(1) **AG (2) [Sheet 5655 Revised 2]**

Schedule 1, item 1, page 4 (line 22), omit “must”, substitute “may”.

(2) **AG (4) [Sheet 5655 Revised 2]**

Schedule 1, item 1, page 6 (line 5), at the end of subsection 42C(5), add “, provided that the penalty amount may not be deducted until at least the instalment after the first instalment made following notification to the person of the no show no pay failure”.

(3) **AG (7) [Sheet 5655 Revised 2]**

Schedule 1, item 1, page 6 (line 18), omit “must”, substitute “may”.

(4) **AG (8) [Sheet 5655 Revised 2]**

Schedule 1, item 1, page 8 (line 32), omit “must”, substitute “may”.

(5) **AG (10) [Sheet 5655 Revised 2]**

Schedule 1, item 1, page 9 (line 35), at the end of subsection 42H(5), add “, provided that the penalty amount may not be deducted until at least the instalment after the first instalment made following notification to the person of the reconnection failure”.

(6) **AG (11) [Sheet 5655 Revised 2]**

Schedule 1, item 1, page 12 (line 10), omit “must”, substitute “may”.
(7) **AG (12)** [Sheet 5655 Revised 2]

Schedule 1, item 1, page 12 (after line 22), after section 42N, insert:

**42NA Comprehensive compliance assessment**

(1) Before the Secretary determines that a person has committed a serious failure under section 42M, the Secretary must conduct a comprehensive compliance assessment in relation to the person.

(2) The *comprehensive compliance assessment* must assess the following:
   - (a) the reasons why the person may have committed failures under this Division;
   - (b) the reasons why the person may have failed to meet other requirements under the social security law;
   - (c) whether the person has any barriers to employment;
   - (d) whether the person’s participation requirements are appropriate.

(8) **AG (14)** [Sheet 5655 Revised 2]

Schedule 1, item 1, page 12 (after line 22), after section 42N, insert:

**42NC Determination about serious failure requirements and severe financial hardship**

If the Secretary determines that a person commits a serious failure, the Secretary must also determine that this section applies unless the Secretary is satisfied that:
   - (a) the person does not have the capacity to undertake any serious failure requirement; and
   - (b) serving the serious failure period would cause the person to be in severe financial hardship.

(9) **AG (15)** [Sheet 5655 Revised 2]

Schedule 1, item 1, page 12 (line 25), after “serious failure”, insert “and has determined that section 42NC applies”.

(10) **AG (16)** [Sheet 5655 Revised 2]

Schedule 1, item 1, page 13 (line 28), after the note, insert:

(1A) The Secretary may make a determination under paragraph (1)(b) on request or on his or her own initiative.

(11) **AG (17)** [Sheet 5655 Revised 2]

Schedule 1, item 1, page 13 (lines 32 and 33), omit paragraph 42Q(2)(b), substitute:
   - (b) if the Secretary makes a determination under paragraph (1)(b) on request—the day before the request was made; or
   - (c) if the Secretary makes a determination under paragraph (1)(b) on his or her own initiative—the day before the Secretary makes the determination.
(12) **AG (18) [Sheet 5655 Revised 2]**

Schedule 1, item 1, page 13 (line 34), after the note, insert:

(3) Section 42NC does not affect the operation of this section.

(13) **AG (19) [Sheet 5655 Revised 2]**

Schedule 1, item 1, page 17 (line 24), omit “42Q(2)(b)”, substitute “42Q(2)(c)”.

(14) **Xenophon (1) [Sheet 5710]**

Page 17 (after line 31), at the end of Part 1 of Schedule 1, add:

**Subdivision G—Review**

42ZA Review of impact of compliance regime

(1) The Minister must cause an independent review of the impact of the amendments made by this Division to be undertaken as soon as possible after 30 June 2010.

(2) The review must report on:

(a) the effectiveness of the compliance regime in:
   (i) meeting job seeking requirements;
   (ii) reducing financial hardship;
   (iii) reducing compliance costs for job seekers, employment services providers and the Government; and
   (iv) using the ‘no show, no pay’ provision to increase compliance with job seeking requirements;
(b) the impact on vulnerable job seekers including Indigenous job seekers;
(c) the impact of the compliance regime on employment participation and long-term unemployment;
(d) the number of complaints made with the departmental hotline, Social Security Appeals Tribunal or Ombudsman’s office in relation to the new arrangements;
(e) the gaps between federal policy and state service provision for persons with non-vocational special needs or barriers;
(f) the adequacy of non-vocational support services in regional areas;
(g) the effectiveness of training for and consistency of understanding of Centrelink staff, employment providers and departmental contract managers in the new arrangements;
(h) the adequacy of information and education provided to new and existing clients about the new system;
(i) the adequacy of resourcing for Centrelink to implement the new arrangements and deal with related complaints;
(j) the effectiveness and use of criteria such as hardship, vulnerability and reasonable exclusion within Comprehensive Compliance Assessments; and
(k) any other related matter.

(3) The review must be conducted by an independent panel, chaired by a person with expertise in social security and employment services matters.

(4) The Minister must provide the panel with adequate resources to undertake the review.
(5) The panel must give the Minister a written report of the review, and the Minister must cause a copy of the report to be made public and tabled in each House of the Parliament by 30 September 2010.

HARRY EVANS
Clerk of the Senate

The Senate
4 February 2009