

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

SOCIAL SECURITY (BUDGET AND OTHER MEASURES)
LEGISLATION AMENDMENT BILL 1993

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendments to be moved on behalf of the Government

(Circulated by authority of the Hon Con Sciacca MP
Parliamentary Secretary to the Minister for Social Security
representing the Minister for Social Security)

SOCIAL SECURITY (BUDGET AND OTHER MEASURES) LEGISLATION
AMENDMENT BILL 1993

OUTLINE AND FINANCIAL IMPACT STATEMENT

These amendments affect the *Social Security Act 1991*.

The *Social Security (Budget and Other Measures) Legislation Amendment Bill 1993*, as introduced, provides for the payment of Family Payment instead of AUSTUDY to all secondary school students who turn 16 on or after 1 January 1994, apart from those students who attract AUSTUDY at the independent or away from home rate or who are homeless.

These amendments will defer the implementation of this measure till 1 March 1994. As a result, Family Payment will be available from 1 March 1994 to those secondary school students who turn 16 on or after 1 March 1994 if they do not attract AUSTUDY at the independent or away from home rate or are not homeless.

The expected program savings from this measure are now estimated to be in the order of \$1.3m in 1993-94.

NOTES ON AMENDMENTS

SOCIAL SECURITY ACT 1991

General description of Amendments

Clause 88 of the *Social Security (Budget and Other Measures) Legislation Amendment Bill 1993* (the Bill) inserts a new category of an AFP child in Table D (maximum rate of Additional Family Payment) in point 1069-D23 of the Principal Act to give effect to the Budget decision for the payment of Family Payment, instead of AUSTUDY, to all secondary school students who turn 16 on or after 1 January 1994 if they do not attract AUSTUDY at the independent or away from home rate or if they are not homeless. At present clause 88 of the Bill is to commence on 1 January 1994 (paragraph 5(f) of subclause 2 of the Bill).

These amendments alter the description of the new category of an AFP child inserted by subclause 88(b) of the Bill from those who turn 16 on or after 1 January 1994 to those who turn 16 on or after 1 March 1994 and provide for clause 88 of the Bill to commence on 1 March 1994 instead of 1 January 1994. Consequently, from 1 March 1994, Family Payment will be available to secondary school students who turn 16 on or after 1 March 1994 if they do not attract the independent or away from home rate of AUSTUDY or if they are not homeless. Those eligible students who turn 16 before 1 March 1994 will continue to receive AUSTUDY payments. The amendments are necessary to allow a sufficient lead time for the preparation of the transfer of AUSTUDY recipients to Family Payment system.

Description of Amendments

The Bill will be amended as follows:

- paragraph 5(f) of clause 2 of the Bill indicating 1 January 1994 as the commencement date of clause 88 of the Bill will be omitted (**amendment 2**) and a consequential punctuation amendment will be made to paragraph 5(e) of clause 2 of the Bill (**amendment 1**);
- subclause 2(7) of the Bill indicating the commencement date of clause 89 of the Bill will be substituted to provide for the new commencement date of clause 88 of the Bill, ie 1 March 1994 (**amendment 3**);

- a consequential amendment will be made to subclause 3(12) of the Bill (application) where the reference to "1 January 1994" will be substituted by the reference to "1 March 1994" (**amendment 4**);
- the reference to 1 January 1994 in subclause 88(b) of the Bill, Table D, item 4, column 2 (new category of an AFP child), will be omitted and substituted by the reference to 1 March 1994 (**amendment 5**); and
- clause 89 of the Bill (adjustment of AFP child MBRs) will be omitted (**amendment 6**). As a result of the change to the commencement date of clause 88 of the Bill, the proposed amendment to subsection 1199(6) of the Principal Act in clause 89 of the Bill is now not needed.

