

1993

THE SENATE

SOCIAL SECURITY 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 LEGISLATION AMENDMENT BILL 1993

OUTLINE AND FINANCIAL IMPACT STATEMENT

The amendments to the Social Security Legislation Amendment Bill 1993 would impact on the *Social Security Act 1991* and the *Veterans' Affairs Entitlements Act 1986*.

The amendments:

- amend the commencement date for the provisions in the Bill relating to persons with partners in gaol or psychiatric confinement.

This has no financial impact.

- revise the treatment of listed shares and other listed securities so that the changes announced in the 1992 Budget to take account of capital gains or losses on listed shares and other listed securities will now only apply to listed shares and other listed securities acquired after 18 August 1992.

As a result of the implementation of this amendment, the estimated savings of the 1992 Budget initiative are \$5.0m in 1993/94, \$11.4m in 1994/95 and \$16.4m in 1995/96.

NOTES ON AMENDMENTS

Amendments 1, 2 and 3 - Clause 2 : Commencement

Clause 2 of the Bill provides for the date of commencement of the Social Security Legislation Amendment Act 1993.

At present, Division 3 of Part 2 (except sections 16 and 17) and Schedule 1 commences on the day of Royal Assent. Amendments 1, 2 and 3 (part) provide for Division 3 of Part 2 (except sections 16 and 17) and Schedule 1 to commence on 19 September 1993.

Division 3 of the Social Security Legislation Amendment Bill 1993 (the Bill) provide for payment to persons whose partners are in gaol or in psychiatric confinement following a criminal charge, of the higher pension or benefit rate equal to the rate payable to persons without partners. Pension and benefit rates included in new rate tables in Schedule 1 of the Bill are current until 19 September 1993. On 20 September 1993 the rates will change as a result of indexation. Commencement of Division 3 of Part 2 (except sections 16 and 17) and Schedule 1 on the day of Royal Assent later than 19 September 1993 would result in the new rate tables showing incorrect rates. Commencement of these provisions on 19 September 1993 will prevent this situation.

Amendment 3 (part) also provides that the amendments to implement a revision to the listed shares and other listed securities initiative will commence on 23 September 1993 immediately after the commencement of the legislation that would have implemented the initiative as originally proposed.

Amendment 4 - Insertion of New Part 4 : Shares and Listed Securities

The amendment will insert a new Part 4 in the Social Security Legislation Amendment Bill 1993 so that capital gains or losses will only be taken into account for listed shares and other listed securities acquired after 18 August 1992.



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