THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

CLEAN ENERGY (HOUSEHOLD ASSISTANCE AMENDMENTS) BILL 2011

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendments to be moved on behalf of the Government

(Circulated by the authority of the Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon Jenny Macklin MP)
Government amendments

OUTLINE

These amendments clarify in legislation the Government's policy in relation to residency for household assistance. They address inconsistencies in the drafting process.

Financial impact statement

These amendments do not alter the financial impact of the Bill as they are in line with the intended policy for the Clean Energy Household Assistance Package.
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Government amendments

Amendments to Schedule 1 (Clean energy payments under the social security law) – Residing in Australia

Amendments 1, 2, 4, 5 and 6 insert several new paragraphs into sections 914 and 914A of the Social Security Act 1991 (the Social Security Act) to clarify that a person must be residing in Australia to qualify for a clean energy advance. The new paragraphs cover various scenarios where a person receives a stipulated payment over a stipulated period.

Subsection 7(3) of the Social Security Act sets out the matters that must be considered when determining whether a person is residing in Australia.

Amendments 3 and 7 provide for technical amendments to sections 914 and 914A to give effect to the other amendments.

Amendments to Schedule 2 (Clean energy payments under the family assistance law) – Absent overseas recipient or FTB child

Amendment 8 inserts a new item 15A into Schedule 2. Item 15A adds new subsection 62(5) to the A New Tax System (Family Assistance) Act 1999 (Family Assistance Act). Under new subsection 62(5), if an individual is an absent overseas recipient on a day (disregarding any extension in the portability period under section 63A), then clean energy supplement is not to be added to the individual’s rate of FTB in relation to that day.

Amendment 9 inserts a new item 15B into Schedule 2. Item 15B adds new subsection 63(5) to the Family Assistance Act. Under new subsection 63(5), if an FTB child of an individual is an absent overseas FTB child on a day (disregarding any extension in the portability period under section 63A), then the child is disregarded in working out the amount of clean energy supplement that is to be added to the individual’s rate of FTB in relation to that day.

Amendment 10 amends subitem 34(2) of Schedule 2 so that the changes made by new items 15A and 15B apply in relation to the 2013-14 income year and later income years, consistent with the amendments in Schedule 2 which introduce the clean energy supplement.

Amendments to Schedule 3 (Clean energy payments under the Veterans’ Entitlements Act) – Residing in Australia

Amendments 11 to 13 amend the Veterans’ Entitlements Act 1986, consistent with the amendments to the social security law.
Amendments to Schedule 4 (Clean energy payments under the Military Rehabilitation and Compensation Act) – Residing in Australia

Amendments 14 to 21 amend the Military Rehabilitation and Compensation Act 2004, consistent with the amendments to the social security law.