

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

(As read a first time)

**SOCIAL SECURITY AND VETERANS' AFFAIRS LEGISLATION
AMENDMENT BILL 1989**

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1987-88-89

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

Presented and read a first time, 12 April 1989

(Minister for Social Security)

A BILL

FOR

**An Act to amend the law relating to social security and
veterans' affairs, and for related purposes**

BE IT ENACTED by the Queen, and the Senate and the House of
Representatives of the Commonwealth of Australia, as follows:

PART 1—PRELIMINARY

Short title

5. 1. This Act may be cited as the *Social Security and Veterans' Affairs
Legislation Amendment Act 1989*.

Commencement: Day of Royal Assent

MR

Commencement

2. Each provision of this Act commences, or shall be taken to have commenced, as the case requires, on the day shown by the note in italics at the foot of that provision.

Commencement: Day of Royal Assent

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Application

3. (1) The amendments made by section 6, paragraph 11 (a) and sections 13, 19 and 27 apply to payments under the *Social Security Act 1947* and the *Veterans' Entitlements Act 1986* that fall due on or after 1 July 1989.

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Commencement: 1 July 1989

(2) The amendment made by paragraph 11 (b) applies to payments under the *Social Security Act 1947* that fall due on or after 1 January 1990.

Commencement: 1 January 1990

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(3) The amendment made by section 17 applies to payments of child disability allowance that fall due on or after the day on which this Act receives the Royal Assent.

Commencement: Day of Royal Assent

(4) The amendment made by section 21 applies to claims for unemployment benefit lodged on or after 1 February 1989.

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Commencement: 1 February 1989

PART 2—AMENDMENTS OF SOCIAL SECURITY ACT 1947

Principal Act

4. In this Part, "Principal Act" means the *Social Security Act 1947*¹.

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Commencement: Day of Royal Assent

Secrecy

5. Section 19 of the Principal Act is amended by adding at the end of subsection (2) the following penalty:

"Penalty: \$12,000 or imprisonment for 2 years, or both."

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Commencement: 28th day after day of Royal Assent

Rate of pension

6. Section 33 of the Principal Act is amended by omitting subsection (4) and substituting the following subsection:

"(4) Where a person has a dependent child or dependent children, the maximum rate of pension applicable to that person under subsection (1) shall, subject to subsections (5) and (6), be increased or, if subsection (3) applies to the person, be further increased, by:

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- (a) in respect of each dependent child who is under 13 years—an amount per year worked out by multiplying by 52 the amount specified in paragraph 74 (1) (a);
- 5 (b) in respect of each dependent child who has turned 13 years but is under 16 years—an amount per year worked out by multiplying by 52 the amount specified in paragraph 74 (1) (b); and
- 10 (c) in respect of each dependent child who is not a prescribed student child of the person and who has turned 16 years—an amount per year worked out by multiplying by 52 the amount specified in paragraph 74 (1) (c).”.

Commencement: 1 July 1989

Indexation of certain rates

7. Section 34 of the Principal Act is amended:

- 15 (a) by omitting the definition of “relevant period” from subsection (1) and substituting the following definition:

“‘relevant period’ means:

- (a) the period starting on 13 June 1989 and ending on 14 November 1989;
- 20 (b) the period starting on 15 November 1989 and ending on 17 April 1990;
- (c) the period starting on 18 April 1990 and ending on 19 September 1990;
- (d) the period of 6 months starting on 20 September 1990; and
- 25 (e) each subsequent period of 6 months;”;

- (b) by omitting subparagraphs (5) (a) (i) and (ii) and substituting the following subparagraphs:

- 30 “(i) if the relevant period starts between 1 January and 30 June (inclusive)—the index number for the last preceding December quarter; or
- (ii) if the relevant period starts between 1 July and 31 December (inclusive)—the index number for the last preceding June quarter;”.

Commencement: 13 June 1989

8 After section 34 of the Principal Act the following section is inserted:

Indexation of increased rate for persons with dependent children

“34A. (1) In this section, unless the contrary intention appears:

40 ‘index number’, in relation to a quarter, means the All Groups Consumer Price Index number, being the weighted average of the 8 capital cities, published by the Australian Statistician in respect of that quarter;

'relevant rate' means the rate specified in subsection 33 (3);

'year to which this section applies' means 1990 and each subsequent year.

"(2) Subject to subsection (3), if at any time, whether before or after the commencement of this section, the Australian Statistician has published or publishes an index number in respect of a quarter in substitution for an index number previously published by the Australian Statistician in respect of that quarter, the publication of the later index number shall be disregarded for the purposes of this section. 5

"(3) If at any time, whether before or after the commencement of this section, the Australian Statistician has changed or changes the reference base for the consumer price index, then, for the purposes of the application of this section after the change took place or takes place, regard shall be had only to index numbers published in terms of the new reference base. 10

"(4) Where the factor worked out under subsection (5) in relation to a year to which this section applies is greater than 1, this Act, and any Act that refers to this Act, have effect as if for the relevant rate there were substituted, on the first day of that year: 15

(a) subject to paragraph (b)—the rate worked out by multiplying by that factor: 20

(i) where subparagraph (ii) does not apply—the relevant rate; or

(ii) if, because of another application or other applications of this section, this Act has had effect as if another rate was substituted, or other rates were successively substituted, for the relevant rate—the substituted rate or the last substituted rate, as the case may be; 25

(b) where the rate worked out under paragraph (a) is not a multiple of \$2.60 per year—a rate equal to:

(i) if the rate so worked out exceeds the next lower rate that is such a multiple by \$1.30 per year or more—the next highest rate that is such a multiple; or 30

(ii) if the rate so worked out exceeds the next lower rate that is such a multiple by less than \$1.30 per year—that next lower rate. 35

"(5) The factor to be worked out for the purposes of subsection (4) in relation to a year to which this section applies is:

(a) the number, calculated to 3 decimal places, worked out by dividing the index number for the last preceding June quarter by the highest index number in respect of an earlier June quarter, not being a June quarter that occurred before 1988; or 40

- (b) if the number worked out under paragraph (a) would, if it were calculated to 4 decimal places, end in a number greater than 4—the number so worked out increased by 0.001.

5 “(6) Where, because of the application of this section, this Act has effect as if another rate were substituted for the relevant rate on the first day of a year, the substitution, in so far as it affects instalments of pensions, benefits and allowances under this Act, has effect in relation to every instalment of such a pension, benefit or allowance that falls due on or after the first day of that year.”

10 *Commencement: 1 January 1990*

Rate of pension payable outside Australia

9. Section 61 of the Principal Act is amended:

- (a) by omitting from subsection (1) “Where” and substituting “Subject to subsection (3A), where”;
- 15 (b) by omitting from subsection (2) “Where” and substituting “Subject to subsection (3A), where”;
- (c) by inserting after subsection (3) the following subsection:

20 “(3A) Where subsection 65 (3) applies in relation to a pension payable to a person, the annual rate of the pension payable to the person is the rate worked out using the formula:

$$\frac{P \times Q}{300}$$

where:

25 **P** is the annual rate of pension that would be payable to the person if the person were in Australia and were qualified to receive the pension;

Q is the number of months of the period of residence in Australia of the person or 300, whichever is the lower number.”;

- 30 (d) by inserting in subsection (5) “(other than subsection (3A))” after “This section”.

Commencement: Day of Royal Assent

Reciprocal agreements

35 10. Section 65 of the Principal Act is amended by adding at the end the following subsection:

“(3) Where:

- (a) a pension is payable under a reciprocal agreement to a person who is outside Australia; and

- (b) the reciprocal agreement provides for the rate of the pension payable to the person to be determined according to the social security laws of Australia;

the following provisions have effect:

- (c) subject to paragraph (d), the rate of that pension shall be determined under subsection 61 (3A);
- (d) if the reciprocal agreement provides that certain amounts are or are not to be treated as income of the person, the annual rate that is component P in subsection 61 (3A) shall be worked out treating those amounts accordingly.”.

Commencement: Day of Royal Assent

Rate of allowance

11. Section 74 of the Principal Act is amended:

- (a) by omitting from paragraph (1) (b) “\$31” and substituting “\$34.10”;

Commencement: 1 July 1989

- (b) by omitting paragraphs (1) (a) and (b) and substituting the following paragraphs:

“(a) if the child is under 13 years—the amount per week worked out under section 74AA;

(b) if the child has turned 13 years but is under 16 years—the amount worked out under section 74AB; or”.

Commencement: 1 January 1990

12. After section 74 of the Principal Act the following sections are inserted:

Allowances for children under 13 years

“74AA. (1) The purpose of this section is to ensure that, in each calendar year starting from 1990, the total amount payable in respect of a child under 13 by way of family allowance and family allowance supplement is at least 15% of the basic pension amount payable to a married couple under paragraph 33 (1) (b) as at the beginning of that calendar year.

“(2) The amount per week of allowance for the purposes of paragraph 74 (1) (a) in 1990 and each subsequent calendar year is:

- (a) except where paragraph (b) applies—the amount per week payable under paragraph 74 (1) (a) as at 31 December in the preceding calendar year; or

(b) if the indexed amount per week is more than the amount per week referred to in paragraph (a)—the indexed amount per week.

“(3) The rate of allowance worked out under this section for a year is applicable in respect of every instalment of pension, benefit or allowance

under this Act that falls due in that year, being pension, benefit or allowance the rate or amount of which is affected by paragraph 74 (1) (a).

“(4) In this section:

‘indexed amount per week’, in relation to a calendar year, means:

- 5 (a) except where paragraph (b) applies—the amount per week worked out using the formula:

$$\frac{3 \times \text{MPR}}{520} - \frac{\text{FA}}{2}$$

where:

MPR is the amount specified in paragraph 33 (1) (b) as in force on 1 January of that calendar year;

10 **FA** is the amount specified in paragraph 88 (1) (a) as adjusted under section 89 on the first day of that calendar year; or

- (b) where the amount worked out under paragraph (a) is not a multiple of 5 cents—the next highest amount per week that is such a multiple.

Allowances for children 13 to 15 years

15 “74AB. (1) The purpose of this section is to ensure that, in each calendar year starting from 1990, the total amount payable in respect of a child who has turned 13 but is under 16 by way of family allowance and family allowance supplement is at least 20% of the basic pension amount payable to a married couple under paragraph 33 (1) (b) as at the beginning of that calendar year.

20 “(2) The amount per week of allowance for the purposes of paragraph 74 (1) (b) in 1990 and each subsequent calendar year is:

25 (a) except where paragraph (b) applies—the amount per week payable under paragraph 74 (1) (b) as at 31 December in the preceding calendar year; or

(b) if the indexed amount per week is more than the amount per week referred to in paragraph (a)—the indexed amount per week.

30 “(3) The rate of allowance worked out under this section for a year is applicable in respect of every instalment of pension, benefit or allowance under this Act that falls due in that year, being pension, benefit or allowance the rate or amount of which is affected by paragraph 74 (1) (b).

“(4) In this section:

‘indexed amount per week’, in relation to a calendar year, means:

- 35 (a) except where paragraph (b) applies—the amount per week worked out using the formula:

$$\frac{\text{MPR}}{130} - \frac{\text{FA}}{2}$$

where:

MPR is the amount specified in paragraph 33 (1) (b) as in force on 1 January of that calendar year;

FA is the amount specified in paragraph 88 (1) (a) as adjusted under section 89 on the first day of that calendar year; or

(b) where the amount worked out under paragraph (a) is not a multiple of 5 cents—the next highest amount per week that is such a multiple.”.

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Commencement: 1 January 1990

Income test for family allowance

13. Section 85 of the Principal Act is amended:

(a) by omitting paragraph (7) (c) and substituting the following paragraph:

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“(c) the taxable income of the person for the year of income in which the request is made (in this subsection called the ‘current year of income’) is likely to be at least 25% less than the taxable income of the person for the last year of income of the person;”;

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(b) by omitting from subsection (7) “that following year of income” and substituting “the current year of income”.

Commencement: 1 July 1989

Amount of family allowance

14. Section 88 of the Principal Act is amended:

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(a) by omitting subsections (1), (2), (3) and (4) and substituting the following subsections:

“(1) The amount of family allowance payable to a person in respect of a child on a family allowance payday occurring after 1 July 1989 is as follows:

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(a) except where paragraph (b) applies—the amount payable is \$18;

(b) where there are 4 or more children in respect of whom family allowance is payable and the child is not one of the 3 eldest—the amount payable is \$24.

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“(2) The amount of family allowance payable to an institution in respect of a child on a family allowance payday occurring after 1 July 1989 is \$24.”;

(b) by omitting from subsection (5) “Subsections (6) and (7) apply” and substituting “Subsection (7) applies”;

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(c) by omitting subsection (6).

Commencement: 1 July 1989

15. After section 88 of the Principal Act the following section is inserted:

Indexation of certain amounts

“89. (1) In this section, unless the contrary intention appears:

‘family allowance amount’ means the amount specified in paragraph 88 (1) (a) or (b) or subsection 88 (2);

5 ‘index number’, in relation to a quarter, means the All Groups Consumer Price Index number, being the weighted average of the 8 capital cities, published by the Australian Statistician in respect of that quarter;

10 ‘relevant amount’ means a family allowance amount or a special child amount;

‘special child amount’ means the amount specified in paragraph 88 (7) (a) or (b) or subsection 96 (2) or 104A (2);

‘year to which this section applies’ means 1990 and each subsequent year.

15 “(2) Subject to subsection (3), if at any time, whether before or after the commencement of this section, the Australian Statistician has published or publishes an index number in respect of a quarter in substitution for an index number previously published by the Australian Statistician in respect of that quarter, the publication of the later index number shall be disregarded
20 for the purposes of this section.

“ (3) If at any time, whether before or after the commencement of this section, the Australian Statistician has changed or changes the reference base for the consumer price index, then, for the purposes of the application of this section after the change took place or takes place, regard shall be
25 had only to index numbers published in terms of the new reference base.

“ (4) Where the factor worked out under subsection (5) or (6) in relation to a relevant amount in relation to a year to which this section applies is greater than 1, this Act, and any Act that refers to this Act, have effect as if for that relevant amount there were substituted, on the first day
30 of that year:

(a) subject to paragraph (b)—the amount worked out by multiplying by that factor:

(i) where subparagraph (ii) does not apply—the relevant amount;
or

35 (ii) if, because of another application or other applications of this section, this Act has had effect as if another amount was substituted, or other amounts were successively substituted, for the relevant amount—the substituted amount or the last substituted amount, as the case may be; or

40 (b) where the amount worked out under paragraph (a) is not a multiple of 10 cents—an amount equal to:

- (i) if the amount so worked out exceeds the next lower amount that is such a multiple by 5 cents or more—the next highest amount that is such a multiple; or
- (ii) if the amount so worked out exceeds the next lower amount that is such a multiple by less than 5 cents—that next lower amount.

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“(5) The factor to be worked out for the purposes of subsection (4) in relation to a family allowance amount in relation to a year to which this section applies is:

- (a) in relation to 1990—the number, calculated to 3 decimal places, worked out by dividing the index number for the June quarter 1989 by the index number for the December quarter 1988;
- (b) in relation to each subsequent year—the number, calculated to 3 decimal places, worked out by dividing the index number for the last preceding June quarter by the highest index number in respect of an earlier June quarter, not being a June quarter that occurred before 1989; or
- (c) if the number worked out under paragraph (a) or (b) would, if it were calculated to 4 decimal places, end in a number greater than 4—the number so worked out increased by 0.001.

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“(6) The factor to be worked out for the purposes of subsection (4) in relation to a special child amount in relation to a year to which this section applies is:

- (a) the number, calculated to 3 decimal places, worked out by dividing the index number for the last preceding June quarter by the highest index number in respect of an earlier June quarter, not being a June quarter that occurred before 1988; or
- (b) if the number worked out under paragraph (a) would, if it were calculated to 4 decimal places, end in a number greater than 4—the number so worked out increased by 0.001.

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“(7) Where, because of the application of this section, this Act has effect as if another amount were substituted for a relevant amount on the first day of a year, the substitution, in so far as it affects instalments of pensions, benefits and allowances under this Act, has effect in relation to every instalment of such a pension, benefit or allowance that falls due on or after the first day of that year.”.

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Commencement: 1 January 1990

Amount of double orphan's pension

16. Section 96 of the Principal Act is amended by adding at the end the following subsection:

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“(3) The amount of double orphan's pension payable on a family allowance payday occurring on or after 1 January 1990 is to be indexed under section 89.”.

Commencement: 1 January 1990

Qualification for allowance

17. Section 102 of the Principal Act is amended by omitting paragraph (c) and substituting the following paragraph:

“(c) the child receives care and attention, on a daily basis, from:

- 5 (i) if the person is a married person—the person or the person's spouse; or
(ii) if the person is not a married person—the person;
in a private home that is the residence of the person and the child;”.

Commencement: Day of Royal Assent

10 **Amount of allowance**

18. Section 104A of the Principal Act is amended by inserting after subsection (2) the following subsection:

“(2A) The amount of allowance payable on a family allowance pay day occurring on or after 1 January 1990 is to be indexed under section 89.”.

15 *Commencement: 1 January 1990*

Rate of unemployment and sickness benefit

19. Section 118 of the Principal Act is amended:

20 (a) by omitting from subsection (5) “\$12 per week” and substituting “an amount per week worked out by dividing by 52 the amount specified in subsection 33 (3)”;

(b) by omitting paragraphs (11) (c), (ca) and (cb) and substituting the following paragraphs:

- 25 “(a) in respect of each dependent child who is under 13 years—the rate specified in paragraph 74 (1) (a);
(b) in respect of each dependent child who has turned 13 years but is under 16 years—the rate specified in paragraph 74 (1) (b); and
30 (c) in respect of each dependent child who is not a prescribed student child of the person and who has turned 16 years—the rate specified in paragraph 74 (1) (c).”.

Commencement: 1 July 1989

Indexation of unemployment and sickness benefits

20. Section 119 of the Principal Act is amended:

35 (a) by omitting the definition of “relevant period” from subsection (1) and substituting the following definition:

“‘relevant period’ means:

- 40 (a) the period starting on 13 June 1989 and ending on 14 November 1989;
(b) the period starting on 15 November 1989 and ending on 17 April 1990;

- (c) the period starting on 18 April 1990 and ending on 19 September 1990;
 - (d) the period of 6 months starting on 20 September 1990; and
 - (e) each subsequent period of 6 months;”;
- (b) by omitting subparagraphs (5) (a) (i) and (ii) and substituting the following subparagraphs:
- “(i) if the relevant period starts between 1 January and 30 June (inclusive)—the index number for the last preceding December quarter; or
 - (ii) if the relevant period starts between 1 July and 31 December (inclusive)—the index number for the last preceding June quarter;”;
- (c) by omitting from paragraph (5) (c) “0.0001” and substituting “0.001”.

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Commencement: 13 June 1989

Certain persons released from detention entitled to double benefit in respect of first week of release

21. Section 122B of the Principal Act is amended by inserting in paragraph (1) (c) “, (1) (e)” after “125 (1) (b)”.

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Commencement: 1 February 1989

The National Convener may make orders restricting the further disclosure of information disclosed at a hearing

22. Section 195 of the Principal Act is amended by adding at the end the following penalty:

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“Penalty: \$12,000 or imprisonment for 2 years, or both.”.

Commencement: 28th day after day of Royal Assent

Disclosure of confidential information

23. Section 230 of the Principal Act is amended by adding at the end of subsection (3) the following penalty:

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“Penalty: \$12,000 or imprisonment for 2 years, or both.”.

Commencement: 28th day after day of Royal Assent

Employment entry payment

24. Section 237A of the Principal Act is amended:

- (a) by inserting after subsection (1) the following subsection:

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“(1A) Where:

- (a) after the commencement of this section, a married person (in this subsection called the ‘eligible person’) who has attained the age of 18 years commences employment;

(b) immediately before the eligible person commenced the employment:

(i) the eligible person's spouse was in receipt of unemployment benefit and either:

(A) the rate of that unemployment benefit was worked out taking into account an amount under subsection 118 (2) in respect of the eligible person; or

(B) the eligible person was in receipt of special benefit or sickness benefit; and

(ii) the eligible person's spouse had been a qualified beneficiary for a continuous period of at least 12 months;

(c) the income earned by the eligible person in respect of the employment results in unemployment benefit ceasing to be payable to the eligible person's spouse;

(d) in the opinion of the Secretary, the employment is likely to continue for more than 4 weeks; and

(e) the eligible person has not, within the last 12 months, received a payment under this section;

the eligible person is entitled to an employment entry payment of \$100.”;

(b) by inserting in paragraph (2) (b) “or (1A)” after “subsection (1)”;

(c) by inserting in subsection (3) “, (1A)” after “subsections (1)”.

Commencement: 1 February 1989

Repeal of section 240

25. Section 240 of the Principal Act is repealed.

Commencement: 28th day after day of Royal Assent

PART 3—AMENDMENTS OF VETERANS' ENTITLEMENTS ACT 1986

Principal Act

26. In this Part, “Principal Act” means the *Veterans' Entitlements Act 1986*.

Commencement: Day of Royal Assent

Rate of veteran's service pension

27. Section 47 of the Principal Act is amended:

(a) by omitting paragraphs (3) (a), (b) and (c) and substituting the following paragraphs:

“(a) in respect of each such child who is under 13 years—an amount per year worked out by multiplying by 52 the

amount referred to in paragraph 74 (1) (a) of the *Social Security Act 1947*;

(b) in respect of each such child who has turned 13 years but is under 16 years—an amount per year worked out by multiplying by 52 the amount referred to in paragraph 74 (1) (b) of the *Social Security Act 1947*; 5

(c) in respect of each such child who is not a prescribed student child of the veteran and who has turned 16 years—an amount per year worked out by multiplying by 52 the amount specified in paragraph 74 (1) (c) of the *Social Security Act 1947*; and”; 10

(b) by omitting from paragraph (3) (e) “\$624 per year.” and substituting “an amount per year equal to the amount specified in subsection 33 (3) of the *Social Security Act 1947*.”.

Commencement: 1 July 1989 15

Variation of rates of certain pensions

28. Section 198 of the Principal Act is amended:

(a) by omitting the definition of “relevant period” from subsection (1) and substituting the following definition:

“ ‘relevant period’ means: 20

(a) the period starting on 13 June 1989 and ending on 14 November 1989;

(b) the period starting on 15 November 1989 and ending on 17 April 1990;

(c) the period starting on 18 April 1990 and ending on 19 September 1990; 25

(d) the period of 6 months starting on 20 September 1990; and

(e) each subsequent period of 6 months;”;

(b) by omitting subparagraphs (5) (a) (i) and (ii) and substituting the following subparagraphs: 30

“(i) if the relevant period starts between 1 January and 30 June (inclusive)—the index number for the last preceding December quarter; or

(ii) if the relevant period starts between 1 July and 31 December (inclusive)—the index number for the last preceding June quarter;”.

Commencement: 13 June 1989

29. After section 198 of the Principal Act the following section is inserted:

Variation of rates of orphan's pension

"198A. (1) In this section, unless the contrary intention appears:

5 'index number', in relation to a quarter, means the All Groups Consumer Price Index number, being the weighted average of the 8 capital cities, published by the Australian Statistician in respect of that quarter;

'relevant rate' means the rate specified in paragraph 30 (2) (a), (b) or (c);

10 'year to which this section applies' means 1990 and each subsequent year.

"(2) Subject to subsection (3), if at any time, whether before or after the commencement of this section, the Australian Statistician has published or publishes an index number in respect of a quarter in substitution for an index number previously published by the Australian Statistician in respect of that quarter, the publication of the later index number shall be disregarded for the purposes of this section.

20 "(3) If at any time, whether before or after the commencement of this section, the Australian Statistician has changed or changes the reference base for the consumer price index, then, for the purposes of the application of this section after the change took place or takes place, regard shall be had only to index numbers published in terms of the new reference base.

25 "(4) Where the factor worked out under subsection (5) in relation to a relevant rate in relation to a year to which this section applies is greater than 1, this Act, and any Act that refers to this Act, have effect as if for that relevant rate there were substituted, on the first day of that year:

(a) subject to paragraph (b)—the rate worked out by multiplying by that factor:

(i) where subparagraph (ii) does not apply—the relevant rate; or

30 (ii) if, because of another application or other applications of this section, this Act has had effect as if another rate was substituted, or other rates were successively substituted, for the relevant rate—the substituted rate or the last substituted rate, as the case may be;

35 (b) where the rate worked out under paragraph (a) is not a multiple of 10 cents per fortnight—a rate equal to:

(i) if the rate so worked out exceeds the next lower rate that is such a multiple by 5 cents per fortnight or more—the next highest rate that is such a multiple; or

40 (ii) if the rate so worked out exceeds the next lower rate that is such a multiple by less than 5 cents per fortnight—that next lower rate.

“(5) The factor to be worked out for the purposes of subsection (4) in relation to a year to which this section applies is:

- (a) in relation to 1990—the number, calculated to 3 decimal places, worked out by dividing the index number for the June quarter 1989 by the index number for the June quarter 1988; 5
- (b) in relation to each subsequent year—the number, calculated to 3 decimal places, worked out by dividing the index number for the last preceding June quarter by the highest index number in respect of an earlier June quarter, not being a June quarter that occurred before 1989; or 10
- (c) if the number worked out under paragraph (a) or (b) would, if it were calculated to 4 decimal places, end in a number greater than 4—the number so worked out increased by 0.001.

“(6) Where, because of the application of this section, this Act has effect as if another rate were substituted for a relevant rate on the first day of a year, the substitution, in so far as it affects instalments of pensions, benefits and allowances under this Act, has effect in relation to every instalment of such a pension, benefit or allowance that falls due on or after the first day of that year.” 15

Commencement: 1 January 1990 20

PART 4—AMENDMENTS OF SOCIAL SECURITY AND VETERANS' ENTITLEMENTS (MAINTENANCE INCOME TEST) AMENDMENT ACT 1988

Principal Act

30. In this Part, “Principal Act” means the *Social Security and Veterans' Entitlements (Maintenance Income Test) Amendment Act 1988*. 25

Commencement: Day of Royal Assent

Saving for certain existing pensions etc.

31. Section 21 of the Principal Act is amended:

- (a) by omitting from subsection (1) the definition of “total income” and substituting the following definition: 30

“total income’, for a person in a period, means the sum of:

- (a) the person’s income and maintenance income received in that period; and
- (b) any qualifying pension received by the person in that period; 35

reduced by so much of that amount as:

- (c) was received as arrears of payments due to the person before that period; and
- (d) the relevant authority is satisfied should be disregarded for the purposes of this section;” 40

Commencement: 17 June 1988

(b) by inserting in subsection (1) the following definition:

“‘extra payment’ means a payment made to a person who is eligible to receive a qualifying pension, being a payment made:

(a) under or by reference to subsection 118 (2) of the Social Security Act, because the person is a married person;

(b) under or by reference to subsection 33 (3) or (4) of the Social Security Act, or paragraph 47 (3) (a), (b), (c) or (e) of the Veterans' Entitlements Act, whether because the person or the person's spouse has a dependent child or dependent children, or in respect of a particular dependent child of the person or the person's spouse;

(c) because the person or the person's spouse pays rent; or

(d) by way of remote area allowance;”;

Commencement: Day of Royal Assent

(c) by inserting in subsection (1) the following definitions:

“‘indexation increase’, in relation to a qualifying pension, means an increase in the rate at which the qualifying pension is payable that has occurred pursuant to an indexation provision;

‘indexation provision’ means a provision of the Social Security Act or the Veterans' Entitlements Act providing for the rate of a qualifying pension to be increased periodically by reference to the quarterly All Groups Consumer Price Index numbers published by the Australian Statistician;

‘relevant authority’ means:

(a) in relation to a person who is eligible to receive a qualifying pension under the Social Security Act—the Secretary to the Department of Social Security; or

(b) in relation to a person who is eligible to receive a qualifying pension under the Veterans' Entitlements Act—the Repatriation Commission;”;

Commencement: 17 June 1988

(d) by inserting after subsection (4) the following subsection:

“(4A) Where:

(a) a person's total income for the final pre-amendment period included an extra payment under the Social Security Act or the Veterans' Entitlements Act; and

(b) after the commencement of this subsection, because of a change in the person's circumstances (not being a change in the person's other income), the person is no longer entitled

to an extra payment of the same kind under the Social Security Act or the Veterans' Entitlements Act;

then, for the purposes of the application of subsection (4) after that change in circumstances, the person's total income for the final pre-amendment period shall be taken to have been reduced by the amount of the extra payment.”;

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Commencement: Day of Royal Assent

(e) by omitting subsection (5) and substituting the following subsection:

“(5) The amount of the qualifying pension shall not exceed:

(a) except where paragraph (b) applies—the amount of the qualifying pension (whether or not of the same kind) received in the final pre-amendment period; or

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(b) in the case of a person to whom this section applies who, immediately before 17 June 1988, had no dependent children—the amount of the qualifying pension (whether or not of the same kind) received in the final pre-amendment period, increased to take account of any indexation increases, but no other rate increases, since the end of that period.”.

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Commencement: 17 June 1988

NOTES

1. No. 26, 1947, as amended. For previous amendments, see Nos. 38 and 69, 1948; No. 16, 1949; Nos. 6 and 26, 1950; No. 22, 1951; Nos. 41 and 107, 1952; No. 51, 1953; No. 30, 1954; Nos. 15 and 38, 1955; Nos. 67 and 98, 1956; No. 46, 1957; No. 44, 1958; No. 57, 1959; No. 45, 1961; Nos. 1 and 95, 1962; No. 46, 1963; Nos. 3 and 63, 1964; Nos. 57 and 152, 1965; No. 41, 1966; Nos. 10 and 61, 1967; No. 65, 1968; No. 94, 1969; Nos. 2 and 59, 1970; Nos. 16 and 67, 1971; Nos. 1, 14, 53 and 79, 1972; Nos. 1, 26, 48, 103 and 216, 1973; Nos. 2, 23 and 91, 1974; Nos. 34, 56, 101 and 110, 1975; Nos. 26, 62 and 111, 1976; No. 159, 1977; No. 128, 1978; No. 121, 1979 (as amended by Nos. 37 and 98, 1982); No. 130, 1980; Nos. 61 and 170, 1981; No. 159, 1981 (as amended by No. 98, 1982); Nos. 37, 38 and 148, 1982; Nos. 4 and 36, 1983; No. 69, 1983 (as amended by No. 78, 1984); Nos. 46, 78, 93, 120, 134 and 165, 1984; Nos. 24, 52, 95, 127 and 169, 1985; Nos. 5, 28, 33, 106, 130 and 152, 1986; Nos. 77, 88 and 130, 1987; and Nos. 13, 35, 58, 75, 85, 133 and 135, 1988.
2. No. 27, 1986, as amended. For previous amendments, see Nos. 106 and 130, 1986; Nos. 78, 88 and 130, 1987; and Nos. 13, 35, 75, 99, 134 and 135, 1988.
3. No. 13, 1988.



