The Bill is an omnibus bill which will amend a number of Acts in order to introduce many of the social security and welfare measures announced in the 1985-86 Budget. It affects programs administered by the Social Security, Community Services and Veterans' Affairs portfolios.

Background

It is estimated that expenditure on social security and welfare will total $19,077.4 million in 1985-86. This represents 27.6 per cent of total budget outlays and a $12,44.1 million, or 6.9 per cent, increase over 1984-85. From this sum, assistance is provided to the aged, veterans, the handicapped, widows and single parents, families and the unemployed. A number of assistance programs, such as the aged, disability and single parent benefits, are indexed to compensate for movements in the Consumer Price Index.

Outline

The Bill will implement the Government's 1985-86 Budget measures as regards social security and welfare by amending the following Acts:

Social Security Act 1947
Repatriation Act 1920
Aged or Disabled Persons Homes Act 1954
National Health Act 1953
Seamen's War Pensions and Allowance Act 1940
Main Provisions

Amendments to the Social Security Act 1947

Amendments to the Social Security Act 1947 (the Principal Act) are dealt with in Part VI (clauses 39 to 74) of the Bill. The major changes are:

- the additional payment in respect of an aged or invalid pensioner's child, not being a child in respect of whom a benefit is paid under the Secondary Allowance or Tertiary Education Assistance Schemes, will be increased by $2 per week to $16 per week or $832 per annum. The increase will operate from 1 November 1985 (clause 45);

- the mother's/guardian's allowance, which is payable to sole parent pensioners with dependent children, will be increased by $2 per week to $12 per week from 1 May 1986 (sub-clause 45(2));

- the power to determine a wife's pension at less than the maximum rate is to be removed by clause 47;

- a new carer's pension is to be introduced by clause 49 which substitutes a new section 33 into the Principal Act. Under the current section 33, a pension is payable to a husband providing constant, long-term care to a severely handicapped aged or invalid pensioner wife. The new provisions will make the pension payable to all those, other than persons in receipt of other assistance, who provide constant long-term care to a relative (including spouse) who is a severely handicapped pensioner. By sub-clause 2(5) this provision will operate from 1 November 1985. The rate of the carer's pension will be the same as for an aged pensioner in similar circumstances (clause 50);

- clause 51 will amend section 63 of the Principal Act to remove the power to set widow's pensions below the maximum rate;

- assistance to families which have had multiple births of at least 3 children is to be introduced by clause 54. Assistance at the rate of $150 per month for triplets and $200 per month for greater multiple births will be payable until those children reach 6 years of age. The payments will be made from 15 November 1985;
clause 63 will amend section 112 of the Principal Act which deals with the rate of unemployment and sickness benefits. A new category of benefit will be created for those who are between 18 and 21 years old and are single and without dependants. The rate of benefit for the existing categories will be increased. The new rates will be:

- Junior Rate of $50 per week for those 16-18 years;
- Intermediate Rate of $88.20 per week for the new category;
- Adult Rate of $91.45 per week for all other recipients.

As well, the additional benefit for dependent children, other than those in receipt of a benefit under the Secondary Allowance or Tertiary Education Assistance Schemes, will increase by $2 per week to $16 per week. The new rates will apply from 1 November 1985;

clause 64 will amend section 112A which deals with Rent Assistance. Such assistance is currently available, subject to an income-test, for certain sickness benefit recipients. Assistance will be extended to people who have been in receipt of unemployment or special benefits for a continuous 6 months and are over 25, or married or with dependants, or are over 18 and under 25 and living away from their parents home on a permanent basis. Benefits will be $15 per week for those in receipt of sickness benefits and $10 per week for other recipients. The scheme will operate from 1 May 1986;

the amount of income that may be received by unemployment and sickness benefit recipients before the income-test applies is to be increased to $30 per week. This will take effect from 1 May 1986 (clause 65);

the waiting period for unemployment and sickness benefits will be removed for those who, immediately before becoming eligible for such benefits, were entitled to receive a prescribed pension or were the spouse of someone entitled to a prescribed pension. This will operate from 1 November 1985 (clause 66);

clause 68 will insert a new section 135TJA in the Principal Act whereby a benefit will be reduced or cancelled without a formal determination where changed circumstances cause a person to be no longer entitled to the full benefit;
clause 71 will amend section 140 of the Principal Act, which deals with the recovery of overpayments, to remove the effect of recent Federal Court decisions. Under the new provisions, overpayments must be dealt with either by refund or Court action or by deduction from continuing social security benefits or under the waiver provisions;

clause 73 will insert new sections 145 and 146 into the Principal Act. Proposed section 146 will enable the Secretary of the Department to write off bad debts or to waive the right to prosecute to recover overpayments. Proposed section 145 deals with the situation where a person is granted a retrospective repatriation pension which covers the period in which they received a social security benefit. At present, where the social security payments would have been payable at a lower rate if the person was in receipt of the repatriation benefit, the overpayment is not legally recoverable. The proposed new section will make any overpayment legally recoverable. In addition, proposed section 146 will provide a general limitation period of 6 years for the recovery of overpayments.

Amendments to the Repatriation Act 1920

Amendments to the Repatriation Act 1920 (the Principal Act) are contained in Part IV of the Bill which comprises clauses 12 to 32. The major changes are:

a 'carers' pension is to be introduced by clause 13 which substitutes a new section 85AAA into the Principal Act. The pension will be available to people who constantly care for a severely handicapped, relative (including spouse) service pensioner and is equivalent to the carer's pension established by amendments to the Social Security Act 1947. By sub-clause 2(5) the new pension will operate from 1 November 1985;

a new section 98AAA is to be inserted in the Principal Act by clause 20. The new section will deal with the situation where, through changed circumstances, a person ceases to be eligible for a pension or is eligible for a pension at a reduced rate. If the person notifies the Department of the changed circumstances the pension will cease to be payable or payable at the reduced rate from the last day in the period in which the person was required to notify the Department. If the person fails to notify the Department, the cancellation or reduction will take place from the day the circumstances changed;
clauses 21 to 25, which extend the application of Division 5 of the Principal Act, are consequential to the introduction of the new carer's pension;

an obligation will be placed on the Repatriation Commission to either recover overpayments by Court action, or arrange for payment by instalments, or have them written-off or waived (clause 26 which amends section 120AA of the Principal Act);

clause 27 will insert a new section 120AB into the Principal Act. The new section will give the Repatriation Commission power when dealing with overpayments to waive, or write-off or allow repayment by instalments. It will also place a 6 year limit on the right to recover overpayments;

Schedule 2 of the Principal Act, which deals with allowances for specific disabilities, is to be amended by clause 29. The allowance for a person who has been blinded or suffered a cerebro-spinal incapacity is to be increased by $3.60 to $57.40 per fortnight. The allowance for persons who have been blinded and have suffered a loss of speech or hearing is to increase by $7.20 to $114.80 per fortnight. By sub-clause 2(4) the new rates will operate from 7 November 1985;

clause 30 will amend Schedule 3 of the Principal Act to increase the pension payable in respect of a child of a deceased member of the Forces. Where the child is not maintained by a parent, the pension will be increased by $5.20 to $82.00 per fortnight. In other cases the pension is to be increased by $2.60 to $41.00 per fortnight. By sub-clause 2(4) the new rates will have effect from 7 November 1985;

Schedule 5 of the Principal Act, which deals with additional pensions for amputation or loss of vision, is to be amended by clause 31. For example, the pension for a service person with two legs amputated below the knees is to increase by $3.20 to $51.70 per fortnight. By sub-clause 2(4) the new rates will apply from 7 November 1985.

Amendments to the Aged or Disabled Persons Homes Act 1954

Amendments to the Aged or Disabled Persons Homes Act 1954 (the Principal Act) are contained in Part II of the Bill (clauses 3 to 6). The major changes are:

the purpose of the Principal Act is clarified by clause 4 which amends section 3 of the Principal Act;
the method of calculating the rate of subsidy is to be changed by clause 6 which amends section 10C of the Principal Act. In future, the rate of subsidy will be calculated on a daily rather than weekly basis. By sub-clause 2(3) this provision will have effect from a date fixed by Proclamation.

Amendment to the National Health Act 1953

The National Health Act 1953 (the Principal Act) is amended by Part III of the Bill, i.e. clauses 7 to 11. The major changes are:

section 4AA of the Principal Act is to be amended by clause 9 to make it clear that where a nursing home imposes a lower charge because the patient was temporarily absent from the nursing home, the nursing home benefit is not to be reduced. The amendment is necessary to remove doubt arising from previous amendments to the Principal Act. By sub-clause 2(2) the clause will be deemed to have come into force on 1 July 1985, the date when the previous amendments came into force;

clause 10 will insert a new sub-section 47(2A) into the Principal Act to make it clear that the full nursing home benefit is payable where a bed retention fee less than the maximum fee is imposed on patients temporarily absent from the nursing home. As well, the clause will insert a new sub-section 47(4) which will enable different basic rates of benefit to be prescribed by regulation. This will enable different rates to be set for Government and private nursing homes and implements a measure announced in the May statement on Government Expenditure Savings.

Amendment to the Seamen's War Pensions and Allowances Act 1940

The Seamen's War Pensions and Allowances Act 1940 (the Principal Act) is amended by Part V of the Bill which comprises clauses 33 to 38. The major changes are:

the rates of pension in respect of a child of a deceased seaman are to be increased. If both parents are dead, the rate will increase by $5.20 to $82.00 per fortnight. In other cases, the rate will increase by $2.60 to $41.00 per fortnight. By sub-section 2(4) the new rates will apply from 7 November 1985;
a new section 55B is to be inserted in the Principal Act by clause 36. The new section will give the Repatriation Commission power when dealing with overpayments to write off, waive, or allow repayment by instalments. It will also place a 6 year limit on the recovery of overpayments;

Schedule 2 of the Principal Act, which deals with allowances payable for specific injuries, will be amended by clause 37 to increase the rates of allowance. The new rates will be $57.40 per fortnight (an increase of $3.60) for a mariner who is blind or has suffered an incapacity other than the loss of both arms and $114.80 per fortnight (an increase of $7.20) for a mariner who has lost both arms. By sub-clause 2(4) the new rates will operate from 7 November 1985.

For further information, if required, contact the Education and Welfare Group.