



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



## **THE SENATE**

# **FAMILY AND COMMUNITY SERVICES LEGISLATION AMENDMENT (AUSTRALIANS WORKING TOGETHER AND OTHER 2001 BUDGET MEASURES) BILL 2002**

**In Committee**

**SPEECH**

**Thursday, 12 December 2002**

BY AUTHORITY OF THE SENATE

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# SPEECH

<b>Date</b> Thursday, 12 December 2002 <b>Page</b> 7962 <b>Questioner</b> <b>Speaker</b> Cherry, Sen John	<b>Source</b> Senate <b>Proof</b> No <b>Responder</b> <b>Question No.</b>
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**Senator CHERRY** (Queensland) (6.42 pm)—by leave—I move together amendments (32) to (38), (40), (41) and (43) to (46) on sheet 2700 revised:

(32) Schedule 1, page 21 (after line 11), after item 30, insert:

**30A Paragraphs 624(1A)(a) and (b)**

Omit “2 years” (wherever occurring), substitute “12 months”.

(33) Schedule 1, page 21 (after line 11), after item 30, insert:

**30B Paragraphs 625(1A)(a) and (b)**

Omit “2 years” (wherever occurring), substitute “12 months”.

(34) Schedule 1, page 21 (after line 11), after item 30, insert:

**30C Paragraphs 626(1A)(a) and (b)**

Omit “2 years” (wherever occurring), substitute “12 months”.

(35) Schedule 1, page 21 (after line 11), after item 30, insert:

**30D Paragraphs 628(c) and (d)**

Omit “2 years” (wherever occurring), substitute “12 months”.

(36) Schedule 1, page 21 (after line 11), after item 30, insert:

**30E Paragraphs 629(a) and (b)**

Omit “2 years” (wherever occurring), substitute “12 months”.

(37) Schedule 1, page 21 (after line 11), after item 30, insert:

**30F Paragraphs 630(2)(a) and (b)**

Omit “2 years” (wherever occurring), substitute “12 months”.

(38) Schedule 1, page 21 (after line 11), after item 30, insert:

**30G Paragraphs 630AA (2)(a) and (b)**

Omit “2 years” (wherever occurring), substitute “12 months”.

(40) Schedule 1, page 21 (after line 25), after item 33, insert:

**33A After section 634**

Insert:

**634A Qualification for Newstart Allowance**

If:

(a) a person ceases to be qualified for Newstart allowance because of a failure to comply with a requirement to enter into a Newstart Activity Agreement; and

(b) the Secretary, under section 80 of the Administration Act, cancels or suspends the person's newstart allowance because of that loss of qualification; and

(c) within 4 weeks after the date of effect of the action taken by the Secretary, the person enters into a Newstart Allowance Activity Agreement;

the person's qualification for allowance is taken, for the purposes of subparagraph 593(1)(b)(i) of this Act, never to have ceased.

(41) Schedule 1, page 21 (after line 28), after item 34, insert:

**34A Section 644AA**

Omit "26 weeks", substitute "8 weeks".

(43) Schedule 1, page 21 (after line 28), after item 34, insert:

**34C Paragraphs 644AE(2)(a) and (b)**

Repeal the paragraphs, substitute:

(a) if the activity test breach is the person's first breach in the 12 month period:

Maximum payment rate x 0.10

(b) if the activity test breach is the person's second breach in the 12 month period:

Maximum payment rate x 0.15

(44) Schedule 1, page 21 (after line 28), after item 34, insert:

**34D Subsection 644AE(3)**

Omit "**2 year period** means the 2 years", substitute "**12 month period** means the 12 months".

(45) Schedule 1, page 21 (after line 28), after item 34, insert:

**34E Section 644B**

Omit "13 weeks", substitute "4 weeks",

(46) Schedule 1, page 21 (after line 28), after item 34, insert:

**34F Subsection 644H(2)**

Omit "0.16", substitute "0.08".

I will not be moving amendments (39) and (42), because they have a similar effect to amendments on sheet 2791. The amendments I have moved apply to Newstart allowance and seek to put into place the recommendations of the Pearce report. I have spoken to the arguments in favour of these before. These amendments reduce the accumulation period for breaches from two years to 12 months, ensure that a rate reduction period cannot be imposed until 14 days after a notice, ensure that a Newstart allowance breach is expunged if a person complies within four weeks, reduce the maximum rate reduction period from 26 weeks to eight weeks, and reduce breach rates to 10 per cent for the first breach and 15 per cent for the second—down from 18 per cent and 24 per cent. The Newstart allowance administrative breach rate reduction is also reduced, from 16 per cent to eight per cent. These amendments follow recommendations Nos 24, 25 and 26 of the Pearce report. I discussed these previously in relation to payment periods. I commend these amendments to the Senate.