





# **Family Assistance and Other Legislation Amendment (Schoolkids Bonus Budget Measures) Act 2012**

**No. 50, 2012**

**An Act to amend the law relating to family  
assistance and veterans' entitlements, and for other  
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 the law relating to family  
assistance and veterans' entitlements, and for other  
purposes**

*[Assented to 26 May 2012]*

The Parliament of Australia enacts:

## **1 Short title**

This Act may be cited as the *Family Assistance and Other  
Legislation Amendment (Schoolkids Bonus Budget Measures) Act  
2012*.

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## 2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

<b>Commencement information</b>		
<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provision(s)</b>	<b>Commencement</b>	<b>Date/Details</b>
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day after this Act receives the Royal Assent.	27 May 2012
2. Schedule 1, Parts 1 and 2	The day after this Act receives the Royal Assent.	27 May 2012
3. Schedule 1, Part 3	The later of: (a) immediately after the commencement of the provision(s) covered by table item 2; and (b) immediately after the commencement of Schedule 3 to the <i>Family Assistance and Other Legislation Amendment Act 2012</i> . However, the provision(s) do not commence at all if the event mentioned in paragraph (b) does not occur.	
4. Schedule 2, Parts 1 and 2	The day after this Act receives the Royal Assent.	27 May 2012
5. Schedule 2, Part 3	The later of: (a) immediately after the commencement of the provision(s) covered by table item 2; and (b) immediately after the commencement of Schedule 3 to the <i>Family Assistance and Other Legislation Amendment Act 2012</i> . However, the provision(s) do not commence at all if the event mentioned in paragraph (b) does not occur.	

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<b>Commencement information</b>		
<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provision(s)</b>	<b>Commencement</b>	<b>Date/Details</b>
6. Schedule 3	The day after this Act receives the Royal Assent.	27 May 2012

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

- (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

### **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—ETR payment

### Part 1—ETR payment

#### *A New Tax System (Family Assistance) Act 1999*

##### 1 Subsection 3(1)

Insert:

*ETR payment* (short for Education Tax Refund payment) means a payment to which an individual is entitled under Part 7A.

##### 2 After Part 7

Insert:

### Part 7A—ETR payment

#### Division 1—Entitlements in respect of eligible children

##### 102A When is an individual entitled to an ETR payment in respect of a child?

*FTB*

- (1) An individual (the *entitled individual*) is entitled to an ETR payment if:
  - (a) in relation to 8 May 2012:
    - (i) a determination under section 16 or 17 of the Family Assistance Administration Act is in force in respect of the entitled individual as a claimant; or
    - (ii) a determination under section 18 of the Family Assistance Administration Act is in force in respect of the entitled individual because the Secretary is satisfied that the entitled individual is eligible for family tax benefit under section 32 of this Act; and
  - (b) the entitled individual's rate of family tax benefit on that day, worked out under Division 1 of Part 4 but disregarding

- reductions (if any) under clause 5 or 25A of Schedule 1, consisted of or included a Part A rate greater than nil; and
- (c) that rate was worked out taking into account one or more FTB children of the entitled individual who were born:
    - (i) on or after 1 January 1993; and
    - (ii) on or before 31 July 2007; and
  - (d) if, on 8 May 2012, an FTB child to whom paragraph (c) applies is at least 16—the FTB child is a senior secondary school child.

*Youth allowance*

- (2) An individual (the **entitled individual**) is entitled to an ETR payment if:
  - (a) the entitled individual has been paid an instalment of youth allowance; and
  - (b) the instalment was in respect of a period that included 8 May 2012; and
  - (c) the instalment was of another individual who was born:
    - (i) on or after 1 January 1993; and
    - (ii) on or before 8 May 1996; and
  - (d) on 8 May 2012, the other individual was undertaking full-time study in respect of a secondary course (within the meaning of subsection 543A(2AB) of the *Social Security Act 1991*); and
  - (e) youth allowance is payable to the other individual in respect of 8 May 2012; and
  - (f) the instalment was paid to the entitled individual:
    - (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*

- (3) An individual (the **entitled individual**) is entitled to an ETR payment if:

**Schedule 1** ETR payment

**Part 1** ETR payment

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- (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 student; and
- (b) the instalment was in respect of a period that included 8 May 2012; and
- (c) the student was born:
  - (i) on or after 1 January 1993; and
  - (ii) on or before 8 May 1996; and
- (d) on 8 May 2012, the student was undertaking full-time study in respect of a course of education determined, under section 5D of the *Student Assistance Act 1973*, to be a secondary course for the purposes of that Act; and
- (e) living allowance is payable under the scheme in respect of the student on 8 May 2012; and
- (f) on 8 May 2012, the entitled individual was a parent or guardian of the student; and
- (g) the entitled 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 an ETR payment under this section.

*Disability support pension and pensioner education supplement*

- (4) An individual (the **entitled individual**) is entitled to an ETR payment if:
  - (a) an instalment of disability support pension under Part 2.3 of the *Social Security Act 1991* has been paid to the entitled individual; and
  - (b) an instalment of pensioner education supplement under:
    - (i) Part 2.24A of the *Social Security Act 1991*; or
    - (ii) the scheme known as the ABSTUDY scheme; has been paid (whether or not to the entitled individual); and

- (c) the instalments referred to in paragraphs (a) and (b) were each in respect of a period that included 8 May 2012; and
- (d) the instalments referred to in paragraphs (a) and (b) were of another individual who was born:
  - (i) on or after 1 January 1993; and
  - (ii) on or before 8 May 1996; and
- (e) on 8 May 2012, the other individual is:
  - (i) if subparagraph (b)(i) applies—undertaking qualifying study (within the meaning of Part 2.24A of the *Social Security Act 1991*) in respect of a course of education determined, under section 5D of the *Student Assistance Act 1973*, to be a secondary course for the purposes of the *Student Assistance Act 1973*; or
  - (ii) if subparagraph (b)(ii) applies—undertaking study in respect of a course of education determined, under section 5D of the *Student Assistance Act 1973*, to be a secondary course for the purposes of that Act; and
- (f) disability support pension and the pensioner education supplement are both payable to the other individual in respect of 8 May 2012; and
- (g) the instalment referred to in paragraph (a) was paid to the entitled individual as payment nominee in accordance with Part 3A of the *Social Security (Administration) Act 1999*.

### **102B 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 102A(1) applies to the entitled individual—each FTB child:
  - (i) taken into account in determining the rate referred to in paragraph 102A(1)(b); and
  - (ii) to whom paragraph 102A(1)(c) applies; and
  - (iii) if, on 8 May 2012, an FTB child is at least 16—who satisfies paragraph 102A(1)(d);
- (b) if subsection 102A(2) applies to the entitled individual—the other individual, or each other individual, covered by paragraphs 102A(2)(c), (d) and (e);

- (c) if subsection 102A(3) applies to the entitled individual—the student, or each student, covered by paragraphs 102A(3)(a), (c), (d) and (e);
- (d) if subsection 102A(4) applies to the entitled individual—the other individual, or each other individual, covered by paragraphs 102A(4)(d), (e) and (f).

**102C What is the amount of the payment?**

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

- (1) The amount of the ETR payment to an individual who is entitled under section 102A is worked out by adding together the amounts applicable under this section for each eligible child.

*General rule*

- (2) Subject to this section, the amount applicable for an eligible child is:
  - (a) if the eligible child was born on or after 1 August 2000—\$409; or
  - (b) otherwise—\$818.

*Reduced amount if rate of family tax benefit took account of an individual's shared care percentage*

- (3) If:
  - (a) subsection 102A(1) applies to the entitled individual; and
  - (b) the rate referred to in paragraph 102A(1)(b) took account of a shared care percentage in relation to an eligible child covered by paragraph 102B(a);the amount applicable for the eligible child is:
  - (c) if the eligible child was born on or after 1 August 2000—that percentage of \$409; or
  - (d) otherwise—that percentage of \$818.

*Reduced amount if rate of family tax benefit took account of a section 28 or 29 percentage determination*

- (4) If:

- (a) subsection 102A(1) applies to the entitled individual; and
  - (b) the rate referred to in paragraph 102A(1)(b) took account of a determination under section 28 or 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:
- (c) 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; or
  - (d) otherwise:
    - (i) if the eligible child was born on or after 1 August 2000—the percentage referred to in paragraph (b) of \$409; or
    - (ii) if the eligible child was born before 1 August 2000—the percentage referred to in paragraph (b) of \$818.

## **Division 2—Other entitlements**

### **Subdivision A—Entitlement in normal circumstances**

#### **102D When is an individual entitled to an ETR payment?**

##### *Youth allowance*

- (1) An individual is entitled to an ETR payment if:
  - (a) the individual has been paid an instalment of youth allowance; and
  - (b) the instalment was in respect of a period that included 8 May 2012; and
  - (c) the instalment was of the individual; and
  - (d) the individual was born:
    - (i) on or after 1 January 1993; and
    - (ii) on or before 8 May 1996; and
  - (e) on 8 May 2012, the individual was undertaking full-time study in respect of a secondary course (within the meaning of subsection 543A(2AB) of the *Social Security Act 1991*); and
  - (f) youth allowance is payable to the individual in respect of 8 May 2012.

*ABSTUDY*

- (2) An individual is entitled to an ETR payment 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 student; and
  - (b) the instalment was in respect of a period that included 8 May 2012; and
  - (c) the individual was born:
    - (i) on or after 1 January 1993; and
    - (ii) on or before 8 May 1996; and
  - (d) on 8 May 2012, the individual was undertaking full-time study in respect of a course of education determined, under section 5D of the *Student Assistance Act 1973*, to be a secondary course for the purposes of that Act; and
  - (e) living allowance is payable under the scheme in respect of the individual on 8 May 2012.

*Disability support pension and pensioner education supplement*

- (3) An individual is entitled to an ETR payment if:
- (a) an instalment of disability support pension under Part 2.3 of the *Social Security Act 1991* has been paid to the individual; and
  - (b) an instalment of pensioner education supplement under:
    - (i) Part 2.24A of the *Social Security Act 1991*; or
    - (ii) the scheme known as the ABSTUDY scheme; has been paid (whether or not to the individual); and
  - (c) the instalments referred to in paragraphs (a) and (b) were each in respect of a period that included 8 May 2012; and
  - (d) the instalments referred to in paragraphs (a) and (b) were of the individual; and
  - (e) the individual was born:
    - (i) on or after 1 January 1993; and
    - (ii) on or before 8 May 1996; and
  - (f) on 8 May 2012, the individual is:
    - (i) if subparagraph (b)(i) applies—undertaking qualifying study (within the meaning of Part 2.24A of the *Social*

*Security Act 1991*) in respect of a course of education determined, under section 5D of the *Student Assistance Act 1973*, to be a secondary course for the purposes of the *Student Assistance Act 1973*; or

- (ii) if subparagraph (b)(ii) applies—undertaking study in respect of a course of education determined, under section 5D of the *Student Assistance Act 1973*, to be a secondary course for the purposes of that Act; and
- (g) disability support pension and the pensioner education supplement are both payable to the individual in respect of 8 May 2012.

### **102E What is the amount of the payment?**

The amount of the ETR payment to an individual who is entitled under section 102D is \$818.

### **Subdivision B—Entitlement where death occurs**

#### **102F Entitlement where death occurs**

- (1) The Secretary may determine that an individual is entitled to an ETR payment if:
  - (a) in relation to 8 May 2012, a determination under section 18 of the Family Assistance Administration Act is in force in respect of the individual because the Secretary is satisfied that the individual is eligible for family tax benefit under section 33 of this Act because of the death of another individual; and
  - (b) either:
    - (i) the other individual was entitled to an amount of ETR payment, but the other individual died before the amount was paid; or
    - (ii) the Secretary is satisfied that the other individual would have become entitled to an amount of ETR payment if the other individual had not died.

Note: The amount of the ETR payment for an individual entitled under this section is worked out under section 102G.

- (2) If the Secretary makes a determination under subsection (1), no-one else is, or can become, entitled to an ETR payment because of the death of the other individual.

### 102G What is the amount of the payment?

If the Secretary makes a determination under subsection 102F(1) that an individual is entitled to an ETR payment, the amount of the ETR payment is the amount referred to in subparagraph 102F(1)(b)(i) or (ii) (as the case requires).

## Division 3—General

### 102H General rules

*More than one entitlement under this Part*

- (1) If an ETR payment under Division 1 in relation to an eligible child (see section 102B) is paid to an individual, no ETR payment under Subdivision A of Division 2 can be paid to the eligible child.
- (2) If an ETR payment under Division 1 in relation to an eligible child (see section 102B) is paid to an individual, no further ETR payment under that Division in relation to that eligible child can be paid to the individual.
- (3) If an ETR payment under Subdivision A of Division 2 is paid to an individual (the *recipient*), no ETR payment under Division 1 can be paid to another individual in relation to the recipient.
- (4) If an ETR payment under Subdivision A of Division 2 is paid to an individual, no further ETR payment under that Subdivision can be paid to the individual.

Note: Payments under Subdivision B of Division 2 are dealt with in subsection 102F(2).

*More than one entitlement under this Part and veterans' entitlements*

- (5) If an ETR payment under Division 1 of Part VIIH of the *Veterans' Entitlements Act 1986* in relation to a child is paid to a person, no ETR payment under this Part can be paid:
  - (a) to the person in relation to the same child; or

(b) to the child.

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

**3 After Division 4C of Part 3**

Insert:

**Division 4CA—ETR payment**

**65HA Payment of ETR payment**

- (1) If an individual is entitled to an ETR payment, 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.

- (2) If, on 8 May 2012, section 32AA or 32AD prevents the Secretary from making a payment of family tax benefit to the individual, or the individual's partner, worked out on the basis referred to in subsection 20(1), (2A) or (3), the Secretary must not pay the ETR payment to the individual at a time that is earlier than the time family tax benefit is paid to the individual, or the individual's partner, in relation to that day.

**4 At the end of subsection 66(1)**

Add:

; (k) ETR payment.

**5 Section 70**

Omit "or a clean energy advance", substitute ", a clean energy advance or ETR payment".

**6 After section 71L**

Insert:

### 71M Debts arising in respect of ETR payment

- (1) This section applies in relation to an individual who has been paid an ETR payment.
- (2) For the purposes of this section, each of the following is a *relevant determination* in relation to the individual:
  - (a) if the ETR payment was made because, at that time, subsection 102A(1) of the Family Assistance Act applied to the individual—the determination referred to in paragraph 102A(1)(a) of that Act;
  - (b) if the ETR payment was made because, at that time, subsection 102A(2) of the Family Assistance Act applied to the individual—a determination made under Part 3 of the *Social Security (Administration) Act 1999* because of which the instalment that satisfied paragraphs 102A(2)(a), (b), (c) and (e) of the Family Assistance Act was paid;
  - (c) if the ETR payment was made because, at that time, subsection 102A(3) of the Family Assistance Act applied to the individual—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;
  - (d) if the ETR payment was made because, at that time, subsection 102A(4) of the Family Assistance Act applied to the individual—a determination made under Part 3 of the *Social Security (Administration) Act 1999* because of which the instalment that satisfied:
    - (i) paragraphs 102A(4)(a), (c), (d) and (f) of the Family Assistance Act was paid; or
    - (ii) paragraphs 102A(4)(b), (c), (d) and (f) of the Family Assistance Act was paid, if that instalment was paid to the individual;
  - (e) if the ETR payment was made because, at that time, subsection 102D(1) of the Family Assistance Act applied to the individual—a determination made under Part 3 of the *Social Security (Administration) Act 1999* because of which the instalment that satisfied paragraphs 102D(1)(a), (b) and (c) of the Family Assistance Act was paid;
  - (f) if the ETR payment was made because, at that time, subsection 102D(2) of the Family Assistance Act applied to the individual—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;

- (g) if the ETR payment was made because, at that time, subsection 102D(3) of the Family Assistance Act applied to the individual—a determination made under Part 3 of the *Social Security (Administration) Act 1999* because of which the instalment that satisfied:
  - (i) paragraphs 102D(3)(a), (c) and (d) of the Family Assistance Act was paid; or
  - (ii) paragraphs 102D(3)(b), (c) and (d) of the Family Assistance Act was paid, if that instalment was paid to the individual;
- (h) if the ETR payment was made because, at that time, subsection 102F(1) of the Family Assistance Act applied to the individual—the determination referred to in paragraph 102F(1)(a) of that Act.

*Situation in which whole amount is a debt*

- (3) If:
  - (a) after the ETR payment was paid to the individual, the relevant determination in relation to the individual, at least so far as it relates to 8 May 2012, 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 the day the ETR payment was paid, the ETR payment would not have been paid;the amount of the ETR payment is a debt due to the Commonwealth by the individual.

*Situation in which part of amount is a debt*

- (4) If:
  - (a) after the ETR payment was paid to the individual, the relevant determination in relation to the individual, at least so

far as it relates to 8 May 2012, 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 the day the ETR payment was paid, the amount of the ETR payment would have been reduced; the amount by which the ETR payment would have been reduced is a debt due to the Commonwealth by the individual.

**7 Paragraph 74(a)**

Omit “or clean energy advance”, substitute “, clean energy advance or ETR payment”.

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

After “71L,”, insert “71M,”.

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

Add:

; or (g) a payment of ETR payment.

**10 Subsection 106(3)**

Omit “or clean energy advance”, substitute “, clean energy advance or ETR payment”.

**11 Subsection 109D(4)**

Omit “or clean energy advance”, substitute “, clean energy advance or ETR payment”.

**12 Paragraph 109D(5)(a)**

Omit “or clean energy advance”, substitute “, clean energy advance or ETR payment”.

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

Add:  
; or (m) ETR payment.

***Social Security Act 1991***

**14 Paragraph 8(8)(jaa)**

Omit “or clean energy advance”, substitute “, clean energy advance or ETR payment”.

**15 After paragraph 8(8)(yha)**

Insert:  
(yhb) ETR payment under the Veterans’ Entitlements Act;

***Social Security (Administration) Act 1999***

**16 Section 123TC**

Insert:  
  
***ETR income-managed payment*** means:  
(a) ETR payment under the Family Assistance Act; or  
(b) ETR payment under the Veterans’ Entitlements Act.

**17 After Subdivision DE of Division 5 of Part 3B**

Insert:

**Subdivision DF—ETR income-managed payments**

**123XPK Deductions from ETR income-managed payments**

*Scope*

- (1) This section applies if:
- (a) a person is subject to the income management regime; and
  - (b) an ETR income-managed payment is payable to the person.

*Deductions from ETR income-managed payments*

- (2) The following provisions have effect:
- (a) the Secretary must deduct from the payment the deductible portion of the payment;
  - (b) an amount equal to the deductible portion of the payment is credited to the Income Management Record;
  - (c) an amount equal to the deductible portion of the payment is credited to the person's income management account.
- (3) For the purposes of subsection (2), the deductible portion of an ETR income-managed payment is 100% of the amount of the payment.

***Veterans' Entitlements Act 1986***

**18 Section 5 (index of definitions)**

Insert:

Military Rehabilitation and Compensation Act 5Q(1)  
Education and Training Scheme

**19 Paragraph 5H(8)(paa)**

Omit "or clean energy advance", substitute ", clean energy advance or ETR payment".

**20 After paragraph 5H(8)(zzah)**

Insert:

(zzai) ETR payment under Part VIIIH;

**21 At the end of subsection 5H(8)**

Add:

; (zzh) a payment under the scheme determined under Part 2 of Schedule 1 to the *Family Assistance and Other Legislation Amendment (Schoolkids Bonus Budget Measures) Act 2012*.

**22 Subsection 5Q(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*.

## **23 After Part VIIG**

Insert:

### **Part VIIIH—ETR payment**

#### **Division 1—Eligibility in respect of eligible children**

##### **118ZZVA Eligibility for ETR payment in respect of a child**

- (1) A person is eligible for an ETR payment if:
  - (a) the whole or part of an education allowance under:
    - (i) section 3.2, 3.3, 3.4, 3.6 or 3.6A of the scheme prepared under section 117; or
    - (ii) section 3.2, 3.3, 3.4 or 3.6 of the Military Rehabilitation and Compensation Act Education and Training Scheme; was paid to the person in respect of a student; and
  - (b) the allowance was in respect of a period that included 8 May 2012; and
  - (c) the student was born on or after 1 January 1993; and
  - (d) on 8 May 2012, the student was undertaking primary or secondary education; and
  - (e) the allowance is payable in respect of the student in respect of 8 May 2012; and
  - (f) the person is not, for the purposes of the relevant scheme, an institution or person providing board to the student.
- (2) A person (the *eligible person*) is eligible for an ETR payment if:
  - (a) the whole or part of an education allowance under:
    - (i) section 3.4 of the scheme prepared under section 117; or
    - (ii) section 3.4 of the Military Rehabilitation and Compensation Act Education and Training Scheme; was paid to a person (the *recipient*) in respect of a student; and
  - (b) the allowance was in respect of a period that included 8 May 2012; and

- (c) the student was born on or after 1 January 1993; and
- (d) on 8 May 2012, the student was undertaking secondary education; and
- (e) the allowance is payable in respect of the student in respect of 8 May 2012; and
- (f) the recipient is, for the purposes of the relevant scheme, an institution or person providing board to the student; and
- (g) the Commission determines that the eligible person is the most appropriate person to be eligible for an ETR payment under this section in respect of the student.

**118ZZVB Children in respect of whom ETR payment is payable**

If a person is eligible under section 118ZZVA for ETR payment, each of the following is an *eligible child* in relation to the person:

- (a) if the person is eligible under subsection 118ZZVA(1)—the student, or each student, covered by paragraphs 118ZZVA(1)(a), (c), (d) and (e);
- (b) if the person is eligible under subsection 118ZZVA(2)—the student, or each student, covered by paragraphs 118ZZVA(2)(a), (c), (d) and (e).

**118ZZVC Amount of ETR payment**

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

- (1) The amount of ETR payment for a person who is eligible under section 118ZZVA is worked out by adding together the amounts applicable under this section for each eligible child.

*General rule*

- (2) Subject to this section, the amount applicable for an eligible child is:
  - (a) for an eligible child undertaking primary education on 8 May 2012—\$409; and
  - (b) for an eligible child undertaking secondary education on 8 May 2012—\$818.

*Reduced amount for part of education allowance*

- (3) If:
- (a) section 118ZZVA applies in circumstances where the person was paid a part (the ***applicable part***) of the allowance concerned in relation to an eligible child; and
  - (b) that person or another person was paid another part of the allowance concerned in relation to the eligible child;
- the amount applicable for the eligible child is worked out as follows:

$$\frac{\text{Amount of applicable part}}{\text{Amount of allowance concerned}} \times \text{Relevant amount}$$

where:

***relevant amount*** means:

- (a) for an eligible child undertaking primary education on 8 May 2012—\$409; and
- (b) for an eligible child undertaking secondary education on 8 May 2012—\$818.

## **Division 2—Other eligibility for ETR payment**

### **118ZZVD Eligibility for ETR payment**

A person is eligible for an ETR payment if:

- (a) an education allowance under:
  - (i) section 3.3, 3.4, 3.6 or 3.6A of the scheme prepared under section 117; or
  - (ii) 3.3, 3.4 or 3.6 of the Military Rehabilitation and Compensation Act Education and Training Scheme;was paid to the person as a student; and
- (b) the allowance was in respect of a period that included 8 May 2012; and
- (c) the person was born on or after 1 January 1993; and
- (d) on 8 May 2012, the person was undertaking secondary education; and
- (e) the allowance is payable in respect of the person in respect of 8 May 2012.

### **118ZZVE Amount of ETR payment**

The amount of ETR payment for a person who is eligible under section 118ZZVD is \$818.

## **Division 3—General**

### **118ZZVF General rules**

*More than one entitlement under this Part*

- (1) If an ETR payment under Division 1 in relation to an eligible child (see section 118ZZVB) is paid to a person, no ETR payment under Division 2 can be paid to the eligible child.
- (2) If an ETR payment under Division 1 in relation to an eligible child (see section 118ZZVB) is paid to a person, no further ETR payment under that Division in relation to that eligible child can be paid to the person.
- (3) If an ETR payment under Division 2 is paid to a person (the *recipient*), no ETR payment under Division 1 can be paid to another person in relation to the recipient.
- (4) If an ETR payment under Division 2 is paid to a person, no further ETR payment under that Division can be paid to the person.

*More than one entitlement under this Part and family assistance*

- (5) If an ETR payment under Division 1 of Part 7A of the Family Assistance Act in relation to a child is paid to a person, no ETR payment under this Part can be paid:
  - (a) to the person in relation to the same child; or
  - (b) to the child.

### **118ZZVG Claim not required for ETR payment**

A claim is not required for an ETR payment under this Part.

### **118ZZVH Payment of ETR payment**

If an individual is eligible for ETR payment under this Part, the Commission must pay the payment to the individual in a single lump sum:

- (a) on the 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.

### **118ZZVI Debts arising in respect of ETR payment**

- (1) This section applies in relation to an individual who has been paid an ETR payment (the *relevant payment*) under this Part.
  - (2) If the individual was eligible for the relevant payment because of subparagraph 118ZZVA(1)(a)(i) or (2)(a)(i) or 118ZZVD(a)(i), a *relevant determination* is a determination made under paragraph 8.1 of the scheme prepared under section 117.
  - (3) If the individual was eligible for the relevant payment because of subparagraph 118ZZVA(1)(a)(ii) or (2)(a)(ii) or 118ZZVD(a)(ii), a *relevant determination* is a determination made under paragraph 8.1 of the Military Rehabilitation and Compensation Act Education and Training Scheme.
  - (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 8 May 2012 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 the day the relevant payment was paid, the relevant payment would not have been made;the amount of the relevant payment is a debt due to the Commonwealth by the individual.
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**Schedule 1** ETR payment

**Part 1** ETR payment

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- (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 8 May 2012, 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 the day the relevant payment was paid, 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) The other provisions of this Act under which debts arise do not apply in relation to payments to which this section applies.
- (7) A debt that arises under this section is a ***recoverable amount*** within the meaning of subsection 205(8).

## **Part 2—Administrative scheme for ETR payments**

### **24 Administrative scheme for ETR payments**

- (1) The Minister administering the *A New Tax System (Family Assistance) Act 1999* in respect of family tax benefit may, by legislative instrument, determine a scheme under which ETR payments may be made to persons in particular circumstances. The Minister may, by legislative instrument, vary or revoke the scheme.
- (2) The scheme may only provide for payments to be made in circumstances:
  - (a) in which the Minister considers that Part 7A of the *A New Tax System (Family Assistance) Act 1999* or Part VIIIH of the *Veterans' Entitlements Act 1986* does not produce appropriate results; and
  - (b) that occur in the financial year starting on 1 July 2011.
- (3) Without limiting subitem (1), the scheme may deal with the following:
  - (a) the persons to whom and 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;
  - (f) the review of decisions made under the scheme (including internal review, review by the Social Security Appeals Tribunal or review by the Administrative Appeals Tribunal).
- (4) Payments under the scheme are to be made out of the Consolidated Revenue Fund, which is appropriated accordingly.
- (5) A reference in this item to a person includes a reference to an approved care organisation within the meaning of the *A New Tax System (Family Assistance) Act 1999*.

### **Part 3—Other amendments**

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

##### **25 Subsection 65HA(2)**

Omit “the basis referred to in subsection 20(1), (2A) or (3)”, substitute  
“an estimated income basis”.

## **Schedule 2—Schoolkids bonus**

### **Part 1—Main amendments**

#### *A New Tax System (Family Assistance) Act 1999*

##### **1 Subsection 3(1)**

Insert:

*bonus test day* means:

- (a) 1 January 2013; and
- (b) 30 June 2013; and
- (c) each subsequent 1 January; and
- (d) each subsequent 30 June.

##### **2 Subsection 3(1) (at the end of the definition of *family assistance*)**

Add:

; or (g) schoolkids bonus.

##### **3 Subsection 3(1) (after paragraph (b) of the definition of *FTB child*)**

Insert:

- (ba) in relation to schoolkids bonus—has the meaning given in Subdivision A of Division 1 of Part 3; and

##### **4 Subsection 3(1)**

Insert:

*previous education period*:

- (a) for a bonus test day that is a 1 January—means the period beginning on the previous 1 July and ending on the day before the bonus test day; and
- (b) for a bonus test day that is a 30 June—means the period beginning on the previous 1 January and ending on the bonus test day.

**5 Subsection 3(1)**

Insert:

*primary school amount* has the meaning given by subsection 65A(1).

**6 Subsection 3(1)**

Insert:

*relevant schoolkids bonus child* has the meaning given by section 35UB.

**7 Subsection 3(1)**

Insert:

*schoolkids bonus* means the payment for which an individual is eligible under Division 1A of Part 3.

**8 Subsection 3(1)**

Insert:

*secondary school amount* has the meaning given by subsection 65A(2).

**9 After Division 1 of Part 3**

Insert:

**Division 1A—Eligibility for schoolkids bonus**

**Subdivision A—Eligibility for schoolkids bonus in respect of eligible children**

**35UA When an individual is eligible for schoolkids bonus in respect of a child—general**

*FTB*

- (1) An individual is eligible for schoolkids bonus on a bonus test day if:
- (a) in relation to the bonus test day:

- (i) a determination under section 16 or 17 of the Family Assistance Administration Act is in force in respect of the individual as a claimant; or
  - (ii) a determination under section 18 of the Family Assistance Administration Act is in force in respect of the individual because the Secretary is satisfied that the individual is eligible for family tax benefit under section 32 of this Act; and
- (b) the individual's rate of family tax benefit on the bonus test day, worked out under Division 1 of Part 4 but disregarding reductions (if any) under clause 5 or 25A of Schedule 1, consisted of or included a Part A rate greater than nil; and
  - (c) that rate was worked out taking into account one or more FTB children of the individual who are relevant schoolkids bonus children of the individual for the bonus test day.

Note: For *relevant schoolkids bonus child*, see section 35UB.

*Youth allowance*

- (2) An individual (the *eligible individual*) is eligible for schoolkids bonus on a bonus test day if:
  - (a) the eligible individual has been paid an instalment of youth allowance; and
  - (b) the instalment was in respect of a period that included the bonus test day; and
  - (c) the instalment was of another individual who:
    - (i) on the bonus test day, has turned 16 but is aged under 20; and
    - (ii) if the other individual is aged 19 on the bonus test day—turned 19 during the calendar year in which the bonus test day occurs; and
  - (d) on the bonus test day, the other individual was undertaking full-time study in respect of a secondary course (within the meaning of subsection 543A(2AB) of the *Social Security Act 1991*); and
  - (e) youth allowance is payable to the other individual in respect of the bonus test day; and
  - (f) the instalment was paid to the eligible individual:

- (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*

- (3) An individual is eligible for schoolkids bonus on a bonus test day 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 student; and
  - (b) the instalment was in respect of a period that included the bonus test day; and
  - (c) the student:
    - (i) on the bonus test day, has turned 16 but is aged under 20; and
    - (ii) if the student is aged 19 on the bonus test day—turned 19 during the calendar year in which the bonus test day occurs; and
  - (d) on the bonus test day, the student was undertaking full-time study in respect of a course of education determined, under section 5D of the *Student Assistance Act 1973*, to be a secondary course for the purposes of that Act; and
  - (e) living allowance is payable under the scheme in respect of the student on the bonus test day; and
  - (f) on the bonus test day, the individual was a parent or guardian of the student; and
  - (g) 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 eligible for schoolkids bonus under this section.

*Disability support pension and pensioner education supplement*

- (4) An individual (the **eligible individual**) is eligible for schoolkids bonus on a bonus test day if:
- (a) an instalment of disability support pension under Part 2.3 of the *Social Security Act 1991* has been paid to the eligible individual; and
  - (b) an instalment of pensioner education supplement under:
    - (i) Part 2.24A of the *Social Security Act 1991*; or
    - (ii) the scheme known as the ABSTUDY scheme; has been paid (whether or not to the eligible individual); and
  - (c) the instalments referred to in paragraphs (a) and (b) were each in respect of a period that included the bonus test day; and
  - (d) the instalments referred to in paragraphs (a) and (b) were of another individual who:
    - (i) on the bonus test day, has turned 16 but is aged under 20; and
    - (ii) if the other individual is aged 19 on the bonus test day—turned 19 during the calendar year in which the bonus test day occurs; and
  - (e) on the bonus test day, the other individual is:
    - (i) if subparagraph (b)(i) applies—undertaking qualifying study (within the meaning of Part 2.24A of the *Social Security Act 1991*) in respect of a course of education determined, under section 5D of the *Student Assistance Act 1973*, to be a secondary course for the purposes of the *Student Assistance Act 1973*; or
    - (ii) if subparagraph (b)(ii) applies—undertaking study in respect of a course of education determined, under section 5D of the *Student Assistance Act 1973*, to be a secondary course for the purposes of that Act; and
  - (f) disability support pension and the pensioner education supplement are both payable to the other individual in respect of the bonus test day; and
  - (g) the instalment referred to in paragraph (a) was paid to the eligible individual as payment nominee in accordance with Part 3A of the *Social Security (Administration) Act 1999*.

*Education allowance*

- (5) An individual is eligible for schoolkids bonus on a bonus test day if:
- (a) the whole or a part of an education allowance under:
    - (i) section 3.2, 3.3, 3.4 or 3.6A of the Veterans' Children Education Scheme; or
    - (ii) section 3.2, 3.3 or 3.4 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 the bonus test day; and
  - (c) the student:
    - (i) on the bonus test day, is aged under 20; and
    - (ii) if the student is aged 19 on the bonus test day—turned 19 during the calendar year in which the bonus test day occurs; and
  - (d) on the bonus test day, the student was undertaking:
    - (i) full-time study in respect of a secondary course (within the meaning of subsection 543A(2AB) of the *Social Security Act 1991*); or
    - (ii) primary education; and
  - (e) the allowance is payable in respect of the student in respect of the bonus test day; and
  - (f) on the bonus test day, the individual was a parent or guardian of the student; and
  - (g) 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 eligible for schoolkids bonus under this section.

### **35UB Relevant schoolkids bonus child**

#### *FTB children aged under 16—basic rule*

- (1) An FTB child of an individual is a **relevant schoolkids bonus child** of the individual for a bonus test day if the FTB child:
- (a) is aged under 16 on the bonus test day; and
  - (b) was, under this section, a relevant schoolkids bonus child of the individual for the most recent bonus test day.

Note: Special rules apply in relation to the bonus test day that is 1 January 2013 (see Part 2 of Schedule 2 to the *Family Assistance and Other Legislation Amendment (Schoolkids Bonus Budget Measures) Act 2012*).

#### *FTB children aged under 16—Secretary notified etc.*

- (2) An FTB child of an individual is a **relevant schoolkids bonus child** of the individual for a bonus test day if:
- (a) on the bonus test day, the FTB child is aged under 16; and
  - (b) at any time before the end of the second income year after the income year in which the bonus test day occurs—the Secretary is notified, or otherwise becomes aware, that:
    - (i) the FTB child participated, or will participate, in a course of primary education on at least one day during the 6-month period beginning on the bonus test day; or
    - (ii) the FTB child undertook, or will undertake, full-time study in respect of a secondary course (within the meaning of subsection 543A(2AB) of the *Social Security Act 1991*) on at least one day during the 6-month period beginning on the bonus test day; or
    - (iii) the FTB child undertook, or will undertake, an eligible activity on at least one day during the 6-month period beginning on the bonus test day.

#### *FTB children aged 16 or over*

- (3) An FTB child of an individual is a **relevant schoolkids bonus child** of the individual for a bonus test day if, on the bonus test day, the FTB child is a senior secondary school child.

*Eligible activity*

- (4) For the purposes of this section, *eligible activity* means study, education or an activity of a kind prescribed in a legislative instrument made by the Minister for the purposes of this subsection.

**35UC When an individual is eligible for schoolkids bonus in respect of a child—school leaver**

- (1) The Minister may, by legislative instrument, determine that, in circumstances prescribed in the instrument, an individual is eligible under this section for schoolkids bonus on a bonus test day in relation to a child.
- (2) The circumstances prescribed must relate to circumstances in which the child has, in the previous education period for the bonus test day, completed (within the meaning of the instrument) his or her secondary education.
- (3) The Minister must not determine that an individual is eligible under this section for schoolkids bonus on a bonus test day in relation to a child unless the child was undertaking primary or secondary education (within the meaning of the instrument) on at least one day in 2012.

**35UD Children in respect of whom schoolkids bonus is payable**

*FTB children*

- (1) If an individual is eligible under subsection 35UA(1) for schoolkids bonus on a bonus test day, each child who is covered by paragraph 35UA(1)(c) in relation to the individual for the bonus test day, and who:
- (a) on at least one day in the previous education period for the bonus test day:
- (i) participated in a course of primary education; or
  - (ii) undertook full-time study in respect of a secondary course (within the meaning of subsection 543A(2AB) of the *Social Security Act 1991*); or
  - (iii) undertook an eligible activity within the meaning of subsection 35UB(4); or

- (b) first participated, or will participate, in a course of primary education on a day in the 6-month period beginning on the bonus test day;

is an **eligible child** in relation to the individual for the bonus test day.

*Youth allowance*

- (2) If an individual (the **eligible individual**) is eligible under subsection 35UA(2) for schoolkids bonus on a bonus test day, each other individual who:
  - (a) is covered by paragraphs 35UA(2)(c), (d) and (e) in relation to the individual for the bonus test day; and
  - (b) on at least one day in the previous education period for the bonus test day, undertook full-time study in respect of a secondary course (within the meaning of subsection 543A(2AB) of the *Social Security Act 1991*);

is an **eligible child** in relation to the eligible individual for the bonus test day.

*ABSTUDY*

- (3) If an individual is eligible under subsection 35UA(3) for schoolkids bonus on a bonus test day, each student who:
  - (a) is covered by paragraphs 35UA(3)(a), (c), (d) and (e) in relation to the individual for the bonus test day; and
  - (b) on at least one day in the previous education period for the bonus test day, undertook full-time study in respect of a course of education determined, under section 5D of the *Student Assistance Act 1973*, to be a secondary course for the purposes of that Act;

is an **eligible child** in relation to the individual for the bonus test day.

*Disability support pension and pensioner education supplement*

- (4) If an individual (the **eligible individual**) is eligible under subsection 35UA(4) for schoolkids bonus on a bonus test day, each other individual who:
  - (a) is covered by paragraphs 35UA(4)(d), (e) and (f) in relation to the individual for the bonus test day; and

- (b) on at least one day in the previous education period for the bonus test day:
  - (i) if subparagraph 35UA(4)(b)(i) applies to the other individual—undertook qualifying study (within the meaning of Part 2.24A of the *Social Security Act 1991*) in respect of a course of education determined, under section 5D of the *Student Assistance Act 1973*, to be a secondary course for the purposes of the *Student Assistance Act 1973*; or
  - (ii) if subparagraph 35UA(4)(b)(ii) applies to the other individual—undertook study in respect of a course of education determined, under section 5D of the *Student Assistance Act 1973*, to be a secondary course for the purposes of that Act;

is an **eligible child** in relation to the eligible individual for the bonus test day.

*Education allowance*

- (5) If an individual is eligible under subsection 35UA(5) for schoolkids bonus on a bonus test day, each student who is covered by paragraphs 35UA(5)(a), (c), (d) and (e) in relation to the individual for the bonus test day, and who:
  - (a) on at least one day in the previous education period for the bonus test day, undertook:
    - (i) full-time study in respect of a secondary course (within the meaning of subsection 543A(2AB) of the *Social Security Act 1991*); or
    - (ii) primary education; or
  - (b) first undertook, or will undertake, primary education on a day in the 6-month period beginning on the bonus test day;

is an **eligible child** in relation to the individual for the bonus test day.

*School leavers*

- (6) If an individual is eligible under section 35UC for schoolkids bonus on a bonus test day, each child in relation to whom the individual is eligible under the instrument made under that section is an **eligible child** in relation to the individual for the bonus test day.

## **Subdivision B—Other eligibility for schoolkids bonus**

### **35UE When an individual is eligible for schoolkids bonus—general**

#### *Youth allowance*

- (1) An individual is eligible for schoolkids bonus on a bonus test day if:
  - (a) the individual has been paid an instalment of youth allowance; and
  - (b) the instalment was in respect of a period that included the bonus test day; and
  - (c) the instalment was of the individual; and
  - (d) the individual:
    - (i) on the bonus test day, has turned 16 but is aged under 20; and
    - (ii) if the individual is aged 19 on the bonus test day—turned 19 during the calendar year in which the bonus test day occurs; and
  - (e) on the bonus test day, the individual was undertaking full-time study in respect of a secondary course (within the meaning of subsection 543A(2AB) of the *Social Security Act 1991*); and
  - (f) on at least one day in the previous education period for the bonus test day, the individual undertook full-time study in respect of a secondary course (within the meaning of subsection 543A(2AB) of the *Social Security Act 1991*); and
  - (g) youth allowance is payable to the individual in respect of the bonus test day.

#### *ABSTUDY*

- (2) An individual is eligible for schoolkids bonus on a bonus test day 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 student; and
  - (b) the instalment was in respect of a period that included the bonus test day; and

- (c) the individual:
  - (i) on the bonus test day, has turned 16 but is aged under 20; and
  - (ii) if the individual is aged 19 on the bonus test day—turned 19 during the calendar year in which the bonus test day occurs; and
- (d) on the bonus test day, the individual was undertaking full-time study in respect of a course of education determined, under section 5D of the *Student Assistance Act 1973*, to be a secondary course for the purposes of that Act; and
- (e) on at least one day in the previous education period for the bonus test day, the individual undertook full-time study in respect of a course of education determined, under section 5D of the *Student Assistance Act 1973*, to be a secondary course for the purposes of that Act; and
- (f) living allowance is payable under the scheme in respect of the individual on the bonus test day.

*Disability support pension and pensioner education supplement*

- (3) An individual is eligible for schoolkids bonus on a bonus test day if:
  - (a) an instalment of disability support pension under Part 2.3 of the *Social Security Act 1991* has been paid to the individual; and
  - (b) an instalment of pensioner education supplement under:
    - (i) Part 2.24A of the *Social Security Act 1991*; or
    - (ii) the scheme known as the ABSTUDY scheme; has been paid (whether or not to the individual); and
  - (c) the instalments referred to in paragraphs (a) and (b) were each in respect of a period that included the bonus test day; and
  - (d) the instalments referred to in paragraphs (a) and (b) were of the individual; and
  - (e) the individual:
    - (i) on the bonus test day, has turned 16 but is aged under 20; and

- (ii) if the individual is aged 19 on the bonus test day—turned 19 during the calendar year in which the bonus test day occurs; and
- (f) on the bonus test day, the individual is:
  - (i) if subparagraph (b)(i) applies—undertaking qualifying study (within the meaning of Part 2.24A of the *Social Security Act 1991*) in respect of a course of education determined, under section 5D of the *Student Assistance Act 1973*, to be a secondary course for the purposes of the *Student Assistance Act 1973*; or
  - (ii) if subparagraph (b)(ii) applies—undertaking study in respect of a course of education determined, under section 5D of the *Student Assistance Act 1973*, to be a secondary course for the purposes of that Act; and
- (g) on at least one day in the previous education period for the bonus test day:
  - (i) if subparagraph (b)(i) applies—the individual undertook qualifying study (within the meaning of Part 2.24A of the *Social Security Act 1991*) in respect of a course of education determined, under section 5D of the *Student Assistance Act 1973*, to be a secondary course for the purposes of the *Student Assistance Act 1973*; or
  - (ii) if subparagraph (b)(ii) applies—the individual undertook study in respect of a course of education determined, under section 5D of the *Student Assistance Act 1973*, to be a secondary course for the purposes of that Act; and
- (h) disability support pension and the pensioner education supplement are both payable to the individual in respect of the bonus test day.

*Education allowance*

- (4) An individual is eligible for schoolkids bonus on a bonus test day if:
  - (a) an education allowance under:
    - (i) section 3.3, 3.4, 3.6 or 3.6A of the Veterans' Children Education Scheme; or
    - (ii) section 3.3, 3.4 or 3.6 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 the bonus test day; and
- (c) the individual:
  - (i) on the bonus test day, has turned 16 but is aged under 20; and
  - (ii) if the individual is aged 19 on the bonus test day—turned 19 during the calendar year in which the bonus test day occurs; and
- (d) on the bonus test day, the individual was undertaking full-time study in respect of a secondary course (within the meaning of subsection 543A(2AB) of the *Social Security Act 1991*); and
- (e) on at least one day in the previous education period for the bonus test day, the individual undertook full-time study in respect of a secondary course (within the meaning of subsection 543A(2AB) of the *Social Security Act 1991*); and
- (f) the allowance is payable in respect of the individual in respect of the bonus test day.

*Education allowance—certain section 3.6 cases*

- (5) An individual (the ***eligible individual***) is eligible for schoolkids bonus on a bonus test day if:
  - (a) an education allowance under:
    - (i) section 3.6 of the Veterans' Children Education Scheme; or
    - (ii) section 3.6 of the Military Rehabilitation and Compensation Act Education and Training Scheme;was paid in respect of the eligible individual; and
  - (b) the allowance was in respect of a period that included the bonus test day; and
  - (c) the eligible individual:
    - (i) on the bonus test day, has turned 16 but is aged under 20; and
    - (ii) if the eligible individual is aged 19 on the bonus test day—turned 19 during the calendar year in which the bonus test day occurs; and

- (d) on the bonus test day, the eligible individual was undertaking full-time study in respect of a secondary course (within the meaning of subsection 543A(2AB) of the *Social Security Act 1991*); and
- (e) on at least one day in the previous education period for the bonus test day, the eligible individual undertook full-time study in respect of a secondary course (within the meaning of subsection 543A(2AB) of the *Social Security Act 1991*); and
- (f) the allowance is payable in respect of the eligible individual in respect of the bonus test day; and
- (g) the allowance was paid to another individual as an appropriate person (within the meaning of the scheme referred to in subparagraph (a)(i) or (ii)) for the eligible individual.

**35UF When an individual is eligible for schoolkids bonus—school leaver**

- (1) The Minister may, by legislative instrument, determine that, in circumstances prescribed in the instrument, an individual is eligible under this section for schoolkids bonus on a bonus test day.
- (2) The circumstances prescribed must relate to circumstances in which the individual has, in the previous education period for the bonus test day, completed (within the meaning of the instrument) his or her secondary education.
- (3) The Minister must not determine that an individual is eligible under this section in relation to a bonus test day unless:
  - (a) the individual:
    - (i) on the bonus test day, has turned 16 but is aged under 20; and
    - (ii) if the individual is aged 19 on the bonus test day—turned 19 during the calendar year in which the bonus test day occurs; and
  - (b) the individual was undertaking primary or secondary education (within the meaning of the instrument) on at least one day in 2012.

### 35UG Eligibility if death occurs

- (1) The Secretary may determine that an individual is eligible for schoolkids bonus on a bonus test day if:
  - (a) in relation to the bonus test day, a determination under section 18 of the Family Assistance Administration Act is in force in respect of the individual because the Secretary is satisfied that the individual is eligible for family tax benefit under section 33 of this Act because of the death of another individual; and
  - (b) either:
    - (i) the other individual was eligible for an amount of schoolkids bonus on the bonus test day, but the other individual died before the amount was paid; or
    - (ii) the Secretary is satisfied that the other individual would have become eligible for an amount of schoolkids bonus on the bonus test day if the other individual had not died.

Note: The amount of the schoolkids bonus for an individual eligible under this section is worked out under section 65F.

- (2) If the Secretary makes a determination under subsection (1), no-one else is, or can become, eligible for schoolkids bonus because of the death of the other individual.

### Subdivision C—General rules

#### 35UH General rules

- (1) If schoolkids bonus under Subdivision A in relation to an eligible child (see section 35UD) and a bonus test day is paid to an individual, no schoolkids bonus under Subdivision B can be paid to the eligible child in relation to the bonus test day.
- (2) If schoolkids bonus under Subdivision A in relation to an eligible child (see section 35UD) and a bonus test day is paid to an individual, no further schoolkids bonus under that Subdivision in relation that eligible child can be paid to the individual in relation to the bonus test day.
- (3) If schoolkids bonus under Subdivision B is paid to an individual (the *recipient*) in relation to a bonus test day, no schoolkids bonus

under Subdivision A can be paid to another individual in relation to the recipient and the bonus test day.

- (4) If schoolkids bonus under Subdivision B is paid to an individual in relation to a bonus test day, no further schoolkids bonus under that Subdivision can be paid to the individual in relation to the bonus test day.
- (5) This section does not apply to schoolkids bonus paid to an individual under section 35UG.

Note: Payments under section 35UG are dealt with in subsection 35UG(2).

## **10 After Division 1 of Part 4**

Insert:

### **Division 1A—Schoolkids bonus**

#### **65A Primary school amount and secondary school amount**

- (1) For the purposes of this Act, the *primary school amount* is \$205.
- (2) For the purposes of this Act, the *secondary school amount* is \$410.

#### **65B Amount of schoolkids bonus—general rule for individuals eligible in relation to a child**

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

- (1) If an individual is eligible under subsection 35UA(1), (2), (3) or (4) for schoolkids bonus on a bonus test day, the amount of schoolkids bonus for the individual for the bonus test day is worked out by adding together the amounts applicable under this section for the bonus test day for each child who is, under subsection 35UD(1), (2), (3) or (4), an eligible child in relation to the individual for the bonus test day.

Note: Section 65C deals with individuals eligible under subsection 35UA(5) (education allowance).

*General rule*

- (2) Subject to this section, the amount applicable for the bonus test day (the **current bonus test day**) for an eligible child is:
- (a) if the eligible child was aged under 16 on the most recent bonus test day:
    - (i) the primary school amount; or
    - (ii) if subsection (3) or (4) applies to the child for the current bonus test day—the secondary school amount; and
  - (b) if the eligible child was aged 16 or over on the most recent bonus test day—the secondary school amount.

Note: Special rules apply in relation to the bonus test day that is 1 January 2013 (see Part 2 of Schedule 2 to the *Family Assistance and Other Legislation Amendment (Schoolkids Bonus Budget Measures) Act 2012*).

- (3) This subsection applies to an eligible child for the bonus test day if:
- (a) an amount was applicable under this section in relation to the most recent bonus test day for the eligible child; and
  - (b) the amount was:
    - (i) the secondary school amount; or
    - (ii) an amount worked out under subsection (5) or (6) by calculating a percentage of the secondary school amount.
- (4) This subsection applies to an eligible child for the bonus test day if, at any time before the end of the second income year after the income year in which the bonus test day occurs, the Secretary is notified, or otherwise becomes aware, that:
- (a) the eligible child undertook full-time study in respect of a secondary course (within the meaning of subsection 543A(2AB) of the *Social Security Act 1991*) on at least one day during the previous education period for the bonus test day; or
  - (b) the eligible child undertook an eligible activity on at least one day during the previous education period for the bonus test day.

Note: For **eligible activity**, see subsection (7).

*Reduced amount if rate of family tax benefit took account of an individual's shared care percentage*

- (5) If:
- (a) the individual is eligible under subsection 35UA(1) in relation to a bonus test day; and
  - (b) the rate referred to in paragraph 35UA(1)(b) on the bonus test day took account of a shared care percentage in relation to an eligible child covered by subsection 35UD(1);
- the amount applicable for the bonus test day for the eligible child is that percentage of the amount worked out under subsection (2) for the eligible child for the bonus test day.

*Reduced amount if rate of family tax benefit took account of a section 28 or 29 percentage determination*

- (6) If:
- (a) the individual is eligible under subsection 35UA(1) in relation to a bonus test day; and
  - (b) the rate referred to in paragraph 35UA(1)(b) on the bonus test day took account of a determination under section 28 or 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 bonus test day for the eligible child, or for each of those eligible children, is:
- (c) if subsection (5) also applies in relation to the eligible child—that percentage of the amount worked out under subsection (5) for the eligible child for the bonus test day; or
  - (d) otherwise, the percentage referred to in paragraph (b) of this subsection of the amount worked out under subsection (2) for the eligible child for the bonus test day.

*Eligible activity*

- (7) For the purposes of this section, ***eligible activity*** means study, education or an activity of a kind prescribed in a legislative instrument made by the Minister for the purposes of this subsection.

**65C Amount of schoolkids bonus—individuals eligible in relation to education allowance**

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

- (1) The amount of schoolkids bonus for an individual who is eligible under subsection 35UA(5) for schoolkids bonus on a bonus test day is worked out by adding together the amounts applicable under this section for the bonus test day for each child who is, under subsection 35UD(5), an eligible child in relation to the individual for the bonus test day.

*Applicable amount*

- (2) Subject to this section, the amount applicable for a bonus test day for an eligible child is:
- (a) if the eligible child is, under subsection 35UD(5), an eligible child in relation to the individual for the most recent bonus test day because an education allowance under:
    - (i) section 3.2 of the Veteran’s Children Education Scheme; or
    - (ii) section 3.2 of the Military Rehabilitation and Compensation Act Education and Training scheme; was paid in respect of the eligible child—the primary school amount; or
  - (b) otherwise—the secondary school amount.

*Reduced amount for part of education allowance*

- (3) If:
- (a) subsection 35UA(5) applies in circumstances where the individual was paid a part (the *applicable part*) of the allowance concerned in relation to an eligible child and a bonus test day; and
  - (b) that individual or another individual was paid another part of the allowance concerned in relation to the eligible child and the bonus test day;
- the amount applicable for the bonus test day for the eligible child is worked out as follows:

$$\frac{\text{Amount of applicable part}}{\text{Amount of allowance concerned}} \times \text{Relevant amount}$$

where:

*relevant amount* means the amount worked out under subsection (2) for the eligible child for the bonus test day.

### **65D Amount of schoolkids bonus—individuals eligible in relation to school leavers**

- (1) If an individual is eligible under section 35UC for schoolkids bonus on a bonus test day, the amount of schoolkids bonus for the individual for the bonus test day is worked out by adding together the amounts applicable under this section for the bonus test day for each child who is, under subsection 35UD(6), an eligible child in relation to the individual for the bonus test day.
- (2) Subject to this section, the amount applicable for the bonus test day for an eligible child is the secondary school amount.
- (3) The instrument made under section 35UC may make provision for the amount worked out under subsection (2) of this section for an eligible child for a bonus test day to be varied in accordance with the instrument, in the following circumstances:
  - (a) if a shared care percentage applied in relation to the eligible child;
  - (b) if there is a determination under section 28 or 29 of a particular percentage in relation to the eligible child;
  - (c) circumstances in which the Minister considers it appropriate to vary the amount.
- (4) If the instrument made under section 35UC provides for the amount worked out under subsection (2) of this section for an eligible child for a bonus test day to be varied, the amount applicable for the bonus test day for the eligible child is the amount as varied.

**65E Amount of schoolkids bonus—individuals eligible under section 35UE or 35UF**

The amount of schoolkids bonus for an individual who is eligible under section 35UE or 35UF for schoolkids bonus on a bonus test day is the secondary school amount.

**65F Amount of schoolkids bonus—individuals eligible under section 35UG**

If the Secretary makes a determination under subsection 35UG(1) that an individual is eligible for schoolkids bonus on a bonus test day, the amount of the schoolkids bonus is the amount referred to in subparagraph 35UG(1)(b)(i) or (ii) (as the case requires).

**11 Clause 2 of Schedule 4 (table items 17A and 17AAA)**

Repeal the items, substitute:

17AB	primary school amount for schoolkids bonus	PSA for schoolkids bonus	[subsection 65A(1)]
17AC	secondary school amount for schoolkids bonus	SSA for schoolkids bonus	[subsection 65A(2)]
17AD	Baby bonus	baby bonus	[subsection 66(1)]
17AE	Income limit for baby bonus	baby bonus income limit	[paragraphs 36(2)(e), (3)(f), (4)(d) and (5)(e)]

**12 Subclause 3(1) of Schedule 4 (table items 17A and 17AAA)**

Repeal the items, substitute:

17AB	PSA for schoolkids bonus	1 July	December	highest December quarter before reference quarter (but not earlier than December quarter 2012)	\$1.00
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17AC	SSA for schoolkids bonus	1 July	December	highest December quarter before reference quarter (but not earlier than December quarter 2012)	\$1.00
17AD	baby bonus	1 July	December	highest December quarter before reference quarter (but not earlier than December quarter 2007)	\$1.00
17AE	baby bonus income limit	1 July	December	highest December quarter before reference quarter (but not earlier than December quarter 2007)	\$1.00

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

**13 After Division 2 of Part 3**

Insert:

## **Division 2A—Schoolkids bonus**

### **35F Entitlement to schoolkids bonus**

If an individual is eligible under Division 1A of Part 3 of the Family Assistance Act for schoolkids bonus on a bonus test day, the individual is entitled to schoolkids bonus on the bonus test day.

### **35G Payment of schoolkids bonus**

- (1) If an individual is entitled to schoolkids bonus on a bonus test day, 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.

- (2) If, on the bonus test day, section 32AA or 32AD prevents the Secretary from making a payment of family tax benefit to the individual, or the individual's partner, worked out on the basis referred to in subsection 20(1), (2A) or (3), the Secretary must not pay the schoolkids bonus to the individual at a time that is earlier than the time family tax benefit is paid to the individual, or the individual's partner, in relation to that bonus test day.

### **14 After paragraph 66(1)(b)**

Insert:

- (ba) schoolkids bonus;

### **15 Paragraph 71(1)(a)**

Omit "or single income family supplement", substitute "single income family supplement or schoolkids bonus".

### **16 Subsection 93A(6) (after paragraph (aa) of the definition of *family assistance payment*)**

Insert:

- (ab) a payment of schoolkids bonus; or

**17 Section 219TA (after paragraph (c) of the definition of  
*relevant benefit*)**

Insert:

(ca) schoolkids bonus; or

***Social Security (Administration) Act 1999***

**18 Before Subdivision E of Division 5 of Part 3B**

Insert:

**Subdivision DG—Schoolkids bonus payments**

**123XPL Deductions from schoolkids bonus payments**

*Scope*

- (1) This section applies if:
- (a) a person is subject to the income management regime; and
  - (b) a payment of schoolkids bonus under the Family Assistance Act is payable to the person.

*Deductions from schoolkids bonus*

- (2) The following provisions have effect:
- (a) the Secretary must deduct from the payment the deductible portion of the payment;
  - (b) an amount equal to the deductible portion of the payment is credited to the Income Management Record;
  - (c) an amount equal to the deductible portion of the payment is credited to the person's income management account.
- (3) For the purposes of subsection (2), the deductible portion of a payment of schoolkids bonus is 100% of the amount of the payment.

## Part 2—Application and transitional provisions

### 19 Application—indexation

The amendment of subclause 3(1) of Schedule 4 to the *A New Tax System (Family Assistance) Act 1999* made by this Schedule applies in relation to the indexation day that is 1 July 2014 and all later indexation days.

### 20 Application—relevant schoolkids bonus child

Subsection 35UB(1) of the *A New Tax System (Family Assistance) Act 1999* applies in relation to the bonus test day that is 1 January 2013 as if the words “was, under this section, a relevant schoolkids bonus child of the individual for the most recent bonus test day” were omitted, and the words “was born after 1 January 1997 and before 1 August 2007” were substituted.

### 21 Transitional—amount of schoolkids bonus

- (1) This item applies if:
  - (a) an eligible child is born after 1 January 1997 and before 1 August 2000; and
  - (b) on 1 January 2013, the eligible child’s usual place of residence is in New South Wales, Victoria, Tasmania, the Australian Capital Territory or the Northern Territory.
- (2) This item also applies if:
  - (a) an eligible child is born after 1 January 1997 and before 1 August 1999; and
  - (b) on 1 January 2013, the eligible child’s usual place of residence is in Queensland, Western Australia or South Australia.
- (3) Section 65B of the *A New Tax System (Family Assistance) Act 1999* applies in relation to the bonus test day that is 1 January 2013 as if the secondary school amount was the amount applicable under subsection 65B(2) in relation to the bonus test day for the eligible child.

## **Part 3—Other amendments**

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

#### **22 Subsection 35G(2)**

Omit “the basis referred to in subsection 20(1), (2A) or (3)”, substitute  
“an estimated income basis”.

## Schedule 3—Other amendments

### *Income Tax Assessment Act 1997*

#### **1 Section 11-15 (table item headed “family assistance”)**

After:

economic security strategy payment to families ..... 52-150

insert:

ETR payment ..... 52-150

ETR payment, payments under the scheme determined  
under Part 2 of Schedule 1 to the *Family Assistance  
and Other Legislation Amendment (Schoolkids  
Bonus Budget Measures) Act 2012*..... 52-162

#### **2 Section 11-15 (table item headed “family assistance”)**

After:

clean energy advance ..... 52-150

insert:

schoolkids bonus..... 52-150

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

After:

education entry payment supplement under the *Social  
Security Act 1991* ..... 52-10

insert:

ETR payment under the *Veterans’ Entitlements Act  
1986*..... 52-65

ETR payment, payments under the scheme determined  
under Part 2 of Schedule 1 to the *Family Assistance  
and Other Legislation Amendment (Schoolkids  
Bonus Budget Measures) Act 2012*..... 52-162

#### **4 Section 13-1 (table item headed “education expenses”)**

Repeal the item.

#### **5 After paragraph 52-65(1)(d)**

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Insert:

(da) ETR payments under the *Veterans' Entitlements Act 1986*; or

**6 After subsection 52-65(1G)**

Insert:

(1H) ETR payments under Part VIIH of the *Veterans' Entitlements Act 1986* are exempt from income tax.

**7 Section 52-75 (after table item 5B)**

Insert:

5C	ETR payment	Part VIIH	Not applicable
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**8 Section 52-150**

Omit “or single income family supplement”, substitute “, single income family supplement, ETR payment or schoolkids bonus”.

**9 After section 52-160**

Insert:

**52-162 ETR payments are exempt**

Payments under the scheme determined under Part 2 of Schedule 1 to the *Family Assistance and Other Legislation Amendment (Schoolkids Bonus Budget Measures) Act 2012* are exempt from income tax.

**10 At the end of section 61-600**

Add:

This tax offset is only available for income years ending before 1 July 2011.
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**11 Subsections 61-610(1) and (2)**

After “an income year”, insert “ending before 1 July 2011”.

**12 Application**

The amendments made by item 11 of this Schedule apply to assessments for the 2011-2012 income year and later income years.

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**13 Section 67-23 (table item 12)**

After “Subdivision 61-M”, insert “for income years ending before 1 July 2011”.

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*[Minister’s second reading speech made in—  
House of Representatives on 9 May 2012  
Senate on 10 May 2012]*

(73/12)

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