

1998

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

PAYMENT PROCESSING LEGISLATION AMENDMENT
(SOCIAL SECURITY AND VETERANS' ENTITLEMENTS) BILL 1998

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendments to be moved on behalf of the Government

(Circulated by the authority of the Minister for Family and Community Services,
Senator the Hon Jocelyn Newman)

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**PAYMENT PROCESSING LEGISLATION AMENDMENT
(SOCIAL SECURITY AND VETERANS' ENTITLEMENTS) BILL 1998**

OUTLINE AND FINANCIAL IMPACT STATEMENT

The date of effect provisions in the *Social Security Act 1991* (the Social Security Act) and the *Veterans' Entitlements Act 1986* (the Veterans' Entitlements Act) govern the commencement, cessation and variation of social security payments and veterans' affairs income support payments, respectively. At present, these provisions vary from payment to payment.

Schedules 3 and 4 of the Payment Processing Legislation Amendment (Social Security and Veterans' Entitlements) Bill 1998 (the Bill) provide for amendments to be made to the Social Security Act and the Veterans' Entitlements Act so that there would be consistency across payment types.

The minimum period in which recipients of payments must report changes in their circumstances would be reduced from 14 days to 7 days for the majority of recipients of currently payday-based payments. Customers with profound disabilities, living in remote areas of Australia or living outside Australia would be able to be given notification periods longer than 7 days (up to a maximum of 28 days).

The Amendments would change the 7 day notification period to 14 days.

The Amendments would also maintain the status quo by not proceeding with the proposal to provide that the date of effect of a favourable determination be the date of the event or change in circumstances if the advice is given by the person in the notification period.

Financial Impact:

The amendments would reduce savings as follows:

For the Family and Community Services portfolio:

1999-2000 (-\$24.915m.)

2000-2001 (-\$25.158m.)

For the Veterans' Affairs portfolio:

1999-2000 (-\$1.363m.)

2000-2001 (-\$1.717m.)

EXPLANATION OF THE AMENDMENTS

Amendments 1, 4, 7, 10, 13, 16, 19, 22, 25, 28, 31, 34, 37, 40, 43, 46, 49, 52, 54, 56, 58, 60, 63, 66, 69, 72 and 74 omit “7” and substitute “14” in various items in Schedule 3 of the Bill. **Amendment 76** makes the same amendment to item 44 in Schedule 4 of the Bill.

These amendments would all ensure that the notification period is not later than 14 days after the event or change in circumstances.

Amendments 2, 5, 8, 11, 14, 17, 20, 23, 26, 29, 32, 35, 38, 41, 44, 47, 50, 53, 57, 61, 64, 67, 70, 73 and 75 omit “than 8” and substitute “than 15” in various items in Schedule 3 of the Bill. **Amendment 77** makes the same amendment to item 45 in Schedule 4 of the Bill.

These amendments would all ensure that the minimum notification period, in cases where special circumstances apply to the person so that the Secretary is able to extend the notification period, is 15 days.

Amendments 3, 6, 9, 12, 15, 18, 21, 24, 27, 30, 33, 36, 39, 42, 45, 48, 51, 55, 59, 62, 65, 68 and 71 oppose the making of various amendments to the Social Security Act in Schedule 3 of the Bill.

These amendments would all ensure that any favourable determination only takes effect on the day on which the advice of the change in circumstances was received or on the day on which the change occurred, whichever is the later.

Amendment 78 omits subsection (2) in item 52 in Schedule 4 of the Bill and substitutes a new subsection (2).

This amendment ensures that any favourable determination made under the Veterans’ Entitlements Act takes effect on the day on which the advice of the change in circumstances was received or on the day on which the change occurred, whichever is the later.