



Social Security and Other Legislation Amendment (Economic Security Strategy) Act 2008

No. 131, 2008

**An Act to amend laws in order to provide economic
security strategy payments, and for related
purposes**

Note: An electronic version of this Act is available in ComLaw (<http://www.comlaw.gov.au/>)

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**An Act to amend laws in order to provide economic
security strategy payments, and for related
purposes**

[Assented to 1 December 2008]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Social Security and Other Legislation
Amendment (Economic Security Strategy) Act 2008*.

2 Commencement

This Act commences on the day on which it receives the Royal Assent.

3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Economic security strategy payments under the Social Security Act

Social Security Act 1991

1 After Part 2.16

Insert:

Part 2.17—Economic security strategy payment

900 Qualification for economic security strategy payment

Qualified if this section applies

- (1) A person is qualified for an economic security strategy payment if subsection (2), (3) or (4) applies to the person.

Receipt of certain payments

- (2) This subsection applies to a person if:
- (a) the person was receiving one of the following payments in respect of 14 October 2008:
 - (i) an age pension;
 - (ii) a disability support pension;
 - (iii) a wife pension;
 - (iv) a carer payment;
 - (v) a bereavement allowance;
 - (vi) a widow B pension;
 - (vii) a widow allowance;
 - (viii) partner allowance;
 - (ix) carer allowance; and
 - (b) except in the case of carer allowance, the person was receiving that payment because of a claim the person made on or before 14 October 2008.

Note: For *receive* see subsections 23(2) and (4).

Pension age and receipt of other payments

- (3) This subsection applies to a person if:
- (a) the person reached pension age on or before 14 October 2008; and
 - (b) the person was receiving one of the following payments in respect of 14 October 2008:
 - (i) a parenting payment;
 - (ii) austudy payment;
 - (iii) special benefit;
 - (iv) a payment under the ABSTUDY Scheme that includes an amount identified as living allowance; and
 - (c) the person was receiving that payment because of a claim the person made on or before 14 October 2008.

Note: For *receive* see subsections 23(2) and (4).

Qualified for seniors health card

- (4) This subsection applies to a person if:
- (a) on or before 14 October 2008, the person made a claim for a seniors health card under Division 1 of Part 3 of the Administration Act and had not withdrawn that claim on or before 14 October 2008; and
 - (b) on 14 October 2008, the person was qualified for the card.

One payment under this section only

- (5) A person cannot receive more than one payment under this section, regardless of how many times the person qualifies under this section.
- (6) Despite anything else in this section, a person who is eligible for a payment under section 118ZZQ of the Veterans' Entitlements Act is not qualified for a payment under this section unless the person is so qualified because he or she was receiving carer allowance in respect of 14 October 2008.

901 Amount of economic security strategy payment—general

- (1) The amount of a person's economic security strategy payment under this Part is the amount, specified in column 3 of the following table, that corresponds to the family situation, specified
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in column 2 of the table, that applied to the person on 14 October 2008:

Amount of economic security strategy payment		
Item	Person's family situation on 14 October 2008	Amount
1	Not member of couple	\$1,400.00
2	Partnered	\$1,050.00
3	Member of illness separated couple	\$1,400.00
4	Member of respite care couple	\$1,400.00
5	Partnered (partner in gaol)	\$1,400.00

Note: For *member of couple*, *partnered*, *illness separated couple*, *respite care couple* and *partnered (partner in gaol)* see section 4.

- (2) However, this section does not apply to a person if he or she is qualified under section 900 for an economic security strategy payment because he or she was receiving carer allowance in respect of 14 October 2008.

902 Amount of economic security strategy payment—person receiving carer allowance

- (1) If a person:
- (a) is qualified under section 900 for an economic security strategy payment because he or she was receiving carer allowance in respect of 14 October 2008; and
 - (b) would not be so qualified if he or she had not been receiving carer allowance in respect of 14 October 2008;
- the amount of the person's economic security strategy payment under this Part is the amount worked out under subsection (3) for the person's carer allowance.
- (2) If a person:
- (a) is qualified under section 900 for an economic security strategy payment because he or she was receiving carer allowance in respect of 14 October 2008; and
 - (b) would be so qualified even if he or she had not been receiving carer allowance in respect of 14 October 2008;

the amount of the person's economic security strategy payment under this Part is the sum of the amount worked out under subsection (3) for the person's carer allowance and the amount that would have been worked out under section 901 for the person if subsection 901(2) had not applied.

- (3) Subject to subsection (4), the amount for a person's carer allowance is worked out by adding together the amount applicable under this section for each person (*care receiver*) whose care qualified the person for carer allowance in respect of 14 October 2008.
- (4) If subsection 953(2) applied in relation to the carer allowance in respect of 14 October 2008, the 2 disabled children whose care qualified the person for carer allowance in respect of 14 October 2008 are to be treated as if they were a single care receiver in relation to the person qualified for the economic security strategy payment.
- (5) Subject to subsection (6), the amount applicable for a care receiver is \$1,000.
- (6) If the rate at which carer allowance in respect of 14 October 2008 was paid took account of a determination under subsection 981(1) of a particular share (being a percentage or proportion) in relation to a care receiver, the amount applicable for the care receiver is that share of \$1,000.

2 Certain claims that would otherwise be taken to have been made on or before 14 October 2008

For the purposes of the provisions inserted by item 1, the following are to be disregarded:

- (a) the effect of section 12 of the *Social Security (Administration) Act 1999*, so far as it relates to a determination under that section that is made after 14 October 2008;
- (b) the effect of section 15 of the *Social Security (Administration) Act 1999*, so far as it relates to the Secretary becoming satisfied of a matter, as mentioned in that section, after 14 October 2008.

3 After section 1223ABA

Insert:

1223ABAAA Debts arising in respect of economic security strategy payments

- (1) If:
- (a) an individual has been paid an economic security strategy payment; and
 - (b) after the payment was made to the individual, a determination in relation to the individual, at least so far as it relates to 14 October 2008 or to a period that includes that day, is or was (however described) changed, revoked, set aside, or superseded by another determination; and
 - (c) the determination is one to which subsection (3) applies in relation to the payment; and
 - (d) the decision to change, revoke, set aside or supersede the determination is or was made for the reason, or for reasons including the reason, that the individual knowingly made a false or misleading statement, or knowingly provided false information; and
 - (e) had the change, revocation, setting aside or superseding occurred on or before 14 October 2008, the payment would not have been made;

the amount of the payment is a debt due to the Commonwealth by the individual.

- (2) If:
- (a) an individual has been paid an economic security strategy payment; and
 - (b) after the payment was made to the individual, a determination in relation to the individual, at least so far as it relates to 14 October 2008 or to a period that includes that day, is or was (however described) changed, revoked, set aside, or superseded by another determination; and
 - (c) the determination is one to which subsection (3) applies in relation to the payment; and
 - (d) the decision to change, revoke, set aside or supersede the determination is or was made for the reason, or for reasons including the reason, that the individual knowingly made a false or misleading statement, or knowingly provided false information; and

- (e) had the change, revocation, setting aside or superseding occurred on or before 14 October 2008, the payment would have been reduced;
the amount by which the payment would have been reduced is a debt due to the Commonwealth by the individual.
- (3) This subsection applies to:
 - (a) if the individual qualified for the payment because of subsection 900(2)—a determination made under Part 3 of the Administration Act because of which the individual was receiving a payment of a kind referred to in paragraph 900(2)(a); and
 - (b) if the individual qualified for the payment because of subsection 900(3)—a determination made under Part 3 of the Administration Act because of which the individual was receiving a payment of a kind referred to in paragraph 900(3)(b).
- (4) If:
 - (a) an individual has been paid an economic security strategy payment; and
 - (b) the individual qualified for the payment because of subsection 900(4) in relation to having claimed a seniors health card; and
 - (c) the individual knowingly made a false or misleading statement, or knowingly provided false information, in relation to the claim; and
 - (d) but for that statement or information, the payment would not have been paid to the individual;the amount of the relevant payment is a debt due to the Commonwealth by the individual.
- (5) Apart from section 1224AA, the other provisions of this Part under which debts arise do not apply in relation to payments to which this section applies.

4 Subsection 1231(1AA)

Repeal the subsection, substitute:

(1AA) However, the Secretary:

- (a) must not make a determination that would reduce a payment to nil if the reduction to nil would result in the person being in severe financial hardship; and
- (b) must not make a determination that would reduce (including reduce to nil) an economic security strategy payment, unless the person to whom the payment:
 - (i) is to be made; or
 - (ii) would, apart from the deduction, be made;has requested that the Secretary determine under this section the amount of a deduction that is to be made from the payment.

Social Security (Administration) Act 1999

5 After section 12AA

Insert:

12AB Economic security strategy payment

A claim is not required for an economic security strategy payment.

6 After paragraph 47(1)(hs)

Insert:

(ht) economic security strategy payment; or

7 After section 47B

Insert:

47C Payment of economic security strategy payments

If an individual is qualified for an economic security strategy payment, the Secretary must pay the payment to the individual in a single lump sum:

- (a) on 8 December 2008, or on such later date that the Secretary considers to be the earliest date on which it is reasonably practicable for the payment to be made; and
- (b) in such manner as the Secretary considers appropriate.

Schedule 2—Economic security strategy payments under the Veterans' Entitlements Act

Veterans' Entitlements Act 1986

1 After Part VIIF

Insert:

Part VIIG—Economic security strategy payment

118ZZQ Eligibility for economic security strategy payment

Eligible if this section applies

- (1) A person is eligible for an economic security strategy payment if subsection (2) or (3) applies to the person.

Eligible for certain payments

- (2) This subsection applies to a person if:
- (a) one of the following payments was payable to the person in respect of 14 October 2008:
 - (i) a service pension;
 - (ii) an income support supplement;
 - (iii) a carer service pension that is payable as a result of the operation of subclause 8(2) or (4) of Schedule 5; and
 - (b) that payment was payable because of a claim the person made on or before 14 October 2008.

Eligible for seniors concession allowance

- (3) This subsection applies to a person if:
- (a) on 14 October 2008, the person was eligible for seniors concession allowance under section 118PA; or
 - (b) both:

- (i) on or before 14 October 2008, the person made a claim for a seniors health card under Division 2 of Part VIIC and had not withdrawn that claim on or before 14 October 2008; and
- (ii) on 14 October 2008, the person was eligible for the card.

One payment under this section only

- (4) A person cannot receive more than one payment under this section, regardless of how many times the person becomes eligible under this section.

118ZZR Amount of economic security strategy payment

The amount of a person's economic security strategy payment under section 118ZZQ is the amount, specified in column 3 of the following table, that corresponds to the family situation, specified in column 2 of the table, that applied to the person on 14 October 2008:

Amount of economic security strategy payment		
Item	Person's family situation on 14 October 2008	Amount
1	Not member of couple	\$1,400.00
2	Partnered	\$1,050.00
3	Member of illness separated couple	\$1,400.00
4	Member of respite care couple	\$1,400.00

118ZZS Claim not required for economic security strategy payment

A claim is not required for an economic security strategy payment.

118ZZT Payment of economic security strategy payment

If an individual is eligible for economic security strategy payment, the Commission must pay the payment to the individual in a single lump sum:

- (a) on 8 December 2008, or on such later date that the Commission considers to be the earliest date on which it is reasonably practicable for the payment to be made; and

(b) in such manner as the Commission considers appropriate.

118ZZU Debts arising in respect of economic security strategy payment

- (1) This section applies in relation to an individual who has been paid an economic security strategy payment (the *relevant payment*) under this Part.
- (2) If the individual was eligible for the relevant payment because of subsection 118ZZQ(2), a *relevant determination* is a determination made under Part III or Part IIIA because of which the payment referred to in paragraph 118ZZQ(2)(a) was payable.
- (3) If the individual was eligible for the relevant payment because of subsection 118ZZQ(3) and because of holding or having held a seniors health card, a *relevant determination* is a determination made under this Act because of which the person became the holder of the card.
- (4) If:
 - (a) after the relevant payment was made to the individual, a relevant determination in relation to the individual, at least so far as it relates to 14 October 2008 or to a period that includes that day, is or was (however described) changed, revoked, set aside or superseded by another determination; and
 - (b) the decision to change, revoke, set aside or supersede the relevant determination is or was made for the reason, or for reasons including the reason, that the individual knowingly made a false or misleading statement, or knowingly provided false information; and
 - (c) had the change, revocation, setting aside or superseding occurred on or before 14 October 2008, the relevant payment would not have been made;the amount of the relevant payment is a debt due to the Commonwealth by the individual.
- (5) If:
 - (a) after the relevant payment was made to the individual, a relevant determination in relation to the individual, at least so far as it relates to 14 October 2008 or to a period that

includes that day, is or was (however described) changed, revoked, set aside or superseded by another determination; and

- (b) the decision to change, revoke, set aside or supersede the relevant determination is or was made for the reason, or for reasons including the reason, that the individual knowingly made a false or misleading statement, or knowingly provided false information; and
- (c) had the change, revocation, setting aside or superseding occurred on or before 14 October 2008, the relevant payment would have been reduced;

the amount by which the relevant payment would have been reduced is a debt due to the Commonwealth by the individual.

(6) If:

- (a) an individual was eligible for the relevant payment because of subsection 118ZZQ(3) and because of having claimed a seniors health card; and
- (b) the individual knowingly made a false or misleading statement, or knowingly provided false information, in relation to the claim; and
- (c) but for that statement or information, the relevant payment would not have been paid to the individual;

the amount of the relevant payment is a debt due to the Commonwealth by the individual.

(7) If:

- (a) an individual was eligible for the relevant payment because of subsection 118ZZQ(3) and because of holding or having held a gold card; and
- (b) the individual knowingly made a false or misleading statement, or knowingly provided false information, that resulted (directly or indirectly) in the individual becoming the holder of the gold card; and
- (c) but for that statement or information, the relevant payment would not have been paid to the individual;

the amount of the relevant payment is a debt due to the Commonwealth by the individual.

(8) The other provisions of this Act under which debts arise do not apply in relation to payments to which this section applies.

- (9) A debt that arises under this section is a ***recoverable amount*** within the meaning of subsection 205(8).

Schedule 3—Economic security strategy payments to families

A New Tax System (Family Assistance) Act 1999

1 Subsection 3(1)

Insert:

economic security strategy payment to families means a payment to which an individual is entitled under section 89 or 93.

2 Subsection 3(1)

Insert:

Military Rehabilitation and Compensation Act Education and Training Scheme means the scheme determined under section 258 of the *Military Rehabilitation and Compensation Act 2004* (as the scheme is in force at the commencement of this definition).

3 Subsection 3(1)

Insert:

Veterans' Children Education Scheme means the scheme prepared under section 117 of the *Veterans' Entitlements Act 1986* (as the scheme is in force at the commencement of this definition).

4 After Part 5

Insert:

Part 6—Economic security strategy payment to families

Division 1—Entitlements in respect of eligible children

89 When is an individual entitled to an economic security strategy payment to families?

- (1) An individual (the *entitled individual*) is entitled to an economic security strategy payment to families if subsection (2), (3), (4), (5), (6), (7) or (8) applies to the individual.

FTB category

- (2) This subsection applies to the individual if:
- (a) in relation to 14 October 2008, a determination under section 16 of the Family Assistance Administration Act was in force in respect of the individual as a claimant; and
 - (b) the rate (the *applicable rate*) of family tax benefit payable under the determination in relation to 14 October 2008 consisted of or included a Part A rate greater than nil worked out taking into account one or more FTB children.
- (3) This subsection applies to the individual if:
- (a) in relation to 14 October 2008, a determination under section 17 of the Family Assistance Administration Act was in force in respect of the individual as a claimant; and
 - (b) the determination was made as a result of a claim made in the 2008-09, 2009-10 or 2010-11 income year; and
 - (c) if the claim was made in the 2008-09 income year—the rate (the *applicable rate*) of family tax benefit payable under the determination in relation to 14 October 2008 consisted of or included a Part A rate greater than nil worked out taking into account one or more FTB children; and
 - (d) if the claim was made in the 2009-10 or 2010-11 income year:
 - (i) the individual has satisfied the FTB reconciliation conditions under section 32B of the Family Assistance Administration Act for all of the same-rate benefit periods in the 2008-09 income year; and

- (ii) the rate (the *applicable rate*) of family tax benefit that was payable under the determination after the individual satisfied those conditions, and that was payable in relation to 14 October 2008, consisted of or included a Part A rate greater than nil worked out taking into account one or more FTB children.
- (4) This subsection applies to the individual if:
- (a) in relation to 14 October 2008, a determination under section 18 of the Family Assistance Administration Act was in force in respect of the individual as a claimant; and
 - (b) the determination was made as a result of a claim made in the 2008-09 income year or a later income year; and
 - (c) the rate (the *applicable rate*) of family tax benefit payable under the determination in relation to 14 October 2008 consisted of or included a Part A rate greater than nil worked out taking into account one or more FTB children.

Youth allowance category

- (5) This subsection applies to the individual (the *recipient*) if the recipient has been paid an instalment of youth allowance in relation to which the following conditions are satisfied:
- (a) the instalment was in respect of a period that included 14 October 2008;
 - (b) the instalment was of another individual who, on 14 October 2008, was under 25 years of age and was not independent (within the meaning of Part 3.5 of the *Social Security Act 1991*);
 - (c) the instalment was paid to the recipient:
 - (i) on behalf of the other individual in accordance with subsection 45(1) of the *Social Security (Administration) Act 1999*; or
 - (ii) as payment nominee in accordance with Part 3A of the *Social Security (Administration) Act 1999*.

ABSTUDY category

- (6) This subsection applies to the individual if:
- (a) the whole or a part of an instalment under the scheme known as the ABSTUDY scheme that includes an amount identified

as living allowance was paid in respect of a dependent student; and

- (b) the instalment was in respect of a period that included 14 October 2008; and
- (c) on 14 October 2008, the student was a dependent student under the scheme and was under 25 years of age; and
- (d) on 14 October 2008, the individual was a parent or guardian of the student; and
- (e) the individual is either:
 - (i) the parent or guardian to whom the whole or part was paid; or
 - (ii) if no amount of the instalment was paid to a parent or guardian of the student and no amount of the instalment was paid to the student—the parent or guardian with whom the student usually lives who is determined by the Secretary to be the most appropriate parent or guardian to be entitled to a payment under this section.

Education allowance category

- (7) This subsection applies to the individual if:
 - (a) the whole or a part of an education allowance under section 3.2, 3.3, 3.4, 3.5 or 3.6A of the Veterans' Children Education Scheme was paid in respect of a student; and
 - (b) the allowance was in respect of a period that included 14 October 2008; and
 - (c) on 14 October 2008, the student was under 25 years of age; and
 - (d) on 14 October 2008, the individual was a parent or guardian of the student; and
 - (e) the individual is either:
 - (i) the parent or guardian to whom the whole or part was paid; or
 - (ii) if no amount of the allowance was paid to a parent or guardian of the student and no amount of the allowance was paid to the student—the parent or guardian with whom the student usually lives who is determined by the Secretary to be the most appropriate parent or guardian to be entitled to a payment under this section.

- (8) This subsection applies to the individual if:
- (a) the whole or a part of an education allowance under section 3.2, 3.3, 3.4 or 3.5 of the Military Rehabilitation and Compensation Act Education and Training Scheme was paid in respect of a student; and
 - (b) the allowance was in respect of a period that included 14 October 2008; and
 - (c) on 14 October 2008, the student was under 25 years of age; and
 - (d) on 14 October 2008, the individual was a parent or guardian of the student; and
 - (e) the individual is either:
 - (i) the parent or guardian to whom the whole or part was paid; or
 - (ii) if no amount of the allowance was paid to a parent or guardian of the student and no amount of the allowance was paid to the student—the parent or guardian with whom the student usually lives who is determined by the Secretary to be the most appropriate parent or guardian to be entitled to a payment under this section.

90 In respect of what children is the payment payable?

Each of the following is an *eligible child* in relation to the entitled individual:

- (a) if subsection 89(2) applies to the entitled individual—each FTB child taken into account in determining the applicable rate;
- (b) if subsection 89(3) applies to the entitled individual—each FTB child taken into account in determining the applicable rate;
- (c) if subsection 89(4) applies to the entitled individual—each FTB child taken into account in determining the applicable rate;
- (d) if subsection 89(5) applies to the entitled individual—the other individual, or each other individual, covered by paragraph 89(5)(b);
- (e) if subsection 89(6) applies to the entitled individual—the dependent student, or each dependent student, covered by paragraph 89(6)(a);

- (f) if subsection 89(7) applies to the entitled individual—the student, or each student, covered by paragraph 89(7)(a);
- (g) if subsection 89(8) applies to the entitled individual—the student, or each student, covered by paragraph 89(8)(a).

91 What is the amount of the payment?

Add together the amounts applicable under this section for each eligible child

- (1) The amount of the economic security strategy payment to the entitled individual is worked out by adding together the amounts applicable under this section for each eligible child.

Amount is \$1,000 unless another subsection applies

- (2) Subject to this section, the amount applicable for an eligible child is \$1,000.

Reduced amount if applicable rate took account of an individual's shared care percentage

- (3) If the applicable rate (see section 89) took account of a shared care percentage in relation to an eligible child covered by paragraph 90(a), (b) or (c), the amount applicable for the eligible child is that percentage of \$1,000.

Reduced amount if applicable rate took account of a section 28 percentage determination

- (4) If the applicable rate (see section 89) took account of a determination under section 28 of a particular percentage in relation to one or more FTB children (being an eligible child or eligible children)—the amount applicable for the eligible child, or for each of those eligible children, is:
 - (a) unless paragraph (b) applies—that percentage of \$1,000; or
 - (b) if subsection (3) also applies in relation to the eligible child—that percentage of the amount worked out under subsection (3) for the eligible child.

Reduced amount if applicable rate took account of a section 29 percentage determination

- (5) If the applicable rate (see section 89) took account of a determination under section 29 of a particular percentage in relation to one or more FTB children (being an eligible child or eligible children)—the amount applicable for the eligible child, or for each of those eligible children, is:
- (a) unless paragraph (b) applies—that percentage of \$1,000; or
 - (b) if subsection (3) also applies in relation to the eligible child—that percentage of the amount worked out under subsection (3) for the eligible child.

Reduced amount for part of education allowance

- (6) If:
- (a) subsection 89(7) or (8) applies in circumstances where the entitled individual was paid a part (the ***applicable part***) of the allowance concerned in relation to an eligible child; and
 - (b) another parent or guardian of the eligible child was paid a part of the allowance concerned;

the amount applicable for the eligible child is worked out as follows:

$$\frac{\text{Amount of applicable part}}{\text{Amount of allowance concerned}} \times \$1,000$$

92 General rules

Overlapping categories

- (1) If, at the time the Secretary determines whether an individual is entitled to an economic security strategy payment to families under this Division, 2 or more subsections of section 89 would otherwise apply to the individual in relation to an eligible child, then the first of those subsections applies to the individual in relation to that child and none of the others apply to the individual in relation to that child.

Note: For the purposes of this section, section 91 of this Act (amount of payment) and section 71J of the Family Assistance Administration Act (debts), it is necessary to know which subsection of section 89 of this Act applies to an individual.

More than one recipient per child in FTB category

- (2) If an economic security strategy payment to families under this Division in relation to an eligible child is paid to an individual because subsection 89(2), (3) or (4) applied to the individual, then another individual can be paid an economic security strategy payment to families under this Division in relation to that child only if subsection 89(2), (3) or (4) applies to the other individual.

Only one recipient per child in youth allowance or ABSTUDY category

- (3) If an economic security strategy payment to families under this Division in relation to an eligible child is paid to an individual because subsection 89(5) or (6) applied to the individual, then no other individual can be paid an economic security strategy payment to families under this Division in relation to that child.

More than one recipient per child in education allowance category

- (4) If an economic security strategy payment to families under this Division in relation to an eligible child is paid to an individual because subsection 89(7) or (8) applied to the individual, then another individual can be paid an economic security strategy payment to families under this Division in relation to that child only if subsection 89(7) or (8) applies to the other individual.

One payment per individual per eligible child

- (5) If an economic security strategy payment to families under this Division in relation to an eligible child is paid to an individual, no further economic security strategy payment to families under this Division in relation to that child can be paid to the individual.

Division 2—Other entitlements

93 When is an individual entitled to an economic security strategy payment to families?

- (1) An individual (the *entitled individual*) is entitled to an economic security strategy payment to families if subsection (2), (3), (4) or (5) applies to the individual.

Youth allowance category

- (2) This subsection applies to the individual if the individual has been paid an instalment of youth allowance in relation to which the following conditions are satisfied:
- (a) the instalment was in respect of a period that included 14 October 2008;
 - (b) the instalment was of the individual who, on 14 October 2008, was under 25 years of age and was not independent (within the meaning of Part 3.5 of the *Social Security Act 1991*).

ABSTUDY category

- (3) This subsection applies to the individual if:
- (a) the whole or a part of an instalment under the scheme known as the ABSTUDY scheme that includes an amount identified as living allowance was paid to the individual as a dependent student; and
 - (b) the instalment was in respect of a period that included 14 October 2008; and
 - (c) on 14 October 2008, the individual was a dependent student under the scheme and was under 25 years of age.

Education allowance category

- (4) This subsection applies to the individual if:
- (a) an education allowance under section 3.3, 3.5 or 3.6A of the Veterans' Children Education Scheme was paid to the individual as a student; and
 - (b) the allowance was in respect of a period that included 14 October 2008; and
 - (c) on 14 October 2008, the individual was under 25 years of age.
- (5) This subsection applies to the individual if:
- (a) an education allowance under section 3.3 or 3.5 of the Military Rehabilitation and Compensation Act Education and Training Scheme was paid to the individual as a student; and
 - (b) the allowance was in respect of a period that included 14 October 2008; and

- (c) on 14 October 2008, the individual was under 25 years of age.

94 What is the amount of the payment?

The amount of the economic security strategy payment to the entitled individual is \$1,000.

A New Tax System (Family Assistance) (Administration) Act 1999

5 After Division 4A of Part 3

Insert:

Division 4B—Economic security strategy payment to families

65G Payment of economic security strategy payment to families

If an individual is entitled to an economic security strategy payment to families, the Secretary must pay the payment to the individual in a single lump sum:

- (a) on the date that the Secretary considers to be the earliest date on which it is reasonably practicable for the payment to be made; and
- (b) in such manner as the Secretary considers appropriate.

Note: The individual does not have to make a claim for the payment.

6 At the end of subsection 66(1)

Add:

; (h) economic security strategy payment to families.

7 Section 70

Omit “or one-off payment to families”, substitute “, one-off payment to families or economic security strategy payment to families”.

8 After section 71I

Insert:

71J Debts arising in respect of economic security strategy payment to families

- (1) This section applies in relation to an individual (the *recipient*) who has been paid an economic security strategy payment to families (the *relevant payment*).

What determinations are relevant?

- (2) Each of the following is a *relevant determination* in relation to the recipient:
- (a) if the relevant payment was made because, at that time, subsection 89(2) of the Family Assistance Act applied to the recipient—the determination referred to in paragraph 89(2)(a) of that Act;
 - (b) if the relevant payment was made because, at that time, subsection 89(3) of the Family Assistance Act applied to the recipient—the determination referred to in paragraph 89(3)(a) of that Act;
 - (c) if the relevant payment was made because, at that time, subsection 89(4) of the Family Assistance Act applied to the recipient—the determination referred to in paragraph 89(4)(a) of that Act;
 - (d) if the relevant payment was made because, at that time, subsection 89(5) of the Family Assistance Act applied to the recipient—a determination made under Part 3 of the *Social Security (Administration) Act 1999* because of which the instalment that satisfied paragraphs 89(5)(a), (b) and (c) of the Family Assistance Act was paid;
 - (e) if the relevant payment was made because, at that time, subsection 89(6) of the Family Assistance Act applied to the recipient—a determination under the ABSTUDY Policy Manual because of which the whole or part of the instalment was paid in the circumstances described in that subsection;
 - (f) if the relevant payment was made because, at that time, subsection 89(7) of the Family Assistance Act applied to the recipient—a determination under the Veterans' Children Education Scheme because of which the whole or part of the allowance was paid in the circumstances described in that subsection;

- (g) if the relevant payment was made because, at that time, subsection 89(8) of the Family Assistance Act applied to the recipient—a determination under the Military Rehabilitation and Compensation Act Education and Training Scheme because of which the whole or part of the allowance was paid in the circumstances described in that subsection;
- (h) if the relevant payment was made because, at that time, subsection 93(2) of the Family Assistance Act applied to the recipient—a determination made under Part 3 of the *Social Security (Administration) Act 1999* because of which the instalment that satisfied paragraphs 93(2)(a) and (b) of the Family Assistance Act was paid;
- (i) if the relevant payment was made because, at that time, subsection 93(3) of the Family Assistance Act applied to the recipient—a determination under the ABSTUDY Policy Manual because of which the whole or part of the instalment was paid in the circumstances described in that subsection;
- (j) if the relevant payment was made because, at that time, subsection 93(4) of the Family Assistance Act applied to the recipient—a determination under the Veterans' Children Education Scheme because of which the allowance was paid in the circumstances described in that subsection;
- (k) if the relevant payment was made because, at that time, subsection 93(5) of the Family Assistance Act applied to the recipient—a determination under the Military Rehabilitation and Compensation Act Education and Training Scheme because of which the allowance was paid in the circumstances described in that subsection.

Situation in which whole amount is a debt

- (3) If:
 - (a) after the relevant payment was made to the recipient, a relevant determination in relation to the recipient, at least so far as it relates to 14 October 2008, is or was (however described) changed, revoked, set aside, or superseded by another determination; and
 - (b) the decision to change, revoke, set aside or supersede the relevant determination is or was made for the reason, or for reasons including the reason, that the following person

knowingly made a false or misleading statement, or knowingly provided false information:

- (i) unless subparagraph (ii) or (iii) applies—the recipient;
 - (ii) if the relevant determination is covered by paragraph (2)(d)—the recipient or the other individual, or one of the other individuals, covered by paragraph 89(5)(b) of the Family Assistance Act;
 - (iii) if the relevant determination is covered by paragraph (2)(e), (f) or (g)—the recipient or the student, or one of the students, covered by paragraph 89(6)(a), (7)(a) or (8)(a) of the Family Assistance Act; and
- (c) had the change, revocation, setting aside or superseding occurred on or before 14 October 2008, the relevant payment would not have been made;

the amount of the relevant payment is a debt due to the Commonwealth by the recipient.

Situation in which part of amount is a debt

- (4) If:
- (a) after the relevant payment was made to the recipient, a relevant determination in relation to the recipient, at least so far as it relates to 14 October 2008, is or was (however described) changed, revoked, set aside, or superseded by another determination; and
 - (b) the decision to change, revoke, set aside or supersede the relevant determination is or was made for the reason, or for reasons including the reason, that the following person knowingly made a false or misleading statement, or knowingly provided false information:
 - (i) unless subparagraph (ii) or (iii) applies—the recipient;
 - (ii) if the relevant determination is covered by paragraph (2)(d)—the recipient or the other individual, or one of the other individuals, covered by paragraph 89(5)(b) of the Family Assistance Act;
 - (iii) if the relevant determination is covered by paragraph (2)(e), (f) or (g)—the recipient or the student, or one of the students, covered by paragraph 89(6)(a), (7)(a) or (8)(a) of the Family Assistance Act; and

(c) had the change, revocation, setting aside or superseding occurred on or before 14 October 2008, the amount of the relevant payment would have been reduced;
the amount by which the relevant payment would have been reduced is a debt due to the Commonwealth by the recipient.

9 Paragraph 74(a)

Omit “or one-off payment to families”, substitute “, one-off payment to families or economic security strategy payment to families”.

10 Subsection 82(3) (paragraph (a) of the definition of *debt*)

After “7II,”, insert “7IJ,”.

11 Subsection 93A(6) (at the end of the definition of *family assistance payment*)

Add:

; or (d) a payment of economic security strategy payment to families.

12 Subsection 106(3)

Omit “or one-off payment to families”, substitute “, one-off payment to families or economic security strategy payment to families”.

13 Subsection 109D(4)

After “one-off payment to families”, insert “or economic security strategy payment to families”.

14 Paragraph 109D(5)(a)

Omit “or one-off payment to families”, substitute “, one-off payment to families or economic security strategy payment to families”.

15 Section 219TA (at the end of the definition of *relevant benefit*)

Add:

; or (j) economic security strategy payment to families.

Schedule 4—Administrative scheme for economic security strategy payments

1 Administrative scheme for economic security strategy payments

- (1) Subject to this item, a Minister administering the *A New Tax System (Family Assistance) Act 1999*, the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986* may, by legislative instrument, determine a scheme under which economic security strategy payments may be made to persons in particular circumstances. The Minister may, by legislative instrument, vary or revoke the scheme.
- (2) The circumstances in which the scheme provides for payments must be circumstances:
 - (a) in which the Minister considers that Part 6 of the *A New Tax System (Family Assistance) Act 1999*, Part 2.17 of the *Social Security Act 1991* or Part VIIG of the *Veterans' Entitlements Act 1986* does not produce appropriate results; and
 - (b) occurring in the financial year starting on 1 July 2008.
- (3) Without limiting the generality of subitem (1), the scheme may deal with the following:
 - (a) the circumstances in which payments are to be made;
 - (b) the amount of the payments;
 - (c) what a person has to do to get a payment;
 - (d) debt recovery;
 - (e) administrative matters, such as determination of entitlement and how and when payments will be made.
- (4) Payments under the scheme are to be made out of the Consolidated Revenue Fund, which is appropriated accordingly.

Schedule 5—Other amendments

Income Tax Assessment Act 1936

1 Subsection 159J(6) (paragraph (ac) of the definition of separate net income)

Omit “or one-off payment to families”, substitute “, one-off payment to families or economic security strategy payment to families”.

2 Subsection 159J(6) (after paragraph (adaf) of the definition of separate net income)

Insert:

(adag) does not include economic security strategy payment under the *Social Security Act 1991* or the *Veterans’ Entitlements Act 1986*; and

(adah) does not include payments under the scheme determined under Schedule 4 to the *Social Security and Other Legislation Amendment (Economic Security Strategy) Act 2008*; and

Income Tax Assessment Act 1997

3 Section 11-15 (at the end of the table item headed “family assistance”)

Add:

economic security strategy payment to families	52-150
payments to families under the scheme determined under Schedule 4 to the <i>Social Security and Other Legislation Amendment (Economic Security Strategy) Act 2008</i>	52-160

4 Section 11-15 (table item headed “social security or like payments”)

After:

disability services payment..... 53-10

insert:

economic security strategy payment under the *Social Security Act 1991*

economic security strategy payment under the *Veterans’ Entitlements Act 1986* 52-65

5 Section 11-15 (table item headed “social security or like payments”)

After:

payments under a scheme determined under item 1 of Schedule 2 to the *Social Security and Veterans’ Entitlements Legislation Amendment (One-off Payments and Other Budget Measures) Act 2008*..... 52-10

insert:

payments under the scheme determined under Schedule 4 to the *Social Security and Other Legislation Amendment (Economic Security Strategy) Act 2008*..... 52-160

6 At the end of subsection 52-10(1) (before the note)

Add:

; or (x) economic security strategy payment under the *Social Security Act 1991*.

7 After subsection 52-10(1E)

Insert:

(1F) Economic security strategy payment under the *Social Security Act 1991* is exempt from income tax.

8 At the end of subsection 52-65(1) (before the note)

Add:

; or (d) economic security strategy payment under the *Veterans’ Entitlements Act 1986*.

9 After subsection 52-65(1C)

Insert:

(1D) Economic security strategy payment under the *Veterans’ Entitlements Act 1986* is exempt from income tax.

10 Section 52-75 (after table item 5A)

Insert:

5B	Economic security strategy payment	Part VIIG	Not applicable
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11 Subsection 52-150(1)

Omit “or one-off payment to families”, substitute “, one-off payment to families or economic security strategy payment to families”.

12 At the end of Division 52

Add:

Subdivision 52-H—Other exempt payments

52-160 Economic security strategy payments are exempt

Payments under the scheme determined under Schedule 4 to the *Social Security and Other Legislation Amendment (Economic Security Strategy) Act 2008* are exempt from income tax.

Social Security Act 1991

13 Paragraph 8(8)(jaa)

After “one-off payment to families”, insert “or economic security strategy payment to families”.

14 After paragraph 8(8)(yg)

Insert:

- (yh) economic security strategy payment under the Veterans’ Entitlements Act;
- (yi) a payment under the scheme determined under Schedule 4 to the *Social Security and Other Legislation Amendment (Economic Security Strategy) Act 2008*;

Social Security (Administration) Act 1999

15 Section 123TC

Insert:

economic security strategy payment means:

- (a) an economic security strategy payment under Part 2.17 of the 1991 Act; or
- (b) an economic security strategy payment under Part VIIG of the Veterans' Entitlements Act; or
- (c) an economic security strategy payment to families under Part 6 of the Family Assistance Act; or
- (d) a payment under the scheme determined under Schedule 4 to the *Social Security and Other Legislation Amendment (Economic Security Strategy) Act 2008*.

16 After Subdivision DA of Division 5 of Part 3B

Insert:

Subdivision DB—Economic security strategy payments

123XPC Deductions from economic security strategy payments

Scope

- (1) This section applies if:
 - (a) a person is subject to the income management regime; and
 - (b) an economic security strategy payment is payable to the person.
- (2) However, this section does not apply in relation to an economic security strategy payment under Part VIIG of the Veterans' Entitlements Act if the person is subject to the income management regime because of section 123UB or 123UF.

Deductions from economic security strategy payments

- (3) The following provisions have effect:
 - (a) the Secretary must deduct from the economic security strategy payment the deductible portion of the payment;
 - (b) an amount equal to the deductible portion of the payment is credited to the Special Account;
 - (c) an amount equal to the deductible portion of the payment is credited to the person's income management account.

- (4) For the purposes of subsection (3), the *deductible portion* of an economic security strategy payment is 100% of the amount of the payment.

Veterans' Entitlements Act 1986

17 Paragraph 5H(8)(paa)

After “one-off payment to families”, insert “or economic security strategy payment to families”.

18 After paragraph 5H(8)(zzaf)

Insert:

(zzag) economic security strategy payment under Part VIIG;

19 At the end of subsection 5H(8)

Add:

; (zzf) a payment under the scheme determined under Schedule 4 to the *Social Security and Other Legislation Amendment (Economic Security Strategy) Act 2008*.

[*Minister's second reading speech made in—
House of Representatives on 11 November 2008
Senate on 24 November 2008*]

(212/08)
