Social Security and Veterans' Affairs Legislation Amendment Bill (No. 2) 1989

Date Introduced: 10 May 1989
House: House of Representatives
Presented by: Hon. Brian Howe, M.P, Minister for Social Security

Digest of Bill

Purpose
The Bill will make a number of amendments to these portfolios, with many of the amendments being of a technical nature. The main changes relate to rent assistance; an increase in the waiting period for certain beneficiaries; and the removal of criminal sanctions in relation to certain debt recovery.

Background
The amendments arise from the need to refine new assistance packages and to introduce some new initiatives. As there is no central theme in the Bill, each matter will be discussed separately below.

Main Provisions

Rent Assistance
A major change to rent assistance was announced in the 1988 Budget and implemented by the Social Security and Veterans' Affairs Legislation Amendment Act 1988 (the 1988 Act). The main changes standardised the rate of rent assistance, removed eligibility for those renting while owning their own property, and provided for the amount paid for board or lodgings to be reduced when determining the rent paid. The additional measures were estimated to cost $139.1 million in 1990–91. The amendments are as follows.

Section 18 of the 1988 Act is a savings provisions which provides that those in receipt of rent assistance for board or lodging do not have their assistance reduced. Clause 39 will amend this provision in two regards. First, the date which people had to be in receipt of assistance to be covered by the savings provisions will be changed from 12 June 1989 to 13 June 1989. Secondly, the savings provision will be extended to those eligible to receive assistance before this date, who, if eligible, will be deemed to have been in receipt of the benefit.
Section 30 of the 1988 Act, which performs the same function as section 18 but in respect of veterans' entitlements, will be amended by clause 41 to achieve the second result described above.

Clause 8 will also insert a new definition of rent into the Principal Act. The new definition will be wider than the current and will include all periodic payments of a rent nature.

Waiting Period
Under the Social Security Act 1947 (the Principal Act), there are a variety of waiting periods for unemployment and sickness benefits. The general rule is that the benefits become payable one week after becoming eligible. For unemployment benefits there is a 12 week period for those who leave work voluntarily, are dismissed for misconduct or who fail the work test. A 13 week period applies to those leaving education. As part of the Economic Statement delivered in April, the Treasurer announced that the one week waiting period would be extended for those leaving employment with unused annual leave entitlements, by the lesser of 28 days and the actual period of leave.

Clause 23 will insert a number of provisions into section 125 of the Principal Act which deals with waiting periods. Proposed paragraph 125(1)(f) provides that when a person becomes unemployed with unused annual leave, the waiting period will be extended by the lesser of 28 days and the unused leave entitlement. A similar amendment will be made to the waiting period for sickness benefits. Annual leave is defined to be leave described as annual leave, recreation leave or leave granted for such purposes. The amendments will apply from 1 September 1989.

Criminal Sanctions
Under the Principal Act, where a person is convicted of an offence the court may, in addition to any penalty applied, order the person to repay any amount paid to them due to the act or omission that constituted the offence. Where such an order is made, it is enforced by the same method used to enforce fines, i.e. if the person cannot pay the fine they may be imprisoned. Clause 31 will amend section 239 of the Principal Act to remove the power to imprison people for a failure to refund the amount due. The amount may now be recovered by civil action. In other cases of overpayment, the amount is recovered as a debt due to the Commonwealth.

Other Amendments
Clause 8 will amend section 3 of the Principal Act to clarify the application of the maintenance income test. The amendments will remove an anomaly in the application of the test that arose where both members of a couple are in receipt of maintenance.