: 27 April 1983

1

INCREASED RATE OF UNEMPLOYMENT BENEFIT

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>27 April 1983</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 May 1983</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Unemployment Benefit; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

The maximum rate of Unemployment Benefit for single persons aged 18 years and over without dependants was increased by $4.25 to $68.65 a week.

Social Security and Repatriation Legislation Amendment Act 1983, No. 36

Date of Royal Assent: 19 June 1983

2

INCOME TEST ON AGE PENSION FOR PERSONS AGED 70 YEARS AND OVER

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 4 and 5</th>
</tr>
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<tbody>
<tr>
<td>Date of commencement</td>
<td>19 June 1983</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1983</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Age Pension</td>
</tr>
</tbody>
</table>

An income test was imposed on the previously income test free component ($51.45 single and $42.90 for each partner of a couple) of Age Pension for pensioners (or persons qualified for an Age Pension) aged 70 years and over. The component was now payable only when non-pension income did not exceed $200 a week in the case of single pensioners and $166.50 a week for each member of a couple. The pension was reduced by half of any income in excess of these limits. The reduction in income of $6 a week allowed for each dependent child under the income test was removed for those subject to the more generous income test. As with the previous income test free component, the special income test did not apply to permanently blind pensioners.
INTRODUCTION OF REMOTE AREA ALLOWANCE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 7 (main provisions); sections 10 and 39. (Provision concerning income tax zone rebate is in tax legislation.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>24 October 1983</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 May 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Remote Area Allowance; pensions and benefits</td>
</tr>
</tbody>
</table>

A Remote Area Allowance was introduced. The allowance was payable to all pensioners and beneficiaries living in specified remote areas. The remote areas formed most of Income Tax Zone A (which covered most of the northern half of Australia).

To be eligible for the allowance, people had to have their usual place of residence in, and had to be physically present in, the remote area. The allowance was payable for up to eight weeks during a person’s temporary absence from the remote area. It was not payable for any period during which a person was outside Australia or, in respect of a child, for any period during which the child was outside Australia.

The rate of allowance was $7 a week for a single person, $6 a week for each partner of a couple and $3.50 a week for each child under 16 years or dependent full-time student aged 16 to 24 years. The allowance was not subject to an income test or taxable, but any zone income tax rebate to which the person was entitled was reduced by the amount of the allowance.

Age pensioners aged 70 years and over subject to the more generous income test were not eligible for Remote Area Allowance but were protected by a provision which ensured that they could not receive less total income on that account.

REMOVAL OF EXEMPTIONS IN PENSION INCOME TEST

<table>
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<th>Location in Act</th>
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<td>1 November 1983</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

The exemption of certain benefits from a friendly society, and of certain payments from a trade union in respect of illness, infirmity or old age, from the definition of income for purposes of the pension income test, was removed.
5 ADDITIONAL EXEMPTIONS FROM PENSION AND BENEFIT INCOME TESTS

For purposes of the pension and benefit income tests, the definition of income was amended to exclude: the value of emergency relief or similar assistance, or of accommodation or meals provided under the Homeless Persons Assistance Act; payments under the Handicapped Persons Assistance Act; insurance or compensation payments made for loss of or damage to buildings, plant or personal effects or the investment income derived from short-term investment of such payments; Domiciliary Nursing Care Benefits under the National Health Act; payments under Commonwealth housing assistance legislation; and Remote Area Allowance.

6 ADDITIONAL PENSION/BENEFIT AND FAMILY INCOME SUPPLEMENT INCREASED

Additional Pension and Additional Benefit for Children, and Family Income Supplement, were increased by $2 to $12 a week.

7 ELIGIBILITY FOR MOTHER’S/GUARDIAN’S ALLOWANCE EXTENDED

Eligibility for Mother’s/Guardian’s Allowance was extended to a member of a pensioner couple with children, who was living apart indefinitely from his/her spouse due to the spouse’s illness or infirmity.
**INCREASED RATE OF MOTHER’S/GUARDIAN’S ALLOWANCE**

<table>
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<tr>
<td>Date of application</td>
<td>1 May 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Mother’s/Guardian’s Allowance</td>
</tr>
</tbody>
</table>

Mother’s/Guardian’s Allowance became payable at a uniform rate of $8 a week. This involved an increase of $2 for many recipients (previously the rate had been $8 where the child was aged under six years or an invalid, and $6 in other cases).

**INDEXATION OF FUNERAL AND FRINGE BENEFIT INCOME LIMITS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 11 and 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1983</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1983</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Funeral Benefit; Fringe Benefits (Concession Cards)</td>
</tr>
</tbody>
</table>

The basic income limits in the income test used to determine eligibility for Funeral Benefit became subject to twice yearly indexation on the same basis as pension rates. This change had the effect of also indexing the income limits for pensioner Fringe Benefits (Concession Cards), which were linked to the Funeral Benefit limits under health legislation.

The higher income limit, applying to single persons in receipt of Sheltered Employment Allowance, to single pensioners undertaking approved activity therapy or training programs and to single recipients of Rehabilitation Allowance in lieu of these payments, was not indexed. This limit was to remain frozen until it reached the general income limit, after which indexation was to apply. Automatic adjustment did not apply to the additions to the income limits in respect of dependent children.

[Pensioners complying with the income and assets test for Fringe Benefits received a Pensioner Health Benefit Card. The card entitled the pensioner to a range of non-cash benefits: free pharmaceuticals, telephone rental concessions, mail redirection fee concessions, free hearing aid services, and a reduction in fares on Commonwealth rail and shipping services. A number of additional benefits—such as local rate and transport concessions—were made available by state, territory and local government bodies. Possession of a Pensioner Health Benefit Card provided a ‘passport’ to many of these concessions.]
Provision was made for Additional Pension for Children and Mother’s/Guardian’s Allowance to be paid to a wife pensioner instead of to her age or invalid pensioner husband where the couple were living apart indefinitely due to her husband’s illness or infirmity.

Spouse Carer’s Pension was introduced. It was payable to the husband of a severely handicapped age or invalid pensioner (or a woman receiving a Rehabilitation Allowance in lieu of Invalid Pension) who required constant care and attention and was likely to need such attention permanently or for an extended period. The attention had to be provided personally by the husband in the home in which the couple lived. The husband could cease to provide constant care and attention for up to four weeks in a year (longer in special circumstances at the discretion of the Director-General) without losing entitlement to the pension. The rates and other general conditions of Spouse Carer’s Pension were as for Wife’s Pension.
NEW DEFINITIONS IN RELATION TO SUPPORTING PARENT’S BENEFIT

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commence ment</td>
<td>24 October 1983</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 December 1983</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Supporting Parent’s Benefit</td>
</tr>
</tbody>
</table>

A number of definitional changes were made in relation to Supporting Parent’s Benefit. A definition for ‘adopted child’ was inserted. The terms ‘supporting father’, ‘supporting mother’ and ‘supporting parent’ were consolidated under a new definition of supporting parent. New definitions of ‘de facto spouse’, ‘married person’, ‘spouse’ and ‘unmarried person’ were made to consolidate and simplify previous definitions.

Through the revised definitions, the coverage of Supporting Parent’s Benefit was extended to:

- a member of a couple with a dependent child whose spouse was unable to live with the family indefinitely due to illness or infirmity of the spouse; and
- a person who was not the natural parent of a child but who had formally obtained legal custody (such as by adoption or the custodial order of a court).

It was also provided that a child being maintained by a person should be considered to be under the care, custody and control of that person, if the person had also been maintaining the child when married.

CHANGES TO SUPPORTING PARENT’S BENEFIT ELIGIBILITY CONDITIONS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commence ment</td>
<td>24 October 1983</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 December 1983</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Supporting Parent’s Benefit</td>
</tr>
</tbody>
</table>

The eligibility conditions for Supporting Parent’s Benefit were amended by inserting provisions to cover situations where a person acquired legal custody of a child and where the spouse was in prison. In addition, provision was made for the backdating of claims based on these extensions of eligibility, and extension of eligibility on the basis of separation of the partners due to illness or infirmity, for up to three months.
Legislation passed in 1983

14

MODIFICATION OF INCOME TEST FOR SUPPORTING PARENT’S BENEFIT

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>24 October 1983</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 December 1983</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Supporting Parent’s Benefit</td>
</tr>
</tbody>
</table>

The income test applying to pensioner couples replaced the normal income test in cases where Supporting Parent’s Benefit was payable to a member of a couple with a dependent child whose spouse was unable to live with the family due to his/her illness or infirmity.

15

FAMILY INCOME SUPPLEMENT GENERALLY TO BE PAID TO THE MOTHER

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 26</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>24 October 1983</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 May 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Income Supplement</td>
</tr>
</tbody>
</table>

Provision was made for Family Income Supplement generally to be paid to the Family Allowance recipient in two-parent families instead of, as previously, to the partner who normally had the higher income. [The effect of this change was that payment was usually made to the mother instead of the father.]

16

REMOVAL OF REDUNDANT FAMILY ALLOWANCE PROVISION

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 27</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>24 October 1983</td>
</tr>
<tr>
<td>Date of application</td>
<td>24 October 1983</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance</td>
</tr>
</tbody>
</table>

A provision precluding persons who were prohibited migrants within the meaning of the Migration Act from receiving Family Allowance was removed. [The provision was considered unnecessary as prohibited migrants were already precluded elsewhere in the Act from receiving the allowance.]
### Increased Benefit Rates

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 32</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>24 October 1983</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1983</td>
</tr>
</tbody>
</table>
| Payments affected | First change: Unemployment Benefit; Sickness Benefit; Special Benefit (in effect)  
                       Second change: Unemployment Benefit; Special Benefit (in effect) |

Benefit rates were increased:
- the maximum rate of Unemployment Benefit and Sickness Benefit for single persons aged under 18 years was increased by $5 to $45 a week; and
- the maximum rate of Unemployment Benefit for single persons aged 18 years and over without dependants was increased by $4.95 to $73.60 a week.

### Mother’s/Guardian’s Allowance Extended to Beneficiaries

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 32</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>24 October 1983</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 May 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Mother’s/Guardian’s Allowance; benefits</td>
</tr>
</tbody>
</table>

Mother’s/Guardian’s Allowance was extended to single unemployment, sickness and special beneficiaries with children.

### Indexation and Increased Rate of Unemployment Benefit

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 33</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 May 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 May 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Unemployment Benefit; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

Changes were made to Unemployment Benefit:
- the maximum rate payable to single persons aged 18 years and over without dependants was made subject to automatic indexation on the same basis as indexed pensions and benefits; and
- an ad hoc increase of $2 was provided as an addition to the first indexation increase on 1 May 1984.

These changes resulted in an increase of $5 in the maximum rate to $78.60 a week.
20

**BENEFIT INCOME TEST EASED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 34</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>24 October 1983</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 March 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

The benefit income test was liberalised by increasing the permissible income limit (free area) to $20 a week, after which benefit was reduced by 50 per cent for any income received between $20 and $70 a week and by 100 per cent for income in excess of $70.

21

**EXEMPTIONS FROM BENEFIT WAITING PERIOD EXTENDED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 35</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>24 October 1983</td>
</tr>
<tr>
<td>Date of application</td>
<td>24 October 1983</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Unemployment Benefit; Sickness Benefit</td>
</tr>
</tbody>
</table>

The provision exempting unemployment and sickness beneficiaries from the general waiting period (usually seven days) if they had already served a waiting period for the same benefit in the previous 13 weeks was extended to cover situations where a beneficiary had previously received either of the two benefits. [The amendment ensured that the legislation was consistent with administrative practice at the time.]

22

**EXTENSION OF ELIGIBILITY FOR SPECIAL TEMPORARY ALLOWANCE**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 39</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>24 October 1983</td>
</tr>
<tr>
<td>Date of application</td>
<td>24 October 1983</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Special Temporary Allowance; Supporting Parent’s Benefit</td>
</tr>
</tbody>
</table>

Provision was made for Special Temporary Allowance to be paid to the surviving member of a couple where one was a pensioner and the other a supporting parent beneficiary, and they had been living apart due to illness or infirmity.
Legislation passed in 1984

Cocos (Keeling) Islands Self-determination (Consequential Amendments) Act 1984, No. 46

Date of Royal Assent: 25 June 1984

1

CHANGE AFFECTING COCOS (KEELING) ISLANDS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Part VII</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>6 April 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>6 April 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>General provision</td>
</tr>
</tbody>
</table>

The Social Security Act was extended to the Cocos (Keeling) Islands as if the territory was part of Australia. This took effect on 6 April 1984, the date of the Act of Self-Determination by the residents of the territory.

Social Security and Repatriation Legislation Amendment Act 1984, No. 78

Date of Royal Assent: 25 June 1984

2

STANDARD DEFINITION OF ‘ABSENT RESIDENT’ INTRODUCED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 5 (main change); sections 14, 23 and 32</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions; Family Allowance; Handicapped Child’s Allowance; Double Orphan’s Pension</td>
</tr>
</tbody>
</table>

A standard definition of ‘absent resident’ to apply in residency provisions for pensions and most family payments was inserted. An ‘absent resident’ was treated as a resident of Australia for purposes of claiming relevant social security entitlements where the person’s home was in Australia and the Director-General was satisfied that it was his/her permanent place of residence, or where the person or his/her spouse was an eligible employee for purposes of the Superannuation Act.

[The new definition was not greatly different from the one it replaced but no longer referred to the residency test in the Income Tax Assessment Act. The Director-General now made decisions regarding residency rather than the Commissioner of Taxation.]
3

**UNIFORM DEFINITION OF ‘ADOPTED CHILD’ INTRODUCED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>New definition applied throughout the Act and potentially to any social security payment. The change did not affect Supporting Parent’s Benefit or Double Orphan’s Pension as the definition already applied to them</td>
</tr>
</tbody>
</table>

A uniform definition of ‘adopted child’ was inserted in the Act stating that the term meant any child adopted under the law of any place, whether in Australia or not, relating to the adoption of children. [This was the same definition as already applied in respect of Supporting Parent’s Benefit and Double Orphan’s Pension.]

4

**EXTENSION OF ELIGIBILITY FOR SUPPLEMENTARY ASSISTANCE/ALLOWANCE**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Supplementary Assistance; Supplementary Allowance</td>
</tr>
</tbody>
</table>

Supplementary Assistance and Supplementary Allowance were extended to persons paying for the use of a site for a caravan or other vehicle, or a structure, or for the right to moor a vessel, which they were using as their home. [This validated the prevailing administrative practice.]

5

**ELIGIBILITY FOR CHILD ADDITION TO REMOTE AREA ALLOWANCE EXTENDED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 May 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 May 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Remote Area Allowance</td>
</tr>
</tbody>
</table>

The requirement that an additional amount of Remote Area Allowance in respect of a child was payable only if the child was in the remote area was changed to provide that the child had only to be in Australia.
6

REVISED DEFINITIONS FOR FAMILY RELATIONSHIPS

| Location in Act | Section 12 (pensions); section 35 (benefits) |
| Date of commencement | 25 June 1984 |
| Date of application | 25 June 1984 |
| Payments affected | Age and Invalid Pension; Sheltered Employment Allowance; Rehabilitation Allowance; benefits |

For purposes of provisions concerning benefits and certain pensions, the term ‘dependent female’ was replaced by ‘de facto spouse’. A de facto spouse was defined as ‘a person who was living with another person of the opposite sex as the spouse of that other person on a bona fide domestic basis although not legally married to that other person’. Consistent with this definition, the definition of ‘wife’ was deleted and new definitions of ‘husband’, ‘wife’ and ‘spouse’ inserted stating in each case that the terms included a de facto spouse.

7

RESTRICTIVE RESIDENCY CONDITION REMOVED

| Location in Act | Section 14 (except for Widows’ Pensions and flows on to Supporting Parent’s Benefit, which are covered under section 23) |
| Date of commencement | 1 August 1984 |
| Date of application | 1 August 1984 |
| Payments affected | All pensions other than Sheltered Employment Allowance and Rehabilitation Allowance. (The provision was not applied to the allowances but, in practice, it would have been impossible for a person to comply with the conditions of their payment while absent from Australia.) |

Certain conditions which had to be met before a period of absence from Australia could be regarded as residence in Australia for pension eligibility purposes were removed. They had required that:

- the Director-General be satisfied that during the period the claimant’s home had remained in Australia;
- in the case of a married man, he had maintained his wife and any children aged under 16 years; and
- in the case of a widow, or a woman whose marriage had been dissolved, she had maintained any children aged under 16 years who were dependent on her immediately prior to her departure.

[These conditions had not been applied in practice.]
8

REMOVAL OF PROVISIONS RESTRICTING GRANT OF AGE PENSION

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Age Pension</td>
</tr>
</tbody>
</table>

The provisions prohibiting the grant of an Age Pension in specified cases of desertion by a husband or wife, or where a husband did not maintain his wife adequately or his children, or a wife deserted her children, were removed. [The provisions had not been applied in practice.]

9

REMOVAL OF PROVISION RESTRICTING GRANT OF AGE AND INVALID PENSIONS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 August 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 August 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Age Pension; Invalid Pension</td>
</tr>
</tbody>
</table>

The provision permitting the Director-General to refuse to grant an Age Pension or Invalid Pension to otherwise qualified persons until they entered a benevolent home, where it was considered that they were unfit to be entrusted with a pension and should in their own interests enter such a home, was removed. [The provision had not been applied in practice.]

10

EXTENSION OF ELIGIBILITY FOR WIDOWS’ PENSIONS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Class A, B and C Widows’ Pensions</td>
</tr>
</tbody>
</table>

A provision was inserted to enable a woman who was the innocent party in an invalid marriage to be regarded as a deserted wife for purposes of qualifying for a Class A, B or C Widow’s Pension, where she had been deserted without just cause.
11 ALIGNMENT OF INCOME TESTS FOR SOLE PARENTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 24 (Class A Widow’s Pension); section 29 (Supporting Parent’s Benefit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Class A Widow’s Pension; Supporting Parent’s Benefit</td>
</tr>
</tbody>
</table>

The different definitions of maintenance provider used in sections dealing with the ‘excess maintenance’ provisions applying to Class A widow pensioners and supporting parent beneficiaries were aligned. It was specified that maintenance income in excess of $6 a week received from a spouse, former spouse or the parent of a child would be treated as income for purposes of the income test.

12 RESTRICTION ON ELIGIBILITY FOR SUPPORTING PARENT’S BENEFIT

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 27</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Supporting Parent’s Benefit</td>
</tr>
</tbody>
</table>

Eligibility for Supporting Parent’s Benefit where the qualifying child was a dependent full-time student aged 16 to 24 years was restricted to cases where the student was a child (including an adopted child) of the person, or in his/her custody, or would have been in his/her custody but for his/her age. Previously the student child had been required only to be wholly or substantially dependent on the person.

13 HUSBAND ABLE TO RECEIVE HANDICAPPED CHILD’S ALLOWANCE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 34</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Handicapped Child’s Allowance</td>
</tr>
</tbody>
</table>

Provision was made for Handicapped Child’s Allowance (which was always paid to the wife except where the husband had the custody, care and control of the child and the couple were living permanently apart) to be paid to the husband where his wife was not eligible to receive it for reasons other than that she did not have custody, care and control. [The amendment was intended to cover situations such as where the husband and child were in Australia, but the wife had not yet arrived in the country and so could not qualify for the allowance.]
MODIFICATION TO TREATMENT OF LUMP SUMS IN BENEFIT INCOME TEST

Location in Act: Section 35  
Date of commencement: 25 June 1984  
Date of application: 25 June 1984  
Payments affected: Benefits; Special Benefit (in effect)

For purposes of the benefit income test, each instalment of a lump-sum payment received in connection with the termination of a person’s employment was deemed to have been received immediately.

[This corrected an anomaly whereby persons receiving their lump sum in instalments had been disadvantaged because each instalment was taken into account under the income test whereas a single lump sum received immediately on, or shortly after, termination was generally not assessed (for example, where it was received before payment of benefit commenced) or assessed only once.]

REDEFINING CATEGORY OF UNEMPLOYMENT BENEFICIARY

Location in Act: Section 36  
Date of commencement: 1 August 1984  
Date of application: 1 August 1984  
Payments affected: Unemployment Benefit; Special Benefit (in effect)

In defining persons to whom rates of Unemployment Benefit applied, the category of ‘person under age 18 without dependants’ was expanded to specify that the person had to be unmarried. [This clarified what had always been the assumption in practice.]

REMOVAL OF OBSOLETE BENEFIT PROVISION

Location in Act: Section 36  
Date of commencement: 1 August 1984  
Date of application: 1 August 1984  
Payments affected: Benefits; Special Benefit (in effect)

The provision whereby a single man could receive the combined rate of benefit applicable to a couple where a woman was keeping house for him and his children, and was substantially dependent on him, was removed. [The provision had essentially been obsolete since 1974 when the legislation enabled a de facto wife to be treated as the spouse of a beneficiary. However, a savings provision protected existing recipients from being disadvantaged by the change.]
### Eligibility for Supplementary Allowance Extended

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 37</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencing</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Supplementary Allowance</td>
</tr>
</tbody>
</table>

The provision precluding a sickness beneficiary without dependants who was in hospital from receiving Supplementary Allowance was removed.

### Supplementary Allowance Not Payable Outside Australia

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 37</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencing</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Supplementary Allowance</td>
</tr>
</tbody>
</table>

A sickness beneficiary was precluded from receiving Supplementary Allowance while outside Australia. [The rule was now consistent with that for pensioners in receipt of Supplementary Assistance.]

### Income Test for Benefits Modified

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 38 (main provision); section 36 (deletion of a redundant provision)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencing</td>
<td>1 August 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 August 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

The benefit income test was amended by providing that, in the case of a member of a couple whose partner was in receipt of a pension or benefit, half of the combined income which would otherwise reduce the amount of benefit payable would be taken into account in calculating both the beneficiary’s entitlement and the entitlement of the beneficiary’s partner.

[The application of the ‘halving rule’ ensured that a couple would receive the same amount irrespective of whether one partner received benefit at the combined rate or whether each partner received half the combined rate. It removed an anomaly whereby, in cases where each partner was entitled to a benefit in his/her own right and claimed it, and the couple had income above the free area, they had received a lower total benefit than if one partner received the benefit at the combined rate. It also ensured that, consistent with the intention of the more generous income test for pensioners, where one partner in a couple was a pensioner and the other a beneficiary, the couple would receive a greater total payment than if both partners were beneficiaries but a smaller total payment than if both were pensioners.]
20

**SICKNESS BENEFIT CONCESSION EXTENDED TO BENEFICIARY’S SPOUSE**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 38</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 August 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 August 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Sickness Benefit; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

An amendment provided that the exemption from the income test of income received from a friendly society by a sickness beneficiary, in respect of the same incapacity for which the benefit was being received, should be extended to such income when received by the beneficiary’s spouse. [This ensured that, where both partners claimed Sickness Benefit, the exemption applied to both of them.]

21

**AMENDMENT TO COMPENSATION RECOVERY PROVISIONS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 39</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Sickness Benefit</td>
</tr>
</tbody>
</table>

In all cases under the compensation recovery provisions it was specified that, where payments to a sickness beneficiary were reduced for compensation received, compensation was not also to be assessed as income under the benefit income test. [Previously a similar provision to avoid double counting had applied but it had been confined to specific sections of the Act.]

22

**EXEMPTION FROM UNEMPLOYMENT BENEFIT WAITING PERIOD**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Unemployment Benefit</td>
</tr>
</tbody>
</table>

The Unemployment Benefit waiting period was removed for people who were eligible to receive a Rehabilitation Allowance immediately before becoming qualified to receive the benefit, provided that they lodged a claim within 14 days of qualification. [This brought the legislation into line with prevailing practice.]
23

CHANGE TO RULES ON POSTPONEMENT OF UNEMPLOYMENT BENEFIT

Location in Act  Section 41
Date of commencement  25 June 1984
Date of application  25 June 1984
Payments affected  Unemployment Benefit

The provision allowing postponement of Unemployment Benefit for a minimum of six and a maximum of 12 weeks in certain circumstances was amended to exclude the minimum period.

24

INCREASE IN PERIOD FOR WHICH REHABILITATION ALLOWANCE PAID

Location in Act  Section 50
Date of commencement  25 June 1984
Date of application  25 June 1984
Payments affected  Rehabilitation Allowance

The Director-General was given a general discretion to continue payment of Rehabilitation Allowance for up to six months to a person following his/her completion of treatment and/or training. [This provision was more flexible than the previous one, which had provided a clear entitlement to continuing payment only where a person was unable to obtain paid employment.]

25

LOANS TO PERSONS COMPLETING REHABILITATION ABOLISHED

Location in Act  Section 52
Date of commencement  25 June 1984
Date of application  25 June 1984
Payments affected  Pensions (except Age Pension); benefits. (Persons claiming these payments had also been eligible for a loan.)

The provision enabling a loan (with interest) to be granted to persons claiming or receiving a pension (other than Age Pension) or benefit who had completed rehabilitation treatment or training, to enable them to engage in a suitable vocation in the home, was removed.
VOCATIONAL TRAINING SCHEME FOR CERTAIN PENSIONERS ABOLISHED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 54</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>25 June 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Class A and B Widows’ Pensions; Supporting Parent’s Benefit</td>
</tr>
</tbody>
</table>

The special vocational training scheme for Class A and Class B widow pensioners and for supporting parent beneficiaries was abolished.

CHANGES IN PAYMENT OF PENSIONS AND BENEFITS TO PEOPLE IN PRISON

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 57</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 August 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 August 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits. Discretionary provision did not apply to benefits</td>
</tr>
</tbody>
</table>

The various provisions governing payment of pensions and benefits to people in prison were consolidated and rationalised. The broad thrust of the amendments was to provide for a general rule that such payments would not be made to a person while in prison but that, except in the case of a benefit, the Director-General would have the discretion to pay the whole or part of any entitlement to, or on behalf of, the person’s spouse or dependent child.
Social Security and Repatriation (Budget Measures and Assets Test) Act 1984, No. 93

Date of Royal Assent: 21 September 1984

28

INCREASE IN PENSION RATES

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

Ad hoc increases were made in the maximum rates of pension. The rate for a single person was increased by $2.50 to $91.90 a week and for each partner of a couple by $2.10 to $76.65 a week. These increases were made in the absence of indexation increases as the Consumer Price Index had fallen in the six months to June 1984.

29

MOTHER’S/GUARDIAN’S ALLOWANCE INCREASED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 4 (pensions); section 10 (benefits)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Mother’s/Guardian’s Allowance</td>
</tr>
</tbody>
</table>

Mother’s/Guardian’s Allowance was increased by $2 to $10 a week.

30

ADDITIONAL PENSION/BENEFIT AND FAMILY INCOME SUPPLEMENT INCREASED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 4 (Additional Pension); section 10 (Additional Benefit, which flowed on to Family Income Supplement)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Additional Pension for Children; Additional Benefit for Children; Family Income Supplement</td>
</tr>
</tbody>
</table>

Additional Pension for Children, Additional Benefit for Children and Family Income Supplement were increased by $2 to $14 a week.
31

**SUPPLEMENTARY ASSISTANCE/ALLOWANCE AND INCENTIVE ALLOWANCE INCREASED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 6 and 8 (Supplementary Assistance); section 12 (Supplementary Allowance); section 13 (Incentive Allowance)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Supplementary Assistance; Supplementary Allowance; Incentive Allowance</td>
</tr>
</tbody>
</table>

Supplementary Assistance, Supplementary Allowance and Incentive Allowance were increased by $5 to $15 a week.

32

**INCOME LIMITS FOR FUNERAL AND FRINGE BENEFITS INCREASED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Funeral Benefit; Fringe Benefits (Concession Cards)</td>
</tr>
</tbody>
</table>

Ad hoc increases were made in the general income limits in the income test which determined eligibility for Funeral Benefit, and which flowed on to pensioner Fringe Benefits (Concession Cards). The basic limits were increased as follows:

- in the case of a single person by $6 to $60 a week; and
- in the case of each partner of a couple by $4 to $49 a week.

There were no automatic indexation increases as the Consumer Price Index had fallen in the relevant period.
INCREASED BENEFIT RATES

| Location in Act | Section 10 for most changes; section 11 for future indexation of rate for single unemployment and sickness beneficiaries aged under 18 years with dependants; section 15 for November and May increases in rate for single unemployment beneficiaries aged 18 years and over without dependants |
| Date of commencement | 1 November 1984 |
| Date of application | First six changes: 1 November 1984 |
| | Last two changes: 1 May 1985 |
| Payments affected | Unemployment and/or Sickness Benefit (as spelt out in each change); Special Benefit (in effect) |

Ad hoc increases were made in the maximum rates of both indexed and non-indexed benefit rates. No indexation increases occurred as the Consumer Price Index had fallen in the relevant period. The following increases applied:

- for single unemployment and sickness beneficiaries aged under 18 years without dependants, who had been, for a continuous period of at least six months, in receipt of a pension, benefit, specified veterans’ payment, Tuberculosis Allowance or a payment for full-time training under a labour force program, an increase of $5 to $50 a week. (Other single persons without dependants aged under 18 years did not receive an increase.);
- for single unemployment and sickness beneficiaries aged under 18 years with dependants, an increase of $46.90 to $91.90 a week. [This brought them into line with beneficiaries aged 18 years and over with dependants and up to the equivalent of the pension rate for single persons.];
- for single unemployment and sickness beneficiaries aged 18 and over with dependants, an increase of $2.50 to $91.90 a week;
- for single unemployment beneficiaries aged 18 years and over without dependants, an increase of $2.50 to $81.10 a week;
- for single sickness beneficiaries aged 18 years and over without dependants, an increase of $2.50 to $91.90 a week; and
- for each partner of an unemployment and sickness beneficiary couple, an increase of $2.10 to $76.65 a week.

In addition to these increases provision was made for:

- an ad hoc increase of $2 in the maximum rate of Unemployment Benefit payable to a single person aged 18 years and over without dependants on top of any indexation increase due in May 1985. This brought the May rate up to $85.20 a week; and
- the future indexation of the rate for single unemployment and sickness beneficiaries aged under 18 years with dependants on the same basis as for other indexed pensions and benefits. The first such increase was to occur in May 1985.
INTRODUCTION OF PENSION ASSETS TEST

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Part III, Division 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>21 September 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>21 March 1985. (Deprivation provisions applied to disposals on or after 1 June 1984.)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

An assets test was introduced on all types of pension, although (just as the income test) it did not apply to Age Pension, Invalid Pension, Sheltered Employment Allowance or Rehabilitation Allowance paid to permanently blind people. The assets test operated alongside the income test—pensioners were assessed under both tests and the test which produced the lower rate of pension applied.

Calculation of the value of assets

All assets were taken into account under the assets test except the following:

- any right or interest in the family home, including such a right or interest where it was a private residence which the person had paid for, or in which he/she had retained a right to accommodation or a life interest. Where a person was buying a new family home on terms with funds from the sale of the previous family home, the balance due on the previous sale was exempt;
- any other life interest held by the person, or an annuity (including a superannuation pension) other than one which could be disposed of, or where a substantial part of the income was or could be deferred. The Director-General had a discretion also to exempt disposable or deferrable annuities;
- any contingent or reversionary interest which had not been created by the person or his/her spouse;
- any assets which were not contingent or reversionary interests to which a person was entitled from the estate of a deceased person but which had not been, and were not able to be, received;
- awards for valour not held for investment or hobby purposes;
- one cemetery plot acquired by the person and funeral expenses which he/she had paid in advance;
- special aids (such as wheelchairs, hearing aids and orthopaedic irons and braces) for a person, his/her spouse or any dependent children with a disability, or modifications made to assets to enable a person with a disability to use them; and
- a gift car provided under the relevant Commonwealth scheme administered by the Department of Veterans’ Affairs.

In addition, the value of any charge or encumbrance, in proportion to the extent that the charge or encumbrance applied to a non-exempt asset (or assets) which were not a collateral security, was deducted from the value of the asset (or assets) before the assets test was applied.
For exemption purposes, the family home included any permanent fixtures, plus the land around (curtilage) provided that it did not substantially exceed the average size of a block of land in the area, was not greater than two hectares, and was mainly used for domestic purposes. In the case of a flat or home unit, a garage or store-room used primarily for domestic purposes in association with them were also not assessable.

A person’s residence continued to be regarded as his/her family home, and so was not assessed under the assets test, for up to one year while the person was temporarily absent from the home, or for up to two years during which the person was residing in a benevolent home, a mental hospital, a nursing home approved under the National Health Act, or was a long-term patient in a hospital.

The value of an asset for assessment purposes was the ‘net market value’, that is the amount of money a person would receive if the asset was sold at the time, less any debts in respect of it. This was an administrative arrangement and not specified in the legislation. For assessment purposes, a notional net market value of household contents and personal effects was set at $10 000. However, pensioners were obliged to report a higher value, or could claim a lower value if they felt this notional value was excessive.

**Details of operation**

Pension entitlement was not affected for persons with assessable assets below the following limits (called ‘pension reduction amounts’ in the legislation):

- single persons owning their own home—$70 000;
- single persons not owning their own home—$120 000;
- members of a couple owning their own home—$50 000 ($100 000 combined);
  and
- members of a couple not owning their own home—$75 000 ($150 000 combined).

In the case of a couple, each partner was assessed as having half the combined value of the assets.

The maximum rate of pension was reduced by a formula, the effect of which was that the assets test applied only where assessable assets exceeded the thresholds by at least $250, after which the amount of pension was reduced (when converted to a weekly basis) by 50 cents for each $250 by which assessable assets exceeded the assets limits, subject to the formula applying in steps of $1 a fortnight.

The limits were automatically indexed in May each year by the increase in the Consumer Price Index between the two previous December quarters, with amounts rounded to the nearest $250. The first such increase was to occur in May 1986.

Persons with sufficient assets to be affected by the assets test were not eligible for Supplementary Assistance. There were no concessions in the assets test for age pensioners aged 70 years and over or for persons with children.

**Deprivation provisions**

If a person, or his/her partner, disposed of assets (including gifts to members of the family, relatives and others) in excess of $2000 a year (single person) or $4000 a year (couple) without adequate financial return, the excess was
assessable under the assets test. The provision did not apply to the sale or reduction of assets to meet normal expenses such as the purchase of consumer goods or to finance vacations. Amounts taken into account under these provisions were reduced at a flat rate of 10 per cent a year.

Existing aspects of the income test deprivation provisions were also applied to the deprivation of assets. Assets disposed of where the predominant purpose was to qualify for a pension were assessed. Disposals occurring more than five years before the person became qualified to receive a pension were not counted for deprivation purposes, and this period was reduced if the Director-General was satisfied that the person could not have reasonably expected to qualify for a pension at the time of the disposal. The deprivation provisions applied only in relation to assets disposed of on or after 1 June 1984 (the date on which the Minister announced the Government’s intention to introduce an assets test).

Pension Loans Scheme

A Pension Loans Scheme was introduced as a component of the assets test provisions. People of Age Pension age or their spouses, who were entitled to little or no pension because of the value of their assets and who did not wish to sell or rearrange them, could opt to take advantage of the scheme provided that at least 70 per cent of their assets were in a form which could not readily be converted into cash, and there was adequate security for the loan.

Under the scheme, the person received the amount of pension payable as if the income test alone operated. Any payments in excess of the normal entitlement under the assets test became a debt to the Commonwealth. Interest (simple, not compound) was charged on the accumulated debt at the rate set by the Government from time to time. As the amount of money advanced as a loan increased, the net market value of a person’s assets fell so that eventually the person might qualify for a pension in his/her own right under the normal assets test provisions. Recovery of the debt (usually from the person’s estate) was subject to the proviso that it could not reduce the level of a pensioner’s assets below $100 000.

Financial hardship provisions

Where a person or his/her partner had assets sufficient to be subject to the assets test, but the assets could not be, or could not be expected to be, sold or realised or used as security for borrowing, the deprivation provisions did not apply or it was considered reasonable to disregard them, and the Director-General was satisfied that the person would suffer severe financial hardship if the test was applied, special financial hardship provisions were available.

Under the provisions:

- the value of assets that could not be, or could not be expected to be, sold or realised or used as security for borrowing was disregarded (hardship exemption);

- the maximum annual rate of pension (or other income support payment paid in the year) would be reduced by the sum of the person’s annual rate of income (except for income from assets not disregarded under the general assets test rules or the hardship exemption) and an amount per year equal to $26 for each $250 of assets not so disregarded;
the Director-General had the discretion to further reduce the maximum rate payable by the annual rate of income that could reasonably be expected to be derived or produced by using assets exempted under the hardship exemption; and

the total income from pension, other income support payment or private sources was not to exceed the maximum relevant rate of pension or other income support payment.

The financial hardship provisions were for persons who could not, or did not wish to, take advantage of the Pension Loans Scheme.

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### ASSETS TEST IMPOSED ON FUNERAL AND FRINGE BENEFITS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 49</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>21 September 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>21 March 1985</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Funeral Benefit; Fringe Benefits (Concession Cards)</td>
</tr>
</tbody>
</table>

An assets test was imposed on Funeral Benefit and this flowed on to pensioner Fringe Benefits (Concession Cards) under health legislation. It affected only pensioners subject to the pension assets test and with the same exemptions. It operated alongside the income test on Funeral Benefit/pensioner Fringe Benefits—thus pensioners were ineligible for these benefits if either their income or assets exceeded the prescribed limits.

The assets limits were:

- $80 000 for a single pensioner and $57 500 for each member of a couple in the case of persons owning their own home; and
- $130 000 for a single pensioner and $82 500 for each member of a couple in the case of non-home owners.

For couples, each partner was assessed as having half of the combined value of the assets.

The assets limits were automatically adjusted on the same basis as the limits in the pension assets test (refer to Record 34 of 1984).
**Christmas Island Administration (Miscellaneous Amendments) Act 1984, No. 120**

Date of Royal Assent: 18 October 1984

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Part VIII</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 October 1984</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 October 1984</td>
</tr>
<tr>
<td>Payments affected</td>
<td>General provision. The second change was also relevant to Remote Area Allowance</td>
</tr>
</tbody>
</table>

In changes affecting overseas territories:

- the Social Security Act was extended to the territory of Christmas Island as if it were part of Australia; and

- the territories of Cocos (Keeling) Islands and Christmas Island were designated as remote areas with the result that residents were eligible for Remote Area Allowance.
A general provision was introduced requiring that a child aged under 16 years, or dependent full-time student aged 16 to 24 years, in receipt of a social security payment or Tuberculosis Allowance should be disregarded when determining another person’s entitlement to a social security payment or calculating the rate of such a payment. The provision also prevented Family Allowance being paid to an institution in similar circumstances. Savings provisions protected the entitlements of persons and institutions in receipt of payments made before the amendment took effect. This general provision replaced similar ones which related only to eligibility for Invalid Pension, Rehabilitation Allowance in lieu of Invalid Pension, and Supporting Parent’s Benefit.
Endnote

1 Apart from in the heading to Part III of the Act, the legislation uses the term ‘property’ instead of assets. The reason was that property had an established meaning and therefore did not need to be defined. However, the legal meaning of property is much broader than that generally attributed to the term in common English usage. The term ‘assets test’ is the one used in general publications and discussion and is widely understood.
Legislation passed in 1985

**National Welfare Fund Repeal Act 1985, No. 24**

Date of Royal Assent: 22 May 1985

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**NATIONAL WELFARE FUND ABOLISHED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 3 and 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Date fixed by Proclamation (1 July 1985)</td>
</tr>
<tr>
<td>Date of application</td>
<td>Date fixed by Proclamation (1 July 1985)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>General provision</td>
</tr>
</tbody>
</table>

The National Welfare Fund Act 1943 was repealed, resulting in the abolition of the National Welfare Fund. The Act amended the Social Security Act to provide that social security payments previously made from the fund were in future to be made directly from standing appropriations of the Consolidated Revenue Fund.

[The National Welfare Fund was established in 1945 as a vehicle for channelling social security funding. It had essentially been no more than an accounting mechanism.]

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**Social Security Legislation Amendment Act 1985, No. 52**

Date of Royal Assent: 4 June 1985

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**RESTRICTION ON ELIGIBILITY OF STUDENT CHILDREN FOR FAMILY ALLOWANCE**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>4 June 1985</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1985</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance</td>
</tr>
</tbody>
</table>

Eligibility for Family Allowance ceased for full-time dependent student children aged 18–24 years, except where the parent(s) was qualified to receive Family Income Supplement, Double Orphan’s Pension or Handicapped Child’s Allowance in respect of a child, or would have been qualified to receive Family Income Supplement if he/she had not been receiving a Commonwealth income-tested income security payment, and was not receiving, or eligible to receive, a payment for the student under a specified Commonwealth educational or other scheme. This exemption was later subsumed by that at Record 20 of 1985, which took effect from the same date.
Social Security and Repatriation Legislation Amendment Act 1985, No. 95

Date of Royal Assent: 5 September 1985

CHANGES IN DEFINITIONS RELATING TO CHILDREN

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 101</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>5 September 1985</td>
</tr>
<tr>
<td>Date of application</td>
<td>5 September 1985</td>
</tr>
<tr>
<td>Payments affected</td>
<td>General provision</td>
</tr>
</tbody>
</table>

The rules treating a child as a dependent child of a person, in determining the person’s eligibility for social security payments in respect of the child, were consolidated and rationalised. A ‘dependent child’ was defined as:

- a child aged under 16 years who was in the custody, care and control of the person; or
- where no other person had the custody, care and control of the child, a child who was wholly or substantially in the control of the person; or
- a student child, other than the person’s spouse, who was wholly or substantially dependent on the person. The definition of ‘student child’ remained unchanged—as a person aged 16 to 24 years in full-time education.

In addition, the term ‘custody’ was clarified to require that a person have (alone or jointly with another person) the right to the daily care and control of the child, and to make decisions concerning such care and control.
ALTERATION TO RULES CLASSIFYING A CHILD AS DEPENDENT WHEN OVERSEAS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 10; section 124 (savings provision)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>5 September 1985</td>
</tr>
<tr>
<td>Date of application</td>
<td>5 September 1985</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits</td>
</tr>
</tbody>
</table>

The rules enabling a child outside Australia to be considered a ‘dependent child’ of a person for purposes of the person’s eligibility for pensions and benefits in respect of the child were consolidated and rationalised. Under the new provision, to qualify as a dependent child, it was required that:

- the child be living in Australia, notwithstanding any temporary absence or, if the child was living outside Australia, that the person be living in Australia;
- where the child was living outside Australia, the person be living in Australia, and be considered likely to bring the child to Australia within four years of the date on which he/she had commenced living there, on which the child had commenced living outside Australia or on which the child became a dependant of the person, whichever event occurred first; and
- in the case of a person claiming or receiving a pension or related payment, the child be living with the person outside Australia.

As regards the ‘four-year’ rule, the Secretary was given the discretion to accept a longer period in specific cases. A savings provision ensured that persons falling within the previous four-year rule at the time of the change were protected while that four-year rule continued to apply.

The ‘four-year’ rule was applied to Family Allowance from the same date in conjunction with a separate change (refer to Record 7 of 1985).

EASING OF AGE AND INVALID PENSION RESIDENCY TESTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 102 (Age Pension); section 103 (Invalid Pension)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>5 September 1985</td>
</tr>
<tr>
<td>Date of application</td>
<td>5 September 1985</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Age Pension; Invalid Pension</td>
</tr>
</tbody>
</table>

The Age Pension and Invalid Pension residency tests were eased, enabling claimants who did not meet the 10-year continuous residence criterion (in the case of Invalid Pension, this applied only to persons who became permanently incapacitated for work or permanently blind outside Australia other than during a temporary absence) to qualify for a pension provided that they had resided in Australia for periods totalling more than 10 years and one of those periods was at least five years.
6

RESTRICTION ON PAYMENT OF FAMILY INCOME SUPPLEMENT

Location in Act  
Section 105

Date of commencement  
5 September 1985

Date of application  
5 September 1985

Payments affected  
Family Income Supplement

The provision precluding payment of Family Income Supplement to a person in respect of a child where the person was receiving an income-tested Commonwealth payment in respect of that child was extended to cover receipt of such a payment by the person’s spouse. [This corrected an anomaly in the legislation.]

7

MODIFICATION TO FAMILY ALLOWANCE RESIDENCY TEST

Location in Act  
Section 106; section 124 (savings provision)

Date of commencement  
5 September 1985

Date of application  
5 September 1985

Payments affected  
Family Allowance

The Family Allowance residency test was modified to enable the allowance to be paid to a person whose child was not currently in Australia, where it was considered that the person and child were likely to reside permanently in Australia. The ‘four-year’ rule (refer to Record 4 of 1985) was applied on the same basis as to pensions and benefits in respect of the time allowed before the child came to Australia and the same savings provision applied.

8

EXTENSION OF ELIGIBILITY FOR HIGHER JUNIOR BENEFIT RATE

Location in Act  
Section 108

Date of commencement  
5 September 1985

Date of application  
5 September 1985

Payments affected  
Benefits; Special Benefit (in effect)

The higher ($50) rate of payment made to certain longer-term single beneficiaries aged under 18 years without dependants (refer to Record 33 of 1984) was extended to include beneficiaries in this category who had been receiving a payment under the Adult Migration Education Program, or in the course of full-time training under an approved labour force program.
9

**RESTRICTION ON PAYMENT OF REHABILITATION ALLOWANCE**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 111</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>5 September 1985</td>
</tr>
<tr>
<td>Date of application</td>
<td>5 September 1985</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rehabilitation Allowance</td>
</tr>
</tbody>
</table>

A single person aged under 16 years was precluded from receiving a Rehabilitation Allowance. A savings provision ensured that any person already receiving the allowance would not be affected by the change.

10

**RESTRICTION ON PAYMENTS TO CERTAIN CONFINED PERSONS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 116</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>5 September 1985</td>
</tr>
<tr>
<td>Date of application</td>
<td>5 September 1985</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits</td>
</tr>
</tbody>
</table>

The general provision preventing payment of pensions and benefits to persons who were imprisoned was extended to include persons confined in a psychiatric institution after being charged with the commission of (but not convicted of) an offence.

11

**NEIS PAYMENTS INCORPORATED IN PENSION AND BENEFIT INCOME TESTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 119 (main changes); section 101 (general definition of income)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>5 September 1985</td>
</tr>
<tr>
<td>Date of application</td>
<td>5 September 1985</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits. (The Act did not exclude any pensioner or beneficiary provided that he/she was receiving NEIS, but the rules of NEIS would have limited the groups eligible.)</td>
</tr>
</tbody>
</table>

Provisions were inserted to ensure that payments under the New Enterprise Incentive Scheme (NEIS) were integrated with social security payments. In general terms, the provisions operated to directly deduct NEIS payments from pensions and benefits but ensured that the total of these payments to a person or couple would be no less than those to which they would have been entitled if no NEIS payments had been received. Payments under NEIS were not counted as income under the general income tests. [NEIS was introduced in 1985–86 and was administered by the Employment Department.]
RENT ASSISTANCE REPLACES SUPPLEMENTARY ASSISTANCE/ALLOWANCE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 120 (as set out in Schedule 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>5 September 1985</td>
</tr>
<tr>
<td>Date of application</td>
<td>5 September 1985</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Supplementary Assistance; Supplementary Allowance; Rent Assistance</td>
</tr>
</tbody>
</table>

Supplementary Assistance and Supplementary Allowance were renamed Rent Assistance.

AMENDMENT TO INCOME TEST FOR WIDOWS’ PENSIONS AND SUPPORTING PARENT’S BENEFIT

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 120 (as set out in Schedule 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>5 September 1985</td>
</tr>
<tr>
<td>Date of application</td>
<td>5 September 1985</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Class A, B and C Widows’ Pensions (applied mainly to Class A); Supporting Parent’s Benefit</td>
</tr>
</tbody>
</table>

Minor amendments were made to the income test for Class A, B and C Widows’ Pensions and Supporting Parent’s Benefit to:

- clarify that maintenance payments received by a supporting parent beneficiary would be treated in the same way as those received by a widow pensioner;
- count maintenance payments from a de facto spouse as income; and
- clarify that, in the case of a ‘widow’ (as defined), a maintenance payment from a former spouse would be regarded as income.
Social Security and Repatriation (Budget Measures) Amendment Act 1985, No. 127

Date of Royal Assent: 28 October 1985

14

ADDITIONAL PENSION/BENEFIT AND FAMILY INCOME SUPPLEMENT INCREASED

Location in Act
Section 45 (Additional Pension for Children); section 63 (Additional Benefit for Children and flowed on to Family Income Supplement)

Date of commencement 1 November 1985
Date of application 1 November 1985
Payments affected Additional Pension for Children; Additional Benefit for Children; Family Income Supplement

Additional Pension for Children, Additional Benefit for Children and Family Income Supplement were generally increased by $2 to $16 a week. The rates paid in respect of dependent children aged 16 to 24 years receiving payments under a prescribed educational scheme remained at $14.

15

MOTHER’S/GUARDIAN’S ALLOWANCE INCREASED

Location in Act Section 45 (pensions); section 63 (benefits)

Date of commencement 1 May 1986
Date of application 1 May 1986
Payments affected Mother’s/Guardian’s Allowance

Mother’s/Guardian’s Allowance was increased by $2 to $12 a week.

16

SECRETARY’S DISCRETION TO PAY REDUCED PENSION RATE REMOVED

Location in Act Sections 45, 47 and 51

Date of commencement Date fixed by Proclamation (1 January 1986)
Date of application Date fixed by Proclamation (1 January 1986)
Payments affected Pensions

The provisions stating that pension rates, subject to their not exceeding the maximum rate, were to be in each case rates determined by the Secretary as being reasonable and sufficient having regard to all the circumstances, were abolished. [It had long been administrative practice always to pay pensioners their maximum entitlement.]
A compendium of legislative changes in social security 1983–2000

CARER'S PENSION REPLACES SPOUSE CARER'S PENSION

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 49, 50 (main provisions); sections 43, 44, 46, 48, 52, 69, 70 and 74</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1985</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1985</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Carer’s Pension; Spouse Carer’s Pension</td>
</tr>
</tbody>
</table>

A Carer's Pension was introduced and replaced Spouse Carer's Pension. It was paid to people personally providing constant care and attention on a long-term basis to a severely handicapped age or invalid pensioner spouse or relative (or a spouse or relative receiving a Rehabilitation Allowance in lieu of an Invalid Pension) in the home where both lived. Relatives were defined as a grandparent, parent, step-parent, parent-in-law, brother/sister, half-brother/sister, step-brother/sister, child, adopted child, step-child, son/daughter-in-law, grandchild, guardian (where the carer or care recipient was or had been the guardian) or any others whom the Secretary considered should be included. [Refer also to amendment at Record 3 of 1986 which was backdated to 1 November 1985.]

A carer could cease to provide constant care and attention for up to four weeks in any period of 12 months (longer at the discretion of the Secretary) without ceasing to qualify for the pension.

The rates and general conditions of the new payment were as for Wife’s Pension and the previous Spouse Carer’s Pension. A woman caring for a disabled pensioner husband in her own home had the option of transferring to Carer’s Pension or remaining on Wife’s Pension.

FAMILY ALLOWANCE NO LONGER PAID IN RESPECT OF CERTAIN STUDENTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 53</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>15 January 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>15 January 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance</td>
</tr>
</tbody>
</table>

Family Allowance ceased to be payable in respect of dependent full-time student children aged under 18 years receiving payments under the Secondary Allowances Scheme. A higher rate of payment under the scheme compensated for this.
19

**HIGHER RATE OF FAMILY ALLOWANCE PAID FOR MULTIPLE BIRTHS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 54</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Date of commencement</strong></td>
<td>15 November 1985</td>
</tr>
<tr>
<td><strong>Date of application</strong></td>
<td>15 November 1985</td>
</tr>
<tr>
<td><strong>Payments affected</strong></td>
<td>Family Allowance</td>
</tr>
</tbody>
</table>

The rate of Family Allowance payable to triplets was increased by $150 a month, and to quadruplets or higher multiples by $200 a month, from the birth of the children until they attained the age of six years. This additional payment replaced the previous arrangement where discretionary Act of Grace payments had been made to the parents of quadruplets. This addition has been called a 'Multiple Birth Payment' or 'Multiple Birth Allowance' but neither of these terms was used in the Act.

20

**CHANGE TO FAMILY ALLOWANCE INCOME TEST FOR STUDENT CHILDREN**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 57</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Date of commencement</strong></td>
<td>28 October 1985</td>
</tr>
<tr>
<td><strong>Date of application</strong></td>
<td>Applied to payments of Family Allowance made on or after 1 November 1985</td>
</tr>
<tr>
<td><strong>Payments affected</strong></td>
<td>Family Allowance</td>
</tr>
</tbody>
</table>

A change was made in the category of people exempt from the Family Allowance income test applying to full-time students aged 18 to 24 years which applied from the same date as, and so effectively subsumed, that at Record 2 of 1985. The criterion relating to a person who would have been eligible for Family Income Supplement if not receiving an income-tested Commonwealth payment was replaced by one that the person be receiving a pension, benefit, specified veterans' payment or Tuberculosis Allowance with additions for children, and that the family's income was low enough to qualify in principle for the full rate of Family Income Supplement.

21

**CHANGE TO ELIGIBILITY FOR FAMILY ALLOWANCE WHEN CHILD IN INSTITUTION**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 59</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Date of commencement</strong></td>
<td>28 October 1985</td>
</tr>
<tr>
<td><strong>Date of application</strong></td>
<td>28 October 1985</td>
</tr>
<tr>
<td><strong>Payments affected</strong></td>
<td>Family Allowance</td>
</tr>
</tbody>
</table>

The provision specifying that Family Allowance ceased to be payable to a person in respect of a child who became an inmate of an institution was modified so as to apply only where the institution received the allowance.
HANDICAPPED CHILD’S ALLOWANCE PAYABLE WHILE CHILD AWAY FROM HOME

Location in Act  
Section 60

Date of commencement  
1 November 1985

Date of application  
1 November 1985

Payments affected  
Handicapped Child’s Allowance

An amendment enabled Handicapped Child’s Allowance to continue to be paid for up to 28 days during any period of 12 months (or longer at the discretion of the Secretary) during which a child was temporarily absent from the family home. The general discretion of the Secretary to allow temporary absences, and specific provisions enabling the allowance to continue to be paid to a person (other than a child for whom a nursing home benefit or Handicapped Children’s Benefit was payable) who was temporarily in an institution, were removed. [Handicapped Children’s Benefit was a payment made in respect of children with disabilities who were in institutions. It was not paid under the Social Security Act.]

RESTRICTION ON PAYMENT OF HANDICAPPED CHILD’S ALLOWANCE

Location in Act  
Section 61

Date of commencement  
1 November 1985

Date of application  
1 November 1985

Payments affected  
Handicapped Child’s Allowance

A new provision precluded payment, after expiry of the 28 days ‘away from home’ entitlement (refer to Record 22 of 1985), on a daily basis, of Handicapped Child’s Allowance in respect of a child for whom a nursing home benefit or Handicapped Children’s Benefit was payable for the particular days. Previously, the legislation provided that the amount of nursing home benefit or Handicapped Children’s Benefit be fully deducted, on a daily basis, from the rate of Handicapped Child’s Allowance payable where the child became an inmate of an institution. [A reason for the change was that daily rates of nursing home benefit and Handicapped Children’s Benefit exceeded the daily entitlement to Handicapped Child’s Allowance at that time].
### RESTRUCTURING OF AND INCREASE IN BENEFIT RATES

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 63</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1985 (except for the indexation of the rate of Unemployment Benefit for single persons aged 21 years and over without dependants, which applied from 1 May 1986)</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>First change: Benefits; Special Benefit (in effect) Other changes: Unemployment Benefit; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

Rates of benefits for single persons without dependants were restructured and ad hoc increases made as follows:

- the maximum rate of benefit payable to single persons aged under 18 years without dependants was increased by $5 to $50 (previously, it had been $50 only for certain persons who had been receiving a benefit continuously for at least six months); and

- the maximum rate of Unemployment Benefit payable to single persons aged 18 years and over without dependants was split into two separate rates according to whether the person was aged under 21 years or aged 21 years and over. The rate was increased by $3 to $88.20 a week for those aged 18 to 20 years and by $6.25 to $91.45 a week for those aged 21 years and over.

The legislation also provided that:

- the rate of Unemployment Benefit for single persons aged 18 to 20 years without dependants would no longer be automatically indexed; and

- the rate of Unemployment Benefit for single persons aged 21 years and over without dependants become subject to automatic indexation on the same basis as other indexed pensions and benefits. The first increase was to occur from 1 May 1986.

### RENT ASSISTANCE EXTENDED TO UNEMPLOYMENT AND SPECIAL BENEFICIARIES

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 64</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 May 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 May 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance; Unemployment Benefit; Special Benefit</td>
</tr>
</tbody>
</table>

Rent Assistance, up to a maximum of $10 a week, was extended to unemployment and special beneficiaries aged 18 years and over and paying private rent after they had been on benefit for a continuous period of at least six months, with the exception of single beneficiaries without dependants who were aged under 25 years and living at home.
LIBERALISATION OF BENEFIT INCOME TEST

Location in Act  Section 65
Date of commencement  1 May 1986
Date of application  1 May 1986
Payments affected  Benefits; Special Benefit (in effect)

The benefit income test was liberalised by increasing the permissible income limit (free area) to $30.

BENEFIT WAITING PERIOD ABOLISHED IN CERTAIN CIRCUMSTANCES

Location in Act  Section 66
Date of commencement  1 November 1985
Date of application  1 November 1985
Payments affected  Unemployment Benefit; Sickness Benefit

The standard Unemployment Benefit and Sickness Benefit waiting period was abolished for: beneficiaries transferring from a pension, benefit, prescribed veterans’ payment or Tuberculosis Allowance; and for those who, immediately before qualifying to receive the benefit, had been the dependent spouse of a person receiving one of those payments.
Social Security (Poverty Traps Reduction) Act 1985, No. 169

This Act was amended by the Social Security and Veterans’ Affairs (Miscellaneous Amendments) Act 1986, which altered the implementation date for changes from 1 November 1986 to 1 July 1987 (refer to Record 52 of 1986). As the Act itself was amended, the initial changes never actually became law.

Date of Royal Assent: 16 December 1985

### PENSION INCOME TEST EASED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 3, 8 and 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Initially to be 1 November 1986, but later deferred to 1 July 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

The pension income test was liberalised by increasing the permissible income limits (free area) to $40 a week (single person) and $35 a week (each member of a couple).

### RULES FOR APPLYING PENSION/BENEFIT INCOME TEST AND PENSIONS ASSETS TEST

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 3, 8, 11 and 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Initially to be 1 November 1986, but later deferred to 1 July 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Special Benefit (in effect); Rent Assistance; Additional Pension for Children; Additional Benefit for Children; Mother’s/Guardian's Allowance</td>
</tr>
</tbody>
</table>

It was specified that, where the income test applied to a pensioner or beneficiary, or the assets test applied to a pensioner, who was eligible for Rent Assistance, Additional Pension/Benefit for Children or Mother’s/Guardian’s Allowance, the basic rate of pension or benefit was to be reduced first, followed by Rent Assistance, and lastly by any Additional Pension/Benefit for Children and/or Mother’s/Guardian’s Allowance component.

[This order was to the advantage of the recipients, as the generally taxable basic component was reduced first, and Additional Pension/Benefit for Children, entitlement to which sometimes provided a ‘passport’ to other social security payments, was reduced after the basic and Rent Assistance components. The legislation did not specify which of Additional Pension/Benefit for Children and Mother’s/Guardian’s Allowance was to be reduced first.

The inclusion of Rent Assistance in this change reflected the restructuring of the Rent Assistance income test (refer to Record 31 of 1985).]
30

**CHILD DISREGARD IN PENSION INCOME TEST INCREASED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 4 and 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Initially to be 1 November 1986, but later deferred to 1 July 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

The income test on pensions was eased by increasing the amount of income disregarded under the test for each dependent child of a pensioner from $6 to $12 a week ($6 a week for each partner of a couple).

31

**CHANGE TO RENT ASSISTANCE INCOME TEST AND SAVINGS PROVISIONS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 3, 6, 14, 20 and 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Initially to be 1 November 1986, but later deferred to 1 July 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance</td>
</tr>
</tbody>
</table>

In relation to Rent Assistance:

- the separate income test was abolished so that the payment became an addition to the maximum rate of pension or benefit and subject to the normal income test applying to them; and

- an amendment removed the savings provision protecting the entitlement of persons who would otherwise have been disadvantaged by changes to Supplementary Assistance and Supplementary Allowance (both since renamed Rent Assistance) applying from 1 February 1982. The main component of the savings provision had preserved the entitlements of existing tenants of government housing authorities when this group became ineligible for Supplementary Assistance and Supplementary Allowance.
Endnote

1 Under sections 120 and 121 (as set out in Schedules 4 and 5 respectively) of the present amending Act, the Director-General of Social Security was renamed “Secretary to the Department of Social Security” from 5 September 1985.
The ‘portability provisions’ were restructured with the result that persons leaving Australia to live permanently overseas were to receive a proportional pension based on the amount of their working life spent in Australia. Subject to certain exceptions, only people who had spent 25 years or more of their working life in Australia (between the ages of 16 and 65 years for men and 16 and 60 years for women) would receive a full pension. People with less than 25 years were to receive a portion of the pension that would have been payable if they had remained in Australia, based on the amount of time (in months and as a proportion of 25 years) spent in Australia during their working life.

Under the provisions, each partner of a couple was treated as having the period of residence of the one with the longest residence, the residence period for wife and carers’ pensioners was taken as the residence period of their spouse and, for widow pensioners, the period was that of the widow’s residence or of the residence of her spouse at the date of his death, whichever was the longer.

The new provisions did not apply to:

- people who were residing in Australia or who were ‘absent residents’ on 8 May 1985 (the date the changes were announced) and who became pensioners and then took their pension overseas before January 1986, or at any time if they went to a country with which Australia did not have a reciprocal Social Security Agreement;
- people granted a pension before 1 July 1986;
- invalid pensioners where the invalidity occurred while they were residing in Australia; and
- widow pensioners who, with their late spouses, were residing permanently in Australia at the time of their spouse’s death.
Social Security Legislation Amendment Act 1986, No. 33¹

Date of Royal Assent: 3 June 1986

**CHANGE IN ELIGIBILITY CONDITIONS FOR CARER’S PENSION**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Carer’s Pension</td>
</tr>
</tbody>
</table>

The provision enabling a recipient of Carer’s Pension to retain eligibility for the pension where he/she ceased to provide constant care and attention for up to four weeks in any period of 12 months was recast to specify that the period could be up to 28 days in any calendar year. [The previous wording had been unclear to pensioners so that the provision had proved difficult to administer.]

**EXTENSION TO COVERAGE OF CARER’S PENSION**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1985</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1985</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Carer’s Pension</td>
</tr>
</tbody>
</table>

Eligibility for Carer’s Pension was extended to people who provided the required level of care to a person who had at any time been taken into account as a relative of the person for purposes of the person becoming qualified to receive such a pension. The definition of ‘relative’ was unchanged (refer to Record 17 of 1985). This provision replaced the general discretion given to the Secretary to include persons other than those specifically designated in the legislation as ‘relatives’. [The new provision was intended to cover people who technically were no longer relatives due, for example, to divorce. It was backdated to the day on which Carer’s Pension was introduced.]
4

CHANGE TO CHILD CONCESSION IN PENSION INCOME TEST

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 7 and 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>28 days after Date of Royal Assent (1 July 1986)</td>
</tr>
<tr>
<td>Date of application</td>
<td>28 days after Date of Royal Assent (1 July 1986)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

The $6 a week reduction in assessable income allowed for a dependent child under the pension income test was no longer reduced by payments received in the nature of a Family Allowance and which precluded a person from receiving the allowance.

5

REMOVAL OF FAMILY ALLOWANCE PROVISION IN RELATION TO BROKEN FAMILIES

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>28 days after Date of Royal Assent (1 July 1986)</td>
</tr>
<tr>
<td>Date of application</td>
<td>28 days after Date of Royal Assent (1 July 1986)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance</td>
</tr>
</tbody>
</table>

The provision enabling Family Allowance to be paid in respect of children where a family was not living together on the same basis as if they were living together was deleted. [In practice it had not been used, as children in these circumstances could attract the allowance under other provisions.]

6

REMOVAL OF OUTDATED FAMILY ALLOWANCE PROVISION

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>28 days after Date of Royal Assent (1 July 1986)</td>
</tr>
<tr>
<td>Date of application</td>
<td>28 days after Date of Royal Assent (1 July 1986)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance</td>
</tr>
</tbody>
</table>

The specific provision precluding payment of Family Allowance in respect of a child who was married was removed. [The provision was considered inappropriate as it discriminated solely on the basis of marital status. Other eligibility criteria had a similar effect to the discarded provision.]
7

**HANDICAPPED CHILD’S ALLOWANCE PAID WHILE CHILD ABSENT FROM THE HOME**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Handicapped Child’s Allowance</td>
</tr>
</tbody>
</table>

The provision enabling Handicapped Child’s Allowance to continue to be paid for up to 28 days during any period of 12 months in which a child was temporarily absent from the home was amended to specify a period of up to 28 days in any calendar year.

8

**ANOMALY IN BENEFIT RATES REMOVED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

An anomaly whereby the rate of benefit payable to a legally married but permanently separated person was higher than the rate payable to a single person (including a divorced person) was removed.
A Young Homeless Allowance was introduced and was paid to single, homeless 16 to 17 year-old benefit recipients without dependants. It represented the increase in the maximum rate of benefit otherwise payable to these beneficiaries required in order to bring the rate up to the equivalent of seven times the maximum daily amount of living allowance which a single, independent full-time student aged 25 years and over would receive under the Student Assistance Act. This amount was $23.28 and brought the maximum total rate payable to a beneficiary to $73.28 a week. The allowance was subject to the normal benefit income test and was taxable.

To qualify for the allowance, the beneficiary had to have been living away from the family home for a continuous period of six weeks or more because he/she:

- had no parental home;
- was not allowed by the parent(s) to live at home; or
- could not, because of circumstances such as domestic violence, sexual abuse or comparable exceptional circumstances, be expected to live with his/her parents.

In addition, the allowance could be paid only where he/she:

- was not receiving, or was unlikely to receive in the near future, continuous support of any kind from either parent;
- was not receiving continuous support of any kind from a person acting as a guardian on a long-term basis; and
- was not receiving continuing income support from another Commonwealth department or from a state or territory authority.
10

CHANGE TO RENT ASSISTANCE WAITING PERIOD FOR SICKNESS BENEFICIARIES

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 29</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 May 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 May 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance</td>
</tr>
</tbody>
</table>

An amendment provided that the six-week waiting period before a sickness beneficiary qualified for Rent Assistance was not considered broken where he/she lost entitlement to benefit solely due to the operation of the benefit income test. [This meant that the waiting period did not commence from the beginning again where the person re-qualified for benefit. It aligned the conditions for sickness beneficiaries with those for certain unemployment and special beneficiaries who became eligible for Rent Assistance from 1 May 1986.]

11

EXEMPTION FROM RENT ASSISTANCE WAITING PERIOD

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 29</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 May 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 May 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance</td>
</tr>
</tbody>
</table>

It was provided that a sickness beneficiary who, immediately before receiving Sickness Benefit, had been in receipt of Rent Assistance as an unemployment or special beneficiary, would not have to serve the Rent Assistance waiting period.
MODIFICATION TO RENT ASSISTANCE ‘HALVING RULE’

Location in Act  
Section 29

Date of commencement  
1 May 1986 (original change). The revised provision containing the principle of the original change was to commence immediately after the Social Security (Poverty Traps Reduction) Act 1985. This was scheduled for 1 November 1986 but was later deferred to 1 July 1987.

Date of application  
As for date of commencement

Payments affected  
Rent Assistance

The ‘halving rule’ for Rent Assistance (it provided that where a pensioner or beneficiary member of a couple and his/her beneficiary partner both qualified for the payment, each received half of the rate applicable to a single person) was not applied in cases where it would disadvantage the couple. The new provision ensured that, where one of the couple was entitled to a higher rate than his/her partner, the payment was made to that person. The legislation provided for the principle of the change to be continued when Rent Assistance became subject to the general income test. This was initially scheduled for 1 November 1986 but was later deferred to 1 July 1987 (refer to Records 31 and 52 of 1985 and 1986 respectively).

[The change was necessary following the extension of Rent Assistance to unemployment and special beneficiaries at a lower maximum rate than that applicable to pensioners and sickness beneficiaries.]

AMENDMENT TO COMPENSATION RECOVERY PROVISIONS

Location in Act  
Section 31

Date of commencement  
1 July 1986

Date of application  
1 July 1986

Payments affected  
Sickness Benefit

The Sickness Benefit compensation recovery provisions were amended to treat lump-sum awards of compensation as a series of periodic payments each equal to the ‘average total weekly earnings of all male employees’ in the official statistical series. This provided a mechanism for determining precisely a period for which the payment of Sickness Benefit was precluded or for which Sickness Benefit was recoverable.
### RESTRICTION ON PAYMENT OF BENEFITS TO FULL-TIME STUDENTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 33</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1986. A student granted a benefit before 1 July 1986 could retain it but not beyond 31 December 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits</td>
</tr>
</tbody>
</table>

Full-time students were barred from receiving benefits for any period during which they had received, or were entitled to receive, a payment under a prescribed educational scheme, or would have been so entitled but for the operation of a means test, the timing arrangements for payments, or because of their non-compliance with the conditions of the payment. Students who were granted a benefit before the date of the change had their benefit preserved for up to six months.

### MOBILITY ALLOWANCE CONDITIONS LIBERALISED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 34</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>28 days after Date of Royal Assent (1 July 1986)</td>
</tr>
<tr>
<td>Date of application</td>
<td>28 days after Date of Royal Assent (1 July 1986)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Mobility Allowance</td>
</tr>
</tbody>
</table>

Mobility Allowance became payable to a person with a disability who was engaged in a combination of paid employment and vocational training for at least 20 hours a week. Previously, the legislation specified that a person had to be engaged in the required employment or training but did not allow for a combination of these.

### CHANGE TO AGE FOR ACCESS TO COMMONWEALTH REHABILITATION SERVICE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 35</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>28 days after Date of Royal Assent (1 July 1986)</td>
</tr>
<tr>
<td>Date of application</td>
<td>28 days after Date of Royal Assent (1 July 1986)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensioners (except age pensioners) and beneficiaries. However, assistance from the Commonwealth Rehabilitation Service was not limited to people receiving social security payments</td>
</tr>
</tbody>
</table>

Provision was made for treatment or training to be provided by or through the Commonwealth Rehabilitation Service for men and women aged under 65 years. Previously the age limit had been 65 years for men and 60 years for women (that is, their respective Age Pension eligibility ages).
REMOVAL OF RESTRICTIONS ON PAYMENTS TO CERTAIN BLIND PENSIONERS

Location in Act  | Section 37  
Date of commencement  | 28 days after Date of Royal Assent (1 July 1986)  
Date of application  | 28 days after Date of Royal Assent (1 July 1986)  
Payments affected  | Age Pension; Invalid Pension; Sheltered Employment Allowance; Rehabilitation Allowance  

The limit on the amount of Age Pension or Invalid Pension, or Sheltered Employment Allowance and Rehabilitation Allowance, that a permanently blind pensioner aged under 70 years could receive in conjunction with his/her War Pension was removed. This aligned the treatment of these pensioners with that for permanently blind pensioners in receipt of a specified veterans’ payment (in respect of whom a similar ceiling had been removed in 1982). [Permanently blind pensioners in these categories were not subject to the pension income or assets tests.]

Social Security and Veterans’ Affairs (Miscellaneous Amendments) Act 1986, No. 106

Date of Royal Assent: 27 October 1986

CHANGE TO DEFINITION OF INCOME IN INCOME TESTS

Location in Act  | Section 4  
Date of commencement  | 27 October 1986  
Date of application  | 27 October 1986  
Payments affected  | Pensions and benefits; Special Benefit (in effect); Family Income Supplement  

The definition of income for purposes of income tests on pensions, benefits and Family Income Supplement was amended to clarify that it could include amounts of a capital nature but did not include ‘domestic payments’. Domestic payments were defined as payments received from the disposal of assets which had been used substantially for private or domestic purposes for a period of 12 months, or such shorter period as the Secretary considered appropriate.
19

**EDUCATION SUPPLEMENT NOT COUNTED IN CERTAIN PENSION INCOME TESTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Invalid Pension; Sheltered Employment Allowance; Rehabilitation Allowance; Class A Widow’s Pension; Supporting Parent’s Benefit</td>
</tr>
</tbody>
</table>

The education supplement, payable to recipients of the specified pensions who would have been eligible for a payment under Austudy if they had not been receiving a pension, was not assessed as income for purposes of the pension income test. [The education supplement was included in education legislation and was not a social security payment. Austudy was the main scheme providing income support for students.]

20

**CHANGE TO TREATMENT OF LAND AROUND HOME IN PENSION ASSETS TEST**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>24 June 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>24 June 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

One of the criteria determining whether land around a home (curtilage) was exempt from the pension assets test, namely where it did not substantially exceed the average size of a block of land in the area, was removed. [This brought the remaining criteria into line with the capital gains tax provisions under the Income Tax Assessment Act and the amendments applied from the same date that the capital gains tax legislation came into operation.]

21

**ASSETS TEST DEPRIVATION PROVISION APPLIED TO DISPOSAL OF EXEMPT ASSETS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>27 October 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>27 October 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

Assets (such as the family home) which were exempt from the pension assets test became subject to the assets test deprivation provisions when disposed of for inadequate financial return.
Modifications were made to the provisions exempting certain assets from the pension assets test. It was provided that:

- a general life interest should be exempt from the test only where it had not been created by a claimant or recipient and/or the spouse of one of them. [This change sought, for example, to prevent a person from gaining an advantage through the creation of an assets test exempt life interest by disposing of a remainder interest in a non-exempt asset.];

- annuities (including superannuation pensions) which could be disposed of, or where a substantial part of the income from them was being or could be deferred, were exempted from the test unless the Secretary determined otherwise. [The effect of this change was to reverse the previous situation whereby they had been non-exempt unless the Secretary had declared them exempt. This reduced the administrative burden of examining all such annuities and ensured that only selective cases apparently designed to avoid the assets test were looked at with a view to non-exemption.];

- a ‘remainder interest’ was added to the existing ‘contingent and reversionary interests’ which were exempt from the test unless they had been created by the claimant/recipient or his/her spouse. It was also clarified that the existing and new provisions applied where both the person and his/her partner had created an interest (and not only where one or the other had done so);

- a ‘remainder interest’ was added to the ‘contingent or reversionary interests’ as assets which were not included in the exemption applying to assets to which a claimant/recipient was entitled from the estate of a deceased person but which had not been, or were not able to be, received; and

- the ‘cemetery plot and funeral expenses exemption’ was extended to cover the value of any cemetery plot acquired by the person, and any funeral expenses he/she paid in advance, in respect of the burial or funeral of his/her spouse.

[Refer to Record 34 of 1984 for the original legislation. The first change in this record relates to the exemption of a life interest other than in the family home.]
TREATMENT OF ENCUMBRANCES IN PENSION ASSETS TEST

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>27 October 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>27 October 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

The rule (refer to Record 34 of 1984) deducting encumbrances, to the extent that they applied to non-exempt assets and were not a collateral security, from the value of any assets before assessing them under the pension assets test was tightened by adding another circumstance where the concession did not apply. This was where the charge or encumbrance was given for the benefit of a person who was not a party, or the spouse of a party, to the charge or encumbrance.

PROCEEDS OF SALE OF RESIDENCE DISREGARDED IN PENSION ASSETS TEST

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>27 October 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>27 October 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

As much of the proceeds derived from the sale of a person’s residence as was likely to be required for the purchase of a new residence was disregarded for purposes of the assets test (but not for the hardship provisions), where the person was likely to acquire another residence within 12 months. The person was treated as a home owner during the period in which the proceeds were disregarded.

CHANGE TO PENSION LOANS SCHEME

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>27 October 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>27 October 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

The rule (refer to Record 34 of 1984) whereby the value of any charge or encumbrance on an asset or assets, in proportion to the extent that they applied to assets which were not exempt from the assets test, was deducted from the value of the assets before administering the test no longer applied to the Pension Loans Scheme. [The effect of this change was that the amount of any pension paid under the scheme was a charge on the whole of a person’s property.]
26

EXEMPTIONS FROM PENSION ASSETS TEST EXTENDED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>27 October 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>27 October 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

The type of residence in which a person could live for up to two years and not have his/her principal home assessed under the pension assets test was broadened to cover nursing homes approved under the Nursing Homes Assistance Act, homes and hostels for the aged and people with disabilities, and organisations providing hostel care or personal care services. For persons who on 21 March 1985 (when the assets test was introduced) were residing in a nursing home and taking advantage of the two-year concession, the length of the concession was extended to three years.

27

LOAN INTEREST NOT ASSESSED IN PENSION ASSETS TEST

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>27 October 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>27 October 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

For purposes of the pension assets test, the value of a person’s assets was taken to include only the nominal value of any loans that he/she had made and which had not been repaid. Any interest on the loans was to be disregarded. [This measure was introduced to avoid the need for complicated valuations.]

28

CHANGE TO CONDITIONS FOR PARTICIPATION IN PENSION LOANS SCHEME

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>27 October 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>27 October 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

Persons with assets valued at under $100 000 were precluded from participating in the Pension Loans Scheme unless they waived their right to the provision that recovery of a debt under the scheme could not reduce the level of assets below that amount. If a person’s assets fell below the prescribed level, the person had 10 weeks to waive his/her right to the provision before the scheme ceased to apply. [Previous practice had been not to make the scheme available to pensioners with assets below $100 000.]
DELAY IN ENFORCING REPAYMENT OF DEBTS UNDER PENSION LOANS SCHEME

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>27 October 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>27 October 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

It was provided that repayment of a debt incurred under the Pension Loans Scheme could not be enforced on the death of one partner of a couple until after any entitlement of the surviving spouse to Special Temporary Allowance had ceased.

MODIFICATIONS TO INDEXATION OF CERTAIN ASSETS TEST LIMITS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 9 (pensions); section 19 (Funeral Benefits and Fringe Benefits (Concession Cards))</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Immediately before 12 June 1987 (when indexation took effect)</td>
</tr>
<tr>
<td>Date of application</td>
<td>Immediately before 12 June 1987 (when indexation took effect)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions; Funeral Benefit; Fringe Benefits (Concession Cards)</td>
</tr>
</tbody>
</table>

The provisions for automatically indexing the assets test limits in the pension assets test, and in the assets test applying to Funeral Benefit and Fringe Benefits, were amended to ensure that, following indexation, rounding did not alter the constant differential between the home owner and non-home owner amounts.
DEFERMENT OF ALL AUTOMATIC INDEXATION PROVISIONS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 10 (assets test limits); section 13 (pension rates and Funeral Benefit); section 37 (benefit rates)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>31 October 1986 (pension and benefit rates and Funeral/Fringe Benefit income limits); 30 April 1987 (assets test limits). This meant that they affected the indexation changes due in November 1986 and May 1987 respectively</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>First change: pensions and benefits; Special Benefit (in effect)</td>
</tr>
<tr>
<td></td>
<td>Second change: Funeral Benefit; Fringe Benefits (Concession Cards)</td>
</tr>
<tr>
<td></td>
<td>Third change: pensions; Funeral Benefit; Fringe Benefits</td>
</tr>
</tbody>
</table>

All automatic indexation provisions were deferred for six weeks (three paydays) commencing in late 1986:

- pension and benefit rates were indexed on 13 June and 13 December each year instead of on 1 November and 1 May;
- the change in the indexation of the Funeral Benefit income limits (which flowed on to pensioner Fringe Benefits (Concession Cards)) was identical to that for pension and benefit rates; and
- asset test limits for pensions and for Funeral Benefit (and so for pensioner Fringe Benefits) were indexed on 12 June each year rather than on 1 May.

REMOVAL OF RESTRICTION ON GRANT OF INVALID PENSION

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 May 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 May 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Invalid Pension</td>
</tr>
</tbody>
</table>

The provision precluding the grant of an Invalid Pension to a person who had an enforceable claim for adequate compensation in respect of his/her permanent incapacity or permanent blindness was removed. [The provision had fallen into disuse and was considered unnecessary with the simultaneous extension of the Sickness Benefit compensation recovery provisions to Invalid Pension and certain other payments (refer to Record 48 of 1986).]
**INCREASES IN ADDITIONAL PENSION/BENEFIT AND FAMILY INCOME SUPPLEMENT**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 12 (Additional Pension for Children); section 36 (Additional Benefit for Children and flow-on to Family Income Supplement)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Additional Pension for Children; Additional Benefit for Children; Family Income Supplement</td>
</tr>
</tbody>
</table>

For most children, Additional Pension for Children, Additional Benefit for Children and Family Income Supplement were increased by $1 to $17 a week. Rates paid in respect of full-time dependent student children aged 16 to 24 years receiving payments under a prescribed educational scheme remained at $14.

**CHILDREN'S ADDITIONS NO LONGER PAYABLE TO CERTAIN STUDENTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 12 (Additional Pension for Children); section 36 (Additional Benefit for Children and flow-on to Family Income Supplement)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1988</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1988</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Additional Pension for Children; Additional Benefit for Children; Family Income Supplement</td>
</tr>
</tbody>
</table>

Additional Pension for Children, Additional Benefit for Children and Family Income Supplement ceased to be payable in respect of a dependent full-time student aged 16 to 24 years who was in receipt of a prescribed education payment. [Education payments to which this applied were ones into which the additional payments for children had been absorbed.]

This change did not remain as legislated here as a $5 rate was later introduced in respect of certain students (refer to Record 42 of 1987). Furthermore, while the change was applied to Family Income Supplement when legislated, the supplement no longer existed in January 1988.
INCREASE IN RENT THRESHOLD FOR RENT ASSISTANCE

Location in Act  
Sections 14, 15, 17 and 18 (pensions); section 38 (benefits)

Date of commencement  
13 December 1986

Date of application  
13 December 1986

Payments affected  
Rent Assistance

The minimum level of rent payable above which a pensioner or beneficiary became eligible for Rent Assistance (the rent threshold) was increased by $5 to $15 a week.

CHANGES TO ENTITLEMENTS OF WOMEN RECEIVING WAR WIDOWS’ PENSIONS

Location in Act  
Section 16 (pensions); section 46 (benefits)

Date of commencement  
1 November 1986

Date of application  
1 November 1986

Payments affected  
First change: pensions (except Class A, B and C Widows’ Pensions); benefits
Second change: Class A, B and C Widows’ Pensions

Amendments concerning the relationship between social security payments and War Widows’ Pensions were enacted:

- where a woman was receiving a pension (other than a Class A, B or C Widow’s Pension) or benefit at the same time as a War Widow’s Pension at 31 October 1986, or gained a dual entitlement after that date, her rate of social security pension or benefit was not to exceed $60.05 a week; and

- where, on or after 31 October 1986, a woman in receipt of both a Class A, B or C Widow’s Pension and a War Widow’s Pension lost her entitlement to one of the social security pensions, she could not regain this entitlement while receiving the War Widow’s Pension.

[$60.05 was the amount of pension payable after application of the income test to an unmarried pensioner without dependent children whose only other income was a War Widow’s Pension.

This amendment had an unintended effect and was later removed with the subsequent amendment backdated to 1 November 1986 (refer to Record 2 of 1987).]
EXTENSION TO COVERAGE OF FAMILY INCOME SUPPLEMENT

Location in Act: Section 20
Date of commencement: 1 January 1987
Date of application: 1 January 1987
Payments affected: Family Income Supplement

The provision automatically precluding payment of Family Income Supplement in respect of a child to whom, or in respect of whom, a Commonwealth income-tested income security payment was being made was removed for children aged under 16 years. [The move to apply the provision only to student children took account of the age-related structure of Commonwealth education allowances.]

NEW FAMILY ALLOWANCE INCOME TEST ON STUDENT CHILDREN

Location in Act: Section 25
Date of commencement: 27 October 1986
Date of application: 15 December 1986
Payments affected: Family Allowance

Under a new income test, Family Allowance was paid in respect of dependent full-time student children aged 16 years and over only where the combined taxable income of the parents was $39 000 or less. The same categories of family were exempted from this income test as were exempted from the existing income test on Family Allowance when paid in respect of ‘student children’ aged 18 years and over—refer to Record 20 of 1985. The income test was applied in a calendar year based on taxable income in the previous financial year. However, families whose income was expected to be less than $39 000 in the current year, and were likely to be at least 25 per cent below the level in the previous year, qualified for the allowance. [The key aspect of this change was to apply an income test in respect of 16–17 year-old student children not attracting payments under a prescribed educational scheme.]

INCREASED RATE OF DOUBLE ORPHAN’S PENSION

Location in Act: Section 28
Date of commencement: 1 November 1986
Date of application: 15 October 1986
Payments affected: Double Orphan’s Pension

Double Orphan’s Pension was increased by $4.30 to $60 a month.
Handicapped Child’s Allowance was increased by $7 to $92 a month.

All applicants for, and recipients of, Unemployment Benefit were required to register with the Commonwealth Employment Service except where the Secretary was satisfied that registration was impracticable due to circumstances beyond their control. Previously, registration had been an administrative, not a legislative, requirement.

An amendment enabled payment of Unemployment Benefit and Sickness Benefit to certain classes of persons, as specified by the Minister in a gazettal notice, without having to contact the department provided that they continued to meet the eligibility requirements. [This provision was used immediately to allow unemployment beneficiaries aged 55 years and over the option in appropriate cases (for example, where they did not have frequent casual earnings) of lodging their income statements every 12 weeks instead of fortnightly.]
UNEMPLOYMENT BENEFIT RATE INCREASED

Location in Act  
Section 36

Date of commencement  
First rate increase: 1 January 1987  
Second rate increase (later cancelled) was to have commenced from 1 January 1988

Date of application  
As for date of commencement

Payments affected  
Unemployment Benefit; Special Benefit (in effect)

The maximum rate of Unemployment Benefit payable to single persons aged 18 to 20 years without dependants was increased by $3 to $91.20 a week and later by a further $3.80 to $95 a week. The second increase was cancelled in the context of a restructuring of benefit rates (refer to Record 51 of 1987).

[At the time it was enacted, the policy intention had been to align the rate with the education allowance rate for persons aged 18 years and over who lived away from home, and were in tertiary education or were adult secondary students.]

INDEXATION OF CERTAIN BENEFIT RATES

Location in Act  
Section 37

Date of commencement  
1 January 1988 but change did not take place  
1 January 1988; Second increase: 1 January 1989 but changes did not take place

Date of application  
First increase: 1 January 1988; Second increase: 1 January 1989 but changes did not take place

Payments affected  
First change: Unemployment Benefit; Sickness Benefit; Special Benefit (in effect)  
Second change: Unemployment Benefit; Special Benefit (in effect)

Provision was made for automatic indexation of rates payable to:

- single unemployment and sickness beneficiaries aged under 18 years without dependants; and
- single unemployment beneficiaries aged 18 to 20 years without dependants.

Both changes were later nullified in the context of a restructuring of benefit rates (refer to Record 51 of 1987).

[The intention at the time of the legislation was that the rates be called the ‘junior’ and ‘intermediate’ rate respectively and that (unlike other pensions and benefits) indexation was to apply on an annual basis from 1 January. This would have meant that all rates of Unemployment Benefit and Sickness Benefit would have been subject to automatic indexation.]
45

UNEMPLOYMENT BENEFIT POSTPONEMENT AND CANCELLATION PROVISIONS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 43 (Unemployment Benefit); section 44 (Special Benefit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1986 (the new provisions applied only to actions taken on or after that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Unemployment Benefit; Special Benefit</td>
</tr>
</tbody>
</table>

The situations in which Unemployment Benefit could be postponed or cancelled were extended to include ones where a person was not taking reasonable steps to obtain employment, or ceased to be registered as unemployed with the Commonwealth Employment Service.

A minimum postponement period of two weeks was imposed on persons in the first situation and also for breaches of existing work test conditions, where a person became unemployed due to a voluntary act without good and sufficient reason, engaged in misconduct while working or did not accept a suitable offer of employment.

Special Benefit could not be paid in lieu of Unemployment Benefit in any of these situations.

46

FULL-TIME STUDENTS PRECLUDED FROM RECEIVING BENEFITS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 45</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits</td>
</tr>
</tbody>
</table>

All full-time students, except for persons aged under 16 years eligible for Special Benefit under the conditions applying to Young Homeless Allowance, were precluded from receiving a benefit. For the purposes of the provision, people continued to be regarded as full-time students during study vacations but not during periods of study deferment. [Previously, only students receiving, or entitled to receive, payments under a prescribed educational scheme, and certain others in principle so entitled, had been precluded from benefits.]
### 47

**MOBILITY ALLOWANCE INCREASED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 47</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Mobility Allowance</td>
</tr>
</tbody>
</table>

Mobility Allowance was increased by $1 to $11 a week.

### 48

**COMPENSATION RECOVERY PROVISIONS EXTENDED TO NEW PAYMENTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 48 (main provision); section 42</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 May 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 May 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Invalid Pension; Sheltered Employment Allowance; Rehabilitation Allowance; Carer’s Pension; Wife’s Pension; Unemployment Benefit; Special Benefit. (The provision already applied to Sickness Benefit.)</td>
</tr>
</tbody>
</table>

The compensation recovery provisions, previously applying only to Sickness Benefit, were extended to Invalid Pension, Sheltered Employment Allowance, Rehabilitation Allowance, Unemployment Benefit and Special Benefit. Where a person’s spouse was in receipt of a Wife’s Pension or Carer’s Pension, these were included as payments from which amounts were recovered.

### 49

**PERSONS IN CUSTODY PRECLUDED FROM RECEIVING PENSIONS AND BENEFITS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 51</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 December 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 December 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits</td>
</tr>
</tbody>
</table>

The general rule that pensions and benefits were not paid to a person while in prison was extended to include a person being held in custody pending trial or sentencing for an offence.
50

CONFINED PERSONS ELIGIBLE FOR PENSION OR BENEFIT IN CERTAIN CIRCUMSTANCES

Location in Act   Section 51
Date of commencement   1 December 1986
Date of application   1 December 1986
Payments affected   Pensions and benefits

A person confined in a psychiatric institution after being charged with the commission of (but not convicted of) an offence was exempted from the provision preventing a person receiving a pension or benefit during any period in which he/she was undertaking a course of rehabilitation.

51

SAVINGS PROVISION TO PRESERVE PENSIONS OF CERTAIN STUDENTS

Location in Act   Section 53
Date of commencement   27 October 1986
Date of application   1 January 1987
Payments affected   Pensions

A savings provision was inserted allowing persons in receipt of payments under a prescribed education scheme before 1 January 1987 (when Austudy was introduced) to retain their entitlement to any pension they were receiving when they moved on to Austudy until the expiry of their education course. The rate of pension was frozen at the rate being received at the time. [Legislation covering the new Austudy payment precluded dual entitlement to Austudy and a relevant pension.]

52

IMPLEMENTATION DATE FOR CERTAIN CHANGES DEFERRED

Location in Act   Part III
Date of commencement   31 October 1986
Date of application   1 July 1987
Payments affected   Payments affected are those specified in Records 28, 29, 30 and 31 of 1985

The Social Security (Poverty Traps Reduction) Act 1985 was amended to defer implementation of changes made under that Act (refer to Records 28, 29, 30 and 31 of 1985) from 1 November 1986 to 1 July 1987. This involved an amendment to the ‘poverty traps’ legislation, not to the principal Act, so that the changes were nullified.
Social Security Amendment (Reciprocity with Italy) Act 1986, No. 152

Date of Royal Assent: 18 December 1986

SOCIAL SECURITY AGREEMENT WITH ITALY

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Entire Act</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>18 December 1986, except sections 5 and 6 (dealing with portability of pensions) which were deemed to have come into operation on 1 July 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1986 (sections 5 and 6). 18 December 1986 (sections 1, 2, 3, 4 and 7). Agreement (in Division 2) to come into force on first day of month following the month in which the instruments of ratification were exchanged (1 September 1988)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>General provision</td>
</tr>
</tbody>
</table>

The Social Security Agreement between Australia and Italy was given effect in Australian legislation. The previous agreement between the countries on portability of pensions was terminated.
Endnotes

1 The provisions dealing with the qualification criteria for Family Allowance (particularly the residency conditions) were consolidated and simplified under section 16 of this Act. The simplifications clarified wording considered to be deficient but did not introduce any policy changes. Accordingly, no record has been created for these changes. The changes applied from 1 July 1986. Further changes were made under the Social Security and Veterans’ Affairs (Miscellaneous Amendments) Act 1986 and have been covered in the second endnote.

2 Further restructuring of the qualification criteria for payment of Family Allowance (particularly the residency conditions), which commenced in the Social Security Legislation Amendment Act 1986 and were covered in the first endnote, continued under section 23 of this Act. Changes applied from 1 July 1986 or 27 October 1986. As no policy changes were involved, no record has been created for these changes.
Legislation passed in 1987

Section 50 of the Social Security Amendment Act 1987 (No. 77) provided for re-numbering of the Social Security Act consecutively and re-lettering it alphabetically. The changes came into effect on 2 July 1987. Section 5 of the Social Security and Veterans’ Entitlements Amendment Act 1987 deemed that the provisions in the amending Act to come into operation before 2 July 1987 were also subject to the re-numbering provisions, as if they were provisions in the Social Security Amendment Act 1987.

Social Security Amendment Act 1987, No. 77

Date of Royal Assent: 5 June 1987

<table>
<thead>
<tr>
<th><strong>OLDER FULL-TIME STUDENTS CLASSIFIED AS DEPENDENT CHILDREN</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location in Act</strong></td>
</tr>
<tr>
<td><strong>Date of commencement</strong></td>
</tr>
<tr>
<td><strong>Date of application</strong></td>
</tr>
<tr>
<td><strong>Payments affected</strong></td>
</tr>
</tbody>
</table>

Full-time dependent students aged 16 to 24 years who ceased their studies but were precluded from receiving Unemployment Benefit (and in practice from Sickness Benefit and Special Benefit) due to their being in receipt of, or entitled, or in principle entitled, to a payment under a prescribed educational scheme were to continue to be treated as dependent children for social security purposes.

The legislation originally specified that this change was to apply only until 30 June 1988 but this did not happen and the cessation date was rescinded through an amendment to the present amending Act by section 37 of the Social Security and Veterans’ Affairs Legislation Amendment Act (No. 2) 1989. This latter amendment was backdated to 5 June 1987, when the present amendment Act was assented to.

[The effect of the change was that Additional Pension for Children and Additional Benefit for Children could be paid to persons in respect of these older ex-students.]
2

**CHANGE TO SOCIAL SECURITY ENTITLEMENTS OF WAR WIDOWS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Class A, B and C Widows’ Pensions</td>
</tr>
</tbody>
</table>

The rule precluding a woman from receiving both a War Widow’s Pension and a Class A, B or C Widow’s Pension except where both pensions were being paid before 1 November 1986 was removed. [The provision, introduced in 1986 (refer to Record 36 of 1986) had an unintended effect and had not been applied in practice.]

3

**SUPPORTING PARENT’S BENEFIT EXTENDED TO SPOUSES OF PERSONS IN CUSTODY**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 December 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 December 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Supporting Parent’s Benefit</td>
</tr>
</tbody>
</table>

An otherwise eligible person whose spouse was being held in custody pending trial or sentencing for an offence became eligible for Supporting Parent’s Benefit. [This amendment was consistent with the preclusion in 1986 of persons in prison after conviction for an offence from receiving a pension or benefit. It was backdated to the date of that change and validated current practice. A person was already eligible for Supporting Parent’s Benefit where his/her spouse had been in prison for at least 14 days following conviction and, by virtue of being in prison, was not eligible for a pension or benefit.]

4

**CERTAIN INTERNATIONAL AGREEMENTS MADE SCHEDULES TO ACT**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 21 (the agreements with the United Kingdom and New Zealand were contained in Schedules 2 and 3 respectively)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>5 June 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>5 June 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>General provision</td>
</tr>
</tbody>
</table>

Social Security Agreements between Australia and the United Kingdom, and between Australia and New Zealand, were included in the Act as Schedules. Formerly Schedules to regulations under the Act had given effect to these agreements.
5

ALIGNMENT OF GENERAL AND FUNERAL/FRINGE BENEFITS ASSETS TEST LIMITS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>12 June 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>12 June 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Funeral Benefit; Fringe Benefits (Concession Cards)</td>
</tr>
</tbody>
</table>

The assets test limits applying to Funeral Benefit, and thence to pensioner Fringe Benefits (Concession Cards), were directly linked with the assets test limits (pension reduction amounts) in the general pension assets test. [This amendment ensured that the differentials in the limits between a single person and a member of a couple, which were being eroded due to the unintended effects of the indexation rounding provisions, were preserved.]

6

RESTRICTION ON ELIGIBILITY FOR BENEFITS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 May 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 May 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

A member of a couple ineligible for Invalid Pension, Sheltered Employment Allowance, Rehabilitation Allowance or a benefit due to the operation of the compensation recovery provisions was precluded from being treated as the dependent spouse of an unemployment or sickness beneficiary. [The effect was that the unemployment or sickness beneficiary could not claim the married rate of benefit.]

7

EXEMPTION OF BENEFICIARIES FROM RENT ASSISTANCE WAITING PERIOD

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1986</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1986</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance</td>
</tr>
</tbody>
</table>

Persons previously in receipt of a benefit and Rent Assistance, who had lost their benefit entitlement for reasons other than the operation of the income test but later regained eligibility, were exempted from having to serve the Rent Assistance waiting period again provided that the break in entitlement amounted to no more than four weeks. The change validated the prevailing practice. [Persons who lost benefit due to the income test were already exempted from serving the waiting period and with no time restriction.]
8

CONCESSION GRANTED TO SPECIAL BENEFICIARIES AGED UNDER 16 YEARS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Special Benefit</td>
</tr>
</tbody>
</table>

Persons aged under 16 years in receipt of Special Benefit under the conditions applying to Young Homeless Allowance had only to be living away from home (not living away from home for a continuous period of six weeks as previously) to be exempt from the rule otherwise precluding full-time students from entitlement to a benefit.

9

REMOVAL OF REFERENCES TO TUBERCULOSIS ALLOWANCE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 46 (as set out in Schedule 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>5 June 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>5 June 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>General provision</td>
</tr>
</tbody>
</table>

Following the abolition of Tuberculosis Allowance, all references to it were removed from the Act.

[Tuberculosis Allowance had been paid by the Department of Social Security on behalf of the Department of Health, but at the time of its abolition there remained only a very small number of recipients. It had not been regarded as a social security payment. Previous recipients of the allowance were transferred to an appropriate pension or benefit.]

10

TREATMENT OF COUPLES BELOW THE AGE OF CONSENT

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 46 (as set out in Schedule 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>5 June 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>5 June 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

Men and women not legally married, but living together as a couple and under the age of consent applicable in the state or territory in which they were living, were not to be treated as ‘married’ for purposes of the Act. However, the rate of any pension or benefit payable was not to exceed the rate that they would have received if they had been married.
EXEMPTIONS FROM UNEMPLOYMENT BENEFIT REPORTING REQUIREMENTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 46 (as set out in Schedule 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>5 June 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>5 June 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Unemployment Benefit</td>
</tr>
</tbody>
</table>

A provision gave the Secretary discretion to exempt certain persons from the regular Unemployment Benefit reporting requirements. It applied to persons:

- aged 55 years and over, who had been in receipt of Unemployment Benefit continuously for at least 12 months; were not indebted to the Commonwealth under, or as a result of, the Act; were, in the opinion of the Secretary, unlikely to gain employment and would comply with the provisions of the Act; and might reasonably be expected to fulfil, or had fulfilled, the general eligibility (including work test) conditions for the benefit;

- of any age who had been in receipt of Unemployment Benefit since before 1 November 1977; and

- transferring from a pension, benefit or specified veterans’ payment.

The new provision replaced a broader one enabling the Secretary to exempt a person from the general reporting requirements.

EXEMPTION FROM SICKNESS BENEFIT REPORTING REQUIREMENTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 46 (as set out in Schedule 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>5 June 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>5 June 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Sickness Benefit</td>
</tr>
</tbody>
</table>

A provision gave the Secretary the discretion to exempt certain persons from the regular Sickness Benefit reporting requirements. The exemption applied to persons who had been in receipt of a Sickness Benefit granted before 2 August 1982; to those who, before receiving Sickness Benefit, had been receiving an Unemployment Benefit granted before 1 November 1977; and to those who had transferred to Sickness Benefit from a pension, benefit or specified veterans’ payment. In each case, the Secretary had to be satisfied that the person could reasonably be expected to fulfil, or had fulfilled, the general eligibility conditions for the benefit.

This provision also replaced the broader one referred to under Record 11 of 1987.
SECRETARY GIVEN POWER NOT TO GRANT, OR TO SUSPEND OR CANCEL, PAYMENTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 46 (as set out in Schedule 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>5 June 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>5 June 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Invalid Pension; Sheltered Employment Allowance; benefits</td>
</tr>
</tbody>
</table>

A provision was inserted giving the Secretary the discretion not to grant, or to suspend or cancel, an Invalid Pension, Sheltered Employment Allowance or a benefit where a person would not meet certain requirements considered reasonable. These requirements were that the person undergo a medical or psychological examination, receive medical or other treatment, undertake a course of training designed to improve his/her physical or intellectual capacity, or undertake a course of vocational training or suitable work.

CHANGES TO BENEFIT INCOME TEST

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 46 (as set out in Schedule 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

Amendments were made to the way in which non-benefit income received was assessed under the benefit income test:

- periodic payments made at intervals longer than one week were divided by the number of weeks in the period so as to assess an equal amount for each week; and
- a lump sum received from an employer as a consequence of the termination of a person’s employment was to be treated as having been received on the date of termination.
**Social Security and Veterans’ Entitlements Amendment Act 1987, No. 88**

Date of Royal Assent: 5 June 1987

---

### RENT ASSISTANCE SAVINGS PROVISION REMOVED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Deemed to have come into operation immediately before 13 June 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>Deemed to have come into operation immediately before 13 June 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance</td>
</tr>
</tbody>
</table>

The savings provision which preserved the entitlements of existing tenants of government housing authorities when Rent Assistance was abolished for this group from 1 February 1982 was removed. This involved an amendment to the *Social Services Amendment Act 1981*, not the Social Security Act.

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### DETERMINING MARITAL STATUS OF CERTAIN CO-RESIDENTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1987. However, the 26- or 52-week period was calculated commencing when co-residence started but not before 14 May 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits</td>
</tr>
</tbody>
</table>

It was provided that a person living in the matrimonial home with his/her former spouse would (notwithstanding any temporary absence) be treated as a married person for purposes of eligibility for pensions and benefits after 26 weeks of co-residence. This period was extended to 52 weeks where one of the ex-partners had instituted proceedings for the purpose, or partly for the purpose, of retaining or acquiring an interest or other right in the home, or of obtaining the whole or a part of the proceeds of the sale of the home.


17

**TIGHTENING OF QUALIFYING CONDITIONS FOR INVALID PENSION**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Invalid Pension</td>
</tr>
</tbody>
</table>

A requirement was introduced that at least 50 per cent of a person’s incapacity for work must be directly caused by a permanent physical or mental impairment before he/she could qualify for an Invalid Pension.

18

**PHASING OUT OF CLASS B WIDOW’S PENSION**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 11 and 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Class B Widow’s Pension</td>
</tr>
</tbody>
</table>

Provision was made for Class B Widow’s Pension to be phased out. No new grants were to be made except to widows (as defined) without a dependent child who were at the time of the change: in receipt of a Class A, B or C Widow’s Pension and former Class B widow pensioners; aged 45 years or more and in receipt of a Supporting Parent’s Benefit or Class A Widow’s Pension or commenced to receive one of these payments after the change; or aged 50 years or more.

19

**STRicter ELIGIBILITY CONDITIONS FOR PAYMENTS TO SOLE PARENTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 12 (Class A Widow’s Pension); section 13 (Supporting Parent’s Benefit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 September 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 September 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Class A Widow’s Pension; Supporting Parent’s Benefit</td>
</tr>
</tbody>
</table>

Class A Widow’s Pension and Supporting Parent’s Benefit ceased to be payable to a person in respect of full-time dependent student children aged 16 to 24 years.
**FAMILY ALLOWANCE SUBJECT TO GENERAL INCOME TEST**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 October 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>14 October 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance</td>
</tr>
</tbody>
</table>

Family Allowance became subject to a general income test. Under the test, the amount of the allowance was reduced by 25 per cent for every $1 of joint parental income above a threshold of $50,000 for a one-child family plus $2,500 for each additional child after the first. The more stringent income test applying to full-time dependent student children aged 16 to 17 years was abolished and they became subject to the new income test. The income test did not apply in respect of certain children aged under 16 years—these were the same categories of children who were exempted from the special income test applied to student children aged 18 years and over and (before its abolition) to 16 and 17 year-old student children (refer to Records 2 and 20 of 1985 and to Record 38 of 1986).

Assessment was made for a calendar year based on taxable income in the previous financial year. Payments for the 14-month period October 1987 to December 1988 were based on taxable income in the 1986–87 financial year. For families with income above the limit, Family Allowance could be payable where parental income in the current financial year was, or appeared likely to, fall by 25 per cent or more and would, or was likely to be, below the income test threshold. Provision was made for the income thresholds to be indexed automatically each January, commencing from January 1989, in accordance with the increase in the Consumer Price Index in the previous financial year.

**STRICTER RULES FOR BACKDATING FAMILY ALLOWANCE PAYMENTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance</td>
</tr>
</tbody>
</table>

Backdating rules for Family Allowance were tightened with payments made no more than four weeks in arrears for families and with no arrears payments permitted for institutions.
22

RATE FROZEN FOR CERTAIN SICKNESS BENEFICIARIES

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Immediately before 13 June 1987 (so that the indexation due on 13 June did not occur)</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Sickness Benefit</td>
</tr>
</tbody>
</table>

The maximum rate of Sickness Benefit for single persons aged 18 years and over without dependants was frozen and ceased to be indexed. [This was intended as a first step towards aligning the rate with the equivalent rate of Unemployment Benefit.]

23

REGISTRATION RULES FOR UNEMPLOYMENT BENEFIT CLAIMANTS TIGHTENED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Unemployment Benefit</td>
</tr>
</tbody>
</table>

It was provided that the Unemployment Benefit waiting period could not commence until a claimant had registered with the Commonwealth Employment Service.

24

MORE STRINGENT CLAIMING PROVISION FOR SICKNESS BENEFIT

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Sickness Benefit</td>
</tr>
</tbody>
</table>

The period following incapacity during which a person was entitled to lodge a claim for Sickness Benefit and have his/her payment backdated was reduced from 13 to five weeks, or four weeks in the case of a person who did not have to serve the one-week general waiting period as he/she was transferring directly from a pension, benefit or specified veterans' payment (or his/her spouse was transferring directly from a such a payment made at the married rate). In addition, exceptions (mostly at the discretion of the Secretary) permitting backdation of claims made outside the prescribed period were removed so that payments in respect of such claims were, subject to any waiting period, to be made only from the date a claim was lodged.
MINIMUM UNEMPLOYMENT BENEFIT POSTPONEMENT PERIOD INCREASED

The minimum two-week Unemployment Benefit postponement period (applying to persons failing the work test, leaving employment voluntarily or without sufficient reason or because of misconduct) was increased by an additional two weeks for each offence after the first within a three-year period up to the prevailing maximum of 12 weeks.

CHANGES TO EDUCATION WAITING PERIOD FOR UNEMPLOYMENT BENEFIT

A change was made to the Unemployment Benefit waiting period for education leavers:

- where a person ceased full-time education (whether or not it had been completed), a waiting period of 13 weeks from the date of his/her registration as unemployed with the Commonwealth Employment Service applied in the case of single persons aged under 21 years with no dependants, and six weeks in other cases;

- a person who had been employed at any time for at least 13 weeks (including two or more periods totalling 13 weeks) was exempted from the waiting period; and

- a person registered with the Commonwealth Employment Service within four weeks of ceasing his/her course of education was regarded as having registered on the day he/she quit the course.

A major restructure and extension of these provisions was made later and, while backdated to the date of this change, did not receive Royal Assent until some months later (refer to Record 60 of 1987).
A compendium of legislative changes in social security 1983–2000

27

SPECIAL BENEFIT NOT TO BE PAID BEFORE DATE OF CLAIM

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Special Benefit</td>
</tr>
</tbody>
</table>

The provision under which Special Benefit was payable from the date, and would continue for such period as, the Secretary determined was modified to allow payment to be made no earlier than the date of claim.

28

BACKDATING OF CLAIMS BY WIDOW PENSIONERS RESTRICTED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Class A, B and C Widows’ Pensions</td>
</tr>
</tbody>
</table>

The period following the qualifying event during which an applicant for a Class A, B or C Widow’s Pension could make a claim and receive a back-payment was reduced from three months to one month.

29

UNIFORM DEFINITION OF AUSTRALIAN RESIDENT ESTABLISHED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 29 (as set out in the Schedule)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 October 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 October 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>General provision</td>
</tr>
</tbody>
</table>

A uniform definition of ‘Australian resident’ was established as a basis for determining eligibility for social security payments. An Australian resident was defined as a person who was resident in Australia and was:

- an Australian citizen;
- a person who had been granted, or who was included in, an entry permit (other than a temporary entry permit) in force under the Migration Act, or a return endorsement in force under that Act; or
- a person to whom Division I of Part II of the Migration Act did not apply because of subsection 8(1) of that Act and that person was likely to remain permanently in Australia. [This provision applied mainly to New Zealanders.]

In general, temporary entrants and prohibited non-citizens were excluded from eligibility for a social security payment. Also, any event which constituted the basis of a claim for payment was generally required to have occurred during legal permanent residence.
CARER’S PENSION NOT PAYABLE OUTSIDE AUSTRALIA

Location in Act  
Section 29 (as set out in the Schedule). Savings provision inserted by later amending Act

Date of commencement  
1 October 1987

Date of application  
1 October 1987

Payments affected  
Carer’s Pension

Carer’s Pension was no longer paid outside Australia except under the terms of a Social Security Agreement with another country.

A savings provision was inserted by section 25 of the Social Security and Veterans’ Entitlements Amendment Act (No. 2) 1987 allowing persons who were receiving a pension on 13 May 1987 (the day the restriction was announced) to retain it until 12 May 1988.

STRICTER RULES REGARDING THE PAYMENT OF CHILDREN’S PAYMENTS OVERSEAS

Location in Act  
Section 29 (as set out in the Schedule)

Date of commencement  
1 October 1987

Date of application  
1 October 1987

Payments affected  
Family Allowance; Additional Pension for Children; Additional Benefit for Children

Family Allowance, Additional Pension for Children and Additional Benefit for Children became payable in respect of a child residing overseas only if the child was, or had been, an Australian resident and was living overseas with the person entitled to the payment.

QUALIFICATION CONDITIONS FOR SPECIAL BENEFIT TIGHTENED

Location in Act  
Section 29 (as set out in the Schedule). Savings provision inserted by later amendment Act

Date of commencement  
1 October 1987

Date of application  
1 October 1987

Payments affected  
Special Benefit

Special Benefit was payable to a person for a period only where he/she was a resident of Australia throughout the period and was not at any time during it a prohibited non-citizen within the meaning of the Migration Act.

A savings provision protecting the entitlements of beneficiaries in receipt of a payment at the date of the change was inserted by section 4 of the Social Security and Veterans’ Entitlements Act (No. 2) 1987.
Social Security and Veterans’ Entitlements Amendment Act (No. 2) 1987, No. 130

Date of Royal Assent: 16 December 1987

### CONCESSION IN DETERMINING MARITAL STATUS OF CERTAIN CO-RESIDENTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Age Pension; Invalid Pension; Carer’s Pension; Sheltered Employment Allowance; Rehabilitation Allowance</td>
</tr>
</tbody>
</table>

The new provision (refer to Record 16 of 1987) treating a person living in the matrimonial home with his/her former spouse as a married person for purposes of eligibility for social security payments after 26 weeks of co-residence (52 weeks in certain circumstances) was not applied when both the person and the former spouse were in receipt of an Age Pension, Invalid Pension, Carer’s Pension, Sheltered Employment Allowance, Rehabilitation Allowance or a specified veterans’ payment.

### EXPANDED DEFINITION OF AUSTRALIAN RESIDENT

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Immediately after the commencement of section 29 of the Social Security and Veterans’ Entitlements Amendment Act 1987 (1 October 1987)</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>General provision</td>
</tr>
</tbody>
</table>

The definition of ‘Australian resident’ for purposes of determining eligibility for social security payments was amended to include a person who had been granted, or who was included in, a resident return visa in force under the Migration Act.
A provision was inserted to enable a child to be treated as a ‘dependent child’ of a person claiming or receiving a pension or benefit, if the child was living with the person while the person was an Australian resident. [The main purpose of the change was to enable a child born to an Australian resident outside Australia to be regarded as a dependent child and attract child additions.]

The treatment of financial investments in pension and benefit income tests was altered as follows:

- income from investments which produced an ascertainable rate of return (defined as ‘accruing return investments’) were deemed to have been received from the commencement of the investment. Accordingly, the income test was imposed from that date. This rule applied in all cases except, in respect of investments made before 1 January 1988, those with a friendly society or where the return on them was deferred for at least 12 months or available only on realisation;

- for investments where the rate of return was of a capital nature (other than income from paid employment) and could not be assessed (typically market-linked investments), the return was taken into account only when the person became entitled to receive it (this was effectively when it was received), whence it was averaged out over a 12-month period commencing on that date. [This arrangement was consistent with prevailing practice but the provision was defined more broadly than previously to ensure that the practice was covered.] This method of assessment was also applied to accruing return investments made before 1 January 1988 and exempted from the new rules for such investments; and

- arrangements containing elements of both the accruing and capital return could be subject to a combination of the two assessment methods.
37

INCOME TEST DEPRIVATION PROVISIONS APPLIED TO BENEFITS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>16 December 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>13 December 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits</td>
</tr>
</tbody>
</table>

The income test deprivation provisions were applied to benefits on the same basis as to pensions.

38

INCOME AND ASSETS TESTS DEPRIVATION PROVISIONS TIGHTENED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>13 November 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>Applied to payments falling due after 13 November 1987 in relation to disposals of income or assets that took place on or after that date</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits</td>
</tr>
</tbody>
</table>

An amendment was made to ensure that a person who disposed of income or assets on ceasing employment, or a business or profession, was subject to the pension income and assets tests, and the benefit income test, deprivation provisions. [This change was introduced to reverse the effect of a decision of the Federal Court of Australia in relation to the disposal of assets on cessation of a business.]

39

ASSETS TEST HARDSHIP PROVISIONS MODIFIED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>13 November 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>13 November 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

The maximum annual rate of pension payable to a person assessed under the financial hardship provisions of the pension assets test was reduced by 2.5 per cent of the value of assets disregarded under the hardship provisions, or by the amount that could reasonably be obtained from commercial use of those assets, whichever was the greater. This provision replaced the more general provision in the original assets test (refer to Record 34 of 1984).
A pensioner earnings credit was introduced. It was available to all pensioners except recipients of Carer's Pension and enabled them to accrue the credit on a weekly basis, up to a maximum of $1000, for any income earned which was less than the permissible income limits (free area) under the income test. In weeks where a pensioner's earnings from paid employment exceeded the permissible income limits, his/her credit was reduced and, if depleted, the normal income test applied. Members of a pensioner couple could each accrue the full $1000 but one partner could not use a credit built up by the other partner.

Persons in receipt of a pension at 4 November 1987 were given an initial earnings credit based on their earnings back to 1 January 1987 or, if it was later, the date on which they commenced receiving a pension. A pensioner was not entitled to any unused credit from an earlier period on a pension. However, a person transferring from a specified veterans' payment to a social security pension could bring any credit entitlement derived from the previous payment to the new one. The earnings credit was not available to pensioners aged 70 years and over who were covered by the special income test applying to that group.

The provision enabling a person born outside Australia, and who became permanently incapacitated for work or permanently blind at a time when he/she was not an Australian resident but had a parent who was an Australian resident, to qualify for an Invalid Pension became stricter. The new provision required that in order to qualify, a person had to be the dependent child of an Australian resident and had to become an Australian resident while such a dependent child.
42

**CHANGES TO ADDITIONAL PENSION/BENEFIT RATES STRUCTURE**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 18 (Additional Pension for Children); section 38 (Additional Benefit for Children)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>17 December 1987 (main changes); $14 student rate abolished from 1 January 1987 but certain students to be paid at $5 rate</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Additional Pension for Children; Additional Benefit for Children</td>
</tr>
</tbody>
</table>

Rates of Additional Pension for Children and Additional Benefit for Children were restructured and increased. Instead of two rates as previously, there were now four. The restructuring aligned the rates with those of the new Family Allowance Supplement (refer to Record 46 of 1987) and applied from the date of the supplement’s introduction.

Maximum weekly rates were:

- $22 where the child was aged under 13 years;
- $28 where the child was aged 13 to 15 years;
- $17 for dependent full-time students aged 16 years and over and not attracting an education allowance; and
- $14 where the student child was aged 16 years and over and attracting a prescribed education payment.

The $14 payment applied only until 31 December 1987 when, as provided in previous legislation (refer to Record 34 of 1986), it was to be abolished. However, a payment of $5 a week (not foreshadowed in the previous legislation) was to apply from 1 January 1988 in respect of children in receipt of a prescribed education payment at 31 December 1987, and where the parent or parents were on that date receiving a pension, benefit or specified veterans’ payment attracting additions for children. [The payment was intended to apply for 52 weeks to ensure that most families did not suffer a reduction in total income when education allowances absorbed additions for children. However, the legislation did not specify a date for the payment to cease.]

43

**ADDITIONAL PENSION FOR CHILDREN GENERALLY TO BE PAID TO THE MOTHER**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>24 December 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>24 December 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Additional Pension for Children</td>
</tr>
</tbody>
</table>

Provision was made for Additional Pension for Children generally to be paid to the mother in two-parent families. Previously, it had usually been paid to the father.
Legislation passed in 1987

44

CHANGES TO CARER’S PENSION ELIGIBILITY CRITERIA

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 February 1988</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 February 1988</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Carer’s Pension</td>
</tr>
</tbody>
</table>

The eligibility criteria for Carer’s Pension were altered:

- the requirement that the person being cared for be a ‘relative’ (as defined) was removed; and
- the definition of ‘severely handicapped person’ was made stricter. A pension would be paid only where the person being cared for had a physical, intellectual or psychiatric disability and, because of that disability, required frequent attention in connection with bodily functions, or constant supervision to prevent injury to him/herself or another person, permanently or for an extended period.

45

CONCESSION IN FRINGE BENEFITS INCOME TEST

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 27</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1988</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1988</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Fringe Benefits (Concession Cards)</td>
</tr>
</tbody>
</table>

Pensioners in receipt of Fringe Benefits (Concession Cards) were allowed to retain their entitlement for up to 13 weeks after their non-pension income exceeded the prescribed income limits, provided that the excess was no more than 25 per cent.¹
FAMILY ALLOWANCE SUPPLEMENT INTRODUCED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>17 December 1987 (main changes); $14 student rate abolished from 1 January 1987 but certain students to be paid at $5 rate</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance Supplement; Family Income Supplement; Rent Assistance</td>
</tr>
</tbody>
</table>

Family Allowance Supplement was introduced and replaced Family Income Supplement. The supplement was a tax-free payment to low income families with children eligible for Family Allowance and not receiving a pension, benefit or other Commonwealth periodic payment (other than a compensation payment) containing additions for children. It was usually paid to the mother in two parent families.

Maximum weekly rates were:
- $22 where the child was aged under 13 years;
- $28 where the child was aged 13 to 15 years;
- $17 for dependent full-time students aged 16 years and over and not attracting a prescribed education payment; and
- $14 where the student child was aged 16 years and over and attracting a prescribed education payment.

The $14 payment applied only until 31 December 1987 when it was to be abolished. However, a payment of $5 a week was provided from 1 January 1988 in respect of children in receipt of a prescribed education payment at 31 December 1987 and in respect of whom Family Income Supplement was being paid at the time Family Allowance Supplement was introduced.

[The rates structure was the same as that for Additional Pension for Children and Additional Benefit for Children (refer to Record 42 of 1987). This was because rates of additional payments for children were aligned with those for Family Allowance Supplement. The purpose of the new $5 payment is set out in Record 42.]

Rent Assistance was extended to recipients of Family Allowance Supplement with a child aged under 16 years on the same basis as to pensioners (and as being extended to beneficiaries (refer to Record 55 of 1987)), namely at a rate of up to $15, with a 50 per cent taper in the income test and with no waiting period.

Maximum payments were made where gross parental income did not exceed a threshold of $300 a week where there was one child, and increasing by $12 a week for each additional child. Income was assessed over the four-week period immediately preceding a claim. The rate was reduced by 50 per cent for family income in excess of the threshold. Entitlement to the supplement was retained for six months provided that income did not increase by 25 per cent or more over a four-week period. However, a person could apply for an increase at any time if the family’s income fell during the six-month period.
People who lost eligibility for a Commonwealth income support payment (other than a compensation payment) providing additions for children, and who were eligible for Family Allowance Supplement, were entitled to receive payment from the first payday after their income support payment ceased provided that they lodged a claim within six weeks.

[Many of the conditions of payment of Family Allowance Supplement resembled those for Family Income Supplement. The main differences were that Family Allowance Supplement provided a higher level of assistance under a more generous income test to a substantially greater number of families, and had different rates based on the ages of the children.]

**47**

**BACKDATING OF FAMILY ALLOWANCE CLAIMS BY INSTITUTIONS PERMITTED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 32</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>16 December 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>16 December 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance</td>
</tr>
</tbody>
</table>

Claims for Family Allowance by institutions, just as those made by persons, could be backdated up to four weeks. Previously, no backdating had been allowed.

**48**

**EXPANDED ELIGIBILITY CRITERIA FOR DOUBLE ORPHAN’S PENSION**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 34</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>15 January 1988</td>
</tr>
<tr>
<td>Date of application</td>
<td>15 January 1988</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Double Orphan’s Pension</td>
</tr>
</tbody>
</table>

Eligibility for Double Orphan’s Pension was extended to include children whose sole surviving parent was residing indefinitely in a nursing home.
CHILD DISABILITY ALLOWANCE INTRODUCED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 36</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>15 November 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>15 November 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Child Disability Allowance; Handicapped Child's Allowance</td>
</tr>
</tbody>
</table>

Child Disability Allowance replaced Handicapped Child's Allowance. The new allowance, which was neither means-tested nor taxable, comprised a payment of $112 a month to the parent or guardian of a physically, intellectually or psychiatrically disabled child aged under 16 years, or dependent full-time student aged 16 to 24 years in principle eligible for Family Allowance. For eligibility purposes, the child had to:

- be living in the family home;
- because of the disability, need and receive daily care and attention provided by another person that was substantially greater than the care and attention needed by a child of the same age who did not have such a disability; and
- be likely to require such attention permanently or for an extended period.

The conditions allowing eligibility to continue where the child was temporarily absent from the family home, and reducing payments for periods that the child spent in an institution, were as previously for Handicapped Child's Allowance. In addition, a provision was inserted that where the child was, or was likely to be, absent from the family home during normal school days to receive education, training or treatment, the allowance was not payable in respect of those days.

Backdating of claims, enabling payment for up to a maximum of 12 months in arrears, was allowed.

[Apart from the higher rate and 12 months backdating concession, the main difference between the new allowance and Handicapped Child’s Allowance was that it was paid without an income test to all children with the requisite disability whereas Handicapped Child’s Allowance distinguished between ‘severely handicapped’ and ‘handicapped’ children, payment to those in the second category being subject to an income test.]
Job Search Allowance replaced Unemployment Benefit for unemployed persons aged 16 to 17 years. The maximum rate of allowance was as previously for unemployment beneficiaries in that age group (and continued to apply to 16 to 17 year-old sickness beneficiaries). Persons who became sick while in receipt of Job Search Allowance continued to receive the allowance rather than transfer to Sickness Benefit.

Generally, conditions of payment for Job Search Allowance were identical to those for Unemployment Benefit. A major difference was that most recipients of the allowance were subject to a parental income test introduced at the same time (refer to Record 56 of 1987). Additionally, after six months continuous registration with the Commonwealth Employment Service, an activity test was to apply to Job Search Allowance recipients. This involved their recall to the service for counselling and the offer of suitable, available work or training.
UNEMPLOYMENT AND SICKNESS BENEFIT RATES ALIGNED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 38 and 39 (main changes); section 4 (savings provision and removal of previously enacted indexation provisions)</th>
</tr>
</thead>
</table>
| Date of commencement | New rates structure: 16 December 1987  
Indexation of intermediate rate: 1 January 1988  
Amendment to reduce rate for single unemployment beneficiaries from $95 to $91.20: immediately after commencement of subsection 36 (5) of the Social Security and Veterans' Affairs (Miscellaneous Amendments) Act 1986 (1 January 1988)  
Savings provision and cancellation of indexation changes: 16 December 1987 |
| Date of application | New rates structure: 13 December 1987  
Indexation of intermediate rate: 1 January 1989  
Amendment to reduce rate for single unemployment beneficiaries from $95 to $91.20: immediately after commencement of subsection 36 (5) of the Social Security and Veterans' Affairs (Miscellaneous Amendments) Act 1986 (1 January 1988)  
Savings provision: 13 December 1987  
Cancellation of indexation changes: 1 January 1988 |
| Payments affected | Unemployment Benefit; Sickness Benefit; Special Benefit (in effect) |

Benefit rates were restructured to bring the provisions for Unemployment Benefit and Sickness Benefit into line:

- an ‘intermediate rate’ of Unemployment Benefit and Sickness Benefit was established at a maximum of $91.20 a week, identical to the prevailing intermediate rate of Unemployment Benefit. This involved a reduction of $15 in the rate of Sickness Benefit for single persons aged 18 to 20 years;
- this intermediate rate was to be automatically indexed annually in January, commencing in 1989, on the basis of movements in the Consumer Price Index between the previous two June quarters; and
- a common rate of Unemployment Benefit and Sickness Benefit for single persons aged 21 years and over without dependants was introduced at the maximum level ($108.40) of the previous Unemployment Benefit rate after indexation. This meant a lower rate for sickness beneficiaries in this category than if they had received the full indexation increase. (Twice yearly indexation of these rates was retained.)

A savings provision ensured that sickness beneficiaries on benefit at the date of the changes were not subject to any reduction in benefit.

As a consequence of the restructuring, this amending Act provided that certain earlier changes were not to take effect. The rate of Unemployment Benefit for single persons aged 18 to 20 years without dependants was no longer to increase to $95 a week from 1 January 1988 as enacted in 1986 (refer to Record 43 of 1986).
Also as enacted in 1986 (refer to Record 44 of 1986), the annual indexation of the rate of Unemployment Benefit and Sickness Benefit for single persons aged under 18 years without dependants from 1 January 1988, and of the rate of Unemployment Benefit for single persons aged 18 to 20 years without dependants from 1 January 1989, did not proceed.

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NEW METHOD OF SETTING RATE OF YOUNG HOMELESS ALLOWANCE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 38</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>16 December 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1988</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Young Homeless Allowance</td>
</tr>
</tbody>
</table>

The maximum rate of Young Homeless Allowance was no longer established by reference to the relevant education payment but was set at $26 a week less any Rent Assistance entitlement of the beneficiary. The total amount payable to a beneficiary receiving the allowance became $76 a week, an increase of $2.72.

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SINGLE RATE PAYABLE TO ILLNESS SEPARATED BENEFICIARY COUPLE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 38 (main provision); section 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 February 1988</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 February 1988</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

The single instead of the combined married rate of benefit became payable to each partner of an unemployment or a sickness beneficiary (or recipient of Job Search Allowance) couple with a pensioner or beneficiary partner, where the partners’ living expenses were, or were likely to be, greater than otherwise because the couple were unable to live together as a result of the illness or infirmity of either or both members, and this situation was likely to continue indefinitely. [This extended to beneficiaries a provision already available to pensioners.]
Rent Assistance became payable to sickness beneficiaries under the more stringent conditions applying to unemployment beneficiaries. A savings provision ensured that sickness beneficiaries in receipt of Rent Assistance at the time of the change would not have their level of assistance reduced.

Rent Assistance was extended to unemployment, sickness and special beneficiaries with a dependent child (or whose spouse had a dependent child) aged under 16 years and entitled to Family Allowance under the same conditions as applied to pensioners, namely at a rate of up to $15 a week, subject to a 50 per cent taper in the income test and with no waiting period.

Rent Assistance was also extended to Family Allowance Supplement recipients on the same basis. This was included as part of the introduction of the supplement (refer to Record 46 of 1987).
Legislation passed in 1987

56

**PARENTAL INCOME TEST APPLIED TO BENEFITS FOR YOUNG PEOPLE**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 41</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>16 December 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1988</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Job Search Allowance; Sickness Benefit; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

Job Search Allowance from its inception, and Sickness Benefit for under 18 year-olds, when paid to single persons without dependent children, became subject to a parental income test. The test was similar to that applied to recipients of Austudy.

A person was exempted from the parental income test if he/she:

- did not live, and had not lived, at home with his/her parent(s) for a continuous period of six months or more;
- had, while living away from home, been in full-time employment for periods totalling 13 weeks or more;
- did not receive regular financial support from his/her parent(s); or
- was qualified for Young Homeless Allowance, or would have been so qualified but for the six-week waiting period.

In addition, persons who had been receiving Unemployment Benefit or Sickness Benefit continuously since 13 May 1987 were not subject to the test.

Under the test, the maximum weekly rate of payment ($50) was reduced where the parents’ income equalled or exceeded the prescribed threshold of $16 000. Parental income was increased by any maintenance income exempted for income tax purposes and reduced by $1200 for the first dependent child (excluding the claimant) and by $2500 in respect of each subsequent dependent child. Any entitlement was reduced by 25 per cent of parental income as defined, but down to a minimum of $25. Following the application of the parental income test, the remaining amount was subject to the normal benefit income test.

The income threshold for assessment purposes comprised taxable income (combined income in the case of two-parent families) for the financial year in the previous calendar year. However, where the current year’s taxable income was likely to be at least 25 per cent less than in the previous financial year, the claimant could request that this income be used instead.

Amendments to the parental income test enacted in 1988 (refer to Records 13 and 14 of 1988) were backdated to the introduction of the allowance.
**BENEFIT INCOME TEST ADMINISTERED FORTNIGHTLY**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 42</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>16 December 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>13 December 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

The income test for Unemployment Benefit and Sickness Benefit, previously administered on a weekly basis, was replaced by a fortnightly one.

**ASSETS TEST IMPOSED ON OLDER BENEFICIARIES**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 42 (main provision); sections 7, 10, 11 and 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>16 December 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>13 December 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits</td>
</tr>
</tbody>
</table>

An assets test was introduced on benefits when paid to persons aged 25 years and over. The provisions were identical to those in the pension assets test except that there was no taper (that is, no benefit was payable once assets reached the applicable limit) and the financial hardship provisions were slightly more restrictive.

The financial hardship provisions contained two conditions not applicable to pensioners:

- they were not available to a person where he/she or his/her spouse were receiving, or eligible to apply for, an income support payment from the Commonwealth at a rate no less than the applicable rate of Unemployment Benefit; and
- assets could be disregarded under these provisions only if they could not be sold, or realised, or used as security for borrowing.
The provision precluding payment of Unemployment Benefit for a period in the case of breaches of the work test and in certain other circumstances was strengthened by applying it to a person’s refusal, without good and sufficient reason, to undertake certain activities, including a course of vocational training or suitable work. [The Act already contained a provision under which an Invalid Pension, Sheltered Employment Allowance or benefit was not to be granted, or could be suspended or cancelled, for these reasons. The new rule provided for non-payment without cancellation or suspension.]
EDUCATION WAITING PERIOD FOR UNEMPLOYMENT BENEFIT VARIED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 44 (main provisions); section 4 (savings clause)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 September 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>The changes applied to payments that fell due after the commencement of section 21 of the Social Security and Veterans’ Entitlements Amendment Act 1987 (1 September 1987). The savings provision applied to people who ceased to undertake full-time education before 1 September 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Unemployment Benefit</td>
</tr>
</tbody>
</table>

The provisions dealing with the Unemployment Benefit waiting period for education leavers were restructured and extended, although the broad thrust of the previous conditions remained. The main features of the new provisions were that:

- where a person (other than a recipient of a pension, benefit or specified veterans’ payment) had ceased a full-time education course of at least six months’ duration and lodged a claim for benefit within six months, a waiting period of 13 weeks in the case of single persons aged under 21 years without dependants, and six weeks in other cases, applied following lodgement of the claim;

- the waiting period was reduced by any periods of full-time employment totalling up to 13 weeks undertaken after cessation of the course in respect of persons subject to the 13-week waiting period, and by such periods totalling up to six weeks undertaken at any time for other claimants. Any period during which a person was qualified to receive a Sickness Benefit or had been paid Special Benefit was treated similarly;

- for purposes of the waiting period, where under another section of the Act a person was deemed to have lodged a claim for Unemployment Benefit before the actual date of lodgement, that day was regarded as the date of lodgement;

- the waiting period applied only in the six-month period after ceasing the course (thus, for example, if a person lodged a claim five months after cessation, the waiting period would be only one month); and

- for purposes of the waiting period, persons registered with the Commonwealth Employment Service within four weeks of ceasing their course were regarded as having registered on the day they quit their course (this provision was unchanged but was also extended to other provisions of the Act dealing with eligibility for Unemployment Benefit). Persons so registered who lodged a claim within six weeks of ceasing their course were regarded as having lodged their claim on the first day after cessation on which the person was qualified to receive benefit.

A savings provision protected the entitlements of persons who ceased the requisite course before the date of the change.

This change took effect from 1 September 1987 and subsumed changes to the education waiting period enacted earlier (refer to Record 26 of 1987) and which were due to commence from that date. However, this amending Act did not receive Royal Assent until more than three months later on 16 December 1987.
**ACTIVITY TESTS FOR BENEFITS AND CERTAIN PENSIONS TIGHTENED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 55</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 September 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 September 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Invalid Pension; Sheltered Employment Allowance; benefits</td>
</tr>
</tbody>
</table>

The provision under which an Invalid Pension, Sheltered Employment Allowance or benefit would not be granted, or could be suspended or cancelled, where a person refused to undertake certain activities was extended as follows:

- a person could be required to undertake (in addition to the existing training course requirements) another course which he/she could reasonably manage and to which he/she was referred by the Commonwealth Employment Service;
- the Secretary’s discretion not to grant, or to suspend or cancel, a payment in relation to a breach of the provision, was removed, and replaced by a requirement that the payment could not be granted or had to be cancelled;
- a recipient of Job Search Allowance (when introduced) could be required to attend an office of the Commonwealth Employment Service on request or, unless there was a reasonable excuse, have their payment cancelled; and
- by ensuring that a person would, following cessation of any activities required in the provision, continue to receive any pension or benefit to which he/she was entitled before these activities were commenced.
Endnote

1 Following an amendment at section 19 of the Social Security and Veteran’s Affairs (Miscellaneous Amendments) Act 1986, applying from 27 October 1986, eligibility for Funeral Benefits and Fringe Benefits was lost only when income exceeded the limits. Prior to this amendment, eligibility was lost when income exceeded or equalled the limits.
Legislation passed in 1988

Social Security and Veterans’ Entitlements (Maintenance Income Test) Act 1988, No. 13

Date of Royal Assent: 28 April 1988

This Act was part of a package of measures providing for the introduction of the Child Support Scheme. Other measures in the package were in the Family Law Amendment Act 1987 and the Child Support Act 1988.

MAINTENANCE INCOME TEST INTRODUCED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Part II; Part IV (savings provisions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Day or days to be fixed by Proclamation (17 June 1988)</td>
</tr>
<tr>
<td>Date of application</td>
<td>Day or days to be fixed by Proclamation (17 June 1988)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

In conjunction with the introduction of the Child Support Scheme, a maintenance income test was introduced on maintenance income received by pensioners and beneficiaries. The test was applied separately from the general income test and solely to maintenance income. The general income test continued to apply to non-maintenance income so that the maximum rate of payment was reduced by the combined reductions arising from the two tests. The additional income disregard for children in the general pension income test did not apply to maintenance income.

Features of the maintenance income test were that it applied to couples as well as sole parents, it took account of certain types of maintenance which had not previously been counted in the general income test, and for the first time treated maintenance equally for all types of recipient. Maintenance income was not counted as income in the income test on pensioner Fringe Benefits (Concession Cards).

Maintenance income included maintenance both for the child and the spouse. It encompassed cash payments, maintenance in-kind (such as for housing and the payment of fuel bills, school fees or health insurance), the transfer of capital amounts for maintenance purposes, and indirect payments of maintenance. Maintenance income in the form of housing was defined in great detail in the legislation to specify the person’s relationship to the home, and included benefits received from third parties in a variety of forms such as through a transfer or settlement, repayment of housing loans and associated costs, and payment of rent and similar expenses.
Under the test as it generally operated, there was no reduction in pension or benefit for the first $15 of maintenance income with an additional $5 added to this threshold for each dependent child after the first. Where each partner of a couple was receiving maintenance in his/her own right, a double threshold applied. The child addition was available irrespective of whether the children were attracting maintenance. For income above the threshold, entitlements were reduced by 50 cents in the dollar except for ‘special maintenance income’, which was more generously treated.

Special maintenance income was assessed initially in the same way as general maintenance income but could not reduce the pension or benefit below 75 per cent of the maximum rate. There were three types of special maintenance income:

- in-kind housing maintenance;
- in-kind maintenance income (other than in-kind housing maintenance income and capitalised maintenance income) received in the first six months of separation; and
- maintenance for a dependent child in relation to expenses arising directly from the physical, intellectual or psychiatric difficulty of a child, or a learning difficulty, where the disability or difficulty was likely to be permanent or to continue for an extended period.

For all arrangements made after the start of the Child Support Scheme, amounts of capital or lump-sum maintenance in excess of $1500 were apportioned over a period of time and during that period the person was taken to receive the apportioned amounts in fortnightly instalments. In setting the capitalisation period to apply to the apportionment, reference was made to the court order or registered agreement regulating the transfer of capitalised maintenance. This was accepted as the capitalisation period if the length of that period could be reasonably ascertained, but the Secretary was given the discretion to substitute another period or no period where the specified period was considered inappropriate. Where the order or agreement specified no period and the income related to a dependent child aged under 18 years on the day the amount was received, the capitalisation period was regarded as commencing on the day of receipt and concluded when the child turned 18 years. Again the Secretary had the discretion to opt for another or no period. The value of a transfer of capitalised maintenance income to the person by the spouse or former spouse was apportioned from the date of receipt until the person attained 65 years of age.

A savings provision protected the total level of current income of existing pensioners and beneficiaries who might otherwise have been disadvantaged by the introduction of the maintenance income test provided that they had met any requirements to notify maintenance received. It assisted a person (or persons) until his/her total income rose above its level when the test was introduced.
2 MODIFICATION TO INCOME TEST ON PENSIONS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Day or days to be fixed by Proclamation (17 June 1988)</td>
</tr>
<tr>
<td>Date of application</td>
<td>Day or days to be fixed by Proclamation (17 June 1988)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

The additional income disregard for children in the income test for pensioners was no longer to be reduced by payments for children under Austudy or the Assistance for Isolated Children Scheme.

3 MAINTENANCE ACTION REQUIREMENT VARIED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 8 (Class A, B and C Widows’ Pensions); section 11 (Supporting Parent’s Benefit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Day or days to be fixed by Proclamation (17 June 1988)</td>
</tr>
<tr>
<td>Date of application</td>
<td>Day or days to be fixed by Proclamation (17 June 1988)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Class A, B and C Widows’ Pensions; Supporting Parent’s Benefit</td>
</tr>
</tbody>
</table>

It was provided that a Class A, B or C Widow’s Pension or Supporting Parent’s Benefit would not be paid where the claimant had not taken such action as the Secretary considered reasonable to obtain maintenance for himself/herself or a dependant. [This varied the existing provisions by clarifying that the required action could be in relation to spousal or child maintenance and by emphasising the ongoing obligation to take action. Previously only the grant of a pension or benefit had been precluded.]
Social Security Amendment Act 1988, No. 58

Date of Royal Assent: 15 June 1988

4

**GERMAN RESTITUTION PAYMENTS EXEMPTED FROM INCOME TESTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>30 November 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>30 November 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

Payments made by the Federal Republic of Germany, or by a state of the republic, as compensation to the victims of National Socialist persecution (commonly known as restitution payments) were not assessed as income for purposes of the income tests on pensions and benefits. The concession did not extend to payments expressly made to compensate for lost income.

5

**EDUCATION SUPPLEMENT INCOME TEST EXEMPTION EXTENDED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1988</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1988</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Invalid Pension; Sheltered Employment Allowance; Rehabilitation Allowance; Class A Widow’s Pension; Supporting Parent’s Benefit</td>
</tr>
</tbody>
</table>

The provision exempting the education supplement payable to recipients of the specified pensions who, if they had not been in receipt of one of the pensions, would have been eligible for a payment under Austudy, from the definition of income for income test purposes, was extended to recipients who would otherwise have been eligible to receive a payment under the Aboriginal Study Assistance Scheme.
**EASING OF RESIDENCY CONDITIONS FOR ADDITIONAL CHILDREN’S PAYMENTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 October 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 October 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Additional Pension for Children; Additional Benefit for Children</td>
</tr>
</tbody>
</table>

Residency conditions for Additional Pension for Children and Additional Benefit for Children were liberalised by extending eligibility to a person:

- whose child had been an ‘Australian resident’ and was living with him/her outside Australia;
- whose child had been living with him/her in Australia and was living with him/her outside Australia; and
- in the case of Special Benefit, whose child was a resident of Australia.

[Previously, payment had been made only where the child was an Australian resident or living with the person while the person was an Australian resident. The broad amendment was intended to benefit non-Australian residents living overseas and receiving a pension under portability arrangements where the dependent child had a residential connection with Australia. As regards Special Benefit, the term ‘resident of Australia’ was interpreted more broadly than the term ‘Australian resident’ as defined in the Act, and included, for example, a person awaiting permanent residency status.]

**INCREASE IN ADDITIONAL PAYMENTS FOR CERTAIN STUDENT CHILDREN**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 4 (Additional Pension for Children); section 11 (Additional Benefit for Children)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1988 (until 31 December 1988). $5 rate to be restored from 1 January 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Additional Pension for Children; Additional Benefit for Children</td>
</tr>
</tbody>
</table>

The $5 a week rate of Additional Pension for Children and Additional Benefit for Children, payable from 1 January 1988 in respect of children in receipt of a prescribed educational payment at 31 December 1987 and where the parent(s) on that date was receiving a pension, benefit or specified veterans’ payment, was increased to $17 for 52 weeks where the child was receiving a payment under Abstudy. Provision was made for the $5 rate to apply again at the end of the year, although the intention was to abolish it then and this happened [refer to Record 22 of 1988]. [The measure responded to a gap left by Abstudy payments in 1988.]
ELIGIBILITY FOR SOLE PARENT PAYMENTS EXTENDED

Location in Act  Section 5 (Class A Widow’s Pension); section 6 (Supporting Parent’s Benefit)

Date of commencement  1 September 1987. The legislation also specified that from 15 November 1987 the reference to Handicapped Child’s Allowance was to be replaced by Child Disability Allowance

Date of application  As for date of commencement

Payments affected  Class A Widow’s Pension; Supporting Parent’s Benefit

Class A Widow’s Pension and Supporting Parent’s Benefit became payable to the parent of a dependent full-time student aged 16 to 24 years where the person was qualified to receive a Child Disability Allowance (or its predecessor, Handicapped Child’s Allowance) in respect of the child. The change was backdated to the day when the parent of a ‘student’ child lost eligibility for these payments.

TREATMENT OF LUMP SUMS IN FAMILY ALLOWANCE SUPPLEMENT INCOME TEST

Location in Act  Section 7

Date of commencement  First change: 1 January 1988
                              Second and third changes: 16 December 1987

Date of application  As for date of commencement

Payments affected  Family Allowance Supplement

Lump-sum payments in the Family Allowance Supplement income test were to be assessed as follows:

➢ amounts received in lieu of periodic payments under Austudy or the Aboriginal Study Assistance Scheme, or as a post-graduate award under the Student Assistance Act, were to be apportioned as if they had been received periodically;

➢ entitlements from a former employer due to termination of employment would be deemed to have been received on the date of termination. [This brought their treatment into line with that of benefits.]; and

➢ amounts received in respect of periods of leave containing at least two Thursdays were to be treated as periodic payments by dividing the amounts by the number of Thursdays but excluding any Thursday on which some leave had been taken.
## Backdating of Family Allowance Supplement for Older Students

**Location in Act**: Section 8  
**Date of commencement**: 1 July 1988 (entitlement ceased after 31 December 1988)  
**Date of application**: 1 July 1988 (entitlement ceased after 31 December 1988)  
**Payments affected**: Family Allowance Supplement

Persons receiving payments in respect of full-time dependent student children aged 16 to 24 years under Austudy or the Aboriginal Study Assistance Scheme, or as a post-graduate award under the Student Assistance Act, for a period on or after 1 January 1988 were entitled to receive Family Allowance Supplement from the date the education payments were received, provided that they lodged a claim within six weeks. This concession applied only for calendar year 1988.

## Benefit Residency Test Liberalised

**Location in Act**: Section 10 (first change); section 11 (second change)  
**Date of commencement**: 1 October 1987  
**Date of application**: 1 October 1987  
**Payments affected**: First change: Sickness Benefit  
Second change: Unemployment Benefit; Sickness Benefit; Job Search Allowance

The benefit residency test was eased by allowing:

- a person to retain eligibility for Sickness Benefit for up to three months while temporarily overseas; and
- a member of a couple to receive the married rate of Unemployment Benefit, Sickness Benefit, or Job Search Allowance, for up to three months while his/her partner was temporarily overseas.

[Special Benefit was not payable outside Australia following earlier changes.]

## Rent Assistance Not Payable to Beneficiary Overseas

**Location in Act**: Section 12  
**Date of commencement**: 1 October 1987  
**Date of application**: 1 October 1987  
**Payments affected**: Rent Assistance

Rent Assistance could not be paid to a recipient of Unemployment Benefit, Sickness Benefit or Job Search Allowance in respect of any period during which the recipient was overseas.
13

CONCESSION IN PARENTAL INCOME TEST ON YOUNG BENEFICIARIES

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>16 December 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1988</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Job Search Allowance; Sickness Benefit; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

The parental income test applying to certain recipients of Job Search Allowance and Sickness Benefit was modified by taking into account parental taxable income in the most recent financial year and not, as previously, such income in the financial year falling in the previous calendar year. The change was backdated to the introduction of Job Search Allowance and the parental income test (refer to Record 56 of 1987).

14

EXEMPTION FROM PARENTAL INCOME TEST ON YOUNG BENEFICIARIES

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>16 December 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1988</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Job Search Allowance; Sickness Benefit; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

Recipients of Job Search Allowance and Sickness Benefit otherwise subject to the parental income test were exempted from the test if they had a parent receiving a pension, benefit or specified veterans’ payment. The change was backdated to the introduction of Job Search Allowance and the parental income test (refer to Record 56 of 1987).
ASSETS TEST ON BENEFICIARIES MODIFIED

Location in Act  Section 14
Date of commencement  16 December 1987
Date of application  13 December 1987
Payments affected  Benefits

A combined assets test was introduced for an unemployment, sickness and special beneficiary couple aged 25 years and over where one partner was not in receipt of a pension, benefit or specified veterans’ payment. This involved setting the limits in the test applying to a member of a beneficiary couple (which were the same as those applying to pensioners) at twice the level applying to a home owner or non-home owner member of a pensioner couple, whichever was applicable.

[This change removed an anomaly brought about by the fact that the benefits assets test had been based on the pension assets test but, whereas under the pension income and assets tests each partner of a couple received half the pension entitlement of the couple, under the benefits income test in most cases a member of a beneficiary couple received the combined married rate of benefit on behalf of the couple. Basing the benefits assets test on the pension assets test had the effect that in these circumstances the assets test limits applying had amounted to only half of the combined limit for the couple.]

BACKDATING OF SICKNESS BENEFIT CLAIMS

Location in Act  Section 15
Date of commencement  1 July 1987
Date of application  1 July 1987
Payments affected  Sickness Benefit

Following an amendment, a claim for Sickness Benefit outside the specified time limits could be accepted, and arrears paid up to a maximum of four weeks, where the Secretary was satisfied that the sole or dominant reason for the failure of a person to lodge a claim in time was the relevant incapacity for work.
17

ELIGIBILITY FOR SHELTERED EMPLOYMENT ALLOWANCE EXTENDED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>15 June 1988</td>
</tr>
<tr>
<td>Date of application</td>
<td>15 June 1988, but applied to employment provided at any time from 5 June 1987</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Sheltered Employment Allowance</td>
</tr>
</tbody>
</table>

The Secretary was given the discretion to decide that supported employment services provided through a grant of financial assistance to an approved organisation under the Disability Services Act were sheltered employment for purposes of a person qualifying for Sheltered Employment Allowance. Supported employment provided before the date of the decision, but not before 5 June 1987 (when the Disability Services Act took effect), could be taken into account for this purpose.

18

TREATMENT OF LUMP SUMS IN COMPENSATION RECOVERY CASES

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 18 (main provision); section 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 May 1987</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 May 1987, but applied to settlements made after 8 February 1988</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Invalid Pension; Sheltered Employment Allowance; Rehabilitation Allowance; Wife’s Pension; Carer’s Pension; benefits</td>
</tr>
</tbody>
</table>

Half of lump-sum settlements made (with or without admission of liability) after 8 February 1988, and which compensated in whole or in part for personal injury, were deemed to be for compensation for purposes of the compensation recovery provisions applying to the income tests for the specified payments. In other cases the percentage which the Secretary considered to be in respect of incapacity for work was taken. ‘Other cases’ covered settlements before 9 February 1988 (the day after the proposed legislation was announced) and payments not covered by settlements such as those arising from fully contested hearings resulting in an order.
CHANGE TO COMPENSATION RECOVERY PROVISIONS

Location in Act  
Section 19

Date of commencement  
1 May 1987

Date of application  
1 May 1987

Payments affected  
Invalid Pension; Sheltered Employment Allowance; Rehabilitation Allowance; Wife’s Pension; Carer’s Pension; benefits

The compensation recovery provisions were amended to clarify that they applied irrespective of whether compensation was received before or after a person became qualified to receive a particular pension or benefit.

Social Security Legislation Amendment Act 1988, No. 133

Date of Royal Assent: 22 December 1988

EXEMPTION OF CERTAIN OVERSEAS PAYMENTS FROM INCOME TESTS

Location in Act  
Section 6

Date of commencement  
22 December 1988

Date of application  
22 December 1988

Payments affected  
Pensions and benefits. The legislation did not exclude any of these payments but in practice the provision applied only to pensions payable overseas

Certain payments made by the Governments of New Zealand and the United Kingdom were excluded from the definition of income for purposes of the pension and benefit income tests. In the case of New Zealand, these payments were accommodation benefit, disability allowance, home help payment, special benefit and training incentive allowance. Payments from the United Kingdom excluded were clothing allowance, constant attendance allowance, decoration allowance and mobility supplement. [The change was made so that persons receiving Australian pensions in these countries would not have their pension reduced due to receipt of these payments.]
CONCESSION IN DETERMINING MARITAL STATUS OF CO-RESIDENTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>22 December 1988</td>
</tr>
<tr>
<td>Date of application</td>
<td>22 December 1988</td>
</tr>
</tbody>
</table>
| Payments affected | First change: Age Pension; Invalid Pension; Carer’s Pension; Sheltered Employment Allowance; Rehabilitation Allowance  
Second change: pensions and benefits |

Exemptions were made to the rule treating a person living in the matrimonial home with his/her former spouse as a married person for purposes of eligibility for pensions and benefits after 26 weeks of co-residence (52 weeks in certain circumstances). They applied where:

- one of the persons was receiving an Age Pension, Invalid Pension, Carer’s Pension, Sheltered Employment Allowance or Rehabilitation Allowance; and
- a person was receiving Child Disability Allowance in respect of a child who was formerly a dependent child of the person and the person’s former spouse.

CHANGES TO RATES OF ADDITIONAL PENSION/BENEFIT AND FAMILY ALLOWANCE SUPPLEMENT

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 10 (Additional Pension for Children); section 16 (Family Allowance Supplement); section 41 (Additional Benefit for Children)</th>
</tr>
</thead>
</table>
| Date of commencement | Additional Pension for Children: 22 December 1988;  
Family Allowance Supplement: 29 December 1988;  
Additional Benefit for Children: 13 December 1988;  
Abolition of $5 rate: 1 January 1989 |
| Date of application | As for date of commencement |
| Payments affected | Additional Pension for Children; Additional Benefit for Children; Family Allowance Supplement |

Changes in Additional Pension for Children, Additional Benefit for Children and Family Allowance Supplement rates were made:

- rates were increased by $2 to $24 a week in respect of children aged under 13 years and by $3 to $31 a week for those aged 13 to 15 years. (The $17 rate payable to dependent full-time students aged 16 to 24 years and not attracting an education allowance remained unchanged.); and
- the $5 a week rate of the above payments made in respect of children in receipt of a prescribed educational payment at 31 December 1987, and where the parent(s) on that date was receiving a specified income security payment, was abolished. [It had been the intention that the payment apply only for 52 weeks (refer to Record 42 of 1987).]
INTRODUCTION OF SOLE PARENT PENSION

Location in Act: Section 11 (Part V)
Date of commencement: 1 March 1989
Date of application: 1 March 1989
Payments affected: Class A Widow's Pension; Supporting Parent's Benefit; Sole Parent Pension

Sole Parent Pension replaced Class A Widow's Pension and Supporting Parent's Benefit and provided income support to all residentially qualified sole parents. The rates and conditions of payment were essentially the same as for the previous two payments, as these had varied little, but now there was no differentiation on the basis of sex.

The new pension was extended to one group which had not been covered under previous arrangements, namely, certain persons who did not have legal custody of a child. They were eligible for the pension where they had total or substantial care and control of a child for an aggregate period of at least 12 months before making a claim and in the Secretary's opinion this situation was likely to continue permanently or indefinitely.

WIDOWED PERSON'S ALLOWANCE INTRODUCED

Location in Act: Section 11 (Part VI)
Date of commencement: 1 March 1989
Date of application: 1 March 1989 in respect of persons whose spouse died on or after 17 February 1989
Payments affected: Widowed Person's Allowance; Class C Widow's Pension

A new payment, Widowed Person’s Allowance, was introduced. It replaced Class C Widow’s Pension so that no new grants of that pension were made from the date of the allowance’s introduction. It was payable for a period of up to 12 weeks following the death of a spouse but, in the case of a woman who was pregnant at the time of her husband’s death, the payment could be extended until the child was born or the pregnancy was terminated. In other aspects the rates and conditions were the same as for pensions generally. [The conditions of payment were different from those for Class C Widow’s Pension in that the allowance was payable both to men and women, and without any age requirement, but for a shorter period.]
### LIMITATION ON PAYMENT OF SOLE PARENT PENSION OVERSEAS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 13 (main provision); section 4 (transitional provision relating to Class A Widow's Pension and Supporting Parent's Benefit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 March 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 March 1989 in respect of persons who left Australia on or after 1 July 1988</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Sole Parent Pension; Class A Widow's Pension; Supporting Parent's Benefit</td>
</tr>
</tbody>
</table>

 Provision was made for the cancellation of Sole Parent Pension once a person who left Australia on or after 1 July 1988 was absent from the country for more than 12 months, except in the case of de jure widows where the pensioner and her husband had been Australian residents at the date of his death. For a person overseas at the date of the change, the 12-month period was calculated commencing from that date. If a person returned to Australia, the period of absence was considered to have been broken even if the return was only temporary. The new restriction also applied to persons receiving Class A Widow's Pension or Supporting Parent's Benefit before their replacement by Sole Parent's Pension.
The income test applying to Family Allowance Supplement was altered so as to base the assessment on the taxable income of the parent/parents in the financial year ending in the previous calendar year. The entitlement then applied for the following calendar year. The maximum rate of the supplement was payable where taxable income was $15,600 or less for a one-child family with the amount increased by $624 for each additional child after the first. If a tax assessment was not required or available in time, the person and his/her partner’s estimate would be accepted but an overpayment could arise if this proved 25 per cent or more below the actual amount. For income in excess of the threshold, the rate of supplement was reduced by 50 per cent.

Entitlement to Family Allowance Supplement was reviewed annually. However, the family was required to notify the Department of significant changes in circumstances (such as employment and marital status) as requested and a change could result in their rate of payment being reduced or discontinued if their income was considered likely to increase by 25 per cent or more. Families whose income fell by 25 per cent or more compared with the previous financial year could apply for an upward adjustment at any time.

The income test threshold was to be adjusted on 1 January each year in line with the increase in the Consumer Price Index in the previous financial year. The first increase was to occur in January 1990.

[The annual income assessment was now the same as that for Family Allowance with which the supplement was being combined and facilitated joint administration of the separate income tests.]
ASSETS TEST IMPOSED ON FAMILY ALLOWANCE SUPPLEMENT

Location in Act: Section 17 (main provisions); section 7 (deprivation provisions)

Date of commencement: 29 December 1988

Date of application: 29 December 1988

Permissions affected: Family Allowance Supplement

An assets test was imposed on Family Allowance Supplement. Under the test, the supplement was not payable where the assets of a person or couple exceeded $300,000. This threshold was to be automatically indexed annually on the same basis as the income test threshold (refer to Record 26 of 1988), with the first increase to take place from January 1990. The definition of assets (such as exclusion of the family home), the assets deprivation provisions and other aspects of the test were similar to those applying under the pension and benefit assets test. The deprivation provisions of the pension and benefit income test were also applied to Family Allowance Supplement.

CHANGES IN PAYMENT ARRANGEMENTS FOR FAMILY PAYMENTS

Location in Act: Sections 19, 20 and 28. Consequential amendments (including the flow-on to Double Orphan’s Pension and Child Disability Allowance) were made in other sections

Date of commencement: 29 December 1988

Date of application: 29 December 1988

Permissions affected: Family Allowance; Double Orphan’s Pension; Child Disability Allowance

Changes were made to Family Allowance, Child Disability Allowance and Double Orphan’s Pension payment arrangements, with payments made fortnightly instead of monthly and on the ‘Family Allowance payday’, which was every second Thursday commencing on 29 December 1988 and from the first payday after a claim was lodged (which was the payday itself if the claim was lodged on that day). Previously, payments had been based on the ‘Family Allowance period’, which had commenced on the fifteenth day of a month and continued to the fourteenth day of the following month.

Adjustments to rates of Family Allowance, Double Orphan’s Pension and Child Disability Allowance resulting from the move to fortnightly payment are covered in Records 32, 33, and 36 of 1988 respectively.

[The new arrangements resulted in families receiving their first payment more quickly after they had made their claim. This brought the method of payment of Family Allowance into line with that for Family Allowance Supplement and was part of the move towards their joint payment.]
ALTERATION TO FAMILY ALLOWANCE RESIDENCY PROVISIONS

Location in Act  
Section 22

Date of commencement  
29 December 1988

Date of application  
29 December 1988

Payments affected  
Family Allowance

The residency conditions for Family Allowance were modified to make the requirements clearer:

- a person was qualified to receive the allowance in respect of a child only where the child was a dependent child of the person, the person was an Australian resident and the child was living with the person; and

- an institution was so qualified only where the child was an inmate and an Australian resident.

RESTRICTIONS ON PAYMENT OF FAMILY ALLOWANCE OVERSEAS

Location in Act  
Section 23

Date of commencement  
18 May 1989

Date of application  
18 May 1989

Payments affected  
Family Allowance

Restrictions on the payment of Family Allowance overseas were introduced:

- Family Allowance was cancelled where the person receiving the allowance, or the child in respect of whom the allowance was payable, left Australia on or after 18 May 1986 and was absent for more than three years;

- where the person or child returned to Australia after less than three years’ absence but left within three months, the period in Australia would be counted as continuous absence from Australia and would be included in the total period of absence;

- where a person who lost eligibility for the allowance at some stage because of the ‘three-year rule’ returned to Australia and then left within three months, he/she would not qualify for the allowance for any period of the absence. The same restriction applied to eligibility if the child returned and left again in these circumstances; and

- for persons and children overseas on 18 May 1986, the three-year period was counted from that date.
ADJUSTMENT OF FAMILY ALLOWANCE RATES FOR FORTNIGHTLY PAYMENT

Rates of Family Allowance were adjusted on a pro-rata basis to convert them from a monthly to a fortnightly payment in line with the decision to move to fortnightly payments. Two sets of rates were established—those to apply from payday 29 December 1988 to all paydays occurring before 1 July 1989 and those to apply for paydays occurring after 30 June 1989. The lower rates in the first period were due to the changes occurring in the middle of the financial year, which meant that 14 fortnightly payments rather than 13 were made. Fortnightly rates were as follows:

- for paydays from 29 December 1988 and occurring before 1 July 1989—first child $9.80; second child $13.95; third and fourth children $16.70; fifth and later children $19.55; children in institutions $16.70;
- multiple birth payments for the above period were $64.30 for triplets and $85.75 for quadruplets or higher multiples;
- paydays occurring on or after 1 July 1989—first child $10.55; second child $15.05; third and fourth children $18; fifth and later children $21.05; children in institutions $18; and
- multiple birth payments for the above period were $69.25 for triplets and $92.35 for quadruplets and higher multiples.

[The rates from 1 July 1989 never came into effect as they were subsumed by further rate increases (refer to Record 9 of 1989). However, while these rates were never actually paid, they are the correct ones to use in time comparisons as they were effectively what was paid in the second half of the 1988–89 financial year. The rates adjusted for pay periods were an administrative measure and should not be used in time comparisons.]
ADJUSTMENT OF DOUBLE ORPHAN’S PENSION RATE FOR FORTNIGHTLY PAYMENT

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 32</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>29 December 1988</td>
</tr>
<tr>
<td>Date of application</td>
<td>29 December 1988</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Double Orphan’s Pension</td>
</tr>
</tbody>
</table>

The rate of Double Orphan’s Pension was adjusted on a pro-rata basis to convert it from a monthly to a fortnightly payment in line with the decision to move to fortnightly payments. Two rates were established:

- $25.75 for paydays from 29 December 1988 and occurring before 1 July 1989;
- $27.70 for paydays occurring on or after 1 July 1989.

[The comments at Record 32 of 1988 also apply to these rates.]

RESTRICTION ON PAYMENT OF CHILD DISABILITY ALLOWANCE REMOVED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 35</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>29 December 1988</td>
</tr>
<tr>
<td>Date of application</td>
<td>29 December 1988</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Child Disability Allowance</td>
</tr>
</tbody>
</table>

The provision precluding payment of Child Disability Allowance in respect of a child where the child became an inmate of an institution and the institution received Family Allowance in respect of the child was removed. A new provision to commence on the same date (refer to Record 37 of 1988) ensured that dual payments to an institution and a person were not made.
PAYMENT OF CHILD DISABILITY ALLOWANCE WHEN CHILD ABSENT FROM HOME

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 36 and 37</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>29 December 1988</td>
</tr>
<tr>
<td>Date of application</td>
<td>29 December 1988</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Child Disability Allowance</td>
</tr>
</tbody>
</table>

The provision precluding payment of Child Disability Allowance in respect of any days in which a child was, or was likely to be, away from home during normal school days for the purpose of receiving education, training or treatment was removed. However, the Secretary was required to reduce the payment on a proportional basis for the time that in his/her opinion the child was away from home, whether in the care of another person or an institution, for that purpose.

[This rule was included within, and subject to, the provision allowing a child to be away from the family home for up to 28 days in a year. If the child was away longer, the allowance would have been cancelled, although the Secretary had a discretion to extend the period beyond 28 days.]

ADJUSTMENT OF CHILD DISABILITY ALLOWANCE RATE FOR FORTNIGHTLY PAYMENT

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 37</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>29 December 1988</td>
</tr>
<tr>
<td>Date of application</td>
<td>29 December 1988</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Child Disability Allowance</td>
</tr>
</tbody>
</table>

The rate of Child Disability Allowance was adjusted on a pro-rata basis to convert it from a monthly to a fortnightly payment in line with the decision to move to fortnightly payments. Two rates were established:

- $48 for paydays from 29 December 1988 and occurring before 1 July 1989; and
- $51.70 for paydays occurring on or after 1 July 1989.

[The comments at Record 32 of 1988 also apply to these rates.]
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**RATE OF CHILD DISABILITY ALLOWANCE REDUCED IN CERTAIN CIRCUMSTANCES**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 37 and 38</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Date of commencement</strong></td>
<td>29 December 1988</td>
</tr>
<tr>
<td><strong>Date of application</strong></td>
<td>29 December 1988</td>
</tr>
<tr>
<td><strong>Payments affected</strong></td>
<td>Child Disability Allowance</td>
</tr>
</tbody>
</table>

The amount of Child Disability Allowance payable was reduced proportionately (based on a 14-day fortnight) for any days that a child was an inmate of an institution and was entitled to a benefit under Part VA of the National Health Act in respect of those days. However, the reduction only applied in respect of children who had been absent from the family home for more than the concessional 28-day period (where the Secretary had used his/her discretion to continue entitlement beyond that period) or where the child was, or was likely to be, absent from the family home during normal school days for the purpose of receiving education, training or treatment. [A previous provision specifically precluding payment of the allowance in broadly similar circumstances was removed.]

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**EXEMPTION FROM WORK TEST ON UNEMPLOYMENT PAYMENTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 39</th>
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</thead>
<tbody>
<tr>
<td><strong>Date of commencement</strong></td>
<td>22 December 1988</td>
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<tr>
<td><strong>Date of application</strong></td>
<td>22 December 1988</td>
</tr>
<tr>
<td><strong>Payments affected</strong></td>
<td>Unemployment Benefit; Job Search Allowance</td>
</tr>
</tbody>
</table>

A person was exempted from complying with the Unemployment Benefit/Job Search Allowance work test for any period during which he/she was attending a training camp as a member of one of the Defence Force Reserves.
39

REDUCED REPORTING REQUIREMENTS FOR UNEMPLOYMENT PAYMENTS

Location in Act  Section 39
Date of commencement  22 December 1988
Date of application  22 December 1988
Payments affected  Unemployment Benefit; Job Search Allowance

Relaxed work test reporting requirements in relation to Unemployment Benefit and Job Search Allowance were introduced for people living in remote areas. Remote areas were the same as those applying in respect of eligibility for Remote Area Allowance. The new arrangements applied where:

- the Secretary considered that it was reasonable to assume that a person was in the remote area for the relevant period and that he/she had complied with the conditions of the work test; and

- having regard to all relevant factors, including the location of departmental offices, difficulties in transport and communications and the educational and cultural background of the person, it would be unreasonable to expect him/her to comply with the more formal reporting requirements.

40

EXEMPTION FROM UNEMPLOYMENT BENEFIT WORK TEST

Location in Act  Section 40
Date of commencement  1 February 1989
Date of application  1 February 1989 (and applied to training courses or voluntary work started on or after that date)
Payments affected  Unemployment Benefit

The work test requirements for Unemployment Benefit were relaxed to exempt persons who for at least 12 months had been receiving a benefit, Class A Widow's Pension/Supporting Parent's Benefit (Sole Parent Pension from 1 March 1989), or payment as a trainee in full-time training under a specified labour force program, from having to comply with the test if they undertook certain approved training courses and/or voluntary work. Under the new provisions:

- up to 40 days full-time training could be undertaken in a calendar year but a single course could not be of more than four weeks duration;

- up to 20 days full-time voluntary work with an approved organisation could be undertaken in a calendar year;

- the total time involved in training or voluntary work could not exceed 40 days in a calendar year;

- training and voluntary work had to be approved by the Commonwealth Employment Service and be regarded as vocationally useful; and

- the Secretary had the discretion to allow no period or specify a shorter period of training or voluntary work after having regard to a person's employment, or possible employment, opportunities.
41

**RESTRICTION ON PAYMENT OF CERTAIN CHILDREN’S PAYMENTS**

Location in Act  | Section 41  
Date of commencement  | 13 December 1988  
Date of application  | 13 December 1988  
Payments affected  | Additional Benefit for Children; Mother’s/Guardian’s Allowance  

Additional Benefit for Children and Mother’s/Guardian’s Allowance were no longer payable to beneficiaries making regular contributions towards the maintenance of a child (or children) who was an Australian resident not in their care.

42

**INCREASE IN RATE OF YOUNG HOMELESS ALLOWANCE**

Location in Act  | Section 41  
Date of commencement  | 1 January 1989  
Date of application  | 1 January 1989  
Payments affected  | Young Homeless Allowance  

The maximum rate of Young Homeless Allowance was increased by $1.85 to $27.85 a week. This brought the rate into line with the relevant Austudy rate.

43

**CONCESSION IN RENT ASSISTANCE WAITING PERIOD FOR BENEFICIARIES**

Location in Act  | Section 42  
Date of commencement  | 22 December 1988  
Date of application  | 22 December 1988  
Payments affected  | Rent Assistance  

A benefit recipient no longer had to recommence serving the continuous 26-week waiting period for Rent Assistance every time he/she lost entitlement to the benefit for short periods. Following the amendment, a person could qualify for Rent Assistance with no account taken of breaks in entitlement, as long as the total periods in which the benefit was received amounted to 26 weeks and no single break in entitlement exceeded four weeks.\(^4\)
44

**INCREASE IN BENEFICIARY PARENTAL INCOME TEST FREE AREA**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 43</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Job Search Allowance; Sickness Benefit; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

The basic permissible income limit (free area) in the parental income test applying to single recipients of Job Search Allowance, and of Sickness Benefit aged under 18 years, without dependent children, was increased by $950 to $16,950.

45

**EXEMPTION FROM BENEFICIARY PARENTAL INCOME TEST**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 43</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Job Search Allowance; Sickness Benefit; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

Single recipients of Job Search Allowance, and of Sickness Benefit aged under 18 years, without dependent children, who would otherwise have been subject to the parental income test, were exempted from it if they lived at home with a foster parent(s).

46

**INDEXATION OF BENEFICIARY PARENTAL INCOME TEST THRESHOLD**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 44</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Job Search Allowance; Sickness Benefit; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

The basic permissible income limit (free area) in the parental income test applying to single recipients of Job Search Allowance, and of Sickness Benefit aged under 18 years, without dependent children, became subject to automatic indexation on 1 January each year in line with increases in the average weekly total earnings of persons as published in the official statistical series. The first increase was to apply from 1 January 1990.
DOUBLE RATE OF BENEFIT FOR NEWLY RELEASED PRISONERS

Newly released prisoners who had served a minimum of seven days in detention received the equivalent of two rather than one week’s payment of Special Benefit provided that they lodged a claim within seven days of release. In the event that these ex-prisoners qualified for Job Search Allowance, Unemployment Benefit or Sickness Benefit, and received one of these rather than Special Benefit (as they had served the seven-day waiting period for the benefit in the previous 13 weeks), a double payment was provided on the same basis.

EXEMPTION FROM UNEMPLOYMENT BENEFIT WAITING PERIOD

An Unemployment Benefit claimant was exempted from the seven-day waiting period where he/she had been in receipt of that benefit no more than three months before his/her current claim and had been in receipt of a benefit, or payment as a trainee in full-time training under a specified labour force program, for a continuous period of at least 12 months immediately before ceasing to receive the benefit.

FULL-TIME STUDENTS IN TRAINING GAIN ENTITLEMENT TO BENEFITS

Students undertaking a full-time training course of up to four weeks duration approved by the Commonwealth Employment Service and regarded as vocationally useful were exempted from the provision generally excluding full-time students from receiving a benefit. In practice, this provision applied only to Unemployment Benefit and Job Search Allowance.
EMPLOYMENT ENTRY PAYMENT INTRODUCED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 55</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 February 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 February 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Employment Entry Payment; Unemployment Benefit</td>
</tr>
</tbody>
</table>

A lump-sum Employment Entry Payment of $100 was paid to a person who had been receiving Unemployment Benefit, and who lost entitlement to the benefit on commencing employment which the Secretary considered was likely to continue for more than four weeks, provided that he/she had been receiving a benefit, or payment as a trainee in full-time training under a specified labour force program, for a continuous period of at least 12 months. Provision was made in certain cases for payment up to two weeks before the employment. To qualify for the payment, the person had to make a claim no more than 28 days after commencing employment. Only one such payment could be made in any 12-month period.

SOCIAL SECURITY AGREEMENT WITH CANADA

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 59 (as set out in Schedule 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>22 December 1988</td>
</tr>
<tr>
<td>Date of application</td>
<td>Date to be specified in notes between the governments of the countries (1 September 1989)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>General provision</td>
</tr>
</tbody>
</table>

The Social Security Agreement negotiated between Australia and Canada was inserted as a Schedule into the Social Security Act.
**Social Security and Veterans’ Affairs Legislation Amendment Act 1988, No. 135**

Date of Royal Assent: 22 December 1988

<table>
<thead>
<tr>
<th>CHANGE TO TREATMENT OF INVESTMENT INCOME IN INCOME TESTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location in Act</strong></td>
</tr>
<tr>
<td><strong>Date of commencement</strong></td>
</tr>
<tr>
<td><strong>Date of application</strong></td>
</tr>
<tr>
<td><strong>Payments affected</strong></td>
</tr>
</tbody>
</table>

Pensioners and beneficiaries who, on or after 9 September 1988, invested in institutionally managed market-linked investments which yielded capital growth had a rate of return calculated on their investments and counted as ongoing yearly income. [These investments had previously been assessed only on realisation or maturity and the change brought their treatment into line with that of other investments.]

A market-linked investment was widely defined to include, among other things, investments in an approved deposit fund, a deferred annuity, a public unit trust and an insurance bond and those with a friendly society. The Secretary had some discretion to designate products as market-linked investments but their definition explicitly excluded ‘accruing return investments’ and investments consisting of the acquisition of real property, stock or shares. [For an explanation of these concepts, refer to Record 36 of 1987.]

The term ‘return’ in relation to an investment was defined as an increase, whether of a capital or income nature and whether or not distributed, in the value or amount of the investment. In assessing income, a statutory rate of return was established. This was set at 11 per cent but the Minister could determine a lower rate. In addition, the Secretary could reduce the statutory rate for a particular investment where he/she was satisfied that it was returning less than that rate. The deemed rate of return was the only assessment on the investments. They were not assessed again on returns received on realisation. Reasonable costs incurred by an investor in establishing and maintaining the investment could be deducted from the calculated rate of return.

Investments entered into before 9 September 1988 were assessed under the previous legislation. Various transitional arrangements were made to cover investments made before 9 September but continuing after that date. These included measures to ensure that people were not unfairly disadvantaged by, but could not take unintended advantages from, their earlier investment decisions.
CHANGES TO CATEGORIES OF RENT COUNTED FOR RENT ASSISTANCE ELIGIBILITY

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>12 June 1989 initially. In an amendment to the present amendment Act by section 39 of the Social Security and Veterans’ Affairs Legislation Amendment (No. 2) Act 1989, the date was changed to 13 June 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance</td>
</tr>
</tbody>
</table>

The definition of rent for determining eligibility for Rent Assistance was expanded to specify some situations to be counted and not counted as rent:

- rent was defined as an amount paid every three months or more frequently;
- it included payments for services provided in a retirement village, or for accommodation in a nursing home, where these were a person’s principal home;
- it included amounts paid for lodging (but no longer board) where the premises was a person’s principal home; and
- persons who had a right or interest in a home (and were in effect home owners), some of whom had previously qualified for Rent Assistance, were generally excluded from eligibility. However, certain persons continued as before to be eligible for the payment, namely those: who sold their principal (family) home and were likely to use the proceeds to buy another home within 12 months; who were residing in a nursing home other than a retirement village; or who were paying for the use of a site for a caravan, or other vehicle or structure, or who paid for the right to moor a vessel, where these were their permanent home.
CHANGES TO RENT ASSISTANCE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 9 (main provisions); sections 18 and 19 (savings provisions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>12 June 1989 initially. Later altered to 13 June 1989 by the same amending Act as for Record 53 of 1988</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance</td>
</tr>
</tbody>
</table>

Changes were made to Rent Assistance:

- where a person paid board and lodging and it was not possible to ascertain the proportion of the payment which was lodging, two-thirds of the amount was taken to be lodging and therefore counted as rent when determining his/her entitlement to Rent Assistance; and

- where a resident of a nursing home or similar establishment was liable to pay amounts for accommodation and other services, and the proportion of the payment which was in respect of accommodation could not be ascertained, two-thirds of the amount was taken as accommodation and so counted as rent when determining the Rent Assistance entitlement.

Savings provisions which took account of the new Rent Assistance threshold (refer to Record 56 of 1988) were inserted to protect the entitlements of those paying board and lodging, or residing in a nursing home, before the new provision was introduced.
APPLICATION OF ASSETS TEST TO PENSIONERS IN RETIREMENT VILLAGES

A person who had his/her principal (family) home in a retirement village was treated as a home owner for purposes of the pension and benefit assets tests if his/her entry contribution to the retirement village was greater than the difference between the assets test limits for those who owned and those who did not own their own home. Persons who paid the specified amount or less were regarded as non-home owners but the value of their contribution was treated as an assessable asset. The difference was $64,000 and would increase over time as the assets test limits were subject to automatic indexation. The most important result of the change was that persons who paid less than the $64,000 contribution were regarded as renters for purposes of eligibility for Rent Assistance.

[The new section dealing with this change was very long and, in particular, covered the application of the provision to various situations where a couple lived apart due to illness or infirmity, with one or both partners living in the retirement village and for various levels of contribution, including where the partners had made different levels of contribution to the retirement village.]

INCREASE IN RENT THRESHOLD FOR RENT ASSISTANCE

The level of rent (the rent threshold) above which Rent Assistance became payable was increased by $5 to $20 a week.
INCREASE IN RATES OF RENT ASSISTANCE AND INCENTIVE ALLOWANCE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 13, 14, 15, 16 and 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>First change: 13 June 1989</td>
</tr>
<tr>
<td></td>
<td>Second change: 13 December 1989</td>
</tr>
<tr>
<td></td>
<td>Third, fourth and fifth changes: 13 June 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance; Incentive Allowance</td>
</tr>
</tbody>
</table>

Maximum rates of Rent Assistance and Incentive Allowance were increased at the specified dates by the following amounts:

- $5 to $20 a week for persons with dependent children;
- $5 to $15 a week for unemployment, sickness and special beneficiaries without dependent children (this brought the rate for beneficiaries into line with that for pensioners);
- $5 to $20 a week for persons with no dependent children;
- $5 to $25 a week for persons with one or two dependent children; and
- $10 to $30 a week for persons with three or more dependent children.

These changes other than the first were repealed by section 80 of the Social Security and Veterans’ Affairs Legislation Amendment Act (No. 4) 1989 as set out in Schedule 1. They were subsumed by the ones passed at sections 40, 43, 46, 61 and 66 of that Act (refer to Record 46 of 1989).

ACCESS OF FAMILY ALLOWANCE SUPPLEMENT RECIPIENTS TO RENT ASSISTANCE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>13 June 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>13 June 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance</td>
</tr>
</tbody>
</table>

The rule providing that Rent Assistance could be paid to a recipient of Family Allowance Supplement only where at least one dependent child was aged under 16 years was removed.
59

INCREASED ACCESS BY BENEFICIARIES TO RENT ASSISTANCE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>13 June 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>13 June 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance</td>
</tr>
</tbody>
</table>

A beneficiary or his/her spouse were no longer required to have a child aged under 16 years in respect of whom Family Allowance was payable before being eligible for Rent Assistance under the more generous conditions applying to pensioners.

60

REDUCTION IN RENT ASSISTANCE WAITING PERIOD FOR EX-PRISONERS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>13 June 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>13 June 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance</td>
</tr>
</tbody>
</table>

The 26-week waiting period for Rent Assistance applying to beneficiaries without children was reduced for newly released prisoners by the period that they had spent in detention.

61

SOCIAL SECURITY AGREEMENT WITH NEW ZEALAND

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 20 (the agreement was in Schedule 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 March 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 March 1989. As stated in the agreement, it was to take effect by mutual agreement between the countries when all necessary actions had been taken. The 1986 agreement would then be terminated. (It came into effect from 1 April 1989)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>General provision</td>
</tr>
</tbody>
</table>

A new schedule containing a revised Social Security Agreement between Australia and New Zealand was inserted into the Act.
### REMOVAL OF RENT ASSISTANCE SAVINGS PROVISIONS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 36 (as set out in Schedule 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>12 June 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>12 June 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance</td>
</tr>
</tbody>
</table>

All but one of the savings provisions relating to Rent Assistance were removed. This required amendments to the *Social Services Act (No. 3) 1974*, the *Social Services Amendment Act (No. 3) 1976*, the *Social Services Amendment Act 1979* and the *Social Services Amendment Act 1981*.

The sole savings provision retained was that contained in the *Social Security Legislation Amendment Act 1988*, which in turn had amended the *Social Security and Veterans' Entitlements Amendment (No. 2) Act 1987*. This preserved the entitlements of persons in receipt of Sickness Benefit immediately before 13 December 1987, when Rent Assistance became payable to sickness beneficiaries under the more stringent conditions applying to unemployment beneficiaries.
Endnotes

1 The wording of the legislation precluded application of the double threshold to beneficiaries. This appears to have been unintentional and was rectified when the 1991 Act replaced the 1947 Act (refer to Record 35 of 1991).

2 The maintenance income test as applied to couples was wrongly drafted. This error was corrected by a technical amendment at section 8 of the Social Security and Veterans’ Affairs Legislation Amendment Act (No. 2) 1989 and applied to payments falling due on or after 27 June 1989.

3 A technical amendment, applying from 8 January 1991, to clarify the operation of this provision was made at section 86 of the Social Security Legislation Amendment Act 1991.

4 Following an amendment at section 29 of the Social Security Legislation Amendment Act 1986, from 1 May 1986 the waiting period was changed from ‘six months’ to ‘26 weeks’.

5 Special Benefit as a ‘12 months receipt payment’ was omitted in this amendment but was later inserted by section 24 of the Social Security and Veterans’ Affairs Legislation Amendment (No. 2) Act 1989 with the amendment backdated to 1 February 1989.

6 A change at section 23 of the Social Security and Veterans’ Affairs Legislation Amendment (No. 4) Act 1989 clarified that the value of this contribution was in fact treated as an assessable asset.
Legislation passed in 1989

Migration Legislation Amendment Act 1989, No. 59

Date of Royal Assent: 19 June 1989

1

CHANGE TO DEFINITION OF AUSTRALIAN RESIDENT

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 38 (as set out in Schedule 6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Date fixed by Proclamation or, if not proclaimed within six months of the Date of Royal Assent, to commence on the day following the end of that six-month period. Commenced on 19 December 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>General provision</td>
</tr>
</tbody>
</table>

The definition of ‘Australian resident’ for determining eligibility for social security payments was altered. The term was now defined as a person who resided in Australia and who was:

- an Australian citizen;
- the holder of a valid permanent entry permit within the meaning of the Migration Act;
- a person who had been granted, or who was included in, a return endorsement or a resident return visa in force under the Migration Act; or
- for the purposes of the Migration Act, an exempt non-citizen, being a person who was likely to remain in Australia.

2

CHANGE IN GROUP INELIGIBLE FOR SPECIAL BENEFIT

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 38 (as set out in Schedule 6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>As for Record 1 of 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Special Benefit</td>
</tr>
</tbody>
</table>

The term ‘illegal entrant’ replaced ‘prohibited non-citizen’ in defining a category of person ineligible for Special Benefit.
Social Security and Veterans’ Affairs Legislation Amendment Act 1989, No. 83

Date of Royal Assent: 27 June 1989

### Indexation of Pensions and Benefits Brought Forward

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 7 (pensions); section 20 (benefits)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>13 June 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>13 June 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

Indexation of pensions and of those benefits subject to twice-yearly indexation was brought forward by three months in three four-weekly stages. The increases due in December 1989, June 1990 and December 1990 were brought forward to 15 November 1989, 18 April 1990 and 20 September 1990 respectively, after which they were to occur in September and March each year. [This more than compensated for the six-week deferment of indexation in late 1986.]

### Indexation Extended to Children’s Payments

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 8 and 19 (Mother’s/Guardian’s Allowance); section 15 (Family Allowance); section 16 (Double Orphan’s Pension); section 18 (Child Disability Allowance)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Mother’s/Guardian’s Allowance; Family Allowance; Double Orphan’s Pension; Child Disability Allowance</td>
</tr>
</tbody>
</table>

Mother’s/Guardian’s Allowance, Family Allowance, Double Orphan’s Pension and Child Disability Allowance became subject to automatic indexation at the beginning of January each year in line with movements in the Consumer Price Index in the preceding financial year. The first increases took place in January 1990.
5

AMENDMENT TO PROPORTIONAL PORTABILITY RULES

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 9 and 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>27 June 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>27 June 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions other than Sheltered Employment Allowance and Rehabilitation Allowance. However, in practice these allowances were not payable overseas (refer to Record 1 of 1986)</td>
</tr>
</tbody>
</table>

The proportional portability rules (for details, refer to Record 1 of 1986) were to apply immediately on departure in respect of pensions paid under a Social Security Agreement with a country where the agreement specified that the rate of pension was to be determined according to Australian social security legislation. [Previously, this condition had been contained in the text of agreements but the intention was that future agreements would make reference to the Australian legislation.]

6

INCREASED RATES OF ADDITIONAL PAYMENTS FOR CHILDREN

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 11 (Family Allowance Supplement); sections 6 and 19 dealt with the flow-on to Additional Pension for Children and Additional Benefit for Children respectively</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Additional Pension for Children; Additional Benefit for Children; Family Allowance Supplement</td>
</tr>
</tbody>
</table>

Additional Pension for Children, Additional Benefit for Children and Family Allowance Supplement paid in respect of children aged 13 years and over were increased by $3.10 to $34.10 a week. The legislation now specified the rate of Additional Pension for Children and Additional Benefit for Children as equalling the rate of Family Allowance Supplement.
BENCHMARKS OF ADEQUACY ESTABLISHED

Location in Act  Sections 11 and 12 (Family Allowance Supplement); sections 6 and 19 (flow-on to Additional Pension for Children and Additional Benefit for Children respectively)

Date of commencement  1 January 1990
Date of application  1 January 1990
Payments affected  Family Allowance Supplement; Additional Pension for Children; Additional Benefit for Children

Provision was made for Family Allowance Supplement, Additional Pension for Children and Additional Benefit for Children, if necessary, to be increased automatically at the beginning of January each year so as to ensure that the rates of any one of these payments, when combined with Family Allowance, attained a level of at least 15 per cent of the prevailing basic combined married rate of pension in respect of children aged under 13 years and at least 20 per cent for children aged 13 to 15 years. The first increase, if required, was to occur at the beginning of January 1990.

[In 1987, the Government had announced that these ‘benchmarks of adequacy’ would be established as part of its commitment in relation to child poverty. The benchmarks were attained for the first time in July 1989.]

MODIFICATION TO ‘25 PER CENT RULE’ IN FAMILY ALLOWANCE INCOME TEST

Location in Act  Section 13
Date of commencement  1 July 1989
Date of application  1 July 1989
Payments affected  Family Allowance

The ‘25 per cent rule’ in the Family Allowance income test (refer to Record 20 of 1987) was modified by specifying that the current financial year’s (instead of the previous financial year’s) family income could be used to assess a person’s entitlement where the family’s taxable income in the financial year in which the request for re-assessment was made was likely to be at least 25 per cent less than in the previous financial year.
FAMILY ALLOWANCE RATES RESTRUCTURED AND INCREASED

Location in Act  
Section 14

Date of commencement  
1 July 1989

Date of application  
1 July 1989

Payments affected  
Family Allowance

The four-rate structure of Family Allowance was replaced by a two-rate structure which embodied major increases. Under the new structure, rates were:

- $18 a fortnight in respect of each of the first three children; and
- $24 a fortnight in respect of each additional child and children in institutions.

This involved increases of $7.45, $2.95, $nil, $6 and $2.95 in respect of the first, second, third, fourth, and fifth and subsequent children respectively. The increase for children in institutions was $6.

The rates legislated to apply from 1 July 1989 under the Social Security Legislation Amendment Act 1988 did not take effect. Those rates would not have been increased rates but would have been nominally higher, as the earlier rates had been reduced to allow for the effect of the mid-year conversion from monthly to fortnightly rates on the number of pay periods in the remainder of 1988–89 (refer to Record 32 of 1988). [While the rates previously legislated to apply from 1 July 1989 never came into effect, in reality they applied in the preceding period and these are the ones which should be used in time comparisons.]

CHILD DISABILITY ALLOWANCE PAYABLE WHERE PARTNER PROVIDING CARE

Location in Act  
Section 17

Date of commencement  
27 June 1989

Date of application  
27 June 1989

Payments affected  
Child Disability Allowance

Child Disability Allowance became payable to a person where the prescribed level of care was provided by a person’s partner rather than the person.
11

**ELIGIBILITY FOR EMPLOYMENT ENTRY PAYMENT EXTENDED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 24</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Date of commencement</strong></td>
<td>1 February 1989</td>
</tr>
<tr>
<td><strong>Date of application</strong></td>
<td>1 February 1989</td>
</tr>
<tr>
<td><strong>Payments affected</strong></td>
<td>Employment Entry Payment; Sickness Benefit; Special Benefit</td>
</tr>
</tbody>
</table>

The $100 Employment Entry Payment was extended to a member of a couple aged 18 years and over who commenced employment where, immediately before commencing:

- the person’s partner was receiving Unemployment Benefit and either the benefit was being paid at the married rate or the person was receiving a Sickness Benefit or Special Benefit;
- the person’s partner had met the ‘at least 12 months continuous period on a specified payment’ criterion for Employment Entry Payment; and
- the income earned from the employment resulted in the partner losing entitlement to Unemployment Benefit.

*Social Security and Veterans’ Affairs Legislation Amendment Act (No. 2) 1989, No. 84*

Date of Royal Assent: 27 June 1989

12

**DISCRETIONARY PROVISION INSERTED IN RENT ASSISTANCE CONDITIONS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 8</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Date of commencement</strong></td>
<td>Immediately after the commencement of section 9 of the <em>Social Security and Veterans’ Affairs Legislation Amendment Act 1988</em> (12 June 1989)</td>
</tr>
<tr>
<td><strong>Date of application</strong></td>
<td>13 June 1989</td>
</tr>
<tr>
<td><strong>Payments affected</strong></td>
<td>Rent Assistance</td>
</tr>
</tbody>
</table>

In assessing eligibility for Rent Assistance, the Secretary was given the discretion to treat payments for accommodation made at regular intervals as rent even though they were made less frequently than every three months.
### BACKDATING PAYMENT OF FAMILY ALLOWANCE SUPPLEMENT

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>29 December 1988</td>
</tr>
<tr>
<td>Date of application</td>
<td>29 December 1988</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance Supplement</td>
</tr>
</tbody>
</table>

Provision was made for backdating payments of Family Allowance Supplement to the date of the birth of a child provided that the claim was made within four weeks. [This brought the treatment of Family Allowance Supplement into line with that for Family Allowance.]

### TREATMENT OF UNUSED ANNUAL LEAVE IN BENEFIT INCOME TEST

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 September 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 September 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

People who, on termination of their employment, had an entitlement to a payment for unused annual leave (or equivalent payment) were subject to a non-payment period, equivalent to the period of unused leave but up to a maximum of 28 days, before becoming eligible for benefit. This waiting period was in addition to the normal seven-day waiting period.
DEFINITION OF MARRIED AND DE FACTO RELATIONSHIPS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 24 and 25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Essentially pensions and benefits, although it was a general provision applying throughout the Act</td>
</tr>
</tbody>
</table>

The criteria to be taken into account in determining whether a de facto or married relationship existed were spelt out in detail and the definitions of ‘de facto spouse’ and ‘married person’ revised to take this into account. This was most relevant to determinations regarding eligibility for Sole Parent’s Pension.

A ‘de facto spouse’ was defined as a person who was living with a person of the opposite sex, to whom he/she was not legally married, in a relationship that, in the opinion of the Secretary, was a marriage-like relationship.

A ‘married person’ was defined as including a de facto spouse but not including a legally married person (not being a de facto spouse) who was, in the opinion of the Secretary, living separately and apart from his/her spouse on a permanent basis.

In forming an opinion about the relationship between two people for purposes of the definition of de facto spouse or married person, the Secretary was required to have regard to all the circumstances of the relationship including, in particular, the following:

- financial aspects, including any joint ownership of real estate or other major assets and any joint liabilities, any significant pooling of financial resources especially in relation to major financial commitments, any legal obligations owed by one person in respect of the other and the basis of sharing of day-to-day household expenses;

- the nature of the household, including any joint responsibility for providing care or support of children, the living arrangements of the couple and the basis on which responsibility for housework was distributed;

- social aspects, including whether the couple ‘held themselves out’ as married to each other, the assessment of friends and regular associates about the nature of their relationship and the basis on which they made plans for, or engaged in, joint social activities;

- any sexual relationship between them; and

- the nature of their commitment to each other, including the length of the relationship, the nature of any companionship and emotional support that the couple provided to each other, whether they considered that the relationship was likely to continue indefinitely and whether they saw the relationship as a marriage-like relationship.

Provisions broadly enabling previously married people living at the same address to be treated as ‘married persons’ after a defined period were removed in the light of this change.
16

RESTRICTION ON DEFINITION OF DE FACTO SPOUSE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Essentially pensions and benefits, although it was a general provision applying throughout the Act</td>
</tr>
</tbody>
</table>

It was provided that a person was not to be regarded as a de facto spouse because he/she was living with another person, if the two persons were within a prohibited relationship for purposes of section 23B of the Marriage Act. [This prevented, for example, a brother or sister from being regarded as being in a marriage-like relationship.]

17

FAMILY ALLOWANCE SUPPLEMENT INCOME TEST TIGHTENED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance Supplement</td>
</tr>
</tbody>
</table>

The Family Allowance Supplement income test was made stricter by providing for increases in a family’s taxable income of 25 per cent or more occurring before the grant of the supplement to be taken into account in assessing a person’s entitlement. Previously, only increases that occurred following the grant had been assessed.

18

FAMILY ALLOWANCE SUPPLEMENT INCOME TEST EASED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance Supplement</td>
</tr>
</tbody>
</table>

The income test for Family Allowance Supplement was eased by allowing families assessed under the ‘25 per cent rule’ *(refer to Record 26 of 1988)* to retain their entitlement into the next calendar year, if this was to their advantage compared with the normal assessment based on a family’s taxable income in the financial year in the previous calendar year.
### FURTHER EASING OF FAMILY ALLOWANCE SUPPLEMENT INCOME TEST

**Location in Act**  
Section 31

**Date of commencement**  
1 December 1989

**Date of application**  
1 December 1989

**Payments affected**  
Family Allowance Supplement

The income test for Family Allowance Supplement was liberalised. Previously, families whose taxable income in the financial year in the previous calendar year exceeded the relevant income threshold for eligibility could qualify for a payment only if their current year income was expected to fall by at least 25 per cent. The supplement was now payable where the fall was less than 25 per cent in the current year provided that it was expected to be below the threshold level.

### EXEMPTION FROM FAMILY ALLOWANCE SUPPLEMENT INCOME TEST

**Location in Act**  
Section 31

**Date of commencement**  
1 December 1989

**Date of application**  
1 December 1989

**Payments affected**  
Family Allowance Supplement

Full-time student parents in receipt of Austudy or similar payments were exempted from the income test on Family Allowance Supplement.

### STRICTER INCOME TEST ON FAMILY ALLOWANCE

**Location in Act**  
Section 34

**Date of commencement**  
1 January 1990

**Date of application**  
1 January 1990

**Payments affected**  
Family Allowance

The Family Allowance income test was tightened by providing that entitlement could be re-assessed during the calendar year if a family's taxable income in the current financial year exceeded the relevant income threshold and taxable income in the previous financial year by at least 25 per cent.
22

**PERSONS MOVING TO AREAS WITH LOWER EMPLOYMENT PROSPECTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 36, 39 and 41</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Unemployment Benefit; Job Search Allowance; Special Benefit</td>
</tr>
</tbody>
</table>

The Unemployment Benefit and Job Search Allowance work test was tightened by providing that, where a claimant or recipient reduced his/her employment prospects by moving to a new place of residence without sufficient reason, a non-payment period of 12 weeks was to apply while he/she remained in the new location. The only reasons regarded as ‘sufficient’ were if the person moved in order to live with, or near, a family member with an established residence in the area. A ‘family member’ in this context was a partner, parent, sibling or child, or any other person whom the Secretary considered as an equivalent relation. Special Benefit was not payable to persons affected by the new rule.

23

**REMOVAL OF CONCESSION UNDER MAINTENANCE INCOME TEST**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 37</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>19 December 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>19 December 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

A provision was inserted preventing a person from benefiting from the concession for special maintenance income under the maintenance income test where:

- child support was not payable under the Child Support (Assessment) Act, but the person was entitled to make an application for support under Part 5 of that Act and: the person had not properly made such an application, or an application under Part 6 of that Act for acceptance of an agreement in relation to the child; or the person had properly made an application but had subsequently withdrawn it or, after the child support became payable, ended the entitlement; or

- child support was payable under the above mentioned Act and the person was entitled to make an application under section 28 of the Act, but such an application was not in force.
### EXEMPTION FROM EDUCATION LEAVER WAITING PERIOD

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Unemployment Benefit; Job Search Allowance</td>
</tr>
</tbody>
</table>

A full-time student ceasing education was exempted from the education leaver waiting period applying to Unemployment Benefit and Job Search Allowance, where he/she had been in receipt of one of these payments immediately before undertaking the course and had been continuously in receipt of such a payment since serving a previous education waiting period, and the claim was lodged within four weeks of the commencement of the course.

### MODIFICATION TO EDUCATION LEAVER WAITING PERIOD

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Unemployment Benefit; Job Search Allowance</td>
</tr>
</tbody>
</table>

Where a claimant for Unemployment Benefit or Job Search Allowance subject to the education waiting period had undertaken the relevant education course during a previous waiting period, and his/her claim was lodged within four weeks of him/her commencing the course, the new waiting period was reduced by the amount of the previous waiting period served before the person re-commenced study.

### VARIATION TO EDUCATION LEAVER WAITING PERIOD

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 October 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 October 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Unemployment Benefit; Job Search Allowance</td>
</tr>
</tbody>
</table>

It was provided that, where a claimant subject to the Unemployment Benefit/Job Search Allowance education waiting period registered as unemployed with the Commonwealth Employment Service before ceasing his/her studies, he/she would be taken to have registered on the day his/her study ceased.

At the same time, two concessions in the waiting period were removed. One had allowed full-time students leaving education, who registered as unemployed with the Commonwealth Employment Service within four weeks of ceasing their course, to be regarded as having registered on the day on which they ceased their studies. The other had provided an additional two weeks, following registration with the service, for a person to claim one of these payments and be regarded as having made the claim on the day following the cessation of study.
Social Security and Veterans’ Affairs Legislation Amendment Act (No. 4) 1989, No. 164

Date of Royal Assent: 19 December 1989

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MEANS TEST CONCESSION ON CERTAIN LOANS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

A loan (or loans) of up to $40 000 secured by a mortgage on the family home of a pensioner or beneficiary and/or his/her partner was excluded from the definition of income for purposes of the pension and benefit income tests. It was also exempted from the assets tests for a period of up to 90 days.

[The purpose of the changes was to enable pensioners to take advantage of home equity conversion loans, although the legislation did not restrict the concession to pensioners. The 90-day exemption from the assets test allowed people time to consider how and when to use the loan.]

28

CONCESSIONAL TREATMENT OF SUPERANNUATION IN MEANS TESTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 February 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 February 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions (other than Age Pension) and benefits; Special Benefit (in effect) in relation to income tests</td>
</tr>
</tbody>
</table>

Returns on compulsorily preserved superannuation benefits of persons below Age Pension age were excluded from the definition of income for purposes of pension and benefit income tests and their value was not counted as an asset for purposes of the assets test on these payments.
29

**TRAINING ALLOWANCES NOT ASSESSED UNDER PENSION INCOME TEST**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Age Pension; Invalid Pension; Sheltered Employment Allowance; Rehabilitation Allowance; Wife's Pension; Carer's Pension; Sole Parent Pension</td>
</tr>
</tbody>
</table>

Training allowances paid to pensioners undertaking approved part-time labour market training programs ceased to be regarded as income for purposes of the pension income test.

30

**BOARD AND/OR LODGING DISREGARDED UNDER INCOME TESTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>18 November 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>23 November 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

The value of board and/or lodging received by pensioners and beneficiaries was disregarded under pension and benefit income tests. Previously a notional value of $65 a year had been assessed. [This amount had not been altered since 1963 and had long ceased to bear any relationship to housing costs.]

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**RENT ASSISTANCE EXTENDED TO PERSONS IN RESPITE CARE**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance</td>
</tr>
</tbody>
</table>

A member of a pensioner or beneficiary couple in approved respite care became eligible for Rent Assistance provided that he/she remained, or the Secretary was satisfied that he/she was likely to remain, in that care for at least 14 consecutive days.
TERM ‘MARKET-LINKED INVESTMENT’ REDEFINED

Location in Act                  Section 21
Date of commencement            1 February 1990
Date of application             1 February 1990
Payments affected               Pensions and benefits; Special Benefit (in effect)

The term ‘market-linked investment’ applied in the pension and benefit income tests was extended by including under its ambit a superannuation benefit ‘vested in a person held in a superannuation fund’ unless a superannuation pension funded by that benefit was payable to the person at the time.

CHANGE TO INCOME TEST IN RELATION TO SUPERANNUATION

Location in Act                  Section 21
Date of commencement            1 February 1990
Date of application             1 February 1990
Payments affected               Pensions and benefits; Special Benefit (in effect)

The definition of ‘return’ in relation to an investment in the pension and benefit income tests was amended to include an investment in the nature of superannuation.
NEW DEFINITION OF DEPENDENT CHILD

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 21 (main change); section 41 (eligibility for Sole Parent Pension); section 55 (Family Allowance and Child Disability Allowance); section 60 (indexation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1990 (main change); 31 December 1989 (indexation provision)</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1990 (main change); indexation applied after 31 December 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Additional Pension for Children; Additional Benefit for Children; Mother's/Guardian's Allowance; Remote Area Allowance (the child addition); Family Allowance; Double Orphan's Pension; Family Allowance Supplement; Sole Parent Pension</td>
</tr>
</tbody>
</table>

The definition of ‘dependent child’ for purposes of eligibility for social security payments was made stricter by requiring that persons aged under 16 years would not qualify unless they were in full-time education or, if not in full-time education, were not in receipt of income from employment exceeding $100 a week.

The new definition applied across the entire Act except for the section dealing with the apportionment of capital maintenance income, and in the definitions of ‘annual maintenance free area’, ‘in-kind maintenance income’, ‘maintenance income’ and ‘special maintenance income’, where the previous definition was retained. The amount of employment income was to be increased annually in line with movements in the Consumer Price Index, with the first increase to apply from 1 January 1991.

The definition of a qualifying child for Sole Parent Pension eligibility purposes was modified to ensure that, because of this change, a person was not disqualified from receiving the pension on the grounds that his/her only qualifying child was in receipt of income from employment exceeding $100 a week. Other amendments ensured that this change applied to Family Allowance but not to Child Disability Allowance.
FAMILY PAYMENTS NOT PAYABLE TO STUDENTS AGED 16 YEARS AND OVER

Location in Act
Section 21; section 49 in relation to Family Allowance and Family Allowance Supplement (through its link to Family Allowance); section 53 (Double Orphan’s Pension); section 55 (Child Disability Allowance)

Date of commencement
1 January 1990

Date of application
1 January 1990

Payments affected
Family Allowance; Family Allowance Supplement; Additional Pension for Children; Additional Benefit for Children; Mother’s/Guardian’s Allowance

A number of amendments were introduced to preclude persons aged 16 years and over eligible for certain education payments from receiving various family payments. The effect of the changes was that Family Allowance, Family Allowance Supplement, Additional Pension for Children, Additional Benefit for Children and Mother’s/Guardian’s Allowance ceased to be payable in respect of a child aged 16 years and over where Austudy or a related education payment was payable to or for the child, or where the Secretary was satisfied that such a payment would be available on application. However, if the total amount payable under the educational scheme was less than the total family payments otherwise payable, the family payments would continue to be paid. [The references to Double Orphan’s Pension and Child Disability Allowance under ‘Location in the Act’ relate to amendments to ensure that the change did not apply to these payments.]

STANDARDISED ACCRUAL RATE FOR PENSIONER EARNINGS CREDIT

Location in Act
Section 29

Date of commencement
26 April 1990

Date of application
26 April 1990

Payments affected
Pensions except Carer’s Pension

The accrual rate of earnings under the pensioner earnings credit was standardised for all pensioners eligible to participate. This rate—one fifty-second of the pensioner’s annual permissible income in any week where that amount equalled or exceeded his/her annual rate of earnings—was the same for all pensioners with the same permissible income level. That is, it varied only on the basis of marital status and the presence of children and was unaffected by the amount of earnings under the permissible income limits. [This involved a major simplification of the scheme as a separate manual calculation of each pensioner’s individual accrual was no longer required.]
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TREATMENT OF SUPERANNUATION IN INCOME TEST

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 32</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 February 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 February 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions (except Age Pension) and benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

Where a person under Age Pension age received a compulsory preserved superannuation benefit, the payment was assessed in pension and benefit income tests on the basis that one fifty-second of the assessable growth component of the sum was received during each week in the period of 12 months from the day when the person gained the entitlement.

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INCOME TESTING OF IMMEDIATE ANNUITIES AND SUPERANNUATION PENSIONS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 33</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>26 April 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>26 April 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits</td>
</tr>
</tbody>
</table>

For purposes of the pension and benefit income tests, a person receiving an immediate annuity or superannuation pension was taken to receive each year from the annuity or pension an amount calculated after reducing the amount payable by the amount of the annuity or pension which was tax deductible. [An immediate annuity is one that is immediately available.]

39

INVALID PENSIONS NO LONGER GRANTED TO PERSONS OF AGE PENSION AGE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 35</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 April 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 April 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Invalid Pension</td>
</tr>
</tbody>
</table>

An Invalid Pension could no longer be granted to a person who had attained Age Pension age at the date of his/her claim.
**SINGLE RATE OF PENSION PAYABLE WHERE MEMBER OF COUPLE IN RESPITE CARE**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 36</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Age Pension; Invalid Pension</td>
</tr>
</tbody>
</table>

The single instead of the married rate of pension was payable to each partner of an age or invalid pensioner couple where one of them was in approved respite care and the Secretary was satisfied that he/she was likely to remain there for at least 14 consecutive days. Mother’s/Guardian’s Allowance was now payable in respect of a dependent child.

**RESTRICTION ON PAYMENT OF MOTHER’S/GUARDIAN’S ALLOWANCE TO STUDENTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 36 (pensions); section 59 (benefits); section 4 (savings clause)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Mother’s/Guardian’s Allowance</td>
</tr>
</tbody>
</table>

Mother’s/Guardian’s Allowance ceased to be payable in respect of full-time student children aged 18 years and over receiving Austudy or related education payments, except where Child Disability Allowance was payable for the child. A savings clause preserved the entitlements of pensioners and beneficiaries already in receipt of the allowance.¹

**INDEXATION OF RENT ASSISTANCE AND INCENTIVE ALLOWANCE**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 37</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>13 December 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>13 December 1989, but first indexation increase applied from 20 March 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance; Incentive Allowance</td>
</tr>
</tbody>
</table>

Rent Assistance and Incentive Allowance rates became subject to automatic indexation in March and September each year in line with increases in the Consumer Price Index in the six months to the previous December or June respectively. The first increase took effect from 20 March 1991.
Ad hoc increases in addition to indexation increases were made to the maximum rates of pension. The rate for a single person was increased by $2 to $141.20 a week and for each partner of a couple by $1.65 to $117.70 a week.

The permissible income limits (free area) in the pension income test became subject to automatic indexation in July each year in line with increases in the Consumer Price Index over the 12 months ending in the previous March. The first increase took place on 1 July 1991.

The increase in the permissible income limits (free area) in respect of each dependent child in the pension income test was removed for full-time student children aged 18 years and over who were receiving Austudy or related education payments, except where Child Disability Allowance was payable for the child. A savings provision preserved the entitlements of existing pensioners.
INCREASES IN RENT ASSISTANCE AND INCENTIVE ALLOWANCE

Location in Act
Section 40 (Rent Assistance to pensioners other than sole parent pensioners); section 43 (Rent Assistance to sole parent pensioners); section 46 (Rent Assistance to Family Allowance Supplement recipients); section 61 (Rent Assistance to beneficiaries); section 66 (Incentive Allowance)

Date of commencement 13 December 1989
Date of application First change: 13 December 1989
Second, third and fourth changes: 13 June 1990
Fifth, sixth and seventh changes: 20 September 1990
Payments affected Rent Assistance; Incentive Allowance

Maximum rates of Rent Assistance and Incentive Allowance were increased in three stages. The increases were all by $5 a week, following which the rates at the specified dates became:

Stage 1
- $25 a week for persons with dependent children;

Stage 2
- $25 a week for persons with no dependent children;
- $30 a week for persons with one or two dependent children;
- $35 a week for persons with three or more dependent children;

Stage 3
- $30 a week for persons with no dependent children;
- $35 a week for persons with one or two dependent children;
- $40 a week for persons with three or more dependent children.

These changes subsumed all but the first change in Record 57 of 1988. Section 80 of the present Act (as set out in Schedule 1) repealed the relevant sub-sections within sections 13, 14, 15, 16 and 17 of the Social Security and Veterans’ Affairs Legislation Amendment Act 1988 to that effect.
# INTRODUCTION OF BEREAVEMENT PAYMENTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 45 (main changes); section 73 (abolition of Special Temporary Allowance)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Bereavement Payments; Funeral Benefit; Special Temporary Allowance. Essentially the five changes can be treated as one change, namely the introduction of Bereavement Payments. Individual components of the changes affected the following payments to which the arrangements were extended: First and second changes: pensions Third change: Carer’s Pension Fourth change: Sole Parent’s Pension Fifth change: pensions and benefits (except Special Benefit); Family Allowance Supplement</td>
</tr>
</tbody>
</table>

A range of new Bereavement Payments was introduced across social security programs. These replaced Funeral Benefit and Special Temporary Allowance. The package provided for various automatic payments to eligible persons once a death had been reported. Under the new arrangements:

- a lump-sum payment was made to the survivor of a pensioner couple where his/her spouse died. The amount was equal to seven fortnightly payments of the difference between the combined married rate the couple had been paid and the single rate to which the survivor was entitled;
- the estate of a deceased single pensioner was credited with one additional pension payment;
- eligibility for Carer’s Pension, subject to the income and assets tests, continued for seven fortnightly payments after the death of the person being cared for;
- eligibility for Sole Parent’s Pension, subject to the income and assets tests, continued for seven fortnightly payments following the death of a sole qualifying child; and
- on the death of a dependent child, recipients of pensions, benefits (other than Special Benefit) and Family Allowance Supplement were paid a lump sum during the 14 weeks following the date of the death. The amount paid was the equivalent of the total of all the social security payments that would have been made in respect of the child if he/she had not died.
The Family Allowance income test was tightened by providing that the entitlement of a family claiming the allowance could be reassessed where their taxable income in the current financial year had increased by 25 per cent or more compared with their taxable income in the previous financial year, and where it exceeded the relevant income threshold in the test.

It was provided that the higher $24 rate of Family Allowance applicable to the fourth and later children could be paid in respect of the first three children where the Secretary had made a determination to this effect under the existing provision enabling him/her to direct that the whole or part of a social security payment be made to one person on behalf of another. [The change was intended in particular to assist Aboriginal persons or groups where it was customary for children to move between families, so that the position of a child in a particular family could change.]
50

CHANGES AFFECTING YOUNG HOMELESS ALLOWANCE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 56</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Young Homeless Allowance</td>
</tr>
</tbody>
</table>

A definition of ‘homeless person’ was inserted in the Act as a basis for determining eligibility for Young Homeless Allowance. It essentially incorporated the existing qualification criteria for the allowance but the waiting period before payment was reduced from six weeks to two. In addition, where the person was not living at home because domestic violence, incestuous harassment or other such exceptional circumstances made it unreasonable to do so, no waiting period applied. Young Homeless Allowance ceased to be a payment in its own right from this time (refer to Record 54 of 1989).

51

WORK TEST EXEMPTIONS FOR UNEMPLOYMENT PAYMENTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 57</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1990 (and applied to training courses or voluntary work commenced on or after that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Unemployment Benefit; Job Search Allowance</td>
</tr>
</tbody>
</table>

Persons aged 55 years and over undertaking full-time training courses or voluntary work, and persons aged under 18 years engaged in similar activities who had been receiving a specified payment for a continuous period of at least three months, were exempted from the Unemployment Benefit and Job Search Allowance work tests respectively.

This involved an extension of the existing work test exemptions for Unemployment Benefit (refer to Record 40 of 1988). The maximum length of training courses and voluntary work permitted, the specified payments and other details were as in the earlier record.
People aged 55 years and over who had been in receipt of a benefit, or payment as a full-time trainee under a specified labour force program for a continuous period of at least 12 months, could be exempted from the Unemployment Benefit work test for up to 130 days in a calendar year while undertaking full-time approved training or voluntary work regarded as vocationally useful. The maximum length of any one period of voluntary work could not exceed 65 days. The Secretary had the discretion not to apply this provision after having regard to the possible employment opportunities available to a person.

People aged 55 years and over who had been receiving a benefit, Sole Parent’s Pension or payment as a trainee under a specified labour force program for at least 12 months were exempted from the Unemployment Benefit work test for any period during which they were employed and receiving earnings equivalent to at least 35 per cent of the average weekly ordinary time earnings of full-time adult males as published in the official statistical series.
NEW BENEFIT RATE FOR INDEPENDENT AND HOMELESS PERSONS

Location in Act  Section 56 (definition of ‘independent young person’); section 59 (rate change); section 60 (indexation); section 62 (ancillary changes)

Date of commencement  1 January 1990 (rate change); 31 December 1990 (indexation)

Date of application  1 January 1990 (rate change); 1 January 1991 (indexation)

Payments affected  Job Search Allowance; Sickness Benefit; Special Benefit (in effect); Young Homeless Allowance

A new rate of benefit of $95.10 a week (equivalent to the Austudy independent rate for 16 and 17 year-olds) was introduced for single persons without dependants on Job Search Allowance or, if aged under 18 years, on Sickness Benefit, who were regarded as independent young persons or homeless persons.

An ‘independent young person’ was defined as a person who did not live, and for a continuous period of at least six months had not lived, at home, had at any time while living away from home been in full-time employment for a period or periods totalling at least 13 weeks, and was not receiving regular financial support from a parent.

The ‘homeless’ rate was effectively the Young Homeless Allowance but was now a full rate of benefit and not (as previously) an addition to the basic rate of allowance. Accordingly, Young Homeless Allowance ceased to be a payment in its own right. The new homeless rate amounted to an increase of $7.50 on the previous rate applicable to homeless people. [Refer also to Record 50 of 1989.]

The rate was subject to automatic indexation on 1 January each year in accordance with movements in the Consumer Price Index between the two preceding June quarters. The first adjustment took effect from 1 January 1991.

HIGHER RATE OF UNEMPLOYMENT BENEFIT FOR OLDER SINGLE PERSONS

Location in Act  Section 59

Date of commencement  1 June 1990

Date of application  1 June 1990

Payments affected  Unemployment Benefit

The maximum rate of Unemployment Benefit payable to single persons aged 60 years and over who had been in receipt of a benefit continuously for at least six months was increased to the single pension rate. In June 1990, when the change took effect, the weekly rate became $141.20, an increase of $11.20.
RESTRICTION ON PAYMENT OF MOTHER’S/GUARDIAN’S ALLOWANCE

Location in Act: Section 59
Date of commencement: 1 January 1990
Date of application: 1 January 1990
Payments affected: Mother’s/Guardian’s Allowance

Mother’s/Guardian’s Allowance was no longer paid to sole parents in receipt of a benefit whose only child/children were aged 18 years and over and receiving Austudy or a related payment. The change did not apply where the child or children were attracting Child Disability Allowance. A savings clause preserved the entitlements of those already receiving the allowance.

HIGHER RATE OF PAYMENT TO CERTAIN SOLE PARENT BENEFICIARIES

Location in Act: Section 59
Date of commencement: 1 January 1990
Date of application: 1 January 1990
Payments affected: Unemployment Benefit; Sickness Benefit; Special Benefit (in effect)

Sole parent benefit recipients whose youngest child was aged 16 or 17 years and receiving a benefit became eligible for the higher ‘with dependants’ rate of benefit plus Mother’s/Guardian’s Allowance. [This brought the treatment of such children into line with that for equivalent children in receipt of Austudy.]

INDEXATION OF MINIMUM BENEFIT RATE FOR YOUNG PEOPLE

Location in Act: Section 60
Date of commencement: 31 December 1989
Date of application: 1 January 1990
Payments affected: Job Search Allowance; Sickness Benefit; Special Benefit (in effect)

The minimum rate of Job Search Allowance and Sickness Benefit (for details, refer to Record 56 of 1987) became subject to automatic indexation on 1 January each year in accordance with movements in the Consumer Price Index between the two preceding June quarters. The first adjustment took place from 1 January 1990.
59

**INCREASED RATES OF UNEMPLOYMENT AND SICKNESS BENEFIT**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 60</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>19 December 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>18 April 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Unemployment Benefit; Sickness Benefit; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

Ad hoc increases in maximum basic rates of Unemployment and Sickness Benefit were made in addition to automatic indexation increases:

- the rate for each partner of a couple was increased by $1.65 to $117.70 a week; and
- the rate for single people with dependants was increased by $2 to $141.20 a week.

60

**RENT ASSISTANCE WAITING PERIOD ABOLISHED FOR OLDER BENEFICIARIES**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 61</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 June 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 June 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance</td>
</tr>
</tbody>
</table>

The 26-week Rent Assistance waiting period was abolished for beneficiaries aged 60 years and over without dependent children.

61

**EASING OF BENEFIT INCOME TEST FOR COUPLES**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 63</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 September 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 September 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

The benefit income test was eased for couples by increasing the permissible income limit (free area) by up to $30 a fortnight to a maximum of $60 a fortnight for each partner provided that the additional $30 income was derived from personal exertion. The limit for the couple (previously $60) could not exceed $90.
The treatment of income received from board and/or lodging in the benefit income test was altered. Previously, this income had not been assessed but the Secretary had the discretion to limit the amount of any exemption. The new provision exempted all such income but only if it was received from a parent, child or sibling. [The provision was now consistent with that for pensioners.]

A person claiming Job Search Allowance was exempted from the seven-day waiting period where he/she had been receiving the allowance at some time in the previous 13 weeks and immediately before that had been receiving a benefit, or payment as a full-time trainee under a specified labour force program, for a continuous period of at least nine months. The concession was not available to people who were subject to a period of non-payment for any reason (or would have been if the claim had been made earlier).
EXTENSION OF ELIGIBILITY FOR EMPLOYMENT ENTRY PAYMENT

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 75</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Employment Entry Payment; Job Search Allowance</td>
</tr>
</tbody>
</table>

A person aged under 18 years who had been receiving Job Search Allowance, and who lost entitlement to the allowance on commencing employment which the Secretary considered was likely to continue for more than four weeks, became entitled to a lump-sum Employment Entry Payment of $50 provided that he/she had been receiving a benefit, or a payment as a full-time trainee under a specified labour force program, for at least nine months.

The payment was also extended to a member of a couple who commenced employment and:

- immediately before commencing it, the person’s partner had been receiving Job Search Allowance and either the allowance was being paid at the married rate or the person was receiving a Sickness Benefit or Special Benefit;
- the income earned from the employment resulted in the partner losing his/her allowance entitlement; and
- the partner had been receiving a benefit or trainee allowance (as above) for at least nine months.

Other conditions were as for Employment Entry Payment when paid to unemployment beneficiaries (refer to Record 50 of 1988).
Endnotes

1 The savings provision as incorporated was too broadly based. An amendment to the present Act by section 27 of the Social Security and Veterans’ Affairs Legislation Amendment Act 1990 rectified this and took effect from 16 June 1990.

2 The omission of Special Benefit appears to have been an oversight. Special Benefit was included in the provision placed directly into the 1991 Act (refer to Record 39 of 1991).

3 Endnote 1 also applies here.

4 The amendment also contained a requirement that the child be living at home. However, this had been unintentional and the provision was removed by section 10 of the Social Security and Veterans’ Affairs Legislation Amendment Act 1990, backdated to 1 January 1990.
Legislation passed in 1990

An important change made in September 1990, but not included below, was to apply a 100 per cent (dollar for dollar) withdrawal rate to any non-benefit income received by a person claiming Special Benefit instead of, as previously, the general benefit income test. This change did not require a legislative amendment.

Social Security and Veterans’ Affairs Legislation Amendment Act 1990, No. 56

Date of Royal Assent: 16 June 1990

1

**RESTITUTION PAYMENTS FROM AUSTRIA EXEMPTED FROM INCOME TESTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>4 December 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>4 December 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits</td>
</tr>
</tbody>
</table>

Payments made by Austria as compensation to victims of National Socialist persecution (commonly known as restitution payments) were exempted from pension and benefit income tests.

2

**RESTRICTION ON PAYMENT OF CERTAIN ADDITIONS FOR CHILDREN**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 6 (pensions); section 10 (benefits)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 September 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 September 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Additional Pension for Children; Additional Benefit for Children; Mother’s/Guardian’s Allowance</td>
</tr>
</tbody>
</table>

Additional Pension for Children, Additional Benefit for Children and Mother’s/Guardian’s Allowance ceased to be payable to pensioners and beneficiaries with a child from a previous relationship where they were entitled to claim maintenance from another person but had not taken reasonable action to do so. [This effectively extended the provision applying to sole parent pensioners to all pensioners and beneficiaries.]
3

RESTRICTION ON PAYMENT OF CERTAIN PENSIONS OVERSEAS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1990 (applied to persons who left Australia on or after that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Wife’s Pension; Class B Widow’s Pension</td>
</tr>
</tbody>
</table>

A recipient of a Wife’s Pension or Class B Widow’s Pension lost eligibility for the pension where she remained outside Australia after having been continuously absent for more than 12 months. For persons outside the country on the date of application, the 12-month period commenced from that date. This portability restriction had general application to all countries. The Minister could specify by a notice in the Commonwealth Gazette that it did not apply to a particular country but any decision was a disallowable instrument. The provision did not apply to special needs wife or widow pensioners or where a Social Security Agreement with a particular country specified otherwise.

[Special needs pensions—Age, Invalid, Wife’s and Widow’s Pension—had been introduced in 1974. They were paid to certain persons living overseas who were suffering hardship, who had earlier lived for long periods in Australia but who had left before 8 May 1973—when general portability provisions were introduced—and who did not otherwise qualify for a pension. They are mentioned in the 1908–1982 Compendium but were not known as special needs pensions at that time.]

4

MORE GENEROUS BACKDATING OF FAMILY PAYMENTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 8 (Family Allowance Supplement); section 20 (Family Allowance)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance; Family Allowance Supplement</td>
</tr>
</tbody>
</table>

Payment of Family Allowance and Family Allowance Supplement in arrears was extended from four to 13 weeks from the date of claim for births involving three or more children.
5

PERSONS MOVING TO AREAS WITH REDUCED EMPLOYMENT PROSPECTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>16 June 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>16 June 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Unemployment Benefit; Job Search Allowance</td>
</tr>
</tbody>
</table>

The provision barring or postponing payment of Unemployment Benefit or Job Search Allowance where a person reduced his/her employment prospects by moving to a new place of residence was not applied where the Secretary was satisfied that the move was necessary for purposes of treating or alleviating a physical disease or illness suffered by the person or a member of his/her family. ‘Family member’ was as defined in Record 22 of 1989.

6

REMOVAL OF ANOMALY IN RELATION TO BENEFITS AND AUSTUDY

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 10 and 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 September 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 September 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

An amendment ensured that a couple, where one partner was receiving a benefit and the other Austudy, was paid the same amount as if both were on a benefit or both on Austudy. This was achieved by treating Austudy in the income test for a couple as if it were a pension or benefit.¹

[Previously, Austudy had been paid at the single rate and treated as income under the income test. This had led to an anomaly whereby a couple with one partner on a benefit and the other on Austudy had received a higher total payment than if both partners were receiving either a benefit or Austudy.]

7

HIGHER SINGLE BENEFIT RATE FOR ILLNESS AFFECTED COUPLES EXTENDED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 September 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 September 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

The higher 'single with dependants' rate payable to a member of a couple receiving a benefit where his/her partner was in receipt of a pension, benefit or specified veterans' payment and they incurred, or were likely to incur, greater living expenses because they had to live apart on an indefinite basis due to the illness or infirmity of one or both of them, was extended to beneficiaries with a partner receiving Austudy.
RESTRUCTURING OF BENEFIT RATES

Location in Act
Section 10 (rate changes); section 11 (indexation)

Date of commencement
20 September 1990

Date of application
20 September 1990

Payments affected
First and third changes: Unemployment Benefit; Sickness Benefit
Second change: Job Search Allowance; Sickness Benefit
Special Benefit (in effect) for all changes

Maximum basic benefit rates were restructured:

- a single person aged 18 to 20 years without dependent children on Unemployment Benefit or Sickness Benefit living at home with his/her parents was entitled to $69.20 a week, a reduction of $35.95 on the prevailing rate at the time of the legislation. [This brought the rate into line with the equivalent rate of Austudy—the higher rate for those living away from home was already equivalent to the Austudy rate.];

- a member of a couple aged 16 to 17 years without dependent children on Job Search Allowance or Sickness Benefit was entitled to $95.10 a week. This was $22.60 below the general married rate payable at the time of the legislation. [It was now the same as that payable to a single person aged 16 to 17 years without dependent children and who was homeless or independent.]; and

- a member of a couple aged 18 to 20 years without dependent children on Unemployment Benefit or Sickness Benefit was entitled to $105.15 a week. This was $12.55 below the general married rate payable at the time of the legislation. [It was now equivalent to the rate to apply to single 18 to 20 year-olds living away from home].

Following the change, members of a couple aged under 21 years each had to qualify for a benefit in his/her own right.

The new rates were to be increased on 1 January each year on the same basis as other rates subject to annual indexation on that date. The first increases applied from 1 January 1991.

A savings provision protected the existing entitlements of members of a couple receiving a benefit when the second and third changes came into effect.
PARENTAL ASSETS TEST IMPOSED ON YOUNG BENEFICIARIES

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 12 (main change); section 13 (indexation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 September 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 September 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Job Search Allowance; Sickness Benefit; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

Single persons without dependent children claiming or receiving Job Search Allowance and, if aged under 18 years, Sickness Benefit, became subject to a parental assets test. Assets included were as for the general pension and benefit assets tests.

Persons exempted from the parental assets test were the same as those exempted from the parental income test, namely ‘homeless persons’ (or persons who would be so classified except for the two-week waiting period); ‘independent young persons’; persons without parents or who had a parent receiving a pension, benefit or specified veterans’ payment; and persons living with a foster parent or parents.

Under the test, the maximum weekly payment ($57.60) was reduced to $26.90 (the same level to which the payment could be reduced under the parental income test) where the assessable assets of the parent or parents exceeded $322,750. Following the application of the parental assets and income tests, the remaining amount was subject to the income test on the income of the beneficiary.

The assets test threshold was automatically increased on 1 January each year based on movements in the Consumer Price Index between the previous two June quarters. The first increase took effect from 1 January 1991.

INCREASED FREE AREA FOR COUPLES IN BENEFIT INCOME TEST

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 September 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 September 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

The benefit income test applying to couples was liberalised by increasing the permissible income limits (free area). Each partner was allowed an additional amount of up to $30 of income a fortnight derived from personal exertion in addition to the general free area of $60 a fortnight. This provided a maximum combined limit of $120 a fortnight (previously, each partner had the $30 entitlement but the combined limit could not exceed $90). However, any income in excess of $30 received by one partner could not be credited to the other partner.
11

**GENERAL BENEFIT ASSETS TEST EXTENDED TO YOUNG BENEFICIARIES**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 September 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 September 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits</td>
</tr>
</tbody>
</table>

The general benefit assets test, previously applying only to persons aged 25 years and over, was extended to persons aged under 25 years claiming or receiving Unemployment Benefit, Sickness Benefit or Special Benefit, and for the first time, to Job Search Allowance claimants and recipients. The test did not apply to single persons aged under 18 years without dependent children who were not categorised as homeless or independent young persons (this group was subject to the parental assets test).

12

**DOUBLE RATE OF BENEFIT PAID FOR MAJOR DISASTERS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 15 (benefits except Special Benefit); section 18 (Special Benefit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>28 December 1989</td>
</tr>
<tr>
<td>Date of application</td>
<td>28 December 1989</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits</td>
</tr>
</tbody>
</table>

It was provided that a person who had lodged a claim for a benefit as a result of a major disaster would be eligible for a double payment of the relevant benefit (‘up to a double payment’ in the case of Special Benefit) in the first week. The Special Benefit provision allowed for the payment to be made where a person was not qualified to receive a mainstream benefit because of the application of a waiting period. ‘Major disaster’ was defined to include the Newcastle earthquake (which occurred on 28 December 1989) or an event declared as such by the Minister in a gazettal notice and which, whether naturally occurring or caused by humans, resulted in a significant number of deaths, serious illnesses or serious injuries, or significant damage to property.
### 13 PENALTIES FOR BREACHES RELATED TO UNEMPLOYMENT PAYMENTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 September 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 September 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Unemployment Benefit; Job Search Allowance</td>
</tr>
</tbody>
</table>

Periods of non-payment applying to people claiming or receiving Unemployment Benefit or Job Search Allowance for various breaches of requirements (such as not taking reasonable steps to obtain employment) were increased. The minimum non-payment period of two weeks for a first breach was retained but for subsequent offences within three years was increased to six weeks for each additional offence (previously the penalty period had been four weeks for the second breach plus two weeks for each additional one). The maximum non-payment period of 12 weeks was removed. Non-payment periods were also applied for the first time to persons failing to comply without good reason with notices requiring them to provide information.

### 14 EDUCATION LEAVER WAITING PERIOD EXTENDED TO SICKNESS BENEFIT

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 September 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 September 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Sickness Benefit</td>
</tr>
</tbody>
</table>

The education leaver waiting period applying to persons claiming Unemployment Benefit or Job Search Allowance who had ceased full-time education was extended to Sickness Benefit claimants. A person who became incapacitated while undertaking an education course was regarded as having become so on the last day of the course. This rule was also applied to the provision allowing a person five weeks following the date of incapacity to claim Sickness Benefit.

### 15 REQUIREMENT TO TAKE REASONABLE ACTION TO CLAIM COMPENSATION

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 November 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 November 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

A person who was, or could be, entitled to a compensation payment was required to take reasonable action to claim that entitlement before a pension could be paid or continue in payment.
SOCIAL SECURITY AGREEMENT WITH SPAIN

Location in Act  
Section 23 (as set out in Schedule to Act)

Date of commencement  
16 June 1990

Date of application  
Article 24 of the agreement stated that it would come into effect one month after an exchange of notes by all parties through the diplomatic channel notifying each other that all constitutional or legislative matters as were necessary to give effect to it had been finalised (this took place on 3 June 1991)

Payments affected  
General provision

The Social Security Agreement negotiated between Australia and Spain was inserted as a Schedule in the Act.

Social Welfare Legislation (Pharmaceutical Benefits) Amendment Act 1990, No. 84

Date of Royal Assent: 30 October 1990

INTRODUCTION OF PHARMACEUTICAL SUPPLEMENT/ALLOWANCE

Location in Act  
Entire Act. Section 15 contains main changes and sections 13 and 14 the provisions for the rate to be an addition to general indexation increases from 20 March 1991

Date of commencement  
1 November 1990 except for provision that rates be an addition to general indexation—this was to apply from 20 March 1991 but later was nullified

Date of application  
As for date of commencement

Payments affected  
Pharmaceutical Supplement; Pharmaceutical Allowance; pensions and benefits

A Pharmaceutical Supplement was introduced as an addition to pensions and certain benefits. The new non-taxable payment was one component of a major restructure of the Pharmaceutical Benefits Scheme. As regards social security payments, certain changes to the National Health Act were relevant as well as those to the Social Security Act.

The term ‘Pharmaceutical Supplement’ was the only one used in the initial legislation. The term ‘Pharmaceutical Allowance’ was introduced in 1991 legislation (refer to Record 26 of 1991) and, while the change was backdated to the date of the supplement’s introduction, effectively Pharmaceutical Supplement became known as Pharmaceutical Allowance from 20 March 1991.
The new arrangements under the National Health Act broadly speaking required general patients to pay a maximum of $15 per prescription item for pharmaceuticals covered by the Pharmaceutical Benefits Scheme, subject to a ceiling (‘safety net’) of $300 a calendar year. Once the ceiling had been reached, the payment was reduced to $2.50 a script up to a maximum of a further $50. For persons entitled to a concession (which included most pensioners and certain beneficiaries), an absolute ceiling of $150 for the first 14-month period (November 1990 to December 1991) and then of $130 a calendar year applied, following which all prescription items were free. All charges and safety nets were adjusted annually in line with movements in the Consumer Price Index.

Pension and benefit recipients who had previously received free pharmaceuticals were required to pay only $2.50 per prescription. This group comprised:

- pensioners holding a Pensioner Health Benefits Card (entitling them to Fringe Benefits);
- holders of Health Benefits Cards (that is all sickness beneficiaries, and unemployment and special beneficiaries aged 60 years and over who had been in receipt of a specified payment for at least 12 months); and
- holders of Health Care Cards (these were recipients of Job Search Allowance, Unemployment Benefit and Special Benefit not entitled to a Health Benefits Card).

Pensioners entitled to Pensioner Health Benefit Cards, all sickness beneficiaries, and unemployment/special beneficiaries aged 60 years and over who had been in receipt of a specified payment for six months or more, had their payment increased by the Pharmaceutical Supplement of $2.50 a week ($1.25 for each partner of a couple). The supplement was built into the legislation as an automatic addition to new six-monthly indexed rates commencing from 20 March 1991. However, the provision was removed by 1991 legislation (refer to Record 13 of 1991), which specified that it was never to have applied. Automatic indexation of the allowance was introduced later (refer to Record 55 of 1991).

Pensioners whose non-pension income or assets exceeded the Pensioner Health Benefits Card limits continued as before to be eligible for a Pharmaceutical Benefits Concession Card entitling them to pharmaceuticals under the Pharmaceutical Benefits Scheme at a concessional rate of $2.50. They did not receive an addition to their pension for the period 1 November 1990 to 19 March 1991, but from 20 March 1991 the increase was to have been passed on as an automatic increase at indexation on the same basis as for other recipients. With the later decision not to index the Pharmaceutical Supplement (now Pharmaceutical Allowance) from March 1991, they received the supplement from that date on the same basis as other pensioners.

The additional $2.50 a week ($130 a year) in Pharmaceutical Supplement, along with the operation of the safety net, at minimum fully compensated eligible recipients for the new $2.50 charge for a script, while those who used less than 52 prescriptions a year made a net financial gain.

To cover pensioners in hardship, complex and detailed provisions for advance payments to apply until 31 December 1991 were introduced. Broadly, they were targeted at people with liquid assets not exceeding $1000 and private income of no more than $10 a week. Typically, where the family used 14 or more scripts in a quarter, a person was entitled to an advance of up to $35 if single ($17.50 for each partner of a couple) subject to an upper limit.

In a later amendment backdated to the introduction of the payment (refer to Record 27 of 1991), it was provided that Pharmaceutical Supplement/Pharmaceutical Allowance was not payable during any period in which a person was not an Australian resident or was absent from Australia.
Social Security and Veterans’ Affairs Legislation Amendment Act (No. 2) 1990, No. 119

Date of Royal Assent: 28 December 1990

INTEREST RATE DEEMED ON LOANS BY PENSIONERS AND BENEFICIARIES

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>22 August 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>22 August 1990 (applied to loans entered into or acquired from that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits</td>
</tr>
</tbody>
</table>

For income test purposes, a minimum interest rate was deemed to have been received, and received no less than annually, on loans provided by pensioners and beneficiaries. The rate was set at 10 per cent but could be reduced by the Minister with any decision being a disallowable instrument. ‘Loans’ was broadly defined to include debentures, bonds or other securities. [This was a deprivation provision.]
## CHANGES TO DEPRIVATION PROVISIONS

| Location in Act | First and second changes: section 7  
|                 | Third change: section 8  
| Date of commencement | First and second changes: 1 March 1991  
|                   | Third change: 22 August 1990  
| Date of application | First and second changes: 1 March 1991  
|                  | Third change: 22 August 1990  
|                   | The provisions applied to disposals on or after the above dates. An amendment made by section 4 of the *Social Security Legislation Amendments Act 1991* clarified this in relation to the first change  
| Payments affected | Pensions and benefits. First and second changes also applied to Family Allowance Supplement  

Changes were made to the income and assets tests deprivation provisions applying to pension and benefit income tests and to all assets-tested payments:

- the annual limit applying to the disposal of assets without adequate financial return (gifting provision) before they were subject to the deprivation provisions was increased from $2000 (single persons) and $4000 (couples combined) to $10 000 for both single people and couples combined;

- for disposals above these limits, the asset was fully assessed for five years, after which it was disregarded (previously, the value for assessment purposes had been reduced at a flat rate of 10 per cent for 10 years and then disregarded). The 10 per cent rule continued to apply to persons who had disposed of their assets before the date of the change, but was now applied only for five years; and

- for purposes of pension and benefit income tests, income amounting to the higher of 10 per cent a year, or the amount calculated under the existing provision representing the actual rate of return from the asset before its disposal, was taken to have been received from the value of assets assessed under the deprivation provisions. The Minister could set a rate of less than 10 per cent with any notice being a disallowable instrument.
TREATMENT OF RIGHT TO ACCOMMODATION AND LIFE INTEREST IN A HOME

Location in Act
Section 5 (main provision); section 7 (exemption from deprivation provision)

Date of commencement
22 August 1990

Date of application
22 August 1990 and applied only to rights or interests acquired after that date

Payments affected
Pensions and benefits; Family Allowance Supplement. In practice, it would have applied mainly to age pensioners

Where a person had acquired for ‘valuable consideration’, or retained, a right to accommodation for life or a life interest in his/her home (for example, a person living in a granny flat), the right or interest was broadly treated for purposes of all assets-tested payments as if it was an entry contribution paid, or agreed to be paid, for the right to live in a retirement village. The value of the right or interest was taken to be the amount paid, or agreed to be paid, for it but the Secretary had the discretion to vary the assessment where there was a special reason for doing so. The right or interest was not subject to the assets test deprivation provisions but was not an exempt asset for purposes of the assets test.

[The value of the entry contribution determined whether a person was treated as a home owner or non-home owner under the assets test (refer to Record 55 of 1988). For persons who acquired such a right or interest before 22 August 1990 when the above treatment did not apply, the right or interest was exempt from assessment under the assets test but was subject to the deprivation provisions.]
Endnotes

1 Amendments, backdated to 20 September 1990, were made under section 45 of the Social Security Legislation Amendment Act 1990 (of 1991) to deal with omissions in this legislation.

2 Certain unintended consequences of the legislation were amended by section 12 of the Social Security Legislation Amendment Act 1991 and backdated to 20 September 1990.

3 In addition, a Health Care Card was extended to all recipients of Family Allowance Supplement (previously only recipients whose income was below certain limits qualified). This did not involve a change to the Social Security Act.

4 The definition of income for this provision was amended at section 5 of the Social Security Legislation Amendment Act 1991 and backdated to 22 August 1990.

5 Endnote 4 also applies here.
Legislation passed in 1991


Social Security Act 1991, No. 46
This Act established the Social Security Act 1991, so it does not have the word ‘Amendment’ in its name. It was a rewrite of the Social Security Act 1947 as it stood at the end of the Autumn Parliamentary Sittings in 1990. While, in principle, the rewrite was not intended to contain any policy changes, in practice some minor beneficial or neutral changes were incorporated. Details of these were obtained from departmental files and have been recorded under Act No. 46 below. The Act has been treated as an amendment Act for this purpose, although the location of the provisions in the Act has not been specified.

It should be noted that the wording of all provisions and many of the concepts used in the 1991 Act are substantially different from those in the 1947 Act. This has resulted in some discontinuity when describing changes made in the 1991 Act and comparing them with provisions in the 1947 Act.

Social Security (Rewrite) Transition Act 1991, No. 70
This Act, which received Royal Assent on 25 June 1991, was solely a transition Act and contained no policy changes. It provided for the repeal of the 1947 Act, the transition from the 1947 Act to the 1991 Act, the consolidation of applicable savings provisions and consequential amendments to be made to other Acts. Its overall aim was to ensure an uncomplicated transition with the general administration of social security payments continuing as normal. It commenced and applied from 1 July 1991, immediately after the Social Security Act 1991. No further reference has been made to this Act.

Social Security (Rewrite) Amendment Act 1991, No. 116
This Act, which received Royal Assent on 27 June 1991, made a number of amendments to the Social Security Act 1991 by incorporating most of the changes to the 1947 Act contained in the 1990 Budget and making minor technical amendments to ensure that the legislation correctly reflected prevailing policy. It contained no policy changes. It commenced and applied from 1 July 1991, immediately after the Social Security (Rewrite) Transition Act 1991 and the Social Security (Job Search and Newstart) Amendment Act 1991. No further reference has been made to this Act.
Other transitional acts

The Social Security (Job Search and Newstart) Amendment Act 1991, No. 68, the Social Security Legislation Amendment Act 1991, No. 69 and the Social Security Legislation Amendment Act (No. 2) 1991, No. 115, while transitional Acts, contained policy changes and have been dealt with under 1991 along with the other amending Acts for that year. Act No. 68 amended only the 1991 Act, while both the 1947 and 1991 Acts were amended by Acts Nos 69 and 115.

Act No. 68 (as well as dealing with the major restructure of payments to the unemployed) effected a number of consequential amendments which changed references already inserted into the Social Security Act 1991 from the previous to the new unemployment payments. It also incorporated a number of amendments to the Social Security Act 1947 to translate into the 1991 Act certain changes made during the 1990 Budget sittings. Act No. 115, in addition to policy changes, made certain amendments to the 1991 Act to bring it into line with the 1947 Act as in force on 30 June 1991.

Social Security Legislation Amendment Act 1990, No. 6 (of 1991)

Date of Royal Assent: 8 January 1991

1

EXEMPTIONS FROM PENSION AND BENEFIT INCOME TESTS EXTENDED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>8 January 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>8 January 1991 (in relation to payments that fell due on or after that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

A number of payments were exempted from pension and benefit income tests:

- a payment by a state or territory to assist a person in buying or building his/her own home;

- an insurance payment received to meet mortgage or other debts under a policy covering unemployment, illness or other contingency;

- a payment received by a trainee undergoing part-time training under an approved labour force program where he/she was also receiving a Class B Widow’s Pension, Widowed Person’s Allowance or specified veterans’ payment. [Payments to trainees receiving most other social security pensions were already exempt – refer to Record 29 of 1989.];

- payments received from serving, or being summoned to serve, on a jury, or allowances to cover travelling or other expenses when appearing as a non-expert witness in proceedings before a court, tribunal or commission; and

- a payment towards the cost of approved personal care support services.
2

REIMBURSEMENT OF PAYMENTS IN RESPECT OF AN ASSURANCE OF SUPPORT

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>8 January 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>8 January 1991 (in relation to payments that fell due on or after that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Unemployment Benefit; Job Search Allowance</td>
</tr>
</tbody>
</table>

The provision that a person providing an assurance of support in respect of a person entering Australia was required to reimburse the Australian Government for any Special Benefit paid to the person was extended to include reimbursement of Unemployment Benefit and Job Search Allowance.

[Under an assurance of support, an assuror undertook to support a person as a condition for that person to be allowed to come to Australia as a migrant. The arrangement was governed by the Migration regulations and provided that the assuror may have to reimburse an amount equal to any Commonwealth, state or institutional support (including certain social security payments) received by the migrant.]

3

EXTENSION OF FAMILY ALLOWANCE ELIGIBILITY

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1991 (in relation to payments that fell due on or after that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance</td>
</tr>
</tbody>
</table>

Family Allowance became payable in respect of dependent full-time student children aged 16 to 24 years receiving assistance under the Assistance for Isolated Children Scheme.
4

**TREATMENT OF BUSINESS INCOME IN PENSION AND BENEFIT INCOME TESTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 6 plus minor amendment to the definition of income at section 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>8 January 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>8 January 1991 (in relation to payments that fell due on or after that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

Rules were inserted to clarify the business expenses which were to be taken into account when assessing income (other than investment income) under pension and benefit income tests. They specified that:

- where the value of all trading stock on hand at the end of the year exceeded that on hand at the beginning, the excess was to be added to the person’s income for that year by way of profits;
- where the value at the beginning of the year exceeded that at the end, his/her income was to be reduced by the excess; and
- income taken into account was to be gross income, and could be reduced only by losses and outgoings that were allowable deductions for purposes of section 51, depreciation that was an allowable deduction for purposes of section 54(1), and amounts that were allowable deductions under subsection 82AAC(1), of the Income Tax Assessment Act.

These rules were amended retrospectively by section 5 of the *Social Security Legislation Amendment Act 1991* (refer to Record 44 of 1991) and thus never took effect in this form.

5

**TREATMENT OF INSURANCE AND COMPENSATION PAYMENTS IN ASSETS TESTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>22 August 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>22 August 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Family Allowance Supplement</td>
</tr>
</tbody>
</table>

For purposes of all social security assets tests, insurance or compensation payments made in respect of loss of, or damage to, plant or personal effects were disregarded for a period of 12 months or such longer period as the Secretary for a special reason allowed.
ASSETS TEST TREATMENT OF PERSONS IN NURSING HOMES

Location in Act: Section 7
Date of commencement: 8 January 1991
Date of application: 8 January 1991 (in relation to payments that fell due on or after that date)
Payments affected: Pensions and benefits; Family Allowance Supplement

For assets-tested social security payments, the family home of a member of a couple continued to be treated as such (and therefore not assessed as an asset) during any period in which a person was in a nursing home and the person's partner remained in the family home; or, in the event of the partner's death, for two years after his/her death while living in the family home or two years after his/her entry to a nursing home. [This was an addition to the existing concession allowing a period of two years after the person entered a nursing home before the home became assessable.]

INTRODUCTION OF DEEMING PROVISION

Location in Act: Section 9
Date of commencement: 1 March 1991
Date of application: 1 March 1991
Payments affected: Pensions and benefits; Special Benefit (in effect)

The pension and benefit income tests were altered with the introduction of the ‘deeming’ rule. Under the rule, any cash or deposit(s) in financial institutions totalling in excess of $2000 for a single person and for each partner of a couple were deemed to be earning an interest rate of no less than 10 per cent. For the first $2000, the actual interest rate (including a zero rate if applicable) was assessed. The actual interest rate was also applied in respect of deposits over $2000 if it exceeded 10 per cent. Interest paid less than annually on deposits was assessed as if it was received annually.

The Minister could determine a deeming rate of less than 10 per cent with any such notice being a disallowable instrument. He/she could also determine that the deeming provision did not apply to a particular individual or class of people, in which case the actual interest rate was used.

A savings provision ensured that persons holding a Pensioner Health Benefits Card (providing access to Fringe Benefits), or a Health Benefits Card or Health Care Card, at the date of the change would not lose it due to the new provision.
DEPRIVATION PROVISIONS TIGHTENED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>22 August 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>22 August 1990 (for assets, in relation to disposals taking place on or after that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Family Allowance Supplement in relation to assets test</td>
</tr>
</tbody>
</table>

The income and assets tests deprivation provisions were tightened by defining disposal (certain types of which are regarded as deprivation) as conduct that: in the case of income, directly or indirectly destroyed or disposed of the source of, or disposed of or diminished, it; and, in the case of assets, directly or indirectly destroyed, disposed of, or diminished all or part of their value. [Previously, the definition referred only to, directly or indirectly in each case, diminishing the rate of income or the value of an asset.]

PENSIONER EARNINGS CREDIT MODIFIED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 October 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 October 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions except Carer's Pension</td>
</tr>
</tbody>
</table>

The pensioner earnings credit was modified by altering the accrual period for credits from weekly to fortnightly and allowing couples to share their combined credits. The change for couples was achieved by combining the credits of the partners and defining the entitlement of one partner as half the entitlement of the other, allowing any credit accumulated by one partner to belong equally to the other and regarding any earnings of one as split equally between the partners.
INCOME TEST TREATMENT OF INVESTMENT INCOME ALTERED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 14, 15, 16, 17, 18 and 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>8 January 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>8 January 1991 (in relation to payments that fell due on or after that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

Changes were made to provisions dealing with the treatment of ‘accruing return investments’ and ‘market-linked investments’ under pension and benefit income tests. The changes sought broadly to ensure that the provisions applied only where an investment was realised or acquired.

‘Realisation’ was defined as covering only situations where all or part of the investment was withdrawn, all or part of the return on the investment was paid to another person, the investment matured, the investment was assigned to another person or was disposed of in some other way.

[The provisions were designed as anti-avoidance measures. In the case of realisation, it was to prevent people from giving investments away rather than cashing them in. As regards acquisition, it was to stop people avoiding the income test on the basis that they had not ‘made’ an investment but that it had been ‘assigned’ to them. For an explanation of the terms used, refer to Records 36 of 1987 and 52 of 1988.]

ELIGIBILITY FOR REMOTE AREA ALLOWANCE EXTENDED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Remote Area Allowance</td>
</tr>
</tbody>
</table>

Eligibility for Remote Area Allowance was extended to pensioners and beneficiaries living in Income Tax Zone B, and in certain areas near the Zone B boundaries where the Commissioner for Taxation had exercised his/her discretion to regard them as in Zone B for purposes of a tax rebate.
**CONDITIONS OF PAYMENT OF MOTHER’S/GUARDIAN’S ALLOWANCE EASED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 September 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 September 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Mother’s/Guardian’s Allowance</td>
</tr>
</tbody>
</table>

Sole parents in receipt of a pension or benefit no longer had to comply with the ‘requirement to seek maintenance’ provision in order to be eligible for Mother’s/Guardian’s Allowance.

**PHARMACEUTICAL ALLOWANCE NOT TO BE INDEXED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 March 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 March 1991 (the provision was taken to have never applied)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pharmaceutical Allowance</td>
</tr>
</tbody>
</table>

The provision specifying that Pharmaceutical Allowance be an addition to the new indexed pension rate each March and November was removed.

**CONCESSION FOR CHILDREN IN PENSION INCOME TEST EXTENDED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>8 January 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>8 January 1991 (in relation to payments that fell due on or after that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

The reduction in assessable income allowed under the pension income test in respect of each dependent child was no longer affected by a payment under the Abstudy Scheme, the Aboriginal Overseas Study Scheme or any similar scheme prescribed by regulation. [This brought these payments into line with the treatment of payments under Austudy and the Assistance for Isolated Children Scheme.]
15

**RENT ASSISTANCE RENT THRESHOLD INCREASED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 25 (pensions other than Sole Parent Pension); section 28 (Sole Parent Pension); section 32 (Family Allowance Supplement); section 47 (benefits)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commence</td>
<td>20 March 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 March 1991 (in relation to payments that fell due on or after that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance</td>
</tr>
</tbody>
</table>

The minimum level of rent above which eligibility for Rent Assistance became payable (the rent threshold) was increased from $20 to $25 a week.

16

**ELIGIBILITY FOR CARER’S PENSION EXTENDED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 26</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commence</td>
<td>1 January 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Carer’s Pension</td>
</tr>
</tbody>
</table>

The eligibility conditions for Carer’s Pension were extended:

- it became payable to a carer who did not live in the same home as the person being cared for but in an adjacent home; and

- the person receiving care could be a recipient of any pension or benefit or of a specified veterans’ payment. [Previously the pension was confined to carers of age and invalid pensioners and recipients of Rehabilitation Allowance.]
17

FAMILY ALLOWANCE COVERAGE AND RESIDENCY TEST ALTERED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 36</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 August 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 August 1990 (in relation to payments that fell due on or after that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance</td>
</tr>
</tbody>
</table>

Eligibility for Family Allowance was extended to holders of People’s Republic of China or refugee temporary entry permits.

In conjunction with this change, the Family Allowance residency test was altered. The new test specified that, to qualify for an allowance in respect of a child, a person or child had to be an Australian inhabitant or a dependent child of an Australian inhabitant who was living with the Australian inhabitant. The term ‘inhabitant’ replaced the previous term ‘resident’ in the Act and was defined as ‘an Australian resident’ or one of the two categories covered by temporary entry permits.

18

CHANGE TO CONDITIONS OF PAYMENT OF FAMILY ALLOWANCE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 37</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>8 January 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>8 January 1991 (applied to payments that fell due on or after that date, but was not to affect any payment made before that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance</td>
</tr>
</tbody>
</table>

Family Allowance conditions were modified to:

- prevent a person claiming an allowance in respect of a child if the person and/or child was absent from Australia for a continuous period of more than three years and the child was born overseas. [This removed an anomaly whereby the ‘three-year absence rule’ had applied only where the person was in receipt of an allowance before his/her departure from Australia.]; and

- provide that where a child was born outside Australia, payments would be made for three years from when the parent left Australia.
### FAMILY ALLOWANCE RULES REGARDING FULL-TIME STUDENTS MODIFIED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 38</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>8 January 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>8 January 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance</td>
</tr>
</tbody>
</table>

The exemptions from the provision precluding payment of Family Allowance to a person in respect of a full-time student child aged 18 years or over were modified:

- it was no longer necessary for a person in receipt of a prescribed education payment to be receiving that payment at a rate which was increased by reference to a child; and
- the exemption for a person not in receipt of a Family Allowance Supplement whose income was such that he/she would qualify for the supplement under the income test was extended to require that he/she would also qualify for the supplement under the assets test.

### MODIFICATION TO FAMILY ALLOWANCE INCOME TEST

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 39</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1991 (in relation to payments that fell due on or after that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance</td>
</tr>
</tbody>
</table>

The Family Allowance income test was modified:

- the 25 per cent taper applying on income above the income threshold in the income test was abolished. This resulted in a ‘sudden death’ loss of eligibility once the threshold was exceeded; and
- the exemptions from the income test were simplified—they now included only persons receiving Double Orphan’s Pension, Child Disability Allowance or a pension, benefit or specified veterans’ payment which included an amount in respect of the relevant child.
FAMILY ALLOWANCE CAN BE APPLIED TO CHILD’S EDUCATION

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 42</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance</td>
</tr>
</tbody>
</table>

The provision requiring that Family Allowance should be applied to the maintenance, training and advancement of the child was amended to include application to the child’s education.

LIQUID ASSETS TEST IMPOSED ON BENEFITS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 43 (Unemployment Benefit and Job Search Allowance); section 44 (Sickness Benefit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 February 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 February 1991 (in relation to claims lodged on or after that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

A liquid assets test was imposed on benefits. Under the test, applicants who had liquid assets of more than $5000 in the case of a single person without dependent children and $10 000 in other cases (including the combined assets of a couple) had to serve a four-week waiting period before becoming entitled to a benefit.

The waiting period was in addition to other waiting periods except for those related to unused annual leave and education leaver deferment with which it ran concurrently. However, it did not apply to persons transferring from certain other payments, or where a spouse had a prior entitlement to certain payments under the various provisions exempting such persons from the normal seven-day waiting period. The Secretary also had discretion to waive the waiting period where its enforcement was judged to cause undue long-term disadvantage or significant hardship.

Liquid assets were defined as cash and readily realisable assets and included: shares and debentures in a public company; amounts deposited with, or lent to, a bank or other financial institution whether or not it could be withdrawn or repaid immediately; and money owed and able to be paid by a former employer. Qualifying eligible termination payments under taxation legislation were specifically excluded.

As a deprivation measure, transfers of liquid assets by a person or his/her spouse to their child/children for no, or inadequate, return, or where the Secretary was satisfied that the purpose, or dominant purpose, of the transfer was to gain entitlement to a benefit, were taken into account in the liquid assets test if they took place during the four weeks immediately before the benefit claim.
23

DISCRETION TO WAIVE UNEMPLOYMENT PAYMENTS WAITING PERIOD

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 49</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 February 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 February 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Unemployment Benefit; Job Search Allowance</td>
</tr>
</tbody>
</table>

The Secretary was given the discretion to waive the one-week waiting period applying to Unemployment Benefit and Job Search Allowance where he/she was satisfied that the claimant would otherwise suffer severe financial hardship. A person serving a period of non-payment for failure to comply with the work test was specifically excluded from the application of this provision. [In general terms, following this change Unemployment Benefit was paid instead of Special Benefit in these circumstances.]

24

AMENDMENT TO SPECIAL BENEFIT RESIDENCY TEST

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 53</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 August 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 August 1990 (in relation to payments that fell due on or after that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Special Benefit</td>
</tr>
</tbody>
</table>

The residency test for Special Benefit was amended to allow certain additional categories of person to qualify. These were:

- New Zealand citizens exempted from requiring an entry permit;
- persons granted refugee status, or applicants for refugee status who had been officially advised that they had a substantial claim; and
- holders of a People’s Republic of China (temporary) entry permit, or applicants for a permit who had been officially advised that they were eligible for one.

25

BENEFITS NOT PAYABLE TO PERSON IN FULL-TIME VOCATIONAL TRAINING

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 55</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>8 January 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>8 January 1991 (in relation to payments in respect of periods all or part of which occurred on or after that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits</td>
</tr>
</tbody>
</table>

The provision precluding payment of a benefit to a person who was receiving a prescribed education payment or was a full-time student was amended to clarify that in the latter case a full-time course could be a vocational training course.
The term ‘Pharmaceutical Allowance’ was used for the first time in the legislation along with ‘Pharmaceutical Supplement’. While the change was backdated to 1 November 1990 (when the supplement was introduced), effectively Pharmaceutical Supplement became Pharmaceutical Allowance from 20 March 1991.

Pharmaceutical Supplement/Pharmaceutical Allowance was not payable during any period in which a person was not an Australian resident or was absent from Australia.
A Disaster Relief Payment was introduced and replaced the previous arrangement for a double benefit payment in the event of a major disaster. It was available where a major disaster resulted in severe damage to a person’s principal residence or in a significant reduction to a person’s source of livelihood. To be eligible, a person had to be a resident of Australia and not be an illegal immigrant at the time of the disaster.

Under the new arrangements, a person was entitled to a payment for two weeks equivalent to the maximum rate of pension plus any Additional Pension for Children, Additional Benefit for Children and Mother’s/Guardian’s Allowance if he/she had qualifying children. In addition, a payment equivalent to the maximum rate of Rent Assistance was made irrespective of whether the normal eligibility criteria for it had been met. The payment was not subject to an income or assets test.

The Disaster Relief Payment was paid to those already receiving a pension or benefit as an addition to that payment. People not already on a pension or benefit received it as a one-off payment but could apply for a pension or benefit within two weeks of the disaster (or longer period at the discretion of the Secretary) and, if found eligible, the pension or benefit was backdated to the date on which they were affected by the disaster.

A ‘major disaster’ was defined as an event declared by the Minister by gazettal notice to be such. The definition (which differed little from that applying in the earlier double payment provision) was a disaster that, whether naturally occurring or otherwise, caused a significant number of deaths, serious illnesses or serious injuries and severe and widespread damage to property. The Minister was permitted to delegate to the Secretary his/her powers to declare an event a major disaster.
EMPLOYMENT ENTRY PAYMENT EXTENDED TO SOLE PARENT PENSIONERS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 75</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Employment Entry Payment; Sole Parent’s Pension</td>
</tr>
</tbody>
</table>

Sole parent pensioners became eligible for a lump-sum Employment Entry Payment of $100 if they commenced, or had an increase in earnings from, employment. To qualify, a person had to be earning more than the maximum amount per week that a single person with one child aged under 13 years could earn from employment without ceasing to qualify for Unemployment Benefit ($228 initially), and the Secretary had to be satisfied that he/she was likely to continue to receive such an amount for at least four weeks. Persons who lost entitlement to the pension due to the new employment or increased earnings were also eligible for an Employment Entry Payment. It was not payable where the person had received the payment, or the similar payment available to recipients of Unemployment Benefit and Job Search Allowance, within the previous year.²

SOCIAL SECURITY AGREEMENT WITH UNITED KINGDOM

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 82 (as set out in Schedule 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>8 January 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>It was stated in the agreement that it was to come into force on a date to be specified in notes exchanged by the parties through the diplomatic channel notifying each other that all matters as are necessary to give effect to the agreement had been finalised. It came into effect on 29 June 1992. Regarding delay in ratification (refer to Record 93 of 1991)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>General provision</td>
</tr>
</tbody>
</table>

A revised Social Security Agreement between Australia and the United Kingdom was inserted as a Schedule to the Act.³
**SOCIAL SECURITY AGREEMENT WITH MALTA**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 83 (as set out in Schedule 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>8 January 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>It was stated in the agreement that it would come into force one month after an exchange of notes by the parties through the diplomatic channel notifying each other that all constitutional or legislative matters as were necessary to give effect to the Agreement had been finalised. The agreement came into effect from 1 July 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>General provision</td>
</tr>
</tbody>
</table>

A new Social Security Agreement between Australia and Malta was inserted as a Schedule to the Act.\(^4\)

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**Social Security Act 1991, No. 46**

Date of Royal Assent: 23 April 1991

**TERM ‘GUARDIAN ALLOWANCE’ USED FOR FIRST TIME**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Guardian Allowance</td>
</tr>
</tbody>
</table>

The term ‘Guardian Allowance’ was used for the first time for the payment widely known (but never so named in the Act) as Mother’s/Guardian’s Allowance.

**CHANGE TO CHILD CONCESSION IN PENSION INCOME TEST**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

The concession in the pension income test for children was altered by ceasing to deduct $12 ($6 for each partner of a couple) a week from the pensioner’s assessable income for each eligible child and replacing it with an equivalent increase in the pension permissible income limits (free area).
35

MAINTENANCE INCOME TEST ON BENEFITS EASED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

The maintenance income test for beneficiary couples was eased by aligning it with that for pensioner couples. This involved using the combined maintenance income of the beneficiary and his/her partner in the assessment only where the partner was not receiving a benefit and the beneficiary was attracting the higher married rate of payment, and doubling the fortnightly permissible income limits (free area) from $30 to $60 where both partners had maintenance income.

36

BACKDATING OF SICKNESS BENEFIT CLAIMS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Sickness Benefit</td>
</tr>
</tbody>
</table>

Where a person made a claim for Sickness Benefit more than five weeks after he/she became incapacitated for work, the Secretary was given the discretion to backdate the claim up to four weeks where he/she was satisfied that the incapacity was the sole or dominant reason for the late application.

37

CHANGE TO CLAIMING REQUIREMENTS FOR SICKNESS BENEFIT

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Sickness Benefit</td>
</tr>
</tbody>
</table>

The Secretary's power to defer a payment of Sickness Benefit until a claimant had been examined by a medical practitioner was absorbed by a provision which, among other things, provided that the benefit was not payable where a person receiving or claiming payment had not taken reasonable steps to comply with a requirement that he/she undergo a medical or psychological examination.
38

RULE FOR SETTING RATE OF SPECIAL BENEFIT ALTERED

Location in Act Not applicable
Date of commencement 1 July 1991
Date of application 1 July 1991
Payments affected Special Benefit

The rule that the rate of Special Benefit was to be at the discretion of the Secretary but was not to exceed the rate that would have been payable if the person had been eligible for Unemployment Benefit or Sickness Benefit was changed to base it on the rate of Job Search Allowance or Newstart Allowance.

[Administrative practice had been to pay a person the maximum rate based on the rate of Job Search Allowance or Unemployment Benefit. These payments were replaced by a restructured Job Search Allowance, and Newstart Allowance, from 1 July 1991 (refer to Record 42 of 1991).]

39

BEREAVEMENT PAYMENTS FOR CHILDREN EXTENDED TO SPECIAL BENEFIT

Location in Act Not applicable
Date of commencement 1 July 1991
Date of application 1 July 1991
Payments affected Bereavement Payments; Special Benefit

Lump-sum Bereavement Payments on the death of a child were extended to recipients of Special Benefit. The amount was to be at the discretion of the Secretary but was not to exceed the amount a person would have received if he/she had been on Job Search Allowance or Newstart Allowance.

[The discretionary basis of the rate was the same as for the setting of the basic rate of Special Benefit. In practice, as with the basic rate, the maximum rate was paid—this was the equivalent of the total of all social security payments that would have been payable in respect of the child (if he/she had not died) during the 14 weeks following the date of the death.]
40

**COMPENSATION RECOVERY PROVISIONS ALTERED FOR CARER PENSION**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Carer Pension</td>
</tr>
</tbody>
</table>

The compensation recovery provisions were applied to Carer Pension only where the pension was claimed in respect of the compensation recipient, and not where the carer’s partner was the compensation recipient but was not the person to whom the carer was providing the care.

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**CONCESSION FOR FRINGE BENEFITS IN COMPENSATION RECOVERY PROVISIONS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Fringe Benefits (Concession Cards)</td>
</tr>
</tbody>
</table>

The compensation recovery provisions were amended to provide that where a person’s pension or benefit was reduced or ceased because of compensation payments, whether received in the form of a lump sum or a series of periodic payments, those payments were not to be assessed as income received by the person or his/her partner for purposes of the income test applying to pensioner Fringe Benefits (Concession Cards). This meant that it was possible for a person to lose his/her pension or benefit for a period but retain access to Fringe Benefits. [The change was intended to remove an anomaly whereby a compensation recipient could be worse off than if he/she was not receiving compensation.]
A major restructure of the unemployment payments system was implemented with the abolition of Job Search Allowance and Unemployment Benefit and their replacement with a quite different Job Search Allowance (although the name was retained) and Newstart Allowance.

**New payment structure**

Under the restructure:

- Job Search Allowance was payable to unemployed persons aged 16 or 17 years, and to persons aged 18 years and over who had been unemployed for no more than 12 months, provided that they satisfied an activity test; while

- Newstart Allowance was payable to persons aged 18 years and over unemployed for more than 12 months and who satisfied an activity test and complied with arrangements related to Newstart Activity Agreements.

After 12 months on Job Search Allowance, a person aged 18 years or over was not automatically transferred to Newstart Allowance but had to make a new claim. However, no waiting period applied to those eligible for transfer and who were willing to comply with the Newstart Allowance payment conditions.

As a result of the changes, the new Job Search Allowance covered persons aged under 18 years as previously but was greatly expanded to cover all the short-term unemployed, while Newstart Allowance covered a component of those formerly receiving Unemployment Benefit, namely the long-term unemployed. Overall, the new payments covered the same categories of people as their predecessors.

**Main features of the restructured payments**

The restructured payments differed from their predecessors in a number of ways:

- apart from those aged under 18 years, the factor determining the appropriate payment was the duration of the person’s period of unemployment;
activity tests were introduced. For both new payments the activity test embodied the previous work test requirement that a person be actively seeking and willing to undertake work but the new test placed a greater onus on recipients of the allowance to participate in work-related activities;

- applicants for or recipients of Newstart Allowance had to enter, or be willing to enter, into a Newstart Activity Agreement, which in effect involved a contractual obligation to participate in work-related activities to an even greater extent;

- in respect of both payments, new provisions where a period of non-payment applied were introduced—where a person failed to satisfy the requirements of the activity test and where he/she failed to meet a requirement to attend or contact an office of the Commonwealth Employment Service or Department, or comply with a request to provide information; and

- the training allowance (known as Formal Training Allowance), which had been paid by the Employment Department to a person undertaking an approved vocational training course, was incorporated as a supplement to the new unemployment payments.

The new training allowances were known as Job Search Training Supplement or Newstart Training Supplement in accordance with the allowance to which they were attached. The level of supplement was as determined by the Employment Secretary, up to a maximum of $175.80 a fortnight, having regard to the expenses of the person undertaking training, any living-away-from-home expenses or expenses in maintaining his/her residence while living away from home incurred due to the training, and whether the person was aged under or over 18 years of age.

With the introduction of the new Job Search Allowance, the onus was placed clearly on the job seeker to find work through active job search backed up by assistance to prevent long-term unemployment. The Newstart Allowance arrangements involved a comprehensive and more intensive process of contact, assistance and obligation on the part of the recipient in which increased opportunities for training and employment experience were provided in return for sustained job-search activity. The Commonwealth Employment Service was given an enhanced role in the new arrangements. Instead of advising the Department, as previously, as to whether a claimant complied with the work test and leaving the final decision on eligibility for the relevant payment to the Department, the service now made the final decision. At the same time, labour market programs were restructured to link them more effectively with the new payment structure and the service received increased resources to facilitate ongoing reviews of the needs and work-related activities of allowance recipients.

**Activity tests**

Apart from the existing work test, the activity test for both allowances was satisfied where a person took reasonable steps to comply with a requirement by the Secretary that he/she:

- undertake suitable paid work;

- undertake an approved course of vocational training, or participate in a labour market program or other course considered likely to improve his/her prospects of obtaining, or assist the person in seeking, suitable paid work; or
participate in an activity suggested by the person and approved by the Commonwealth Employment Service where he/she was living in an area where there was no locally accessible labour market, vocational training course or labour market program.

In addition, in the case of Newstart Allowance, a person satisfied the activity test only if he/she took reasonable steps to comply with a Newstart Activity Agreement. A person could be exempted from an activity test (as previously with the work test) for various reasons—for example, if he/she was engaged in certain full-time voluntary work.

Newstart activity agreements

There was provision for the Secretary to the Department of Social Security to require that a claimant or recipient of Newstart Allowance should have a written agreement with the Commonwealth Employment Service in a form approved by the Employment Secretary. These agreements were known as Newstart Activity Agreements and the terms had to be approved by the Secretary to the Department of Social Security. Agreements could be reviewed from time to time at the request of either party, and varied or suspended.

Under an agreement, a person was required to undertake one or more of the following activities: job search; a vocational training course; training that would assist job search; paid work experience; measures designed to eliminate or reduce any disadvantage the person had in the labour market (but not so as to compel the person to work in return for receiving payment); participation in a labour market program conducted by the Commonwealth Employment Service; or an activity proposed by the person such as unpaid voluntary work.

In considering whether to approve the terms of an agreement, the Secretary was required to have regard to a person’s capacity to comply with the agreement and his/her needs. As regards his/her capacity, the Secretary had to take into account the person’s education, experience, skills, age and physical condition, the state of the labour market in the locality where the person resided, available training opportunities and any other factors that he/she considered relevant.

Features of Unemployment Benefit and the former Job Search Allowance retained

Many features of the new payments were the same as those they superseded. These included: residency conditions; requirements that a claimant/recipient be in Australia, that Newstart Allowance recipients be under Age Pension age and that a claimant/recipient be registered as unemployed with the Commonwealth Employment Service; rates of payment varying with age, marital status and number of dependent children; special rates for homeless and independent young persons; income and assets tests, including the parental income and assets test applying to persons aged under 18 years; waiting periods; access to Employment Entry Payments and Bereavement Payments; and general administrative provisions.
Social Security Legislation Amendment Act 1991, No. 69

Date of Royal Assent: 25 June 1991

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HARSHER TREATMENT OF OVERSEAS SUPERANNUATION IN INCOME TESTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 February 1990</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 February 1990</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits</td>
</tr>
</tbody>
</table>

The definition of superannuation pension was varied to exclude superannuation derived from overseas. The change was backdated to the date on which superannuation was first defined. [The purpose of the change was to restrict the concessions allowed in the Act when assessing income from superannuation pensions for income test purposes to superannuation pensions sourced in Australia.]

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TREATMENT OF BUSINESS INCOME IN PENSION AND BENEFIT INCOME TESTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Most changes commenced immediately after the commencement of section 6 of the Social Security Legislation Amendment Act 1990 (8 January 1991). Fifth change (in respect of cash deposits but not loans) commenced on 1 March 1991 to accommodate the deeming provisions introduced from that date</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

Amendments were made to the new provision inserted in previous legislation (refer to Record 4 of 1991) that clarified the business expenses to be taken into account in pension and benefit income tests. The effect of the amendments was that:

- income from all sources was taken into account (previously investment income had been excluded);
- only income derived from the relevant business was taken into account when making adjustments for rises or falls in the value of stock and assessing profits;
- gross income from the business could be reduced only by losses, outgoings or depreciation in relation to that business;
- the only deductions allowed in respect of income received as a rate of return on an investment were the reasonable costs associated with, or notionally assessed in relation to, the investment;
Legislation passed in 1991

- expenses incurred in making loans or in investing money were not allowed as deductions from gross income; and
- a year for purposes of assessing business income was to be the financial year for which income tax was levied, or any other accounting period adopted by the person in accordance with tax legislation.

The amendments were backdated to the date of the introduction of the original provisions so that in practice the former provisions never took effect.

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<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 4 (income test); section 6 (assets test)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>25 June 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>25 June 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Special Benefit (in effect) in relation to income test</td>
</tr>
</tbody>
</table>

Certain funeral investments and returns on them, irrespective of when they had been made, were exempted from pension and benefit income and assets tests. The exemption applied to investments which matured on the death of the investor or his/her partner (in the case of a couple, they could mature on the death of the person dying first or last) provided that the capital amount of the investment did not exceed $5000, the investment could not be realised and no return was payable before maturity, and that the amount payable on maturity was applied to the funeral of the person or his/her partner in respect of whom it had matured.

A couple could both invest $5000 and gain an exemption on each investment. Alternatively, they could invest only one amount of $5000 on which they would gain the exemption and then, when one partner died, the surviving partner could take out a further funeral investment on which he/she would be entitled to an exemption.

[The new exemption was not available in addition to the existing exemption for certain pre-paid funeral expenses under the assets test. Rather it extended the existing exemption, which assumed a contract had been made with a specific funeral director, to more general investments such as funeral bonds where no specific commitment had been made.]
CHANGED DATE FOR INDEXING ASSETS TEST LIMITS

| Location in Act | Section 7 (cessation of indexation on 13 June 1991) New new indexation date of 1 July 1991 dealt with in other legislation as noted |
| Date of commencement | 12 June 1991 (cessation of indexation on 13 June); 1 July 1991 (new date) |
| Date of application | 12 June 1991 (cessation of indexation on 13 June); 1 July 1991 (new date) |
| Payments affected | Pensions and benefits |

The date on which the limits in the pension and benefit assets tests (below which the tests did not apply) were to be subject to automatic indexation was changed from 13 June to 1 July each year. This brought the timing into line with the indexation of the permissible income limits (free area) in the income tests. The new indexation date was not enacted in the present amending Act but by section 17 of the Social Security Legislation Amendment Act (No. 2) 1991.

SCHOLARSHIPS AWARDED OUTSIDE AUSTRALIA EXCLUDED FROM INCOME TESTS

| Location in Act | Section 8 (in conjunction with section 4) |
| Date of commencement | 1 September 1990 |
| Date of application | 1 September 1990 (and applied to scholarships awarded after that date) |
| Payments affected | Pensions and benefits |

Approved scholarships, or classes of scholarships, awarded outside Australia, and not intended to be used wholly or partly to assist recipients to meet living expenses, were exempted from pension and benefit income tests. ‘Approved scholarships’ or ‘classes of scholarship’ were those declared as such by the Minister.

TREATMENT OF INVESTMENT INCOME IN INCOME TESTS ALTERED

| Location in Act | Section 9 |
| Date of commencement | 8 January 1991 |
| Date of application | 8 January 1991 |
| Payments affected | Pensions and benefits |

The treatment of accruing return and market-linked investments under pension and benefit income tests was varied broadly so as to apply them only when an investment was ‘fully realised’ and not merely, as previously, when it was ‘realised’. For definitions, refer to Record 10 of 1991. [The change was made to avoid more investments than necessary being assessed 12-monthly rather than on an ongoing basis.]
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AMENDMENT TO COMPENSATION RECOVERY PROVISIONS

Location in Act  Sections 14 and 15
Date of commencement  25 June 1991
Date of application  25 June 1991
Payments affected  Invalid Pension; Sheltered Employment Allowance; Rehabilitation Allowance; Wife Pension; Carer Pension; benefits

The compensation recovery provisions were amended to clarify that they applied even in cases where state or territory legislation purported to make compensation payments inalienable.

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CHANGES TO EMPLOYMENT ENTRY PAYMENT

Location in Act  Section 19
Date of commencement  25 June 1991
Date of application  25 June 1991
Payments affected  Employment Entry Payment

The conditions under which an Employment Entry Payment was granted to a sole parent pensioner were varied to enable it to be paid up to two weeks before he/she commenced employment and to provide that it was payable only if the pensioner made a claim no more than 28 days after commencing employment. [These changes aligned the conditions of payment with those for recipients of Unemployment Benefit and Job Search Allowance.]

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SOCIAL SECURITY AGREEMENT WITH CANADA

Location in Act  Section 21 (as set out in a Schedule)
Date of commencement  1 September 1989 (backdated to day when Agreement came into force)
Date of application  1 September 1989 (backdated to day when Agreement came into force)
Payments affected  General provision

A Protocol was inserted to amend the Social Security Agreement between Australia and Canada in order to accommodate changes in Australian legislation relating to widowed persons and sole parents made since the agreement came into force.
**Social Security Legislation Amendment Act (No. 2) 1991, No. 115**

Date of Royal Assent: 27 June 1991

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**ELIGIBILITY FOR SPECIAL BENEFIT EXTENDED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 4</th>
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</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>15 April 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>15 April 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Special Benefit</td>
</tr>
</tbody>
</table>

Special Benefit could be paid to people holding extended eligibility (spouse) entry permits under the Migration Act for which an application had been made on or after 15 April 1991. This was the day on which the relevant regulation under the Migration Act commenced.

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**CHANGE TO PARENTAL INCOME TEST ON YOUNG BENEFICIARIES**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 27 (Job Search Allowance); Sickness Benefit in other Act as specified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>For technical reasons it was specified that it had to pass immediately after Part 3 of the present Act which was to pass immediately after a whole series of transitional Acts whose commencement dates were immediately after a series of other Acts. Operative date was 1 July 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Job Search Allowance; Sickness Benefit; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

The parental income test applying to Job Search Allowance and Sickness Benefit for single under 18 year-olds without dependent children could be based on parental taxable income in the tax year in which the claim was made, rather than on that in the tax year which ended on the last preceding 30 June, where parental income in the former year was 75 per cent or less (and not, as previously, less than 75 per cent) of that in the latter. The change to Sickness Benefit was not enacted in the present amending Act but at section 4 (as set out in Schedule 2) of the *Social Security (Rewrite) Amendment Act 1991*.  

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INCOME LIMITS IN MAINTENANCE INCOME TEST INDEXED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 31 and 32</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>As for Record 53 of 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for Record 53 of 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

The permissible income limits (free area) in the maintenance income test for pensions and benefits became subject to automatic indexation on 1 July each year in accordance with increases in the Consumer Price Index over the 12 months ending in the previous December. The first increase took place on 1 July 1991.

PHARMACEUTICAL ALLOWANCE AND PAYMENT LIMIT INDEXED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 31, 32 and 33</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>As for Record 53 of 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for Record 53 of 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pharmaceutical Allowance</td>
</tr>
</tbody>
</table>

Pharmaceutical Allowance and the pharmaceutical payment limit became subject to automatic indexation on 20 September each year in accordance with increases in the Consumer Price Index over the 12 months ending in the previous March. Indexation would now occur immediately before 1 October each year when the charge for pharmaceuticals at the concessional rate was indexed.

[The ‘pharmaceutical payment limit’ was the maximum amount that a person could receive by way of Pharmaceutical Allowance and advance payments of the allowance. The term was first used when the 1991 Act replaced the 1947 Act.]
MODIFICATION TO CERTAIN PORTABILITY PROVISIONS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 23, 24, 28, 29, 34, 35 and 36</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>As for Record 53 of 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for Record 53 of 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Wife Pension; Class B Widow Pension</td>
</tr>
</tbody>
</table>

The provision generally restricting the payment overseas (portability) of a Wife or Class B Widow Pension for more than 52 weeks was modified. The changes (which also applied to special needs Wife and Widow Pensions) were complex but the broad thrust was that:

- as a general rule a woman who had never been an Australian resident would not qualify for one of these pensions;
- a woman who had never been an Australian resident but who was in receipt of one of these pensions on 1 July 1990, and who was in a ‘specified foreign country’ on 1 July 1991, would not lose her pension from 1 July 1991 unless she entered a country that was not a specified foreign country or that ceased to be such;
- a woman who had been an Australian resident, and had been outside Australia continuously for at least 12 months, would lose her pension after the end of 12 months unless she was in Australia or a specified foreign country on the day after the period ended, or she was an 'entitled person'; and
- a woman who was not disqualified because she was in a specified foreign country lost her pension if she entered a country that was not a specified foreign country or was in a country which ceased to be such a country.

An 'entitled person' was a woman who had been an Australian resident for at least 10 years before leaving Australia, or was receiving a Class B Widow Pension because she was legally married and her husband had died, or she was, or had been, the partner of a man who had obtained compensation for her or himself from the Commonwealth in specified circumstances.

Any provision precluding payment of a pension did not apply if a Social Security Agreement with another country provided otherwise.

[The restriction on portability had been introduced from 1 July 1990 (refer to Record 3 of 1990). The term 'specified foreign country' was defined in that record.]
A new Social Security Agreement between Australia and the Netherlands was inserted as a Schedule to the Act.

<table>
<thead>
<tr>
<th>SOCIAL SECURITY AGREEMENT WITH THE NETHERLANDS</th>
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<tbody>
<tr>
<td><strong>Location in Act</strong></td>
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<tr>
<td><strong>Date of commencement</strong></td>
</tr>
<tr>
<td><strong>Date of application</strong></td>
</tr>
<tr>
<td><strong>Payments affected</strong></td>
</tr>
</tbody>
</table>
The Social Security (Disability and Sickness Support) Amendment Act 1991, No. 141

Date of Royal Assent: 9 October 1991

### Restructuring of Payments for People with Disabilities and the Sick

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 3 to 25 (almost entire Act) but excluding section 11, which covers changes to Wife Pension dealt with in Record 59 of 1991</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>12 November 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>12 November 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Invalid Pension; Sheltered Employment Allowance; Rehabilitation Allowance; Mobility Allowance; Incentive Allowance; Disability Support Pension; Carer Pension; Youth Disability Supplement; Sickness Benefit; Sickness Allowance; Fringe Benefits (Concession Cards); Employment Entry Payment; Child Disability Allowance (no change to Social Security Act)</td>
</tr>
</tbody>
</table>

Major changes to social security payments for people with disabilities and the sick were part of a broader range of measures known as the Disability Reform Package. The aims of the package were to improve the participation of people with disabilities in employment, education and training activities, make it easier for people with disabilities to participate in, and contribute to, the life and work of the community, and ensure that people with severe disabilities who had limited job prospects received adequate and secure income support.

In terms of social security, the package sought to deliver a more active system of payment and support for people with disabilities and the sick by providing increased access to jobs, rehabilitation, training and accommodation. It aimed to target people with a significant level of disability which rendered them unable to work full-time, while encouraging participation in a range of mainstream community activities with an emphasis on employment.

At the broader level, the package involved: a major increase in places in the Commonwealth Rehabilitation Service and the establishment of special rehabilitation units to assist people with psychiatric, and drug and alcohol related disabilities; extra employment places for younger people with disabilities; creation of a large number of training places for people with disabilities; and additional respite care, attendant care and supported accommodation places in the community to assist carers and give younger people with disabilities the opportunity to move from nursing homes into the community. The package was an integrated one involving co-operation between the Departments of Social Security, ‘Employment’ and Community Services and Health, and changes to Acts other than the Social Security Act.
Legislation passed in 1991

The main changes to provisions in the Social Security Act involved:

- abolition of Invalid Pension and Sheltered Employment Allowance and their replacement with Disability Support Pension;
- phasing out Rehabilitation Allowance and Incentive Allowance;
- abolition of Sickness Benefit and its replacement with Sickness Allowance; and
- the introduction of changes designed to ease the transition from a social security payment to employment, including an enhanced Mobility Allowance and an Employment Entry Payment for disability support pensioners.

Introduction of Disability Support Pension

The basic structure of Disability Support Pension (features such as age criteria, residency conditions, the income/assets tests, Bereavement Payments and availability of Fringe Benefits (Concession Cards)) was similar to that of its predecessor, Invalid Pension. Permanently blind people (as they had with Invalid Pension) automatically qualified for the pension and were not subject to income or assets tests (including if aged under 21 years). Rates of payment were also similar except in the case of persons aged under 21 years. The pension had a number of different features.

The rates payable to new recipients aged under 21 years were the same as those for Job Search Allowance and Newstart Allowance (according to whether the person was under 18 years or aged 18 to 20 years) in line with the common allowance structure applying to young people, but with an amount equivalent to Child Disability Allowance (known as the Youth Disability Supplement) added to them. Rent Assistance rates and conditions were also aligned with the common allowance structure. The new rates were to be subject to automatic adjustment in line with the already indexed equivalent rates. A savings provision ensured that people receiving an Invalid Pension or related payment when the changes were introduced were not disadvantaged.

To qualify for a Disability Support Pension, a number of conditions had to be met (the ‘85 per cent permanent incapacity for work’ rule which had applied to Invalid Pension was removed). These conditions were that:

- a person had to have a physical (including sensory), intellectual or psychiatric impairment which was assessed as at least 20 per cent on new impairment tables gazetted by the Minister and contained in a schedule to the Act;
- a person had to have a continuing inability to work. This condition was met where the Secretary was satisfied that the impairment was of itself sufficient to prevent the person from: doing his/her usual work and the work for which he/she was currently skilled for at least two years; or undertaking educational or vocational training during the following two years or, if capable of undertaking such training, where such training would be unlikely to equip him/her within the following two years to do work for which he/she was currently unskilled; and
- in making a decision on the person’s continuing ability to work, the Secretary was not to take into account the availability of educational or vocational training or (unless the person was aged at least 55 years) of work locally.
In relation to the criteria, ‘work’ was defined as comprising employment of at least 30 hours per week at award wages or above, whether or not it was available locally. ‘Educational or vocational training’ excluded programs designed specifically for people with physical, intellectual or psychiatric impairments.

The impairment tables were used to assign impairment ratings to people claiming Disability Support Pension in proportion to the severity of their condition. An impairment rating was expressed as a percentage of the whole of a person’s functional capacity. Accordingly, a body system that was totally impaired did not necessarily produce an impairment rating of 100 per cent—for example, a person with a total hearing loss received an impairment rating of 40 per cent.

People who were clearly too severely impaired to participate in the labour market could go straight on to the Disability Support Pension without further assessment. On the administrative side, other people who were considered likely to benefit from training or assistance were assessed by a panel drawn from the Department of Social Security, the Commonwealth Employment Service and the Commonwealth Rehabilitation Service and, if found suitable, were given access to rehabilitation and training.

A person was not qualified for a Disability Support Pension, or could have his/her pension cancelled, for refusal to contact an officer of the department, attend an interview, complete a questionnaire or attend a medical, psychiatric or psychological examination as reasonably required. The Secretary was authorised to request a person receiving a Disability Support Pension to undertake a program of assistance or a rehabilitation program, but there was no requirement that the person accede to the request.

For persons granted a Disability Support Pension on or after 12 November 1991, payment overseas was limited to a maximum of 12 months unless the pensioner was severely disabled or a Social Security Agreement with a particular country provided otherwise. A person was assessed as ‘severely disabled’ (in respect of this and other provisions) if a physical, psychiatric or intellectual impairment, or two or all such impairments, without taking into account any other factor, rendered the person totally unable to work for at least the next two years and unable to benefit within the next two years from participation in a program of assistance or a rehabilitation program.

Abolition and phasing out of allowances

Recipients of Sheltered Employment Allowance at the date of the change were automatically transferred to Disability Support Pension.

No new grants of Incentive Allowance were made but, under savings provisions, it continued to be paid to existing recipients. Furthermore, there was a provision that, if these recipients lost eligibility because of earnings from work, the allowance could be restored within two years if the person subsequently undertook an activity that would have qualified him/her for it before the changes took effect. Otherwise, disability support pensioners could claim Rent Assistance provided that they were eligible (by contrast, Incentive Allowance, while paid in lieu of Rent Assistance, had been available free of any rent or means test to recipients of Sheltered Employment Allowance and certain others).
Persons granted a Rehabilitation Allowance immediately before the changes continued to receive the allowance for the period of their involvement with the relevant rehabilitation program but no new grants were made. Following the changes, people undertaking rehabilitation would in future remain on the social security payment for which they were otherwise qualified.

[The Rehabilitation Allowance savings provision was removed from the Act only from 27 June 2000 (refer to Record 7 of 2000). The Incentive Allowance savings provision remains.]

**Workforce transition measures for disability support pensioners**

A number of measures were introduced to provide an incentive for disability support pensioners to obtain or increase their employment:

- entitlement to a Pensioner Health Benefits Card and associated fringe benefits could be retained for up to 12 months by persons on a pension who commenced employment and who would otherwise have lost entitlement to the card, either because they were no longer eligible for a pension or because, while remaining on pension, their earnings exceeded the income limits for the card;

- a lump-sum Employment Entry Payment of $200 became available;

- the rate of Mobility Allowance was increased from $11 to $20 a week and the number of hours of gainful employment, vocational training or combination of the two required to qualify for the allowance reduced from 20 to eight; and

- where a person obtained work of at least 30 hours per week and ceased to be qualified for the pension, there was provision for suspension rather than cancellation of the pension for up to two years. The concession was also extended to the partner of a disability support pensioner receiving a Wife or Carer Pension. This enabled a person immediately to resume his/her pension without a new claim, should he/she cease to work or his/her earnings be reduced sufficiently for him/her to re-qualify for a pension within the two-year period.

As a further transition to employment measure, but not covered by legislation, the amount of weekly income which could be earned by a disability support pensioner before a medical review was required was increased from $50 to $250. With the introduction of these measures, an Open Employment Incentive Bonus, which had been paid under other legislation to people who had transferred from sheltered employment to full-time, paid open employment, was abolished.

**Qualifying conditions for Employment Entry Payment**

To gain entitlement to an Employment Entry Payment, a disability support pensioner had to be in paid employment (other than sheltered employment); either be working at least 30 hours a week or have earnings above a ‘threshold amount’; have been receiving for a continuous period of at least 12 months a Disability Support Pension, Sickness Allowance, Invalid Pension, Sickness Benefit, Sheltered Employment Allowance, or Rehabilitation Allowance paid in lieu of Invalid Pension or Disability Support Pension; and be engaged in employment which, in the Secretary’s opinion, was likely to continue for more
than four weeks. The payment could be made up to 28 days before the person commenced employment provided that the person had entered into an employment agreement. Only one payment could be made in a 12-month period.

The ‘threshold amount’ was the equivalent of the maximum income per fortnight that a single person aged 21 to 59 years without dependent children on Newstart Allowance, and not in receipt of Rent Assistance or Remote Area Allowance, could have without losing entitlement to the allowance ($188.85 at the time and the amount would increase with six-monthly indexation of Newstart Allowance rates and could be affected by future changes in its income test).

**Introduction of Sickness Allowance**

The rates of Sickness Allowance were identical to those for Sickness Benefit and the structure of the two payments was similar. Other aspects such as waiting periods were also unchanged. A number of features of Sickness Allowance and Sickness Benefit were different, the most important being the imposition of time limits on payment of the new allowance.

Sickness Allowance was payable where:

- a person was incapacitated for work due to sickness or an accident;
- the incapacity was caused entirely or virtually so by a medical condition arising from the sickness or accident;
- the incapacity was, or was likely to be, temporary; and
- either: the person satisfied the Secretary that he/she had suffered, or was likely to suffer, a loss of salary, wages or similar income because of the incapacity; he/she satisfied the Secretary that, if able to work, he/she would have, or would be likely to be, qualified for a Job Search Allowance or Newstart Allowance in respect of the period of incapacity; or the person was receiving, or likely to receive, a pension immediately before the beginning of the period.

‘Work’ in the above context was defined as that which a person was contracted to do, or work of a kind that the person could, in the opinion of the Secretary, be reasonably expected to do—it could be full-time, part-time, permanent or casual and had to be for at least eight hours a day at no less than award wages.

The intention of the legislation was that Sickness Allowance would normally be paid for no more than 52 weeks and for more than two years only in exceptional circumstances. Limitations on the length of time a person could receive Sickness Allowance had many variations. Broadly they were as follows:

- a person could not receive the allowance for more than 13 weeks without a review unless he/she was participating in a rehabilitation program;
- a person ceased to be qualified for the allowance after 52 weeks. However, payment could be extended beyond 52 weeks where: the Secretary was satisfied that the incapacity would not extend beyond a further year; the major medical condition on which the claim was based was different or significantly more serious than the original condition; the incapacity was caused by a chronically relapsing medical condition; or the person was undergoing an approved program of counselling, treatment or therapy for drug or alcohol abuse which was not likely to extend beyond 18 months;
• a person again ceased to qualify for the allowance after two years. It could only be extended beyond two years, and up to a maximum of four years, where he/she was participating in a rehabilitation program intended to enhance his/her ability to work; and

• a person who ceased to be qualified for an allowance under the general 52 weeks or two year time limit could not qualify again within two years, except in circumstances very similar to those enabling a person to continue to qualify for a second year.

The time periods came into effect immediately Sickness Allowance was introduced, as earlier periods on Sickness Benefit were treated as if they had been periods on Sickness Allowance.

For refusing to attend an interview and for other reasons as applying to Disability Support Pension, a person could fail to qualify for the allowance or have it cancelled. The Secretary could request that a person receiving Sickness Allowance undertake a rehabilitation program, but there was no requirement that the person do so.

Related change not involving amendments to the Social Security Act

In a change made in the context of the Disability Reform Package but involving an amendment to the Health Insurance Act, a Health Care Card was provided to all families with a child in respect of whom Child Disability Allowance was payable.

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 October 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 October 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Wife Pension</td>
</tr>
</tbody>
</table>

A Wife Pension ceased to be payable to a woman aged under 21 years where the couple did not have a dependent child.
**ADDITIONAL PAYMENTS ON DEATH OF A CHILD**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 5, 6, 7, 8, 9, 10, 11 and 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>17 August 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>17 August 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance; Child Disability Allowance; Double Orphan Pension</td>
</tr>
</tbody>
</table>

Provision was made for an additional four weeks of payments to be made on the death of a child in respect of whom Family Allowance, Child Disability Allowance or Double Orphan Pension had been payable, where the family was not eligible for the 14 weeks’ payments under the Bereavement Payments provisions.

**EDUCATION ENTRY PAYMENT INTRODUCED FOR SOLE PARENT PENSIONERS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 13 and 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1992</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Education Entry Payment; Sole Parent Pension</td>
</tr>
</tbody>
</table>

A lump-sum Education Entry Payment of $200 per calendar year became available to sole parent pensioners qualified to receive an education supplement under Austudy. A person could receive only one payment in a calendar year.
The financial hardship provisions in the pension and benefit assets tests were eased by modifying the rules for assessing the 'notional ordinary income' from unrealisable assets (which was then deducted from the maximum rate of payment).

The new provision specified that, where a person or his/her partner owned residential premises that were an unrealisable asset and a family member of one of them lived there, the Secretary was required, in working out the amount per year that could reasonably be expected to be obtained from a purely commercial application of the premises, to have regard in certain situations to whether the family member was financially capable of obtaining suitable alternative accommodation. The relevant situations were where:

- the family member previously provided substantial care for the person or his/her partner at the premises at a time when it was the family home of one of them; or
- the family member had resided at the premises for a period, or periods, that totalled 10 years or more; or
- the family member was a child of the person or his/her partner and had a disability and the person or partner was promoting the child’s independent living; and
- it was not reasonable to expect the premises to be sold or otherwise used to provide income support to the person.

A ‘family member’ for purposes of this provision was a person’s partner, parent, sibling or child or any other person whom the Secretary considered should be treated as a relation.
EXTENDED ELIGIBILITY FOR INDEPENDENT RATE FOR YOUNG BENEFICIARIES

Extended eligibility criteria for the independent rate of Job Search Allowance and Sickness Allowance were made to cover persons aged under 18 years who had been registered as unemployed with the Commonwealth Employment Service for 13 weeks or more and to persons in substitute care.

In relation to the first extension, this group had previously been eligible for the benefit only if they had been employed full-time for at least 13 weeks.

‘Substitute care’ in the second change was defined as care provided by a carer other than a person’s natural or adoptive parent in the carer’s home under the law of a state or territory, and where the carer was receiving no substitute care allowance or other allowance from the state or territory for the person’s upkeep.

[The substitute care provision aligned the entitlements of young beneficiaries with those for Austudy. It provided mainly for state wards in foster care.]

BENEFITS PAYABLE TO 15 YEAR-OLDS

Persons aged 15 years became eligible to receive Job Search Allowance or Sickness Allowance provided that they met the conditions applying to 16 and 17 year-olds and in addition:

- had been in full-time employment on a permanent or regular casual basis, or had received an offer of such employment which they had been unable to take up for reasons beyond their control;
- immediately before the qualification period, had reached the minimum school leaving age for the state or territory in which they lived, or been granted a formal exemption from attending school by the state or territory education authority; and
- throughout the period, had not been living at the home of, or receiving regular financial support from, a parent.

[Previously, persons aged 15 years ineligible for Job Search Allowance or Sickness Allowance solely because of their age may have been entitled to Special Benefit.]
**REDUCTION IN RENT ASSISTANCE WAITING PERIOD**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 25, 26, 27 and 28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 March 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 March 1992</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance</td>
</tr>
</tbody>
</table>

The Rent Assistance waiting period applying, in the case of families with no dependent children, to disability support pensioners aged 18 to 20 years and to beneficiaries aged 18 to 59 years, was reduced from 26 to 18 weeks. A later change abolished the waiting period from the same date for certain of these groups so that the reduction never applied to them (refer to Record 2 of 1992).

**ELIGIBILITY FOR RENT ASSISTANCE EXTENDED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 25, 26, 27 and 28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 March 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 March 1992</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance</td>
</tr>
</tbody>
</table>

Eligibility for Rent Assistance was extended to single persons aged under 18 years without dependants receiving the independent or homeless rate of Disability Support Pension, Job Search Allowance, Sickness Allowance or Special Benefit on the same basis as paid to eligible recipients of Job Search Allowance, Sickness Allowance or Special Benefit aged 18 to 24 years. The maximum rate was $31 a week at the time of the legislation and the waiting period 18 weeks.

**RESTRICTION ON UNEMPLOYMENT PAYMENTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 29, 30, 31, 32, 33, 34 and 35</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>25 November 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>25 November 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Job Search Allowance; Newstart Allowance</td>
</tr>
</tbody>
</table>

A person was precluded from receiving Job Search Allowance or Newstart Allowance during a period in which he/she received or might receive income paid by a community group from funds provided under a Commonwealth funded employment program. If the person’s partner was receiving such income, the person was not entitled to additional allowance in respect of the partner. A ‘Commonwealth funded employment program’ was defined as a Commonwealth program of funding to a community or group where the funding was based wholly or partly on the number of people in that community or group who were, or were likely to be, qualified for Job Search Allowance or Newstart Allowance. The main relevant program was the Community Development Employment Projects (CDEP) Scheme.
FAMILY ASSETS TEST IMPOSED ON FAMILY ALLOWANCE SUPPLEMENT

Location in Act  Section 39
Date of commencement  1 January 1992
Date of application  1 January 1992
Payments affected  Family Allowance Supplement

A family assets test replaced the parental assets test on Family Allowance Supplement. The change involved the inclusion in the test of the assets of children attracting Family Allowance in addition to those of the parent(s).

SPECIAL HARDSHIP TEST IN FAMILY ALLOWANCE SUPPLEMENT ASSETS TEST

Location in Act  Sections 36, 37 and 40
Date of commencement  1 January 1992
Date of application  1 January 1992
Payments affected  Family Allowance Supplement

The assets test on Family Allowance Supplement was eased by the introduction of a special financial hardship test. Under the test, a person whose assets exceeded the assets threshold ($347,500 at the time) could be exempted from the test if he/she met the following requirements:

- the value of the family’s assets did not exceed $600,000—that is, the level at which the new Family Allowance assets test commenced (refer to Record 70 of 1991);
- the estimated taxable income of the parent(s) for the current financial year was less than double the basic rate for a couple on Age Pension plus $624 times the number of children for whom Family Allowance was paid (using rates applicable at the beginning of the year); and
- the value of the family’s liquid assets was less than $6,000 in the case of a sole parent family and $10,000 for a couple. The definition of ‘liquid assets’ was as for the liquid assets test applying to benefits—refer to Record 22 of 1991.
Legislation passed in 1991

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ASSETS TEST IMPOSED ON FAMILY ALLOWANCE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 36, 37, 38, 40, 42 and 43</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1992</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance</td>
</tr>
</tbody>
</table>

Family Allowance became subject to a family assets test. Under the test, the allowance ceased to be payable where the assets of the family (both partners of a couple and of children eligible for Family Allowance) exceeded $600,000. The other features of the test were as for the Family Allowance Supplement assets test (refer to Record 28 of 1988). The new special financial hardship test for Family Allowance Supplement (refer to Record 69 of 1991) also applied except for the $600,000 limit on assets.

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CHANGES TO FAMILY ALLOWANCE SUPPLEMENT INCOME TEST THRESHOLD

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 41 and 44</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 April 1992 (main change); 1 January 1992 (change to indexation)</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 April 1992 (main change); 1 January 1992 (change to indexation)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance Supplement</td>
</tr>
</tbody>
</table>

Changes were made to the threshold in the Family Allowance Supplement income test under or at which the full rate of supplement was payable where there was only one child:

- it was raised to $20,700 through an ad hoc increase of $2,700; and
- automatic indexation was no longer based on increases in the Consumer Price Index but was to take place in January each year, based on increases in the average weekly total earnings of all employees in the official statistical series between the two Novembers occurring before the November in the previous calendar year.

[The increase in the threshold aligned it with that for Austudy. The indexation period used reflected the fact that the earnings figure for the immediately preceding November was not usually available by 1 January.]
CHILD DISABILITY ALLOWANCE AND YOUTH DISABILITY SUPPLEMENT INCREASED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 45, 46 and 47</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1992 (after indexation has occurred)</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1992 (after indexation has occurred)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Child Disability Allowance; Youth Disability Supplement</td>
</tr>
</tbody>
</table>

Ad hoc increases of $4.30 a fortnight were made in the rates of Child Disability Allowance and Youth Disability Supplement. The increases were in addition to the annual indexation change (unknown at the time of the legislation) which brought the rates to $66.20 a fortnight.

MORE GENEROUS BACKDATING PROVISIONS FOR CHILDREN’S PAYMENTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 48, 49 and 50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1992 (applied to children born on or after that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance; Family Allowance Supplement; Double Orphan Pension</td>
</tr>
</tbody>
</table>

Provision was made for Family Allowance, Family Allowance Supplement and Double Orphan Pension to be paid from the date of the birth of a child provided that a claim was lodged within 13 weeks of that date. The special provision allowing 13 weeks backdating in respect of triplets or higher multiples was subsumed by the new provision.

COMPENSATION RECOVERY PROVISIONS AMENDED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 56</th>
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</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1992 (applied to compensation received on or after that date)</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Disability Support Pension; Rehabilitation Allowance; Wife Pension; Carer Pension; benefits</td>
</tr>
</tbody>
</table>

The compensation recovery provisions (applying to the specified pensions, and to benefits) were amended so that the amount of pension or benefit recoverable due to a person having received a lump-sum compensation payment was reduced by a sum equivalent to the Family Allowance Supplement that, in the opinion of the Secretary, the person or his/her partner may have been entitled to if they had not been receiving a pension or benefit.
COVERAGE OF Bereavement Payments extended

Location in Act Sections 58 to 73 and 75 to 96
Date of commencement 1 July 1992
Date of application 1 July 1992
Payments affected Bereavement Payments

Bereavement Payments were extended to long-term recipients of benefits and their partners along the same lines as available to pensioners.

A ‘long-term recipient’ was a current recipient of a benefit, whether in his/her own right or as a partner of a beneficiary receiving the married rate, and who, for at least 46 of the previous 52 weeks, had been receiving one, or a combination, of a pension, benefit or specified veterans’ payment, or had been a partner of a benefit recipient receiving the married rate.

To qualify for a Bereavement Payment, the partner of a beneficiary had to have been, immediately before his/her death, a long-term recipient (as defined) or been receiving a pension or specified veterans’ payment.

LONGER PAYMENT PERIOD FOR Widowed Person Allowance

Location in Act Section 74
Date of commencement 26 March 1992
Date of application 26 March 1992
Payments affected Widowed Person Allowance

The maximum period for which Widowed Person Allowance could normally be paid following the death of a spouse was increased from 12 to 14 weeks. [This brought the period into line with the general Bereavement Payments for pensioners, and as being extended to long-term beneficiaries (refer to Record 75 of 1991).]
**CONCESSION TO FARMERS IN ASSETS TESTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 97, 98 and 99</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1992</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Family Allowance; Family Allowance Supplement</td>
</tr>
</tbody>
</table>

The assets test on pensions, benefits and certain family payments was modified by allowing a primary producer or his/her family to aggregate any assets and liabilities related to the primary production to arrive at a net asset value. A family member comprised a partner, father, mother, sibling, child or any other person who, in the opinion of the Secretary, should be regarded as such. The effect of the amendment was that, where a primary production asset was worth less than the debt owed on it, the excess debt could be used to reduce the value of the assets for asset test assessment purposes.

**TREATMENT OF CHARGES AND ENCUMBRANCES ON ASSETS IN ASSETS TESTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 98</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>25 November 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>25 November 1991</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Family Allowance Supplement</td>
</tr>
</tbody>
</table>

The value of a person’s assets for purposes of the assets test on pensions, benefits and Family Allowance Supplement could be reduced by a charge or encumbrance on the asset only where the person or person’s partner was benefiting from the charge or encumbrance. [This removed an anomaly whereby mortgages taken out for the benefit of other than the person or his/her partner could be allowable deductions from assets.]
The maximum credit that a person or couple could accrue under the pensioner earnings credit became subject to automatic indexation on 1 July each year in line with increases in the Consumer Price Index between the previous March quarters. The first indexation increase took place on 1 July 1992.

The break in entitlement allowed for persons aged under 60 years without dependent children before they had to re-commence serving the Rent Assistance waiting period was increased from four weeks, to six weeks and 13 weeks, for recipients of Job Search Allowance and Newstart Allowance respectively. The equivalent change applied to recipients of Special Benefit who received the payment in lieu of Job Search Allowance or Newstart Allowance. Credits for waiting periods previously served were also increased accordingly. [The four-week break allowed for sickness beneficiaries was retained.]

Sole Parent Pension was included in the payments subject to the compensation recovery provisions.
MODIFICATION TO COMPENSATION RECOVERY PROVISIONS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 10 and 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 March 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 March 1992</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Disability Support Pension; Rehabilitation Allowance; Sole Parent Pension; Wife Pension; Carer Pension; benefits</td>
</tr>
</tbody>
</table>

The compensation recovery provisions were modified so as to cease to deduct periodic compensation payments directly from benefits and affected pensions and instead treat them as ordinary income and subject to the normal income test applicable to the particular payment. However, the concession applied only in respect of persons who already qualified for the relevant pension or benefit before the event that gave rise to the entitlement to compensation of the person or his/her partner.

REDUCED PAYMENTS TO MEMBERS OF A COUPLE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 12 to 46</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>12 March 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>12 March 1992</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions (except Widow B Pension and Sole Parent Pension) and benefits; Remote Area Allowance; Pharmaceutical Allowance</td>
</tr>
</tbody>
</table>

The maximum payment to a member of a couple living with a partner who was not receiving a pension, benefit, specified veterans’ payment or Austudy was the married rate of pension or half the married rate of benefit. The single rate was no longer payable to them. The change also applied to Remote Area Allowance and Pharmaceutical Allowance. A savings provision protected existing recipients at the date of the change until such time as the new rate exceeded the previous rate.
CHANGES TO ADVANCE PAYMENTS OF PHARMACEUTICAL ALLOWANCE

Location in Act  Sections 47, 48, 49, 50, 51, 52 and 53
Date of commencement  1 January 1992, except for section 47 (specifying when advances ceased to be payable), which was to commence on 1 January 1994
Date of application  As for date of commencement
Payments affected  Pharmaceutical Allowance

Modifications were made to the provisions for advance payment of Pharmaceutical Allowance:

- the date up to which advance payments could be made was extended from 31 December 1991 to 31 December 1993;
- the special liquid assets test limit for receipt of advances was removed; and
- certain simplifications were made to the advance payment arrangements.

As part of the simplifications, the pharmaceutical payments limit became a multiple of the rate of Pharmaceutical Allowance and would automatically increase with indexation of the allowance. Accordingly, the separate provision for the automatic indexation of the limit was removed. [For details of the pharmaceutical payments limit, refer to Record 55 of 1991.]

SPECIAL ASSISTANCE MEASURES FOR FARMERS INTRODUCED

Location in Act  Sections 57 to 72
Date of commencement  1 December 1991
Date of application  1 December 1991
Payments affected  Job Search Allowance; Newstart Allowance

Special assistance measures for farmers were introduced under which farmers, in severe financial hardship but with a potential for long-term profitability, were able to access Job Search Allowance or Newstart Allowance under more liberal conditions than other claimants for the allowances. The farmers to be assisted were those who, in spite of their financial circumstances, were not eligible for assistance under the Rural Adjustment Scheme (RAS) and did not have access to loans (or further loans) from commercial lenders. At the same time, these farmers were frequently ineligible for Job Search Allowance or Newstart Allowance on the grounds that, due to their commitment to farm work, they could not meet the criterion that they be unemployed. Even when they met this criterion, they frequently had farm assets or a life assurance policy which prevented them from complying with the assets test on benefits.

The Departments of Social Security and of Primary Industries and Energy (the latter had responsibility for the RAS) liaised closely in the administration of the measures. The RAS was administered by state and territory based authorities.
For a person to be eligible for Job Search Allowance or Newstart Allowance under the new measures, a state or territory authority responsible for RAS had to be satisfied that:

- under normal circumstances the person or the person’s partner contributed a significant part of his/her labour and capital to a farm;
- under normal circumstances the farm provided the person’s principal source of income;
- the person was in severe financial hardship (the authority could not specify financial hardship for a period longer than 12 weeks);
- ‘household support’ assistance under the RAS was not available;
- commercial credit could not be obtained to finance continued farm operations; and
- the farm was likely to be profitable in the long term.

The Secretary to the Department of Social Security also had to be satisfied that the measures were applicable to a person.

Most of the normal eligibility criteria for Job Search Allowance and Newstart Allowance (including activity agreements for the latter) had to be complied with but there were some differences:

- the person had to be aged at least 18 years;
- while the person was required to be registered with the Commonwealth Employment Service as being unemployed, he/she did not have to meet the usual criteria of unemployed required for Job Search Allowance or Newstart Allowance;
- as well as the normal exemptions from registration with the Commonwealth Employment Service, the Secretary could exempt the person during the period between his/her application for assistance under the RAS and his/her application (following a failure to obtain such assistance) for Job Search Allowance; and
- the general financial hardship provisions of the assets tests on the allowances were extended.

Two additions to the assets categorised as unrealisable under the general allowances assets test (and therefore not assessed under the test) were made in respect of farmers:

- any or all of a person’s farm, farm machinery and livestock could be so regarded for a period and exempted for that period. The exemption applied only if a RAS authority certified that these assets were unrealisable on the basis that they were essential to the long-term profitability of the farm; and
- life insurance policies on the life of the farmer were treated in the same way.

The maximum payment of an allowance could be reduced for income, or notional income, derived from the additional categories of unrealisable assets applying to farmers in the same way as for unrealisable assets generally, except that notional income in the case of these special categories took into account the amount a person could reasonably be expected to obtain from commercially leasing or hiring them.

The legislation provided for the measures to cease on 30 November 1993.
CHILD DISABILITY ALLOWANCE PAID FOR CHILD ON LEAVE FROM INSTITUTION
Location in Act  Section 73 (as set out in Part 1 of Schedule 1)
Date of commencement  1 July 1991
Date of application  1 July 1991
Payments affected  Child Disability Allowance

Child Disability Allowance became payable to a person in respect of a child for periods when the child was ‘on leave’ from an institution even though the institution continued to receive Family Allowance in respect of the child.

SHARING OF CHILD DISABILITY ALLOWANCE BETWEEN COUPLE
Location in Act  Section 73 (as set out in Part 2 of Schedule 1)
Date of commencement  13 December 1991
Date of application  13 December 1991
Payments affected  Child Disability Allowance

Child Disability Allowance could, at the discretion of the Secretary, be shared between a couple in situations where he/she had allowed sharing of the Family Allowance and where each partner provided the appropriate level of care and attention on a daily basis. The proportion of the allowance paid to each partner was to be the same as for the Family Allowance.

ABSTUDY TREATED AS PENSION OR BENEFIT UNDER BENEFIT INCOME TESTS
Location in Act  Section 73 (as set out in Part 2 of Schedule 1)
Date of commencement  13 December 1991
Date of application  13 December 1991 (applied to payments received on or after that date)
Payments affected  Benefits; Special Benefit (in effect)

Where the partner of a beneficiary was receiving payments under Abstudy, these payments were treated in the benefit income tests as if they were a pension or benefit. [This change had already been applied to Austudy (refer to Record 6 of 1990). The background and rationale for the change are as stated there.]
89

ASSESSMENT OF INVESTMENT INCOME IN INCOME TESTS CLARIFIED

Location in Act: Section 73 (as set out in Part 2 of Schedule 1)
Date of commencement: 13 December 1991
Date of application: 13 December 1991
Payments affected: Pensions and benefits; Special Benefit (in effect)

For purposes of assessments under the pension and benefit income tests, the definition of 'realisation' as applied to accruing return and market-linked investments was expanded to clarify that, where a person transferred all or part of an investment in a body corporate or trust fund to another body corporate or trust fund, the investment was to be regarded as realised. ['Realisation' was previously defined in Record 10 of 1991.]

90

TREATMENT OF ABORIGINAL EMPLOYMENT INCENTIVE SCHEME PAYMENTS

Location in Act: Section 73 (as set out in Part 2 of Schedule 1)
Date of commencement: 13 December 1991
Date of application: 13 December 1991
Payments affected: Pensions and benefits; Special Benefit (in effect)
(refer to comments in Record 11 of 1985)

Payments under the Aboriginal Employment Incentive Scheme were treated in the same way as those under the New Enterprise Incentive Scheme (refer to Record 11 of 1985) for purposes of pension and benefit income tests.

91

SOCIAL SECURITY AGREEMENT WITH IRELAND

Location in Act: Section 75 (as incorporated in Schedule 6)
Date of commencement: 13 December 1991
Date of application: Agreement specified that it would come into effect on the first day of the second month following the month in which the instruments of ratification were exchanged. Agreement took effect from 1 April 1992
Payments affected: General provision

A new Social Security Agreement between Australia and Ireland was inserted as a Schedule to the Act.
92

SOCIAL SECURITY AGREEMENT WITH PORTUGAL

Location in Act  Section 75 (as incorporated in Schedule 6)
Date of commencement  13 December 1991
Date of application  Agreement stated that it would come into effect on
the first day of the month following the finalisation
of an exchange of notes by the parties through the
diplomatic channel notifying each other that all
constitutional or legislative matters as were
necessary to give effect to the agreement had been
finalised. Agreement took effect from 1 November 1992
Payments affected  General provision

A new Social Security Agreement between Australia and Portugal was inserted as
a Schedule to the Act.

93

SOCIAL SECURITY AGREEMENT WITH UNITED KINGDOM

Location in Act  Section 76 plus Parts 1 and 3 of Schedule 1
Date of commencement  13 December 1991
Date of application  8 January 1991 (when new agreement had been due
to come into effect)
Payments affected  General provision

The previous Social Security Agreement between Australia and the United
Kingdom was revived. This was necessary as an interim measure, as
implementation of a new agreement (already signed by the two countries),
which had been expected to take effect early in 1991, had been delayed and no
agreement was in force at the time. The change was to be repealed on a day to
be fixed by Proclamation—this was not to be before the new agreement came
into effect and no later than three months after that date. [For details of the new
agreement, refer to Record 31 of 1991.]
Endnotes

1 The amending Act contained an error giving an additional date of application in relation to claims made on or after 1 December 1990. This error was amended by the Social Security Legislation Amendment Act 1991 and deemed to apply immediately after its commencement.

2 An additional provision, inserted by section 3 (as set out in Schedule 1) of the Social Security (Rewrite) Amendment Act 1991, gave the Secretary the discretion to make the payment up to two weeks prior to the date that the pensioner commenced employment, or his/her earnings increased, where that pensioner had entered into an agreement to that effect.

3 Minor amendments to the agreement were inserted via section 153 (as set out in Schedule 7) to the Social Security Legislation Amendment (No. 2) Act 1992 and came into effect on 24 December 1992.

4 A typographical error in the agreement was corrected at section 73 (as set out in Part 2 of Schedule 1) of the Social Security Legislation Amendment Act (No. 4) 1991 and applied from 13 December 1991.


6 The amendment Act erroneously recorded a different period over which the Consumer Price Index moved but this was rectified at section 73 (as per Schedule 1) of the Social Security Legislation Amendment Act (No. 4) 1991. The correction was backdated to 1 July 1991.

7 This legislation inadvertently did not extend Bereavement Payments to the surviving partner of a beneficiary couple where the survivor had not been in receipt of a benefit in his/her own right but had been the partner of a person on the married rate. This omission was later rectified and applied from the date of the present change (refer to Record 6 of 1992).
Legislation passed in 1992

Social Security and Veterans’ Affairs Legislation Amendment Act 1992, No. 12

Date of Royal Assent: 24 March 1992

1

LUMP-SUM FAMILY ALLOWANCE BONUS PAYMENT MADE

Location in Act Section 5
Date of commencement 2 April 1992
Date of application 2 April 1992
Payments affected Family Allowance

A one-off lump-sum Family Allowance ‘bonus’ payment was made as an addition to any regular instalment of Family Allowance due in respect of 2 April 1992 provided that the allowance was paid in Australia. The amount of the bonus, which depended on the number of children eligible for Family Allowance in the family, was $125, $175, $200, $225 and $250 where there were one, two, three, four and five or more eligible children respectively. Approved care organisations received $125 for each eligible child.

2

RENT ASSISTANCE WAITING PERIOD ABOLISHED FOR MOST GROUPS

Location in Act Section 7 (as set out in Schedule 1)
Date of commencement On 20 March 1992, immediately after the commencement of Division 5 of Part 2 of the Social Security Legislation Amendment Act (No. 3) 1991 and Division 2 of Part 2 of the Social Security Legislation Amendment Act (No. 4) 1991
Date of application Applied to payments that fell due on or after 20 March 1992
Payments affected Rent Assistance

The Rent Assistance waiting period was abolished for all those subject to it except for single beneficiaries without dependent children. It had previously applied to disability support pensioners aged 18 to 20 years, and to all beneficiaries eligible for the payment, in each case only where they had no dependent children. The legislation applied from the date when the waiting period for the now exempt group was to be reduced from 26 to 18 weeks (refer to Record 65 of 1991). Accordingly, the present amendment subsumed the earlier one for these groups.
### INCREASE IN CHILDREN’S PAYMENTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 8 (as set out in Schedule 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>24 March 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>Applied to payments that fell due on or after 3 April 1992</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Additional Pension for Children; Additional Allowance for Children; Additional Benefit for Children; Family Allowance Supplement</td>
</tr>
</tbody>
</table>

Additional Pension for Children, Additional Allowance for Children, Additional Benefit for Children and Family Allowance Supplement were increased by $3 to $30.40 a week in respect of children aged under 13 years and to $42.95 a week in respect of children aged 13 to 15 years. The $17 frozen rate payable in respect of dependent full-time students aged 16 to 24 years and not attracting an education allowance remained unchanged.

[The term ‘Additional Allowance for Children’ appears to have been used following the introduction of the new Job Search Allowance from 1 July 1991 until Additional Payments for Children were absorbed into Additional Family Payment with the restructuring of family payments from 1 January 1993 (refer to Record 4 of 1992).]
Legislation passed in 1992

Social Security (Family Payment) Amendment Act 1992, No. 69

Date of Royal Assent: 26 June 1992

MAJOR RESTRUCTURING OF FAMILY ASSISTANCE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Entire Act</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Allowance; Family Allowance Supplement; Guardian Allowance; Rent Assistance; Family Payment (Basic Family Payment and Additional Family Payment); Additional Pension for Children; Additional Benefit for Children; Additional Allowance for Children</td>
</tr>
</tbody>
</table>

Assistance to families was substantially restructured, bringing all such assistance for children under the umbrella of a single stepped ‘Family Payment’.

The new integrated Family Payment included an amalgamation of Family Allowance and Family Allowance Supplement and had two components:

- Basic Family Payment (equivalent to Family Allowance); and
- Additional Family Payment, which comprised the equivalent of what had previously been Family Allowance Supplement and Additional Pension/Allowance/Benefit for Children, plus Rent Assistance, and Guardian Allowance (for sole parent families).

While the term ‘Additional Family Payment’ is used in the Act, the term ‘Basic Family Payment’ is not. However, the equivalent rate to the previous Family Allowance rate was referred to in the Act as the ‘basic rate’ of Family Payment. It was referred to as Basic Family Payment in common usage.

A major change was that the equivalent of Additional Pension/Allowance/Benefit for Children, and Guardian Allowance, and Rent Assistance (when paid to families with children), as integral components of the Family Payment, were no longer paid as additions to pension and benefits. Additional Family Payment was paid automatically to pensioners and beneficiaries with children.

The rates and most of the basic features (such as age, residency/portability criteria and income and assets tests) of the previous component payments which now comprised Family Payment were retained. However, there were a number of significant differences:

- the entire Family Payment was directed to the person with the primary responsibility for care of the children, usually the mother in two-parent families;
- Guardian Allowance was extended for the first time to sole parents not on a pension but who were receiving the equivalent of the former Family Allowance Supplement;
Basic Family Payment was paid until the end of the year in which a child turned 18 years or ceased secondary studies, whichever occurred first. Previously, only certain categories of person aged 18 years or more received Family Allowance—these would now receive Basic Family Payment;

the maintenance income test was applied to all components of Additional Family Payment, which meant that it was applied for the first time to those receiving the payment in lieu of Family Allowance Supplement. However, where the level of maintenance income was such that a person lost entitlement to Additional Family Payment, it was no longer applied so as to reduce a person’s basic pension or benefit entitlement; and

Family Payment was paid on what had previously been the Family Allowance payday. Family Allowance had been paid on the alternate Thursday to that on which pensions were paid while benefits were paid on any day in the fortnight. Thus the transfer of Rent Assistance and Guardian Allowance from the basic pension, allowance or benefit to Family Payment resulted in a change in the timing of receipt of payments for most pensioners and beneficiaries.

[Male beneficiaries were most affected by the redirection of Family Payment within the family, as it involved the transfer of the equivalent of Additional Allowance/Benefit and Rent Assistance from the benefit payment, usually made to the father, to the mother. In the case of pensioners, the only transfer was of the half share of Rent Assistance which previously the father had normally received.]

When a person who had been receiving a pension or benefit for at least 12 months lost eligibility, he/she was automatically sent a Family Payment claim form and would be given six weeks within which to claim the payment. [Previously, claims for Family Allowance Supplement could be backdated up to six weeks.]

Provision was also made for the ‘benchmarks of adequacy’ (refer to Record 7 of 1989), now incorporating Basic Family Payment plus the component of Additional Family Payment paid in lieu of Family Allowance Supplement, to increase from 15 to 16.2 per cent of the combined married rate of pension for children aged under 13 years and from 20 to 21.2 per cent for children aged 13 to 15 years. [This increase was intended to preserve the ongoing value of the ad hoc increases in Additional Pension/Allowance/Benefit for Children and Family Allowance Supplement which took effect from 24 March 1992.]

[A further and more complete integration of family payments occurred from 1 January 1996 (refer to Record 36 of 1995).]
INTRODUCTION OF TELEPHONE ALLOWANCE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 5, 6, 7, 8, 9 and 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 July 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 July 1992</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Telephone Allowance; pensions; benefits except Sickness Allowance</td>
</tr>
</tbody>
</table>

A Telephone Allowance was introduced. It was paid in cash and was non-taxable. It replaced a telephone rental concession which had been provided under telecommunications legislation.

The previous telephone rental concession had been available to pensioners who qualified for a Pensioner Health Benefits Card and associated Fringe Benefits (Concession Cards). In recent years, the system had involved provision of four vouchers to qualified people at the beginning of each year with the intention that one certificate be presented with each telephone account. Telecom (the organisation then responsible for administering the telephone network) had taken the vouchers from eligible pensioners and had been reimbursed by the department for all vouchers accepted. However, there had been difficulties in the administration of the scheme.

The new allowance was broadly similar to the concession it replaced. While the allowance was paid in cash, for pensioners it remained subject to the Fringe Benefits income and assets tests. However, a household income limit which had applied to the previous concession was not retained.

Persons were qualified to receive a Telephone Allowance if they were telephone subscribers, were in Australia and were:

- pensioners who qualified for a Pensioner Health Benefits Card under the income and/or assets test. Permanently blind recipients were entitled to the allowance irrespective of their income and assets;
- Newstart Allowance recipients aged 60 years or more;
- Job Search Allowance or Special Benefit recipients aged 60 years or more who had been receiving a pension, benefit or specified veterans’ payment continuously for at least 12 months. [Sickness beneficiaries did not gain access to the allowance until later (refer to Record 56 of 1992);]
- otherwise ineligible disability support pensioners, or ex-disability support pensioners who retained eligibility for Fringe Benefits for 12 months (refer to Record 58 of 1991); and
- one of certain other former recipients of social security payments who retained Fringe Benefits (these were included by virtue of the definition of concessional beneficiary in the relevant section of the National Health Act).

Telephone Allowance was payable if a person subscribed to a telephone service connected in Australia in his/her name or, if his/her partner so subscribed, in the
partner’s name. A couple could share the allowance if they both subscribed or in the situations described below in relation to rates. Where a person was receiving an equivalent allowance under the Veterans’ Entitlements Act or the Seamen’s War Pensions and Allowances Act, the allowance was not payable. However, a couple could share the allowance where one partner had an entitlement under the Social Security Act and the other an equivalent entitlement under one of the other Acts.

The rate of allowance was $51.80 a year for single persons and for members of a couple where the partner was also receiving a pension or benefit (as noted, the allowance could also be shared where both partners were subscribers). A member of a couple whose partner was not receiving a pension or benefit received only $25.90 a year except that the $51.80 rate was payable where the person had been receiving a pension or benefit before 12 March 1992 (this was a savings provision related to the previous telephone rental concession).

‘Temporarily separated’ couples, and couples required to live apart through illness, or because a partner was in respite care and had been there or was likely to remain there for at least 14 days, received $25.90 each.

The payment was made in four equal instalments each year on the first pension payday that fell on or after 1 January, 20 March, 1 July and 20 September or, for benefits, on the first payday on or after those dates on which an instalment would normally be paid. Rates were automatically increased on 20 September each year in line with increases in the Consumer Price Index between the previous June quarters.

CHANGES TO BEREAVEMENT PAYMENTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>First change: sections 11, 23, 24, 25, 27, 28, 29, 31, 32, 33, 34, 35 and 36</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Second change: sections 14, 16, 17 and 19</td>
</tr>
<tr>
<td></td>
<td>Third change: sections 22, 26 and 30</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date of commencement</th>
<th>First change: 1 July 1992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of application</td>
<td>Second and third changes: 30 June 1992</td>
</tr>
</tbody>
</table>

| Payments affected | Bereavement Payments |

In amendments to Bereavement Payments:

- the payments were extended to the surviving partner of a person who, before his/her death, had been receiving the married rate of benefit. This corrected an oversight in earlier legislation (refer to endnote to Record 75 of 1991);
- wife pensioners, and carer pensioners where the person cared for was the person’s partner, were, if qualified, automatically transferred to Sole Parent Pension after the end of the 14-week bereavement period following the death of their partner without the need to make a formal claim; and
- where a member of a beneficiary couple died, the surviving partner was not required to serve the normal seven-day waiting period for Job Search Allowance, Newstart Allowance or Sickness Allowance provided that he/she claimed the allowance within four weeks of the death.
7

**UNEMPLOYMENT PAYMENTS NOT PAYABLE WHERE ASSURANCE OF SUPPORT**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 39, 40 and 41</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>30 June 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>30 June 1992</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Job Search Allowance; Newstart Allowance</td>
</tr>
</tbody>
</table>

It was provided that a person was not qualified to receive Job Search Allowance or Newstart Allowance in respect of a period where the Secretary was satisfied that throughout the period an assurance of support was in force in respect of the person, the person giving the assurance of support was willing and able to provide an adequate level of support and it was reasonable for the person to accept that support.

[The provision sought to ensure that a migrant could generally not refuse support from an assuror and instead obtain an allowance for which the assuror would have to reimburse the Commonwealth. For an explanation of ‘assurance of support’, refer to Record 2 of 1991.]

8

**UNEMPLOYMENT PAYMENTS TRAINING SUPPLEMENTS IDENTIFIED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 42 and 43</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>30 June 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>30 June 1992</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Job Search Training Supplement; Newstart Training Supplement</td>
</tr>
</tbody>
</table>

The components of the maximum weekly rate ($87.90) of Job Search Training Supplement and Newstart Training Supplement were spelt out in the legislation. They comprised:

- a ‘training’ component of up to $30 a week to assist with the expenses of a person aged 21 years and over while undertaking training;
- a ‘living-away-from-home’ component to assist with expenses incurred by a person while living away from his/her usual residence during training. The maximum rate was $15 a week for Job Search Allowance recipients aged under 18 years and $20 a week in other cases; and
- ‘a home base maintenance’ component up to a maximum of $37.90 a week to assist with a person’s expenses in maintaining his/her usual residence while living away from that residence and undertaking training.

The Employment Secretary had responsibility for determining whether a person was entitled to all or any of the components and the level of payment.

[The components were itemised in the Act in order to overcome administrative problems which had arisen with tax deductions due to the fact that the individual components were treated differently in tax legislation. There had also been some difficulties with the assessment of entitlements.]
### INDEPENDENT RATE EXTENDED TO 15 YEAR-OLD BENEFICIARIES

**Location in Act**  
Section 44

**Date of commencement**  
30 June 1992

**Date of application**  
30 June 1992

**Payments affected**  
Job Search Allowance; Sickness Allowance; Special Benefit (in effect)

Eligibility for the independent rate of Job Search Allowance and Sickness Allowance was extended to persons aged 15 years in substitute care. ‘Substitute care’ was as defined in Record 63 of 1991.

### CONCESSION EXTENDED TO BENEFICIARIES WHO WERE SOLE PARENTS

**Location in Act**  
Sections 45 and 46 (main change); section 38

**Date of commencement**  
30 June 1992

**Date of application**  
30 June 1992

**Payments affected**  
Benefits; Special Benefit (in effect)

Sole parent recipients of benefits became entitled to the ‘single with dependants’ basic rate of benefit, even though their only child (or children) aged under 16 years did not qualify as a dependent child for purposes of additional payments for children because they were not in full-time education, and were receiving income from employment in excess of a specified amount. [This brought the legislation for beneficiaries into line with that for sole parent pensioners.]

### RESTRICTIONS ON NEW ZEALANDERS RECEIVING SPECIAL BENEFIT

**Location in Act**  
Section 48

**Date of commencement**  
30 June 1992

**Date of application**  
30 June 1992

**Payments affected**  
Special Benefit

New Zealanders were required to comply with the definition of ‘Australian resident’ before becoming eligible for Special Benefit. This, among other things, meant that they had to demonstrate that they were likely to remain permanently in Australia. Previously, New Zealand citizens exempted under the Migration Act from the requirement to have an entry permit had met the residency requirements for Special Benefit. [The change was necessary as, under an agreement between the Australian and New Zealand governments, all New Zealanders travelling on a New Zealand passport had been exempted from the requirement to have an entry permit and, but for the change, would have been able to obtain Special Benefit while in the country only temporarily.]
PAYMENTS BY MARK FITZPATRICK TRUST EXEMPTED FROM INCOME TESTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 49</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>30 June 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>30 June 1992</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits</td>
</tr>
</tbody>
</table>

Payments made by the Mark Fitzpatrick Trust to assist with expenses incurred in relation to a person with a medically acquired HIV infection were exempted from pension and benefit income tests.

INCOME TEST TREATMENT OF INVESTMENTS IN UNLISTED PROPERTY TRUSTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>24 July 1991</td>
</tr>
<tr>
<td>Date of application</td>
<td>24 July 1991 and applied only to investments realised on or after that date and before 23 July 1992. It also applied only to investments made or acquired before 9 September 1988</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

Where a pensioner or beneficiary with an investment in an unlisted property trust, due to a restructuring of the trust, realised the investment and was paid out with an investment in another trust under the same management, any capital growth at the date of realisation was exempted from the income test applying to capital growth in market-linked investments. However, the units in the second trust were treated as a new investment and were subject to ongoing assessment under the income test applying to market-linked investments made on or after 9 September 1988. This change applied only to investments made or acquired before 9 September 1988 and was to apply only to investments in trusts that were realised and paid out with investments in other trusts before 23 July 1992.

[This change was introduced in response to action being taken by unlisted property trusts as a result of a downturn in the property market. This frequently involved restructuring, through fund managers terminating existing trusts and paying out investors with units in other trusts and then listing the new units on the stock exchange. Under the previous legislation, pensioners and beneficiaries with investments in unlisted property trusts before 9 September 1988 would have been taken to have realised their investments, and any capital growth would have been assessed for 12 months as income under the various income tests. The new investments would have also been assessed as income on an ongoing basis, resulting in double counting.]
DEEMING RULE MODIFIED

Location in Act  
Date of commencement  
Date of application  
Payments affected

The ‘deeming rule’ covering the treatment of cash and deposits in financial institutions under pension and benefit income tests was modified to provide that, in the case of a couple, the $2000 per person of savings exempted from the rule would be regarded as a joint exemption of $4000.

[The change was made because a person’s cash in hand was offset first against the $2000 exemption, followed by money earning a nil interest and then money earning interest in ascending order of interest rate. Treating members of a couple individually had meant that the impact of the income test could vary for couples with the same total allocation of income between cash and deposits at various interest rates but different individual allocations.]

TREATMENT OF SALE/LEASEBACK ARRANGEMENTS IN ASSETS TESTS

Location in Act  
Date of commencement  
Date of application  
Payments affected

Sale/leaseback agreements were treated in the same way as an interest in a retirement home or granny flat for purposes of all assets tests. Accordingly, if the balance of the purchase price which remained owing to the person under the sale/leaseback arrangement exceeded the difference between the assets limits for those who owned and those who did not own their own home under the assets test (now called the ‘extra allowable amount’), then the balance was not counted as an asset for purposes of the test but the person was treated as a home owner. Otherwise the person was treated as a non-home owner and the amount owing was treated as an assessable asset.

A sale/leaseback agreement was defined as one where a person agreed to sell his/her family home, the home was a private residence, the person retained a right to accommodation in the residence and the buyer agreed to pay an amount when the person vacated the residence or died. The Secretary was given the discretion to recognise an agreement as a sale/leaseback agreement where it was substantially similar in its effect to the one defined.

[For a fuller understanding of this change, refer to Record 55 of 1988 and Record 20 of 1990. The term ‘granny flat’ in various contexts was not used in the Act for the earlier changes but was inserted into the 1991 Act when it was enacted.]
A number of amendments were made to the compensation recovery provisions applying to income tests on benefits and most pensions:

- it was clarified that a payment of arrears of compensation was to be treated as a series of periodical payments and not as a lump sum. [This change was introduced following contrary interpretations of the legislation by the Administrative Appeals Tribunal.];

- where a person opted to take part of a compensation payment as a weekly payment and part as a lump sum, it was provided that the lump-sum preclusion period (during which a pension or benefit was not payable) began on the first day on which the person’s periodic compensation payment became a reduced payment due to the person choosing the dual option. [This provision was inserted to deal with situations in some state workers’ compensation legislation that allowed long-term compensation recipients to take part of a settlement as a lump sum for a specific period during which they received reduced periodic payments, after which full periodic payments were made.]; and

- it was provided that where a person or his/her partner received more than one lump-sum compensation payment in respect of the same injury, disease or condition, the lump-sum preclusion periods were to run consecutively rather than concurrently.
17

SOCIAL SECURITY AGREEMENT WITH AUSTRIA

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 81 (as set out in Schedule 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>30 June 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>It was stated in the agreement that it would enter into force on the first day of the third month following the month in which notes were exchanged by the parties through the diplomatic channel notifying each other that all matters as were necessary to give effect to the agreement had been finalised. The agreement came into effect on 1 December 1992</td>
</tr>
<tr>
<td>Payments affected</td>
<td>General provision</td>
</tr>
</tbody>
</table>

A Social Security Agreement between Australia and Austria was inserted as a Schedule to the Act.

18

TRANSFERS TO AGE PENSION WITHOUT NEED FOR CLAIM

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 116 (as set out in Schedule 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>30 June 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>30 June 1992</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Age Pension</td>
</tr>
</tbody>
</table>

The Secretary was authorised to allow a person receiving a pension other than Age Pension to transfer to Age Pension, including to a special needs Age Pension, immediately he/she qualified for it, and without the need to make a claim.
Social Security Amendment Act 1992, No. 133

Date of Royal Assent: 30 October 1992

EDUCATION WAITING PERIOD FOR BENEFICIARIES LIBERALISED

| Location in Act | First change: sections 5, 6, 8 and 9  
|                 | Second change: sections 5, 6, 8, 9 and 10  
|                 | Third change: sections 4 and 7  
|                 | Fourth change: sections 4 and 7  
| Date of commencement | 2 November 1992  
| Date of application | Applied only to claims made on or after 2 November 1992. The second change applied to secondary school leavers whether they stopped a full-time course of education at a secondary school before, on or after 2 November 1992  
| Payments affected | Job Search Allowance; Sickness Allowance  

The education leaver waiting period for Job Search Allowance and Sickness Allowance (a maximum of 13 weeks for single persons aged under 21 years without a dependent child and six weeks in other cases) was liberalised through a number of modifications:

- periods of part-time (including casual) work were taken into account to reduce the maximum waiting period provided that they amounted to at least 35 hours a week. A reduction was allowed of one week for the first 35 hours of work and of one day for each additional seven-hour day worked. Previously only full-time work had been taken into account;

- the waiting period for persons leaving full-time secondary education was to commence on the day after they completed their course and end 13 or six weeks later (as applicable) or, assuming the course was complete, on 14 February in the following year, whichever date came first.¹ [This protected people who for various reasons were late in making a claim. The claiming requirements, and actions which could constitute a claim, were as for Unemployment Benefit in 1987. These were covered in Record 60 of 1987.];

- the waiting period was waived for ex-pensioners and beneficiaries who claimed an allowance after having undertaken an education course of six months or more duration, provided that the date on which they made the claim, or the date following that on which they had completed the course or on which they had registered as unemployed with the Commonwealth Employment Service, fell within 12 months of their ceasing to receive the previous payment. [The waiting period had only applied where the course was for six months or longer.]; and

- people were exempted from the waiting period where the Secretary was satisfied that, if they were subject to it, they would be eligible for Special Benefit.
Social Security Amendment Act (No. 2) 1992, No. 134

Date of Royal Assent: 30 October 1992

LUMP-SUM ADVANCES OF FAMILY PAYMENT

Location in Act  
Entire Act

Date of commencement  
1 January 1993, immediately after the commencement of the Social Security (Family Payment) Amendment Act 1992

Date of application  
1 January 1993, immediately after the commencement of the Social Security (Family Payment) Amendment Act 1992

Payments affected  
Family Payment (Basic Family Payment only)

A lump-sum advance of Basic Family Payment became available. For each six-monthly period (1 January to 30 June and 1 July to 31 December), on request a person could receive a lump sum of $135.85, representing half the amount of Basic Family Payment to which he/she would be entitled over the six-month period for any one of the first three children. The only condition was that the person was eligible in the period for at least the amount of the advance. The balance of Family Payment due continued to be paid fortnightly. The family could opt for the lump-sum arrangement on a one-off or ongoing basis. An advance could not be paid in respect of a child in an approved care organisation.

Social Security Legislation Amendment Act (No. 2) 1992, No. 229

Date of Royal Assent: 24 December 1992

REDUCED TAPER IN BENEFIT INCOME TEST FOR COUPLES

Location in Act  
Sections 9 and 10

Date of commencement  
24 December 1992

Date of application  
24 December 1992

Payments affected  
Benefits; Special Benefit (in effect)

The withdrawal rate in the benefit income test for couples was reduced from 50 per cent to 25 per cent over the range of income between $60 and $140 a fortnight, and from 100 per cent to 50 per cent for income in excess of $140, where one partner was neither receiving a pension or benefit in his/her own right nor was a dependent partner entitling the couple to the married rate of benefit. [The change removed an anomaly whereby, with only half the married rate of benefit being paid, a couple had previously been more harshly treated than if they had been entitled to the married rate.]
Changes were made to the compensation recovery provisions applying to income tests on benefits and most pensions:

- it was clarified that arrears of compensation payments received by a person who was on a payment subject to the provisions at the time the event that gave entitlement to the compensation occurred were to be treated as periodic payments (and not lump sums) evenly distributed over the period for which they would have been made if they had not been paid in arrears;

- they were extended to carer pensioners who received compensation payments [they were already applied where the partner of a carer pensioner was on compensation]; and

- in the case of a carer pensioner’s partner on compensation, the existing provision no longer applied only where the other member of the couple was the recipient of the care but to all care recipients.

| Location in Act | First change (main elements): sections 12, 22, 23, 24, 25, 26 (also related are sections 11, 13, 14 to 21 and 37 to 41)  
Second and third changes: sections 27 to 36 |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Commenced, or were taken to have commenced, on 1 January 1993, immediately after the commencement of the Social Security (Family Payment) Amendment Act 1992. (Only exception was some minor provisions related to second and third changes, which commenced on 24 December 1992.)</td>
</tr>
<tr>
<td>Date of application</td>
<td>The main elements of the first change (sections 11 to 26) applied to payments of arrears of periodic compensation payments that were made on or after 1 January 1993 and that related to periodic payments that commenced on or after 1 January 1993. The changes bringing Carer Pension into the provisions applied only to persons who both received compensation and claimed Carer Pension on or after 1 January 1993. The remainder applied as for ‘date of commencement’ except that minor provisions in relation to the second and third changes applied to notices sent on or after 24 December 1992</td>
</tr>
</tbody>
</table>
| Payments affected | First change: Disability Support Pension; Wife Pension; Rehabilitation Allowance; Carer Pension; Sole Parent Pension; benefits  
Second and third changes: Carer Pension |
STATUS OF PERSON COMPLYING WITH CERTAIN UNEMPLOYMENT PAYMENTS CONDITIONS

Location in Act  
Section 42 (Job Search Allowance); section 44 (Newstart Allowance)

Date of commencement  
24 December 1992

Date of application  
24 December 1992

Payments affected  
Job Search Allowance; Newstart Allowance

The provision that a person complying with an activity test or Newstart Activity Agreement should be treated as unemployed for the purposes of qualifying for Job Search Allowance and Newstart Allowance respectively was amended to one giving the Secretary a discretion to treat him/her as unemployed. In deciding whether to treat the person as unemployed, the Secretary was to take account of the nature of the activity being undertaken in the context of the test or agreement, the duration of the activity and any other matters in relation to the activity that he/she considered relevant. [This change sought to ensure that people (such as students) who were not genuinely unemployed could not claim unemployed status and retain access to an allowance.]

EXEMPTION FROM UNEMPLOYMENT PAYMENTS NON-PAYMENT PERIOD VARIED

Location in Act  
Section 43 (Job Search Allowance); section 45 (Newstart Allowance)

Date of commencement  
24 December 1992

Date of application  
24 December 1992

Payments affected  
Job Search Allowance; Newstart Allowance

The Employment Secretary could no longer exempt a claimant or recipient of Job Search Allowance or Newstart Allowance who had commenced an approved formal vocational training program from a non-payment period arising from his/her failure to comply with a reasonable requirement of the Secretary to the Department of Social Security that he/she attend in person, or contact an office of, the Department or the Commonwealth Employment Service. Instead the Employment Secretary could exempt the person, where he/she later became entitled to an allowance and commenced a training program, from the two-week non-payment period that normally applied to a new claimant following such previous non-compliance.
LEGISLATION PASSED IN 1992

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CHANGES TO FAMILY ALLOWANCE/FAMILY PAYMENT MEANS TESTS

| Location in Act | Sections 46, 47, 48, 49, 50, 51, 52 and 53 |
| Date of commencement | First change: 1 January 1992  
Second change (including savings provisions): 1 January 1993, immediately after the commencement of the Social Security (Family Payment) Amendment Act 1992 |
| Date of application | As for date of commencement |
| Payments affected | First change: Family Allowance  
Second change: Family Payment (Basic Family Payment only) |

Two related changes were introduced, the first to Family Allowance and the second to Basic Family Payment, which replaced Family Allowance from 1 January 1993.

Persons with assets above the assets test limits were given access to Family Allowance in respect of a child or children for whom Child Disability Allowance or Double Orphan Pension was being received. This change brought the assets test into line with the income test as had originally been intended, and was backdated to the date of the assets test’s introduction. The provision applied only until 31 December 1992, after which the second change took effect.

When Basic Family Payment replaced Family Allowance, persons whose income and assets were above the income and assets test limits for the payment were no longer (unlike previous Family Allowance recipients) to be eligible for the allowance on the basis that they had a child or children in respect of whom Child Disability Allowance or Double Orphan Pension was payable. Savings provisions ensured that persons who had claimed Child Disability Allowance or Double Orphan Pension before the date of the change, and were for that reason qualified for Family Allowance irrespective of their income and assets, would receive Basic Family Payment on that basis as long as their child/children continued to receive Child Disability Allowance or Double Orphan Pension.

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STRICTER ELIGIBILITY CRITERIA FOR EDUCATION ENTRY PAYMENT

| Location in Act | Sections 54, 55, 56, 57 and 58 |
| Date of commencement | 24 December 1992 |
| Date of application | 24 December 1992 |
| Payments affected | Education Entry Payment |

The conditions under which a sole parent pensioner could receive an Education Entry Payment were made stricter, by requiring that the person had to be enrolled in a full-time or part-time education course approved under Austudy, or that the Secretary had to be satisfied that he/she intended to enrol in such a course. Where a pensioner received payment but did not pay the course enrolment fees in the calendar year in respect of which the payment was made, the amount was treated as a debt to be repaid to the Commonwealth.
PHARMACEUTICAL ALLOWANCE PAYABLE ONLY AT MAXIMUM RATE

Location in Act: Sections 60 to 70
Date of commencement: 20 March 1993
Date of application: 20 March 1993
Payments affected: Pharmaceutical Allowance

Pharmaceutical Allowance was paid at the maximum rate to all eligible recipients. This was achieved by setting the minimum rate of pension or benefit payable to persons qualified for Pharmaceutical Allowance at the then prevailing rate of Pharmaceutical Allowance. Accordingly, the amount of pension or benefit could not be reduced below that amount by the income and/or assets test where some pension or benefit remained payable.

CLARIFICATION OF ASSETS TEST DEPRIVATION PROVISIONS

Location in Act: Sections 113, 114, 115 and 116
Date of commencement: Commenced, or was taken to have commenced, on 1 January 1993, immediately after the commencement of the Social Security (Family Payment) Amendment Act 1992
Date of application: As for date of commencement
Payments affected: Pensions and benefits; Family Payment (Basic Family Payment and Additional Family Payment)

The assets test deprivation provisions applying to all assets-tested payments were amended to clarify that they applied to people who disposed of assets in the five-year period before claiming one of those payments.

SPECIAL BENEFIT PAYABLE OVERSEAS ONLY IN LIMITED CIRCUMSTANCES

Location in Act: Sections 129 and 130
Date of commencement: 24 December 1992
Date of application: 24 December 1992
Payments affected: Special Benefit

Special Benefit ceased to be payable while a person was outside Australia except for a period of up to 13 weeks during a temporary absence where the Secretary was satisfied that the absence was due to exceptional circumstances.
RESTRICTION ON QUALIFICATION CONDITIONS FOR SOLE PARENT PENSION

Location in Act: Sections 131 and 132
Date of commencement: 24 December 1992
Date of application: 24 December 1992
Payments affected: Sole Parent Pension

An amendment was introduced to the effect that a person could not qualify for a Sole Parent Pension if he/she was living with a person of the opposite sex in a marriage-like relationship where the person or his/her partner were under the age of consent as applicable in the state or territory in which they lived.

[This change removed an anomaly whereby a person under the age of consent living in a marriage-like relationship could have claimed a Sole Parent Pension on the grounds that he/she was not disqualified due to his/her being a member of a couple. This was possible because the Act had regarded a person in a marriage-like relationship as a member of a couple only if he/she was over the age of consent.]

CONCESSION TO JOB SEARCH ALLOWANCE AND NEWSTART ALLOWANCE CLAIMANTS

Location in Act: Sections 133, 134, 135 and 136
Date of commencement: 24 December 1992
Date of application: 24 December 1992
Payments affected: Job Search Allowance; Newstart Allowance

The requirement that a person had to be in Australia to qualify for a Job Search Allowance or Newstart Allowance was not applied to members of the Australian Defence Force Reserves attending overseas training camps.

PARENTAL INCOME TEST ON YOUNG BENEFICIARIES EASED

Location in Act: Sections 137 and 138
Date of commencement: 24 December 1992
Date of application: 24 December 1992
Payments affected: Job Search Allowance; Sickness Allowance; Special Benefit (in effect)

The parental income test applying to Job Search Allowance and Sickness Allowance for single persons aged under 18 years without dependent children was eased by no longer treating maintenance payments made to a parent or parents in respect of a child or children as assessable income. [Spousal maintenance continued to be counted as income for purposes of the test.]
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**SICKNESS ALLOWANCE CONDITIONS LIBERALISED**

| Location in Act          | First and second changes: section 139  
|                         | Third change: section 140  
|                         | Fourth change: section 141  
|                         | Fifth change: section 142  
| Date of commencement    | 24 December 1992  
| Date of application     | 24 December 1992  
| Payments affected        | Sickness Allowance  

The following changes liberalised the conditions under which Sickness Allowance was paid:

- a person was no longer required to have been receiving Job Search Allowance, Newstart Allowance or Sickness Allowance (or Sickness Benefit) before commencing a rehabilitation program in order to be eligible for Sickness Allowance while on the program;

- a person aged 15 years otherwise eligible for Sickness Allowance was no longer precluded from receiving the allowance while undertaking a rehabilitation program;

- the Secretary could extend a person’s payment for up to four weeks beyond the person’s ‘maximum allowance period’, where the person had provided a medical certificate before the end of that period but the person’s case for continuing payment had not been determined due solely or mainly to an act or omission by an officer of the Department;

- eligibility for the allowance was extended to full-time students where an education course was part of a rehabilitation program that the Secretary had requested the person to undertake; and

- where a person lost his/her entitlement to an allowance because a medical certificate had not been provided before the end of the ‘maximum allowance period’ and then made a new claim, and the main reason for the failure to provide the certificate had been either the person’s medical condition or an act or omission by an officer of the Department, the Secretary could pay up to four weeks of allowance in arrears.

The ‘maximum allowance period’ was the period specified in the determination of the person’s claim. It could not exceed the period of incapacity specified in a medical certificate or 13 weeks, whichever was the lesser. Where no medical certificate was provided because of the person’s participation in a rehabilitation program, the maximum allowance period was the period of participation in the program. In other cases it was a maximum of four weeks. Normally, if a person’s eligibility for continuing payment had not been assessed before the maximum allowance period ended, the person lost entitlement and then had to submit a new claim.
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CHANGE TO PORTABILITY PROVISIONS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 148</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>24 December 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>24 December 1992. Applied to a cancellation or cessation that occurred on or after that date</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions except Carer Pension and Rehabilitation Allowance. Carer Pension was not payable overseas at the time and a person could not meet the qualifications conditions for Rehabilitation Allowance while overseas</td>
</tr>
</tbody>
</table>

The portability provisions were amended to provide that, where an entitlement to a pension (other than Carer Pension or Rehabilitation Allowance) or specified veterans’ payment was cancelled or automatically ceased while a person was overseas, and the person was immediately qualified for another of those social security pensions, he/she was required to claim the new pension within three months, after which a claim could be made only in Australia. Previously there had been no time limit on claiming while the person remained overseas.

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EASIER SOLE PARENT PENSIONER ACCESS TO EMPLOYMENT ENTRY PAYMENT

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 149</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Commenced, or was taken to have commenced, on 1 January 1993, immediately after the commencement of the Social Security (Family Payment) Amendment Act 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Employment Entry Payment</td>
</tr>
</tbody>
</table>

The earnings threshold which had to be exceeded before a sole parent pensioner became eligible for an Employment Entry Payment was lowered to the maximum amount of income (other than maintenance income) that a single Newstart Allowance recipient aged from 21 to 59 years without children, and not receiving Rent Assistance or Remote Area Allowance, could receive without losing entitlement to the allowance.
### CHANGE TO QUALIFYING CONDITIONS FOR CARER PENSION

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 150</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>24 December 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>24 December 1992</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Carer Pension</td>
</tr>
</tbody>
</table>

The eligibility criteria for Carer Pension were modified to specify that, while the carer could live in a home adjacent to the person receiving care, the care had to be provided in the home of the care recipient.

### QUALIFYING CONDITIONS FOR DISABILITY SUPPORT PENSION EASED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 153 (as set out in items 11 and 12 of Part 1 of Schedule 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>24 December 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>24 December 1992</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Disability Support Pension</td>
</tr>
</tbody>
</table>

The qualifying conditions for Disability Support Pension were eased for a person without 10 years qualifying residence, by no longer requiring that he/she already be an Australian resident or, if born overseas and not at the time an Australian resident, a dependent child of an Australian resident who later became an Australian resident while still dependent, before meeting the ‘20 per cent impairment’ criterion. [The requirement that the person comply with the specified residency conditions before meeting the ‘continuing inability to work’ criterion was unchanged.]

### ELIGIBILITY FOR RENT ASSISTANCE EXTENDED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 153 (as set out in item 31 of Part 1 of Schedule 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>24 December 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>24 December 1992</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance</td>
</tr>
</tbody>
</table>

Eligibility for Rent Assistance was extended to single disability support pensioners aged under 18 years without dependent children living away from the parental home because of a medical condition. Previously, such persons received Rent Assistance only if they were living in disability accommodation or qualified on the basis that they were homeless or independent.
MODIFICATION TO INCENTIVE ALLOWANCE SAVINGS PROVISION

Location in Act  
Section 153 (as set out in item 49 of Part 1 of Schedule 3)

Date of commencement  
24 December 1992

Date of application  
24 December 1992

Payments affected  
Incentive Allowance

The savings provision under which Incentive Allowance (which was being phased out) continued to be paid to existing recipients was modified to enable pensioners, who lost their entitlement to the allowance due to their undertaking a vocational training or rehabilitation program, to regain the allowance if they returned to a qualifying activity within the following two years. Previously, this concession had applied only to pensioners who lost eligibility for the allowance due to earnings from work.

SOCIAL SECURITY AGREEMENT WITH THE REPUBLIC OF CYPRUS

Location in Act  
Section 155 (as set out in Schedule 8)

Date of commencement  
24 December 1992

Date of application  
Agreement specified that it would come into force on the first day of the second month after an exchange of notes by the parties through the diplomatic channel notifying each other that all constitutional or legislative matters as were necessary to give effect to the agreement had been resolved. Agreement took effect on 1 January 1993

Payments affected  
General provision

A Social Security Agreement between Australia and the Republic of Cyprus was inserted as a Schedule to the Act.
A compendium of legislative changes in social security 1983–2000

Social Security Legislation Amendment Act (No. 3) 1992, No. 230

Date of Royal Assent: 24 December 1992

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MODIFICATION TO MAINTENANCE INCOME TEST

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 4, 5 and 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Commenced, or was taken to have commenced, on 1 January 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>Commenced, or was taken to have commenced, on 1 January 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Payment (Additional Family Payment only)</td>
</tr>
</tbody>
</table>

The maintenance income test was modified by disregarding maintenance income paid in respect of a child with a disability in calculating the amount of Additional Family Payment payable. Such income had previously been treated as 'special maintenance income' under the test.

42

CONCESSION GRANTED TO 15 YEAR-OLD BENEFICIARIES

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 7 and 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 March 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 March 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Job Search Allowance; Sickness Allowance</td>
</tr>
</tbody>
</table>

Eligibility for Job Search Allowance and Sickness Allowance was extended to 15 year-olds who did not meet the employment-related conditions for payment provided that they had been registered as unemployed with the Commonwealth Employment Service for at least 13 weeks.

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EASIER ACCESS TO INDEPENDENT RATE OF BENEFIT FOR YOUNG PEOPLE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 March 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 March 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Job Search Allowance; Sickness Allowance; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

The continuous period during which a single person aged under 18 years without dependent children had to have lived away from home before qualifying for the independent rate of Job Search Allowance or Sickness Allowance was reduced from six months to 18 weeks.
A number of enhancements were made to Carer Pension:

- the pension was extended to a carer of a severely handicapped person aged 16 years and over where the recipient of the care would have been entitled to receive a pension or a specified veterans’ payment but for the fact that he/she had not lived in Australia for a sufficient length of time to meet the residency qualifications;

- the period (or aggregate of periods) during which a carer could temporarily cease to provide the required level of care without losing entitlement to the pension was increased from 28 to 42 days in a calendar year. The Secretary’s discretion to extend the period in particular cases was retained;

- a recipient of Carer Pension no longer lost his/her entitlement to the pension by going overseas during the period(s) of up to 42 days in which he/she ceased temporarily to provide the required level of care; and

- the carer could cease to provide the requisite level of care for up to 10 hours a week in order to undertake training, education or employment without losing eligibility for the pension.

A lump-sum Bereavement Payment became payable to a carer pensioner where the person being cared for, not being the carer’s partner, died and immediately before his/her death the person being cared for was not a member of a couple, or was a member of a couple whose partner was not receiving a pension, benefit or specified veterans’ payment. The amount of lump sum payable was the lesser of the equivalent of seven times the maximum fortnightly basic rate of pension payable to a member of a couple at the date of the death or seven times the amount of the last fortnightly instalment of Carer Pension paid to the carer before the person died. The lump sum was paid in addition to the 14 weeks of continuing Carer Pension provided under the existing Bereavement Payment arrangements.
### 46

<table>
<thead>
<tr>
<th><strong>PENSIONER EARNINGS CREDIT EXTENDED TO CARER PENSIONERS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location in Act</strong></td>
</tr>
<tr>
<td><strong>Date of commencement</strong></td>
</tr>
<tr>
<td><strong>Date of application</strong></td>
</tr>
<tr>
<td><strong>Payments affected</strong></td>
</tr>
</tbody>
</table>

The pensioner earnings credit was extended to carer pensioners. Credits accumulated by a person in the previous six months while receiving a Carer Pension, other pension or specified veterans’ payment were added to their opening balance on the starting date.

### 47

<table>
<thead>
<tr>
<th><strong>CONCESSION PROVIDED TO RECIPIENTS OF CHILD DISABILITY ALLOWANCE</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location in Act</strong></td>
</tr>
<tr>
<td><strong>Date of commencement</strong></td>
</tr>
<tr>
<td><strong>Date of application</strong></td>
</tr>
<tr>
<td><strong>Payments affected</strong></td>
</tr>
</tbody>
</table>

The period (or aggregate of periods) during which a person or persons could cease to provide the required level of care to a child with a disability without losing entitlement to Child Disability Allowance was increased from 28 to 42 days in a calendar year.
### VARIATION TO MOBILITY ALLOWANCE CONDITIONS

| Location in Act | First and second changes: section 17  
| | Third change: sections 18 and 19  
| | Fourth change: section 21  
| Date of commencement | 20 March 1993  
| Date of application | 20 March 1993  
| Payments affected | Mobility Allowance  

A number of changes were made to Mobility Allowance:

- it was extended to people meeting the disability conditions who were undertaking job search activities as part of an activity plan developed by a Disability Panel established by the Secretary;
- it was extended to people meeting the disability conditions who were engaged, for at least eight hours a week and on a continuing basis, in approved voluntary work for charitable, welfare or community organisations;
- it ceased to be payable where a person failed to comply with a reasonable requirement that he/she contact an officer, attend an interview, complete a questionnaire, attend a medical, psychiatric or psychological examination or fail to provide a report on such an examination in the approved form; and
- on request a person could receive one advance payment of 26 weeks’ entitlement of allowance a year provided that the Secretary was satisfied that he/she would continue to qualify for at least that period.

[Pharmaceutical Benefit concessions provided under the National Health Act were also extended to recipients of Mobility Allowance.]

### INCREASED RATE AND INDEXATION OF MOBILITY ALLOWANCE

| Location in Act | Section 20 (rate increase); section 23 (indexation)  
| Date of commencement | 1 January 1993  
| Date of application | 1 January 1993  
| Payments affected | Mobility Allowance  

The rate of Mobility Allowance was increased by $5.25 to $25.25 a week.

Provision was made to increase the allowance through automatic indexation on 1 January each year based on movements in the Consumer Price Index between the previous two June quarters. The first indexation increase applied from 1 January 1994. [Effectively indexation applied from 1 January 1993 as 25 cents of the increase to $25.25 a week from that date was the equivalent of what would have been a first indexation increase.]
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**ENHANCEMENTS TO EMPLOYMENT ENTRY PAYMENT**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>First change: section 33</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Second change: section 34</td>
</tr>
<tr>
<td>Date of commencement</td>
<td>20 March 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 March 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Employment Entry Payment</td>
</tr>
</tbody>
</table>

Enhancements were made to the Employment Entry Payment for disability support pensioners:

- the requirement that a pensioner had to have been receiving that pension or another specified payment for a continuous period of at least 12 months before becoming eligible for the payment was removed; and
- the payment was increased by $100 to $300.

51

**COVERAGE OF EMPLOYMENT ENTRY PAYMENT EXTENDED**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 35 and 36</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 March 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 March 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Employment Entry Payment; Widow B Pension; Special Benefit</td>
</tr>
</tbody>
</table>

A lump-sum Employment Entry Payment of $100 was extended to Widow B pensioners, and to sole parents receiving Special Benefit because they or their children did not meet the residency conditions for Sole Parent Pension. The conditions of payment for both groups were essentially the same as for sole parent pensioners (refer to Record 30 of 1991 and Record 35 of 1992). A minor difference was that, unlike for sole parent pensioners, the provision did not specify that maintenance income should be disregarded in calculating the earnings threshold.
### COVERAGE OF EDUCATION ENTRY PAYMENT EXTENDED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Main changes at section 39 (disability support pensioners) and section 40 (Widow B pensioners and special beneficiaries); ancillary changes are at sections 37 and 38</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Main changes commenced, or were taken to have commenced, on 1 January 1993, immediately after the commencement of the Social Security (Family Payment) Amendment Act 1992; ancillary changes commenced, or were taken to have commenced, on 1 January 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Education Entry Payment; Disability Support Pension; Widow B Pension; Special Benefit</td>
</tr>
</tbody>
</table>

A lump-sum Education Entry Payment of $200 a calendar year was extended to disability support pensioners, Widow B pensioners, and sole parents receiving Special Benefit because they or their children did not meet the residency conditions for Sole Parent Pension, where these groups were qualified to receive a pensioner education supplement under Austudy. The conditions of payment were as for Sole Parent Pension (refer to Record 61 of 1991 and Record 26 of 1992).

[Record 61 of 1991 refers to ‘education supplement’. The reference here to ‘pensioner education supplement’ reflects a name change under the Austudy scheme.]
CHANGES TO RENT ASSISTANCE

Location in Act    Sections 41 to 51
Date of commencement   20 March 1993
Date of application   Applied to instalments of pension, benefit or Family Payment that fell due on or after 20 March 1993
Payments affected    Rent Assistance

A range of changes were made to Rent Assistance:

- the common rent threshold of $25 a week (above which eligibility for Rent Assistance became payable) was replaced by a set of thresholds (all above $25) which varied with family circumstances. Weekly levels were: single person with no children—$30; single person with children—$40; married couple without children—$50; and married couple with dependent children—$60;
- the level of assistance to a single person without a dependent child was increased by $2 to $33.60 (after indexation);
- the rate of assistance payable above the rent threshold was increased from 50 to 75 per cent of rent payable, enabling people to receive the maximum rate of assistance at lower rent levels; and
- the rent thresholds were automatically increased on 20 March and 20 September each year in line with increases in the Consumer Price Index in the six months to the previous December and June quarters respectively.

Savings provisions ensured that persons receiving Rent Assistance before the changes would not have their payment reduced while they continued to receive a relevant social security payment and to be eligible for the assistance.
PENSION AND RELATED RATE INCREASES

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 52, 53, 54, 55, 56, 57, 58 and 59</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>28 January 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>Applied to instalments of pensions and benefits that fell due on or after 28 January 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions; Newstart Allowance; Sickness Allowance; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

Increases of $3 a week in the maximum basic single rate of pension and of $2.50 in the rate for each partner of a couple were made almost two months before the March 1993 automatic indexation increase was due and replaced that increase. The increases involved ad hoc amounts of $2.55 (single) and $2.10 (each partner or a couple), the balance being based on an estimate of the increase in the Consumer Price Index between the June and December quarters of 1992. The increase was provided to all those entitled to the general pension rate, that is recipients of pensions (except certain disability support pensioners aged under 21 years) and certain beneficiaries.

[There had been no indexation increase in September 1992 as the Consumer Price Index had declined for the relevant base period. The ad hoc and early increase ensured that the pension remained at no less than 25 per cent of the average weekly total earnings of all males in the official statistical series.]

ACCESS TO FRINGE BENEFITS EXTENDED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 60 to 72 and 74</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 April 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 April 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Fringe Benefits (Concession Cards); benefits (but would not apply to Job Search Allowance)</td>
</tr>
</tbody>
</table>

Access to Fringe Benefits (Concession Cards) was extended:

- the special income and assets tests applying to them were abolished so that they were now provided to all pensioners; and
- they were made available to beneficiaries aged 60 years and over who had been in receipt of a pension, benefit or specified veterans’ payment for at least 12 months.

Following the first change, the Pensioner Health Benefits Card enabling access to Fringe Benefits was given to all pensioners while the Pharmaceutical Benefits Card, which had been provided to pensioners not eligible for a Pensioner Health Benefits Card, was discontinued.
Access to Telephone Allowance was increased:

- it was extended to all pensioners. This was a consequential change flowing from the abolition of the Fringe Benefits (Concession Cards) income and assets tests which had the effect of extending Fringe Benefits to all pensioners (refer to Record 55 of 1992). [Telephone Allowance had been payable to pensioners but subject to the Fringe Benefits income and assets tests.]; and

- it became payable to Sickness Allowance recipients aged 60 years or more who had been receiving a pension, benefit or specified veterans’ payment for at least 12 months (that is, on the same basis as for Job Search Allowance and Special Benefit recipients).
A number of changes were made to extend the circumstances under which recipients of Job Search Allowance and Newstart Allowance were taken to comply with the activity test and other conditions:

- a recipient of Job Search Allowance aged under 18 years who had been in receipt of a ‘specified payment’ for at least three months had the period of full-time voluntary work which he/she could undertake and be held to comply with the activity test increased from 20 to 30 days in a calendar year;

- a new provision enabled a recipient of Job Search Allowance aged 18 to 49 years who had been in receipt of a ‘specified payment’ for at least six months to undertake up to 30 days voluntary work in a calendar year and be regarded as complying with the activity test;

- the concession enabling recipients of Job Search Allowance aged 55 years and over to undertake 65 days of full-time voluntary work in a calendar year and continue to comply with the activity test was extended to recipients aged 50 to 54 years;

- the provision enabling the Secretary to relax the regular reporting requirements for certain recipients of Job Search Allowance and Newstart Allowance aged 55 years and over was extended to recipients aged 50 to 54 years. Details of the provision were as applied to Unemployment Benefit in 1987 (refer to Record 11 of 1987); and

- the provision enabling recipients of Newstart Allowance aged 55 years and over who had been receiving ‘specified payments’ for at least 12 months to be exempted from the activity test during any period in which they were employed (in work commenced on or after 1 January 1990) and earning at least 35 per cent of the relevant average weekly ordinary time earnings was extended to persons aged 50 to 54 years.

In the relevant changes, existing conditions concerning voluntary work (refer to Record 40 of 1988) remained and also applied to the new provision (second change). ‘Specified payments’ were also those in that record except that ‘Unemployment Benefit’ should now read ‘Newstart Allowance’. 
The basic permissible income limit (free area) in the parental income test applying to single recipients of Job Search Allowance and Sickness Allowance aged under 18 years without dependants became subject to automatic indexation on 1 January each year in line with increases in the Consumer Price Index between the two previous June quarters instead of (as previously) by increases between consecutive Novembers in the relevant Average Weekly Earnings figure in the official statistical series.

The threshold (free area) in the parental income test for Additional Family Payment, above which payment was reduced, became subject to automatic indexation on 1 January each year in line with increases in the Consumer Price Index between the two previous June quarters instead of (as previously) by increases between consecutive Novembers in the relevant Average Weekly Earnings figure in the official statistical series.
Legislation passed in 1992

60

**BENEFIT WAITING PERIOD IMPOSED ON NEW ARRIVALS IN AUSTRALIA**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 102 to 111</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Job Search Allowance; Newstart Allowance; Sickness Allowance</td>
</tr>
</tbody>
</table>

Persons arriving in Australia on or after 1 January 1993 became subject to a 26-week waiting period before gaining access to Job Search Allowance, Newstart Allowance or Sickness Allowance. The waiting period applied from the date of arrival in Australia or from that on which a valid entry permit was granted, whichever was later. The waiting period (which was applied only once) did not apply to a person who:

- held a valid visa granted before 18 August 1992;
- held a valid domestic protection (temporary) entry permit;
- was approved for permanent entry under the Refugees, Humanitarian and Special Assistance Sub-program or similar arrangement; or
- was a member of a couple immediately before his/her arrival and whose partner had been an Australian resident for at least 26 weeks when the person arrived.

For persons who held a valid People’s Republic of China (temporary) entry permit before being granted a valid permanent entry permit, the waiting period commenced on the day on which his/her temporary entry permit came into force.
TREATMENT OF RETURNS FROM INVESTMENTS IN INCOME TESTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 112 to 127</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencements</td>
<td>25 March 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>25 March 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

Major changes were made to the treatment of investment returns in pension and benefit income tests:

- the rules governing managed investments (other than certain accruing return investments acquired before 1 January 1988 and market-linked investments acquired before 9 September 1988) were simplified and made more consistent, by removing the distinction between accruing return and market-linked investments and assessing all investments on the basis of their performance. Assessable income from all such investments was now calculated by multiplying the current value of the investment by the rate of growth in the investment product over the previous 12-month period, with investments held for less than 12 months converted to an annual basis. Under the new rules, losses could be offset against (but only up to the level of) gains made on other managed investments during the same period. A person could deduct reasonable costs associated with an investment from assessable income. To avoid double counting, actual returns received on investments were not assessed as income; and

- in assessing the return on certain accruing return investments acquired before 1 January 1988 and market-linked investments acquired before 9 September 1988 (which were assessed only on realisation), account was taken only of increases in income attributable to the period during which a person was receiving a pension or benefit.

A ‘managed investment’ was defined as one where the money or property invested was paid by the investor directly or indirectly to a body corporate or into a trust fund, the invested assets were not held in the names of the investors, and the investor did not have effective control over the management of the invested assets but had a legally enforceable right to share in any distribution of income or profits derived from them. Managed investments included an investment in a public unit trust, insurance bond or friendly society, and one in a superannuation fund, approved deposit fund or deferred annuity but only where the investor was under Age Pension age. Deposit moneys, certain loans, immediate annuities and superannuation pensions were specifically excluded from the definition.

[For an explanation of these changes, refer to Record 36 of 1987, Record 52 of 1988 and Records 10, 48 and 89 of 1991.]
TREATMENT OF SUPERANNUATION AND RELATED PRODUCTS IN MEANS TESTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 128, 129, 130, 131, 132 and 133</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>25 March 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>25 March 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Special Benefit (in effect) for income test only; Family Payment (Basic Family Payment and Additional Family Payment) for assets test only</td>
</tr>
</tbody>
</table>

Investments in superannuation funds, approved deposit funds or deferred annuities, provided that they were not realised, were exempted from pension and benefit income tests and all assets tests until the person reached Age Pension age. Where some or all the investment was accessed before pensionable age, any growth was treated as evenly spread over the following 12 months and assessed accordingly under the income test. It was also subject to the assets test.

[Once a person attained pensionable age, the investment was subject to the assets test and, while unrealised, to the income test applying to managed investments and, when realised, to that applying to superannuation pensions or immediate annuities. Unrealised superannuation benefits had previously been exempt from the income and assets tests if compulsorily preserved, but otherwise subject to them.]

TREATMENT OF LISTED SHARES AND SIMILAR PRODUCTS IN INCOME TESTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 134, 135 and 136</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 September 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 September 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits</td>
</tr>
</tbody>
</table>

The treatment of listed shares and other listed securities under pension and benefit income tests was brought into line with that for managed investments (refer to Record 61 of 1992). The new provision did not apply to bonds or debentures. A later amendment (refer to Record 11 of 1993) provided that this change was to apply only to investments acquired after 18 August 1992. [Previously, dividends had been assessed but no account had been taken of capital growth at any stage.]
### TREATMENT OF ALLOCATED PENSIONS AND ANNUITIES IN MEANS TESTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 137, 138 and 139</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 October 1993 or the date of report to the Senate by a Senate standing or select committee on the application of Division 19 (Division 19 in the Act contained sections 137, 138 and 139). The main thrust of the changes never took place</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits; Special Benefit (in effect) for income test changes only; Family Payment (Basic Family Payment and Additional Family Payment) in relation to assets test changes only</td>
</tr>
</tbody>
</table>

Provision was made for allocated pensions and allocated annuities to be treated in the same way as managed investments in pension and benefit income tests (refer to Record 61 of 1992), and to be made subject to the assets test. A pension or annuity was regarded in the legislation as 'allocated' where the rate of payment, or the basis for variations in the rate of payment, were not fully defined in the relevant trust deed.

[Allocated pensions and annuities were at that stage a new development. They are similar in a number of ways to a bank account in that the payment rate can be varied at the discretion of the recipient. The person can withdraw money at a rate to suit his/her needs while the balance of the account is applied to generating a return. Previously, they had been treated as superannuation pensions or immediate annuities—the former was exempt from the assets test while the treatment of immediate annuities under the assets test varied. Both were assessed as income under the income test but with the equivalent of the tax concession applying to these investments deducted from assessable income.]

The income test amendments never took effect while the assets test changes were modified (refer to Record 17 of 1994).
PARTICIPANT IN JOBSKILLS PROGRAM INELIGIBLE FOR NEWSTART ALLOWANCE

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 147, 148, 149, 150, 151 and 152</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>24 December 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>24 December 1992</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Newstart Allowance</td>
</tr>
</tbody>
</table>

A person participating in a Jobskills program was deemed to be employed and therefore ineligible for Newstart Allowance. People who completed the program or, if they did not complete the program, who satisfied the Employment Secretary that they had taken reasonable steps to complete it, were exempted from the normal seven-day waiting period for Newstart Allowance provided that they made a claim within 14 days of completing, or last participating in, the program.

[The Jobskills program was administered by the Employment Department and contained a training and paid work experience component. It targeted persons aged 21 years and over who had been unemployed for 12 months or more. Many people participated in the program to comply with the Newstart Allowance activity test or as part of a Newstart Activity Agreement.]

RATE REDUCTION FOR CERTAIN SOLE PARENT BENEFIT RECIPIENTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 153 and 154</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Commenced, or was taken to have commenced, on 1 January 1993, immediately after the commencement of Part 2 of Schedule 2 of the Social Security Legislation Amendment Act (No. 2) 1992</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

A sole parent benefit recipient ceased to qualify for the higher ‘single with child’ basic rate of benefit if his/her only child was a dependent full-time student child aged 18 to 24 years receiving a specified education payment. [This brought the conditions applying to sole parents on a benefit into line with those for Sole Parent Pension and Family Payment.]
REMOTE AREA ALLOWANCE INCREASED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 155 (as set out in Schedule 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Commenced, or were taken to have commenced, on 1 January 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>Commenced, or were taken to have commenced, on 1 January 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Remote Area Allowance</td>
</tr>
</tbody>
</table>

Remote Area Allowance was increased by $1.75 to $8.75 a week for single persons and by $1.50 to $7.50 a week for each partner of a couple. The $3.50 a week paid in respect of each dependent child was unchanged. [The increases were consistent with increases in taxation zone rebates.]
Endnotes

1 The intended indexation effect was not achieved in this Act and further amendments were required at section 153, as set out in items 89 and 90 in Part 2 of Schedule 2 to the Social Security Legislation Amendment Act (No. 2) 1992.

2 ‘Temporarily separated couples’ were legally married couples, other than ‘illness or respite care’ separated couples, living separately and apart but not on a permanent basis. They represented a new category inserted by the present amending Act.

3 The legislation stated 15 February but an amendment by Part 1 of Schedule 19 of the Social Security Legislation Amendment (No. 1) Act 1995 changed the date to 14 February. The amendment was backdated so as to apply on 2 November 1992, immediately after the commencement of the present amending Act.

4 This amendment inadvertently removed a concession which enabled entitlement to Fringe Benefits to be retained for a period of up to 12 months by persons who ceased to qualify for a Disability Support Pension due to earnings from employment, but who were not working 30 hours or more a week. The concession was restored by an amendment at section 10 to the Social Security (Non-Budget Measures) Legislation Amendment Act 1995 and backdated to 1 April 1993.
Legislation passed in 1993

Social Security Amendment Act 1993, No. 25

Date of Royal Assent: 9 June 1993

1

BENEFIT INCOME TEST LIBERALISED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 4 and 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 September 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>Applied to instalments that fell due on or after 20 September 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

The benefit income test was liberalised:

- an addition to the standard permissible income limit (free area) of $30 a fortnight was introduced for single persons where the income was derived from personal exertion; and
- the existing addition to that limit allowed to each partner of a couple for income derived from personal exertion was increased by $20 to $50 a fortnight.

This brought the maximum permissible income limits to $90 a fortnight for a single person and to $160 for a couple.

2

EASING OF PENSION ASSETS TEST

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 6, 7, 8 and 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 September 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 September 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions</td>
</tr>
</tbody>
</table>

The pension assets test was eased by reducing the rate at which pension was withdrawn from 50 cents to 37.5 cents a week for each $250 of assets in excess of the specified limits. The reduction also applied to assets not disregarded for purposes of the financial hardship provisions in the test.
### CONSOLIDATION OF EXEMPTIONS FROM GENERAL BENEFIT WAITING PERIOD

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 10, 11 and 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 September 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 September 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Job Search Allowance; Newstart Allowance; Sickness Allowance</td>
</tr>
</tbody>
</table>

A number of the provisions exempting workforce beneficiaries from the general seven-day waiting period were replaced by a single provision specifying that the period could be waived where a claimant had been in receipt of a pension, benefit or specified veterans’ payment within the preceding 13 weeks.

Thirteen exemptions, four applying to each of Job Search Allowance and Sickness Allowance and five to Newstart Allowance, were abolished, although some were the same or fairly similar for each allowance. Those retained were: for all allowances, those related to the death of a partner and to severe financial hardship; for Job Search Allowance and Newstart Allowance, the one related to participation in vocational training; and for Newstart Allowance only that related to participation in a Jobskills program. [The Jobskills program was described in Record 65 of 1992.]
Social Security Legislation Amendment Act 1993, No. 36

Date of Royal Assent: 20 September 1993

**SINGLE RATE PAID TO MEMBER OF COUPLE WITH PARTNER IN CONFINEMENT**

| Location in Act     | First change: sections 14, 15 and 18 (section 18 relates to amendments set out in Schedule 1)  
|                     | Second change: sections 16 and 17 |
| Date of commencement | Sections 14, 15 and 18 (main change) commenced, or  
|                      | were taken to have commenced, on 19 September 1993;  
|                      | sections 16 and 17 (change correcting anomaly)  
|                      | commenced on 20 September 1993. There were some  
|                      | unimportant technical specifications regarding the  
|                      | 20 September date |
| Date of application | As for date of commencement |
| Payments affected   | Pensions (except Widow B Pension and Sole Parent  
|                     | Pension) and benefits; Special Benefit (in effect) |

It was provided that the single rate, instead of half the combined married rate,  
of pension or benefit became payable to a member of a couple whose partner  
was in gaol or undergoing psychiatric confinement because he/she had been  
charged with committing an offence. At the same time it was clarified that no  
payment was to be made in respect of the partner in these circumstances. [This  
amendment corrected an unintended consequence which had arisen during the  
transition from the 1947 to the 1991 Act.]

**CHILD DISABILITY ALLOWANCE BACKDATING PROVISION REMOVED**

| Location in Act     | Section 21 |
| Date of commencement | 20 September 1993 |
| Date of application  | Applied to claims made on or after  
|                     | 20 September 1993 |
| Payments affected    | Child Disability Allowance |

The provision enabling the backdating of payments of Child Disability Allowance  
indefinitely in certain cases where a person had previously made an initial claim  
for a Family Payment or Double Orphan Pension, or an income support payment  
under another Act or under a program of the Commonwealth that was similar in  
character to Child Disability Allowance, was removed. [The sole provision now  
was the general one allowing backdating up to 12 months.]
6

CHANGES TO CHILD DISABILITY ALLOWANCE CONDITIONS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 20, 21 and 24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 September 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 September 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Child Disability Allowance</td>
</tr>
</tbody>
</table>

The conditions under which Child Disability Allowance was paid were altered:

- payment for up to 42 days in a calendar year where a person or persons were not providing the appropriate level of care to the child was no longer generally available, but separate periods of up to 42 days in respite care or in hospital (that is a maximum of 84 days) were allowed;

- the general discretion of the Secretary to authorise payment during temporary absences from the family home beyond 42 days was now confined to situations where the child was in respite care or hospital on a short-term basis. A savings provision ensured that only new claimants for the allowance were affected by this change; and

- it was clarified that a child boarding away from home to receive education, training or treatment (for whom a separate concession applied) was not taken to be in respite care.

7

CERTAIN PAYMENTS FOR MEDICAL EXPENSES EXCLUDED FROM INCOME TESTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 September 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 September 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions and benefits</td>
</tr>
</tbody>
</table>

Payments made by the New South Wales Medically-Acquired HIV Trust as financial assistance with expenses incurred in relation to a person with a medically acquired HIV infection were exempted from pension and benefit income tests.
EARNINGS THRESHOLD FOR EMPLOYMENT ENTRY PAYMENT

Location in Act  
Section 26

Date of commencement  
Taken to have commenced on 1 January 1993, immediately after the commencement of the Social Security (Family Payment) Amendment Act 1992

Date of application  
As for date of commencement

Payments affected  
Employment Entry Payment

The legislation was clarified by specifying that additional payments for dependent children were to be excluded in calculating the earnings threshold which had to be exceeded before a sole parent pensioner became eligible for an Employment Entry Payment. [The change ensured that the provision was consistent with, for example, that for Disability Support Pension, which contained a specific exclusion. Details of the threshold are at Record 35 of 1992.]

CERTAIN BENEFIT WAITING PERIODS TO RUN CONCURRENTLY

Location in Act  
Sections 30, 31, 32, 33, 36 and 37

Date of commencement  
Taken to have commenced on 1 January 1993, immediately after the commencement of Part 1 of Schedule 4 to the Social Security Legislation Amendment Act (No. 3) 1992

Date of application  
As for date of commencement

Payments affected  
Job Search Allowance; Newstart Allowance; Sickness Allowance

It was provided that the 26-week newly arrived residents’ waiting period and the general seven-day waiting period applying to persons claiming benefits were to run concurrently. [This arrangement was consistent with that for most waiting periods.]
MINOR MODIFICATION TO SICKNESS ALLOWANCE RESIDENCY CONDITIONS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 34 and 35</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 September 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 September 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Sickness Allowance</td>
</tr>
</tbody>
</table>

A minor modification was made to the residency condition for Sickness Allowance wherever it occurred in the Act by requiring that a person be an Australian resident and in Australia throughout the period. The original requirement that the person was ‘likely to be a resident and in Australia throughout the period’ was removed. [The previous criterion had become redundant under the prevailing definition of resident and, based on comments made in a decision of the Social Security Appeals Tribunal, could have had the unintended effect of enabling Sickness Allowance to be paid while a person was outside Australia other than in the very limited circumstances that permitted it.]
Changes were made to the treatment of investment returns in pension and benefit income tests:

- losses arising from negative rates of return on managed investments assessed on an ongoing basis could be offset (up to the limit of any gain) against gains on such investments assessed on realisation;
- losses on those managed investments still subject to assessment only on realisation could be similarly offset against gains from other investments assessed on realisation;
- where two or more rates of return were declared in a year, the average of those rates of return was to be assessed;
- the concession applying to investments in friendly societies made before 1 January 1988 would continue to apply where the society ceased to be a friendly society provided that the terms of the investment remained substantially the same as before;
- the increase in value of an investment in a superannuation fund, approved deposit fund or deferred annuity before Age Pension age was not assessed as income when rolled over into an immediate annuity. Previously, this concession had applied only when the investment was rolled over into another superannuation fund, approved deposit fund or deferred annuity; and
- the recent amendment under which listed shares and other listed securities were to be treated as managed investments from 20 September 1993 (refer to Record 63 of 1992) was now applied only to such investments acquired after 18 August 1992.

From 20 September 1993, the first two changes were also to apply to listed shares and other securities acquired after 18 August 1992.
12  

**CHANGES TO FAMILY PAYMENT**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 55, 56, 57 and 58</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 September 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 September 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Payment (Basic Family Payment and Additional Family Payment)</td>
</tr>
</tbody>
</table>

Following changes to Family Payment:

- an approved care organisation could no longer attract a payment in respect of a dependent full-time student aged 18 to 24 years. [This brought the qualifying conditions for individuals and approved care organisations into line.]; and
- where a person was granted Austudy or another prescribed education payment and so became, or his/her partner became, eligible for a grant of, or increase in the rate of, Family Payment, provision was made for the entitlement or increase to be backdated to the day the education payment was granted. This applied for new claimants only where the person lodged his/her claim before, or within 28 days of, being advised of the grant of the education payment and, in respect of new claimants and recipients seeking an increased rate, only where the person notified the Department of the grant within 28 days of receiving the advice. [Previously claimants had frequently missed out on Family Payment because of delays between the date on which the education payment was granted and that on which the first instalment was paid.]

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**LEAP PARTICIPANTS PRECLUDED FROM RECEIVING UNEMPLOYMENT PAYMENTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 64, 65, 66, 67, 68, 69, 70 and 71</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 September 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 September 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Job Search Allowance; Newstart Allowance</td>
</tr>
</tbody>
</table>

Persons participating in the Landcare and Environment Action Program (LEAP) were precluded from receiving Job Search Allowance or Newstart Allowance. Where the person’s partner was receiving a benefit, he/she was paid half the combined married rate of benefit but the amount paid under LEAP was not taken into account in the benefit income test. A person who, immediately before commencing the program, was receiving a pension or benefit, and who made a claim for Job Search Allowance or Newstart Allowance within 14 days of its completion, was not required to serve the normal seven-day waiting period for the allowances.

[LEAP was a labour market program administered by the Employment Department. It was available on a voluntary basis to unemployed people aged from 15 to 20 years, ran for 26 weeks and involved a combination of employment and training. Participants received a flat rate non-means-tested payment, which varied with age.]
### RESTRICTION ON ELIGIBILITY FOR MOBILITY ALLOWANCE

**Location in Act**  
Sections 73 and 74

**Date of commencement**  
20 September 1993

**Date of application**  
20 September 1993

**Payments affected**  
Mobility Allowance

A person could no longer qualify for Mobility Allowance while also receiving a payment from the Employment Department to assist him/her with expenses incurred while undertaking vocational training or job search activities. A savings provision protected people receiving a dual entitlement before the change was introduced for as long as the dual entitlement existed. [Such a preclusion already applied where a person was receiving training as part of a rehabilitation program under the Disability Services Act.]

### INCOME TEST PROVISION UNDER EMPLOYMENT SCHEMES EXTENDED

**Location in Act**  
Sections 75 and 76

**Date of commencement**  
20 September 1993

**Date of application**  
20 September 1993

**Payments affected**  
Age Pension; Widow B Pension

The provision under which most pensioners and beneficiaries receiving a payment under the New Enterprise Incentive Scheme or Aboriginal Employment Incentive Scheme had an amount equivalent to that payment (50 per cent in the case of a couple) deducted from their pension or benefit was extended to recipients of Age Pension and Widow B Pension.
The income tests for Family Payment (Basic Family Payment and Additional Family Payment), and the parental income test applying to Job Search Allowance and Sickness Allowance for single persons aged under 18 years without dependent children, were tightened by taking account of certain fringe benefits provided by employers. The benefits assessed were in relation to motor vehicles, housing, loans, school fees and private health insurance and were assessable whether received in or outside Australia. The value of fringe benefits of both members of a couple was assessed. Benefits were assessable only where they exceeded a threshold (free area) of $1000, which was the same for a single person and a couple. The value of fringe benefits above the threshold was subject to the withdrawal rate applicable in the general income test for the particular payment.

The definitions of fringe benefits covered, the methods of assessing their value and any exemptions were spelt out in great detail, particularly in relation to motor vehicle, housing and loan benefits. The new provisions drew extensively on the Fringe Benefits Tax Assessment Act, with most of the definitions used based on, and some identical to, those in that Act. Some features for the purposes of the income test were:

- loans were regarded as fringe benefits to the extent that they were provided at below the market rate of interest. Separate notional interest rates were set for housing and non-housing loans and the actual interest rate charged compared to these. The notional rates set at the time were 10 and 13.5 per cent for housing loans and non-housing loans respectively for 1992–93 and 6.95 and 11.75 per cent respectively for 1993–94 and subsequent financial years;
- housing benefits provided in remote areas were treated more favourably than other housing benefits;
- housing benefits received by employees of a government body, religious institution or non-profit company living with and caring for mature or disadvantage persons were exempt from the income test; and
- the Minister was granted the discretion to determine alternative ways to those specified in the legislation for assessing the value of motor vehicle, loan and housing benefits. Any determination was a disallowable instrument.
A Seniors Health Card was introduced. It extended, to certain elderly people with limited incomes but not receiving a pension, a range of health care benefits already available to pensioners and certain beneficiaries through their access to a Pensioner Health Benefits Card, Health Benefits Card or Health Care Card. As well as the Social Security Act, the card’s introduction required amendments to the National Health Act and Hearing Services Act.

Benefits provided under the card were:

- pharmaceuticals available under the Pharmaceutical Benefits Scheme at a concessional rate of $2.60 per item (free after the annual threshold of $135.20 was exceeded);
- free hearing aids and discounted maintenance hearing services for an annual fee of $25;
- a two-stage dental scheme which included emergency and general treatment; and
- optometry services.

The following groups qualified for the card provided that their incomes fell below the cut-out point under the income test for Age Pension applicable to their family situation:

- men and women aged at least 65 and 60 years respectively who were Australian residents, in Australia and not receiving a pension, benefit or specified veterans’ payment (because, for example, they were not residentially qualified, or were ineligible due to the assets test); and

- men and women aged at least 60 and 55 years respectively who were Australian residents as defined in section 5G of the Veterans’ Entitlement Act, in Australia, not receiving a pension or specified veterans’ payment and either were eligible for an Age Service Pension under the Veterans’ Entitlement Act, or would have been if they had been Australian residents as defined in section 5G of that Act for a continuous period of at least 10 years.

In November 1993 (when the legislation was passed), the basic fortnightly thresholds in the income test were $722.60 for a single person, $601.80 for each member of a couple and $710.60 for a member of an ‘illness separated’ or ‘respite care separated’ couple, or couple where one partner was in gaol. An addition of $24 was provided in respect of each dependent child. [These rates would have been higher when the Seniors Health Card was introduced.]

Increases in the limits were automatic in that the basic thresholds (but not the child additions) varied in line with increases in their three components—the maximum rate of Age Pension, Pharmaceutical Allowance and the general pension free area, each of which was subject to automatic indexation. However, increases were applied quarterly—thus, on 1 January, 20 March, 1 July and 20 September each year the prevailing component levels for each family situation were added.
CERTAIN FOREIGN INCOME INCLUDED IN INCOME TESTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 19 and 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1994, immediately after Part 2 (which dealt with the income testing of certain employer-provided fringe benefits)</td>
</tr>
<tr>
<td>Date of application</td>
<td>Applied to foreign income whether received before, on or after 1 January 1994</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Payment (Basic Family Payment and Additional Family Payment); Job Search Allowance; Sickness Allowance; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

The income tests for Family Payment (Basic and Additional Family Payment), and the parental income test applying to Job Search Allowance and Sickness Allowance in respect of single persons aged under 18 years without dependent children, were tightened by treating income from outside Australia, which was not included in a person’s taxable income in Australia, as assessable income.

DATE FOR ADVANCES OF PHARMACEUTICAL ALLOWANCE EXTENDED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 27 and 28</th>
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<tbody>
<tr>
<td>Date of commencement</td>
<td>3 November 1993</td>
</tr>
<tr>
<td>Date of application</td>
<td>3 November 1993</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pharmaceutical Allowance</td>
</tr>
</tbody>
</table>

The date up to which advance payments of Pharmaceutical Allowance could be made was extended from 31 December 1993 to 31 December 1994. This was effected by an alteration to the *Social Security Legislation Amendment Act (No. 4) 1991* and not to the Social Security Act as the sunset clause had never been inserted into that Act.
**AD HOC INCREASES IN BENEFIT RATES**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 3 and 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commence</td>
<td>20 March 1994</td>
</tr>
<tr>
<td>Date of applica</td>
<td>20 March 1994</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Benefits; Special Benefit (in effect)</td>
</tr>
</tbody>
</table>

An ad hoc increase of $3 a week was made in the maximum rates of benefit payable to single persons aged 21 to 59 years without dependent children, and to single persons aged 60 years and over without dependent children who were not on the higher rate payable to those who had been receiving a benefit for at least six months. The increase was additional to the indexation increase due on the same date and brought the rate up to $147.05 a week.

**REMOVAL OF ANOMALY IN FAMILY PAYMENT MEANS TESTS**

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 5, 6, and 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commence</td>
<td>Commenced on 1 January 1994, immediately after the commencement of Part 4 of the Act. (Part 4 incorporated the changes in Record 22 of 1993.)</td>
</tr>
<tr>
<td>Date of applica</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Payment (Basic Family Payment and Additional Family Payment)</td>
</tr>
</tbody>
</table>

Parents receiving Austudy or another prescribed education payment were no longer exempted, in respect of payments for their children, from the income tests on Family Payment (both Basic and Additional components) or from the family assets test on Additional Family Payment. A savings provision protected the entitlements of persons who had been eligible to receive payments under the Post-Graduate Awards Scheme before the date of the change. With this change, the backdating provision in Record 12 of 1993 was rendered superfluous and was removed.

[The change removed an anomaly under which student parents had been treated more generously than other parents. This reflected the fact that the cut-out points under the income test on prescribed education payments had been higher than for Basic Family Payment or Additional Family Payment. Also, while the assets test applying to these payments had generally been stricter than that for Additional Family Payment, there had been no assets test for parents receiving payments under postgraduate awards. The anomaly had arisen following a restructure of the prescribed educational schemes, which saw the removal of additional payments for children under the schemes and their later incorporation as part of the integrated Family Payment.]
MEANS TESTS ON FAMILY PAYMENT MADE STRICTER

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 8, 9, 10, 11, 12 and 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>Commenced on 1 January 1994, immediately after Part 3 (which contained the change in Record 21 of 1993)</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Family Payment (first two changes applied only to Basic Family Payment; third change applied only to Additional Family Payment)</td>
</tr>
</tbody>
</table>

The Family Payment income and family assets tests were made stricter:

- for Basic Family Payment, the income threshold for one child above which eligibility ceased was reduced from $64,938 to $60,000. The addition for each child after the first was reduced from $3,249 to $3,000;

- for Basic Family Payment, the assets threshold above which eligibility ceased was reduced from $607,250 to $550,000; and

- for Additional Family Payment, the level of assets at or above which the financial hardship provisions could not apply was reduced from $600,000 to $550,000 (equivalent to the cut-out point in the Basic Family Payment assets test).

As the reductions applied from 1 January 1994, the scheduled indexation increases for each of the thresholds from that date did not proceed, with the next indexation increase to take place on 1 January 1995.
Social Security (Budget And Other Measures) Legislation Amendment Act 1993, No. 121

Date of Royal Assent: 24 December 1993

MATURE AGE ALLOWANCE AND MATURE AGE PARTNER ALLOWANCE INTRODUCED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Section 5; section 6 (as set out in Schedule 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 March 1994</td>
</tr>
<tr>
<td>Date of application</td>
<td>20 March 1994</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Mature Age Allowance (pension); Mature Age Partner Allowance</td>
</tr>
</tbody>
</table>

Two new payments, Mature Age Allowance and Mature Age Partner Allowance, were introduced. Mature Age Allowance was regarded as a program to assist the unemployed but was payable more or less subject to pension conditions. Mature Age Partner Allowance was payable to the partners of Mature Age Allowance recipients.

Mature Age Allowance

To qualify for a Mature Age Allowance, claimants had to:

- be aged 60 to 64 years but below Age Pension age;
- satisfy the Secretary that they were unemployed;
- have been registered with the Commonwealth Employment Service as unemployed for a continuous period of at least 12 months immediately before making their claim; and
- have been receiving a pension, benefit or specified veterans’ payment, or a combination of these, continuously for at least 12 months immediately before the claim.

The third and fourth conditions were later modified and backdated to the date of the allowance’s introduction (refer to Record 8 of 1994). Once a person had received the allowance, he/she was not required to meet the third and fourth conditions when claiming the allowance on a second or subsequent occasion.

[Women were not specifically precluded from receiving the allowance but the requirement that a person had to be aged 60 to 64 years but below Age Pension age initially had this effect. Following the phasing in of higher Age Pension ages for women (refer to Record 13 of 1994), more women would become eligible over time.]

The Secretary had a discretion to regard persons as unemployed for eligibility purposes even though they were engaged in paid work. In exercising this discretion, he/she was required to take into account the nature and duration of the work and any other relevant matters. However, the legislation specified that a person participating in a Jobskills program was to be treated as employed. [The Jobskills program was described in Record 65 of 1992.]
People were exempted from the requirement to register with the Commonwealth Employment Service where they had been receiving Mature Age Allowance, then transferred to Newstart Allowance and, while on that payment, had applied for Mature Age Allowance. In addition, the Secretary could exempt a person from the requirement if he/she was satisfied that the failure to register was due to circumstances beyond his/her control.

The allowance was paid on pension paydays. Rates of payment, income and assets tests, access to Fringe Benefits (Concession Cards), Bereavement Payments, Pharmaceutical Allowance, Telephone Allowance and the pensioner earnings credit were as for pensioners. An allowee also had access to the pensioner tax rebate available under taxation legislation. The residency requirement was as for Age Pension except that it could not be met through an international agreement.

People could not qualify for the allowance unless they were in Australia. Once granted, while not portable, the allowance was payable for up to 26 weeks while a person was overseas.

Other features of the allowance were also similar to those for pensioners. Recipients did not have to remain registered with the Commonwealth Employment Service, although those who wished could do so and gain access to its employment services. They were not required to satisfy an activity test or to demonstrate that they were available for, and actively seeking, employment. At the same time they retained the advantages of persons below Age Pension age in that they had access to the Employment Entry/Education Entry Payments available to ex-recipients and recipients of Newstart Allowance respectively, while superannuation savings held in roll over funds were not assessed under the income and assets tests. [The Education Entry Payment was extended to Newstart Allowance recipients from 1 January 1994 (refer to Record 26 of 1993).]

Persons receiving another payment (usually Newstart Allowance) who qualified for Mature Age Allowance were under no obligation to transfer to the allowance if they did not wish to. Allowance recipients who became qualified for an Age Pension could transfer directly to the pension without making a claim.

**Mature Age Partner Allowance**

Mature Age Partner Allowance was analogous to Wife Pension (but not specifically confined to women), with the only qualifying condition being that a person was a partner of a Mature Age Allowance recipient. As for the primary allowance, the partner had to be in Australia when claiming the allowance but could leave Australia for up to 26 weeks without losing entitlement. Mature Age Partner Allowance recipients could qualify for an Employment Entry Payment.

**Sunset clause**

The new payments were subject to a ‘sunset clause’ under which no new claims could be lodged after 30 June 1996. [It was intended to review the need for the allowance as that date approached in the light of prevailing labour market conditions.]
EARNINGS CREDIT FOR BENEFICIARIES INTRODUCED

An earnings credit was introduced for recipients of workforce benefits. Under the scheme, recipients being paid at the maximum rate were allowed to build up a credit to the permissible income levels (free area)—these amounted to $90 a fortnight for a single person and $80 for each partner of a couple and incorporated the basic income limits plus the addition to them allowed for earnings. The credit could then be offset against any earnings in a fortnight from paid employment which was in excess of the limits. The maximum credit that could be accumulated was $500 for a single person or for each partner of a couple.

Persons who lost entitlement to a benefit due to their income exceeding the benefit cut-out point in a particular fortnight could not access any credit but the credit was preserved for up to 13 weeks and could be used at a later date. Credits were not transferable between the partners in couples. Earnings credits were transferable where a person moved between a benefit, pension and specified veterans’ payment.
A number of changes were made to benefit conditions:

- the Secretary was given the discretion to require a Job Search Allowance claimant or recipient to enter into a Job Search Activity Agreement with the Commonwealth Employment Service as a qualifying condition for the allowance;
- the Secretary was given the discretion to require a person to apply for a particular number of advertised job vacancies in a specified period in order to satisfy the Job Search Allowance and Newstart Allowance activity tests. The person had to obtain proof of any application from the employer unless the Secretary considered it unreasonable for him/her to do so;
- the period of incapacity for work due to sickness or accident during which a person aged 18 years and over could continue to receive Job Search Allowance instead of transferring to Sickness Allowance was extended from six to 13 weeks. [An existing provision enabled a Job Search Allowance recipient aged under 18 years who became incapacitated to remain on Job Search Allowance until he/she turned 18 years.];
- a person could be exempted for up to 13 weeks from complying with the Job Search Allowance and Newstart Allowance activity tests where the Secretary was satisfied that it would be unreasonable for him/her to do so due to special circumstances beyond his/her control;
the provision enabling a person to qualify automatically for Sickness Allowance if he/she was undertaking a work-oriented rehabilitation program which was expected to last at least six weeks and no more than two years was removed. A savings provision preserved, until the completion of their program, the entitlements of Sickness Allowance recipients who commenced a rehabilitation program before the date of the change;

rehabilitation programs approved by the Employment Secretary were included in the list of programs/courses which the Secretary could require a person to undertake as part of a Job Search Allowance or Newstart Allowance activity test or activity agreement. In addition, participation in such rehabilitation programs was added to participation in formal vocational training in labour market programs approved by the Employment Secretary as an exemption to a wide range of other provisions contained in the Act; and

a recipient of Job Search Allowance or Newstart Allowance who enrolled in a course of full-time education or vocational training of six months or longer duration, and which was approved for purposes of receiving payments under Austudy or Abstudy, could at the Secretary’s discretion continue to receive his/her allowance for up to three weeks into the course/training pending determination of his/her entitlement to the education payment. [This change reduced the need for the administratively cumbersome transfer of persons between social security and education programs.]

### Coverage of Education Entry Payment Extended

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 25 and 26</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>1 January 1994</td>
</tr>
<tr>
<td>Date of application</td>
<td>1 January 1994</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Education Entry Payment; Job Search Allowance; Newstart Allowance</td>
</tr>
</tbody>
</table>

The $200 once yearly lump-sum Education Entry Payment was extended to ex-recipients of Newstart Allowance, and to ex-recipients of Job Search Allowance aged under 18 years who had been registered as unemployed for at least 12 months with the Commonwealth Employment Service, who had lost their entitlement to the allowance due to their commencing an education course. To qualify, a person had to be enrolled in, or satisfy the Secretary that he/she intended to enrol in, a full-time course of education that was approved under Austudy or Abstudy. Where a person received a payment but did not pay the course enrolment fees in the calendar year in respect of which the payment was made, the amount was regarded as a debt to be repaid to the Commonwealth.
REQUIREMENT TO CLAIM COMPARABLE OVERSEAS PAYMENTS

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 27 to 52; section 53 (as set out in Schedule 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>20 March 1994</td>
</tr>
<tr>
<td>Date of application</td>
<td>Applied to payments whether granted before or after, and to claims whether made before or after, 20 March 1994</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Pensions except Rehabilitation Allowance and Mature Age Allowance</td>
</tr>
</tbody>
</table>

The Secretary was given the power not to grant, or to suspend or cancel, most pensions (including special needs pensions) where it was considered that a person (or the person’s partner) was, or would if he/she made a claim, be eligible for a comparable payment from certain specified overseas countries. This power could be exercised only after the Secretary had notified the person or his/her partner that reasonable action had to be taken to obtain the maximum amount of the overseas entitlement and where he/she considered that reasonable action to this end had not been taken in the time specified in the notice (a minimum of 14 days).

The countries whose comparable payments were taken into account were those with whom Australia had a Social Security Agreement. The Minister was given the power via a disallowable instrument to add other countries to, or remove countries from, the list.
Changes to Compensation Recovery Provisions

Location in Act: Section 69
Date of commencement: 1 January 1994
Date of application: Applied to lump-sum compensation payments that became payable on or after 1 January 1994. It applied even if a period calculated by reference to the payment commenced before 1 January 1994.
Payments affected: Disability Support Pension; Wife Pension; Rehabilitation Allowance; Carer Pension; Sole Parent Pension; benefits

The compensation recovery provisions applying to income tests were varied to specify that the compensation portion of a lump-sum payment was to be divided by the ‘average total weekly earnings of all employees’ figure in the official statistical series instead of, as previously, by the ‘average total weekly earnings of all male employees’ when determining the period during which certain pensions, and benefits, were not payable. [The change lengthened the non-payment period as the male employees’ earnings figure always exceeded that of all employees.]

The change applied from the date that the lump sum became payable. This was defined as the date of a decision by a court or tribunal or, for cases involving a settlement, the date on which the claim was settled. In other cases, it was to apply from the day on which the lump sum became due and payable.

Changes to Compensation Recovery Provisions for Wife Pensioners

Location in Act: Sections 70, 74, 75, 76 and 77
Date of commencement: 1 January 1994
Date of application: In the main applied to compensation payments only where the payment was made on or after 1 January 1994 and the person claimed the pension on or after that date. It applied even if a period calculated by reference to the payment commenced before 1 January 1994. For some minor changes (such as to definitions), it was simply stated that they applied from 1 January 1994.
Payments affected: Wife Pension

Wife pensioners whose partners were disability support pensioners became subject to the compensation recovery provisions when receiving compensation in their own right. [For the most part, partners of pensioners and beneficiaries had been subject to the provisions but this particular group had been inadvertently omitted.]
### FURTHER CHANGES TO COMPENSATION RECOVERY PROVISIONS

| Location in Act | First change: section 70  
Second change: section 76 |
<table>
<thead>
<tr>
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<tbody>
<tr>
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<td>1 January 1994</td>
</tr>
<tr>
<td>Date of application</td>
<td>Applied to compensation payments made on or after 1 January 1994. It applied even if a period calculated by reference to the payment commenced before 1 January 1994</td>
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<tr>
<td>Payments affected</td>
<td>Disability Support Pension; Wife Pension; Rehabilitation Allowance; Carer Pension; Sole Parent Pension; benefits</td>
</tr>
</tbody>
</table>

Following amendments to the compensation recovery provisions:

- it was clarified that any reference made to the event that gave rise to a person's or his/her partner's entitlement to compensation meant the accident that caused the disease, injury or condition or, in any other case, the time that the disease, injury or condition first became apparent. [It could not, for example, be the decision or settlement under which the compensation was payable.]; and

- periodic payments of compensation were concessionaly treated (that is subject to the normal pension or benefit income test and not to direct deductions) only where the person or his/her partner were in receipt of the pension or benefit at the time the event that gave rise to the entitlement took place. [Previously the person or his/her partner had only to be qualified for the pension or benefit.]
FURTHER CHANGES TO COMPENSATION RECOVERY PROVISIONS

| Location in Act | First change: sections 71 and 79  
|                 | Second and third changes: section 72  
|                 | Fourth and fifth changes: section 73  
| Date of commencement | 1 January 1994  
| Date of application | Applied to compensation payments made on or after 1 January 1994. It applied even if a period calculated by reference to the payment commenced before 1 January 1994  
| Payments affected | Disability Support Pension; Wife Pension; Rehabilitation Allowance; Carer Pension; Sole Parent Pension; benefits  

A number of changes were made to the compensation recovery provisions:

- it was clarified that there was no implication that the provisions applied only where there was a connection between the circumstances that gave rise to a person’s qualification for a social security payment and those that gave rise to the person’s or his/her partner’s compensation;

- it was provided that where, under a state or territory law, periodic payments of compensation to a person were converted to a lump sum calculated by reference to a period and the lump sum was paid in two or more instalments, the individual lump sum payments were to be treated as if they were a series of equal periodic payments derived by dividing the total lump sum by the number of fortnights in the period;

- where, in a state or territory’s compensation legislation, a person’s compensation payment could be reduced or cancelled if the person was qualified to receive a social security payment, it was provided that the person’s social security entitlement should be calculated after including the amount of compensation that he/she would have received if the state or territory provision had not existed;

- the provision giving the Secretary the power not to grant, or to cancel, a social security payment where a person did not take reasonable action to claim or obtain compensation was strengthened by extending the obligation to take reasonable action to the person’s partner where the partner had, or in the Secretary’s opinion had, an entitlement to compensation; and

- the previous provision was further strengthened by empowering the Secretary to conclude, notwithstanding that a person had entered into an agreement to give up his/her right to compensation (by waiving his/her right to or withdrawing a claim for it), that a person was entitled to compensation where he/she was satisfied that the agreement was void, ineffective or unenforceable.

[All these changes except the second one were introduced specifically to avoid cost shifting from the states to the Commonwealth.]
REMAINING RENT ASSISTANCE WAITING PERIOD ABOLISHED

<table>
<thead>
<tr>
<th>Location in Act</th>
<th>Sections 81 and 82</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of commencement</td>
<td>The main change commenced, or was taken to have commenced, on 20 March 1994. For one aspect, this applied immediately after section 23</td>
</tr>
<tr>
<td>Date of application</td>
<td>As for date of commencement</td>
</tr>
<tr>
<td>Payments affected</td>
<td>Rent Assistance</td>
</tr>
</tbody>
</table>

The last remaining Rent Assistance waiting period, applying to persons aged under 18 years in receipt of the independent or homeless rate of benefit, was abolished.
Endnotes

1 An amendment (applicable from 1 January 1997), made by Part 1 of Schedule 5 of the Social Security Legislation Amendment (Budget and Other Measures) Act 1996, clarified the wording of this provision.
Index

The differences between this and the 1908–1982 compendium outlined in the introduction, and particularly the greater detail and arrangement by amending Act order, have resulted in differences between the two indexes.

Some of these are merely changes in terminology as a result of usage—‘Aboriginal and Torres Strait Islander Australians’, for example, is preferred in this index instead of ‘Aboriginal Australians’. See references lead you from terms used in the earlier index to the forms preferred below when they are separated alphabetically—from ‘married persons’ to ‘couples’, for example.

In order to capture the detail, the analysis required increasing the number of subheading levels. In the interests of readability, subheadings which have lower level heading structures attached are generally recast as main headings. In the interests of clarity, en rules (–) are used to separate the main and qualifying words/phrases in these headings:

- Age Pension – assets tests – deprivation provisions

The decision to create such main headings is the result of the complexity of the index entry—a single sub-subheading, for example, is run-on after the subheading. When the decision has been made, see references lead you from the subheading position to the recreated main entries when they are not in close proximity.

- Age Pension – assets tests
  - deprivation provisions, see Age Pension – assets tests – deprivation provisions

Cross-references are used extensively in the index. See references, like the page references they replace, are made directly from headings regardless of their level (as the example above shows). On the other hand, see also references generally file as the last subheading of an entry—the exception is when they are used to indicate aspects of a subject dealt with under another main entry—in this case, they file directly after the subheading. For complex entries comprising a series of main headings describing different aspects of the subject, they file as the last subheading of the first (unqualified) entry when the entry being referred to is common to all entries:

- couples
  - see also separated persons

but they file as the last heading of a later (qualified) entry if a more specific reference is made:

- couples – pensioners
  - see also Wife Pension
Notes are used to define the scope of some entries. They are also used to record the names of all abolished/replaced payments in the case of new payments and when the change(s) occurred. The notes replace see also references to payments named. They appear in brackets and in italics directly after the main heading.

The index records extensions of payments to new recipients:

- **Special Benefit**
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but generally does not record subsequent changes affecting those payments (the discussion of supplementary payments in this compendium’s explanatory notes refers). In such cases, the index entry as it stands substitutes for a see also reference to the named payment.

Pensions and benefits being phased out—where no new grants are made from a certain date—are treated like current payments until savings provisions are removed. The exception is that conditions applying to new claimants are not indexed—in ambiguous cases, the condition is indexed.

Different payments with the same name—pre and post-July 1991 Job Search Allowance, for example—are indexed as one payment. Renamed payments—payments where this is the sole change and qualifying conditions and so on are identical—are indexed as follows:

- as main headings—under the latest name. A note after the name provides details of name changes; see references lead you from earlier names to the preferred entry.
- as subheadings—under the name at the time of the change. If the same event is recorded for variant names, under the latest name with variant(s) indicated after.
- as referral locations in cross-references—under the latest name. The note after the name as main heading provides details of name changes.

The dropping of the apostrophe in the names of payments (see introduction) is not recorded in notes.

The latest names of both renamed and abolished payments are generally used as the cross-reference referral locations. (Notes at these index entries will lead you to the earlier payments.) The names of abolished payments are used instead if the replacing payment does not fit the scope of the reference.

Where ‘payments affected’ are of ‘general provision’, they are indexed under the name of a particular payment only when the payment is mentioned elsewhere in the entry. (Many changes of ‘general provision’ are definitional changes and are indexed under ‘definitions’; all are indexed under the subject of the change.)
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10. *Families of prisoners: literature review on issues and difficulties*  
    Rosemary Woodward (September 2003)

11. *Inquiries into retirement and superannuation*  
    Australian Government Department of Family and Community Services submissions to the Senate Select Committee on Superannuation (December 2003)
