Social Services Amendment Bill 1980

Date Introduced: 27 August 1980
House: House of Representatives

Short Digest of Bill

Background/Purpose

In his Budget Speech the Treasurer Mr. Howard, foreshadowed several changes to social security programs. The Social Services Amendment Bill 1980 incorporates those Budget decisions:

(i) an increase in Commonwealth pensions and allowances paid to sole parents, mothers/guardians, handicapped children and double orphans; and an increase in unemployment benefits for those aged 18 and over without dependents;

(ii) provision of pensions and benefits to mental hospital patients;

(iii) increased rates of additional pensions and benefits for children;

(iv) relaxation of the income test for unemployment and sickness benefits; and

(v) exemption of payments received by Defence Force Reservists from consideration in income tests for unemployment and sickness benefits and pensions.

The Explanatory Memorandum accompanying the Bill gives a detailed account of all amendments.

Main Provisions

Clause 3 repeals the States Grants (Deserted Wives) Act 1968, through which the Commonwealth reimburses the States for up to half of the cost of income support provided by the States to people ineligible for Class A Widow's pensions or the supporting parents benefits. The Commonwealth will assume responsibility for income maintenance for these people.
Clauses 5 and 17 of the Bill amend s.18 and s.106 of the Social Services Act 1947 respectively, to exclude from the meaning of income, the pay and allowances paid to members of the Defence Reserve Forces (as defined in clause 4) in respect of the determination of invalid and age pensions and unemployment and sickness benefits.

Clause 6 of the Bill amends s.28 of the Principal Act to increase the additional amounts paid to age and invalid pensioners who have the custody, care and control of children.

Clause 7 repeals s. 33 of the Principal Act; that section precludes payment of a wife's pension to a woman who is, or whose husband is, an inmate of a mental hospital. Consequently, the effect of clause 7 is to allow the payment of a wife's pension in the above circumstances. In addition clause 8 repeals section 48 of the Act which provides for the suspension of an age or invalid pension to a person during a period in which he is a mental hospital patient. Consequently, age and invalid pensions will now be payable to persons who are patients of a mental hospital. Clause 8 also retains the payment of a pension to a person who, immediately before the commencement of the clause, ceases to be a mental hospital patient; the pension may be paid for each day it was suspended for up to 84 days.

As clause 7 enables the payment of a wife's pension to the wife of an inmate of a mental hospital in lieu of a widow's pension clause 9 of the Bill amends s.59 to omit from the definition of 'widow', any woman, whose husband is a mental hospital patient. However, because in many cases such a change would involve a fall in income, widow's pensions will continue to be paid until the husband ceases to be a patient or the wife's pension exceeds the widow's pension.

Clause 10 amends s.63 by inserting new maximum rates for the various classes of widow's pension. Clause 11 amends s.68 of the Act inter alia to omit the provision relating to the date on which a woman becomes entitled to a widow's pension - where her husband becomes the inmate of a mental hospital; these women will now be eligible for a wife's pension.

Clause 13 of the Bill repeals s.77 of the Principal Act which prevents persons on widow's pensions from receiving payments while they are patients in mental hospitals. As a consequence of this amendment benefits will also be payable to supporting parent beneficiaries who are mental hospital patients.
Section 83AAA of the Principal Act is amended by clause 14 of the Bill. Paragraph (a) inserts definitions of "supporting father" and "supporting mother" by omitting the six months qualifying period and references to States Grant (Deserted Wives) Act 1968; this is in line with clause 3 of the Bill. Paragraphs (b),(c) and (d) amend the definitions concerning qualifying time periods from 6 months to 14 days.

Clauses 15 and 16 amend the Principal Act to provide for new rates for double orphan's pensions and the handicapped child's allowance, respectively. Clause 18 amends s.112 to provide for new rates of unemployment and sickness benefits; the respective benefit will rise from $51.45 to $53.45 for persons over 18 years and without defendants.

Section 114 of the Principal Act which contains the income test, is amended by clause 19 of the Bill. The first change is to extend the "free area" of $6 to recipients between 18 and 20 years of age. Secondly, the Bill provides for an increase in the amount of income which an unemployment or sickness benefits recipient is able to earn. Sub-clause 19(a) provides that if a beneficiary aged between 16 and 18 years, earns an amount not exceeding $40, that person's unemployment or sickness benefits will be reduced on a $1 for $2 basis for the amount between $3 and $40. Any income in excess of the first $40 will cause the benefits to be further reduced on a $1 for $1 basis. For recipients over 18 years the comparable range is $6 to $50.

Clause 20 of the Bill substitutes a new s.133 principally to omit the provisions precluding the payment of pensions and sickness benefits to mental hospital patients, to which they will now be entitled. Clause 22 specifies the different dates from which the amendments proposed by the preceding clauses are to apply. It is drafted to take into account the different bases on which the various pensions etc. are paid.

Clause 1,2,4,5,17 and 22 will come into operation on the Date of Assent. Clause 3 will be operative from the date of Proclamation and the remaining provisions shall come into operation on 1 November 1980.