

1987

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA  
HOUSE OF REPRESENTATIVES

SOCIAL SECURITY AND VETERANS' ENTITLEMENTS  
AMENDMENT BILL (NO. 2) 1987

(AMENDMENTS TO BE MOVED ON BEHALF OF THE GOVERNMENT)

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Social Security,  
the Hon B Howe, MP)



## NOTES ON AMENDMENTS

These amendments would correct two defects in the Bill.

### Amendment (1)

Clause 41 of the Bill would insert a new section 121A into the Social Security Act 1947 which would provide for the parental income test applicable to unemployment and sickness beneficiaries under 18 years.

This amendment would omit the definition of "parent" in the new section 121A and insert the proposed definition of "parent".

The definition currently in the Bill is deficient because it would require the income of a parent to be taken into account although the beneficiary subject to the parental test has had little or no contact with the parent. The definition would also not take into account the income of someone who was not a parent but who was the spouse of a parent.

Paragraphs (a), (b) and (c) of the definition which would be inserted enables a range of persons to be considered as a parent of the beneficiary. The range covers -

- . a natural or adoptive parent;
- . a person acting as a guardian on a long term basis; and
- . the spouse of such a parent or guardian.

It is possible that six persons could be regarded as parents of a beneficiary. Accordingly, a means is necessary to limit the number of persons whose income could be taken into account in such situations, which is the purpose of paragraphs (d) and (e).

Paragraph (d) covers the case where a beneficiary is living with one parent but not with another, such as where the natural parents are separated or divorced and the beneficiary lives with one of them.

The income of the other parent (and the spouse of that other parent if he or she has remarried) would not be taken into account because the parent would be disregarded. However, the income of the parent with whom the beneficiary lives (and of the spouse of that parent if he or she has remarried) would be taken into account.

In the situation where the beneficiary does not live with a parent, paragraph (e) enables a person to be disregarded as a parent. For example, if a child's natural parents have separated or divorced and the child was living with a relative who has acted as the child's guardian on a long term basis, the natural parents would be disregarded and the relative (and the relative's spouse) would be regarded as the parents of the child.

Paragraph (e), however, is not intended to give a discretion to disregard a parent (as defined in paragraph (a), (b) or (c)) who would otherwise be a social parent (or the spouse of a social parent) of a beneficiary. Its purpose is to enable a person who could be regarded as a parent, but who is not a social parent (or the spouse of a social parent), to be disregarded. The income of such a person would have no bearing on the matter.

#### Amendment (2)

Clause 109(2) would insert a new subsection 55(5D) in the Seamen's War Pensions and Allowances Act 1940 which would come into operation immediately after the commencement of the Veterans' Entitlements (Transitional Provisions and Consequential Amendments) Act 1986 on 22 May 1987.

Section 2 of the Transitional Act provides two commencement dates for that Act - 19 May 1986 for section 61 and 22 May 1986 for all other sections. Due to a drafting oversight, the note to clause 109 does not specify which of the two dates is intended to apply.

This amendment would clarify that the commencement date referred to in the note to clause 109 would be 22 May 1986, the commencement date for all sections of the Transitional Act other than section 61.





