

2010-2011

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

FAMILY ASSISTANCE AND OTHER LEGISLATION  
AMENDMENT BILL 2011

EXPLANATORY MEMORANDUM

(Circulated by the authority of the  
Minister for Families, Housing, Community Services and  
Indigenous Affairs, the Hon Jenny Macklin MP)

## **FAMILY ASSISTANCE AND OTHER LEGISLATION AMENDMENT BILL 2011**

### **OUTLINE**

The Bill contains four 2011-2012 Budget measures, a 2010-2011 Budget measure the implementation of which was brought forward in the 2011-2012 Budget, and a minor, non-Budget measure, as described below.

#### ***Age of FTB child for family tax benefit***

The Bill lowers the maximum child age of eligibility for family tax benefit Part A from 24 to 21 on 1 January 2012. This will align with the age at which a person becomes independent for the purposes of youth allowance from 1 January 2012.

#### ***Indexation***

The Bill makes amendments to some indexation arrangements for family assistance and paid parental leave.

Indexation will be paused until 1 July 2014 for the higher income free area for family tax benefit Part A (FTB Part A) (both the basic amount and the additional amount for each FTB child after the first), the family tax benefit Part B income limit and the baby bonus income limit. As paid parental leave is a new entitlement, indexation of the paid parental leave income limit will not commence until 1 July 2014.

This Bill also pauses indexation of FTB Part A and Part B supplements for three years from 1 July 2011.

#### ***Assessing qualification for disability support pension***

The Bill introduces a requirement, commencing from 3 September 2011, that people test their future work capacity by participating in training or work-related activities in order to be qualified for disability support pension. This new requirement will not apply to claimants for disability support pension who have a severe impairment, such as those who are clearly unable to work.

As part of the *Job Capacity Assessment – more efficient and accurate assessments for Disability Support Pension and employment services 2010-2011 Budget measure*, the Government undertook to reform assessments for disability support pension in this way. Implementation of this aspect of the measure was brought forward to September 2011 (instead of January 2012) in the 2011-2012 Budget.

### ***Extending Cape York welfare reform trial***

The Bill amends the Social Security Administration Act to enable a proposed 12-month extension of the welfare reform trial in the Cape York area.

### ***Aboriginal Land Trusts***

The Bill amends the *Aboriginal Land Rights (Northern Territory) Act 1976* to clarify that the *Public Works Committee Act 1969* does not apply to Aboriginal Land Trusts.

### **Financial impact statement**

#### ***Age of FTB child for family tax benefit***

Expense

<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>
\$0.6 m	- \$7.6 m	- \$10.4 m	- \$11.8 m

#### ***Indexation***

*Indexation — pause indexation of FTB Part A and Part B supplements for three years*

Expense

<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>
\$0.2 m	- \$76.8 m	- \$179.1 m	- \$268.1 m	- \$279.3 m

*Indexation — pause indexation of certain family assistance and paid parental leave income threshold amounts for a further two years*

Expense

<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>
\$0.1 m	- \$230.9 m	- \$471.6 m	- \$489.0 m

Related revenue\*

<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>
\$0.0 m	\$0.5 m	\$3.5 m	\$6.5 m

\*These estimated related revenue impacts arise because the income limit for receiving the dependency tax offsets links to the income limit for FTB Part B, which will remain at \$150,000. These impacts also take into account forgone taxation revenue from pausing indexation of the paid parental leave income limit.

### ***Assessing qualification for disability support pension***

The measure in this Bill is part of the *Job Capacity Assessment — more efficient and accurate assessments for the Disability Support Pension and employment services* 2010-2011 Budget measure, originally due to commence on 1 January 2012 with implementation brought forward to 3 September 2011 in the 2011-2012 Budget. The overall financial impact of the measure as brought forward is as follows:

#### Total resourcing

<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>
\$1.4 m	- \$52.9 m	- \$159.2 m	- \$204.5 m	- \$207.5 m

### ***Extending the Cape York welfare reform trial***

The measure in this Bill is part of a 2011-2012 Budget measure which has the following financial impact:

#### Total resourcing

<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>
\$0.0 m	\$8.4 m	\$7.8 m	\$0.0 m

### ***Aboriginal Land Trusts***

Nil impact.

**FAMILY ASSISTANCE AND OTHER LEGISLATION  
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**NOTES ON CLAUSES**

**Clause 1** sets out how the Act is to be cited, that is, as the *Family Assistance and Other Legislation Amendment Act 2011*.

**Clause 2** provides a table that sets out the commencement dates of the various sections in, and Schedules to, the Act.

**Clause 3** provides that each Act that is specified in a Schedule is amended or repealed as set out in that Schedule.

This explanatory memorandum uses the following abbreviations:

- 'Family Assistance Act' means the *A New Tax System (Family Assistance) Act 1999*.
- 'Social Security Act' means the *Social Security Act 1991*.
- 'Social Security Administration Act' means the *Social Security (Administration) Act 1999*.

## Schedule 1 – Age of FTB child for family tax benefit

### Summary

This Schedule lowers the maximum child age of eligibility for family tax benefit Part A from 24 to 21 on 1 January 2012. This will align with the age at which a person becomes independent for the purposes of youth allowance from 1 January 2012.

### Background

Sections 22 and 34 of the Family Assistance Act set out when an individual is an FTB child of another individual or an approved care organisation respectively. Subsection 22(6) provides that, where a child has turned 21 but is aged under 25, they may be an FTB child of an adult if they are undertaking full-time study, meet the residency requirements and are in the care of the adult. Similarly, subsection 34(1) provides that a child who has turned 21, but is aged under 25, may be an FTB child of an approved care organisation if they are undertaking full-time study, meet the residency requirements and the child is a client of the approved care organisation.

Subsection 1067A(4) of the Social Security Act sets out when a person becomes 'independent' for the purpose of youth allowance. From 1 January 2012, this will be when the person is 22 years of age.

To ensure consistency between family tax benefit (FTB) and youth allowance, this measure will reduce the age at which an individual ceases to be an FTB child to when they turn 22. This will be consistent with youth allowance because, from 1 January 2012, a person who has turned 22 will be independent for youth allowance purposes.

This measure includes a saving provision for students who are already enrolled in a course of education and are aged 22 to 24 years.

This measure is intended to commence on 1 January 2012, immediately after related amendments made by item 6 of Schedule 2 to the *Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Election Commitments and Other Measures) Act 2011*.

### Explanation of the changes

#### ***Amendments to the Family Assistance Act 1999***

**Item 1** amends paragraph 22(6)(a) of the Family Assistance Act to limit the application of this provision to individuals who are aged 21. This reflects the reduction in the FTB maximum child age from children aged 24 to children aged 21.

The note at the end of this item provides that the change to this provision will also be reflected in changes to the heading to subsection 22(6).

**Item 2** repeals and substitutes paragraph 31(3)(a). This is a consequential change to reflect the amendment made by **item 1**.

**Item 3** amends subparagraph 34(1)(a)(iii) of the Family Assistance Act to limit the application of this provision to individuals who are aged 21. This reflects the reduction in the FTB maximum child age from children aged 24 to children aged 21.

**Item 4** repeals and substitutes paragraph 65(2)(a). This is a consequential change to reflect the amendment made by **item 1**.

**Item 5** amends item 5 of the table in clause 7 of Schedule 1 to the Family Assistance Act, to reflect the reduction in the FTB maximum child age from children aged 24 to children aged 21. This amendment takes into account the proposed amendment to the table in clause 7 of Schedule 1, from 1 January 2012, made by item 6 of Schedule 2 to the *Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Election Commitments and Other Measures) Act 2011*.

#### ***Application and saving provisions***

**Item 6** sets out the application and saving provision for this measure. The application provision explains how the amendments made by this Schedule apply in working out a person's eligibility for FTB. The saving provision preserves the operation of former rules for students who are already enrolled in a course of education and are aged 22 to 24 years.

**Subitem 6(1)** provides that the amendments in this Schedule apply in working out entitlement for FTB and rate of FTB for a day on or after 1 January 2012.

**Subitem 6(2)** provides that the amendments made by this Schedule do not apply to an individual or approved care organisation entitled to FTB in respect of a child who meets the criteria set out in **subitem 6(3)** and for the period set out in **subitem 6(4)**. This means that the previous rules will apply to an affected child for the period set out in **subitem 6(4)**.

**Subitem 6(3)** provides that the amendments made by this Schedule do not apply to a child if, immediately before 1 January 2012, the child was an FTB child of an adult or a client of an approved care organisation, had turned 22 but was aged under 25, and was enrolled in and undertaking a course of full-time study.

The note after **subitem 6(3)** clarifies when a child is a client of an approved care organisation.

**Subitem 6(4)** provides that, if the application provision in **subitem 6(2)** applies to a child, this will continue to apply from 1 January 2012 until the child stops being enrolled in, or stops undertaking, the course as provided for in **subitem 6(3)**. As the previous rules will continue to apply to these children, subsection 22(6) and 34(1) of the Family Assistance Act provide that, for these children, they will also cease to be an FTB child of an individual or a client of an approved care organisation, for the purpose of FTB, when they turn 25, even where they continue to be enrolled in, and undertaking, the relevant course of study.



## Schedule 2 – Indexation

### Summary

This Schedule makes amendments to some indexation arrangements for family assistance and paid parental leave.

Indexation will be paused until 1 July 2014 for the higher income free area for family tax benefit Part A (FTB Part A) (both the basic amount and the additional amount for each FTB child after the first), the family tax benefit Part B income limit and the baby bonus income limit. As paid parental leave is a new entitlement, indexation of the paid parental leave income limit will not commence until 1 July 2014.

This Schedule also pauses indexation of FTB Part A and Part B supplements for three years from 1 July 2011.

### Background

#### ***Family assistance income thresholds***

Schedule 2 to the *Social Security and Family Assistance Legislation Amendment (2009 Budget Measures) Act 2009* amended clause 3 of Schedule 4 to the Family Assistance Act to include a new subclause (7) that provides that there is to be no indexation of the higher income free area for FTB Part A (both the basic amount and the additional amount for each FTB child after the first), the income limit for FTB Part B and the baby bonus income limit for 1 July 2009, 1 July 2010 and 1 July 2011. This was a 2009-2010 Budget measure.

This Schedule will extend the indexation pauses for these income threshold amounts to include the indexation that would otherwise happen on 1 July 2012 and 1 July 2013. This is a 2011-2012 Budget measure.

#### ***FTB Part A and Part B supplements***

Clause 1 of Schedule 1 to the Family Assistance Act sets out the overall rate calculation process for family tax benefit (FTB). Supplements are included in the calculation for FTB Part A in clauses 3 and 25 of Schedule 1 and for FTB Part B in clause 29 of Schedule 1.

The amounts of the supplements are indexed annually, on 1 July each year, in accordance with movements in the Consumer Price Index (CPI). The supplement amounts are currently \$726.35 for FTB Part A and \$354.05 for FTB Part B. The relevant indexation provisions are items 8A and 9A in the table in clause 2 of Schedule 4 to the Family Assistance Act, and items 8A and 9A in the table in subclause 3(1) of Schedule 4, which provide for CPI indexation of these amounts.

The indexation arrangements for the amounts that comprise the FTB Part A and Part B supplements will be amended so that these amounts are not indexed on 1 July 2011, 1 July 2012 and 1 July 2013. As a consequence, indexation will not recommence for the supplements until 1 July 2014.

### ***Paid parental leave income limit***

The *Paid Parental Leave Act 2010* (the Paid Parental Leave Act) provides that a person can only be eligible for parental leave pay if they meet the requirements in section 31, which includes satisfying the income test. Division 4 of Part 2-3 of the Paid Parental Leave Act sets out the income test. Section 37 provides that a person satisfies the income test if their adjusted taxable income for the reference income year is not more than the relevant 'PPL income limit'. The PPL income limit is defined in section 6 with reference to section 41. Section 41 provides that the PPL income limit before 1 July 2012 is \$150,000 and is then subject to indexation.

Subdivision B of Division 4 of Part 2-3 sets out the rules for indexing the PPL income limit. Under the Paid Parental Leave Act, indexation for the PPL income limit should occur on 1 July each year starting on 1 July 2012.

This measure will extend the commencement date for indexation of the PPL income limit to 1 July 2014. This will assist in maintaining consistency with the pausing of indexation for the baby bonus income limit under the Family Assistance Act.

These changes all commence on 30 June 2011.

### **Explanation of changes**

#### ***Amendments to the Family Assistance Act***

**Item 1** amends subclause 3(7) of Schedule 4 to the Family Assistance Act to include references to 1 July 2012 and 1 July 2013.

The note at the end of this item provides that the change to this provision will also be reflected by changes to the heading to subclause 3(7).

**Item 2** inserts a new subclause 3(8) into Schedule 4 to the Family Assistance Act. This new provision provides that indexation of the FTB gross supplement amount (A) and FTB gross supplement amount (B) will not occur on 1 July 2011, 1 July 2012 and 1 July 2013.

***Amendments to the Paid Parental Leave Act***

**Item 3** amends the guide to Part 2-3 in section 30 of the Paid Parental Leave Act to reflect the change in date from 30 June 2012 to 30 June 2014.

**Items 4 and 5** amend the references to 1 July 2012 in sections 41 and 42 to 1 July 2014. This will mean that indexation will not occur for the PPL income limit until 1 July 2014.

## Schedule 3 – Assessing qualification for disability support pension

### Summary

This Schedule introduces a requirement, commencing from 3 September 2011, that people will need to provide evidence that they have tested their future work capacity by participating in training or work-related activities to be qualified for disability support pension. This new requirement will not apply to claimants for disability support pension who have a severe impairment, such as those who are clearly unable to work.

As part of the *Job Capacity Assessment – more efficient and accurate assessments for Disability Support Pension and employment services* 2010-2011 Budget measure, the Government undertook to reform disability support pension assessments in this way. Implementation of this aspect of the measure was brought forward to September 2011 (instead of January 2012) in the 2011-2012 Budget.

### Background

Disability support pension provides income support to people who, because of an ongoing physical, intellectual or psychiatric impairment, are prevented from working or from being re-trained for work. The qualification for disability support pension requires, amongst other things, that a person has a continuing inability to work because of an impairment.

The Government believes long-term dependence on disability support pension is not the best option for people who have skills and capacity to participate in the workforce or who are able to build such skills with appropriate assistance. The measures in this Schedule are focused on ensuring that people who are unable to work, or who have made a positive effort to build their capacity to work but due to their impairments are unable to work, qualify for disability support pension.

Presently, a person has a continuing inability to work because of an impairment if the Secretary is satisfied that the impairment is of itself sufficient to prevent the person from doing any work independently of a program of support within the next two years, and either: (i) the impairment is of itself sufficient to prevent the person from undertaking a training activity during the next two years; or (ii) if the impairment does not prevent the person from undertaking a training activity – such activity is unlikely (because of the impairment) to enable the person to do any work independently of a program of support within the next two years.

This Schedule introduces the new requirement that a person who does not have a severe impairment must satisfy the Secretary that they have actively participated in a program of support. The requirement for a person to have actively participated in a program of support will not of itself answer the question of whether the person has a continuing inability to work. In addition, the person will also be required to satisfy the Secretary that, as a result of the person's impairment, the person is prevented from undertaking any work and/or a training activity within the next two years.

A person will have a severe impairment if the person's impairment has been assessed under the Impairment Tables and been assigned an impairment rating of 20 points or more, of which 20 points or more have been assigned under a single Impairment Table. A person with a severe impairment will not be required to have actively participated in a program of support. However, the person will have to satisfy the Secretary that, as a result of the person's impairment, the person is prevented from undertaking any work and/or a training activity within the next two years.

The intent of this measure is, where appropriate, to require a person claiming disability support pension to demonstrate that they have undertaken and actively participated in a program of support.

This Schedule commences on 3 September 2011. This commencement date aligns with Centrelink system requirements.

### Explanation of the changes

**Items 1 and 2** are consequential to the repeal of section 94A of the Social Security Act in **item 10**. **Item 1** omits from subparagraph 94(1)(e)(iii) the phrase 'while a dependent child of an Australian resident; and' and substitutes the phrase 'while a dependent child of an Australian resident'. **Item 2** repeals paragraph 94(1)(f).

**Item 3** inserts new paragraph 94(2)(aa) in to the Social Security Act. Subsection 94(2) sets out the requirements for the Secretary to be satisfied that a person has a continuing inability to work.

New paragraph 94(2)(aa) adds another step in determining whether a person has a continuing inability to work. New paragraph 94(2)(aa) provides that, if the person's impairment is not a severe impairment (which is defined in new subsection 94(3B), at **item 6**), the person must have actively participated in a program of support (defined in new subsection 94(3C), at **item 6**).

To satisfy the Secretary that the person has a continuing inability to work, a person who does not have a severe impairment must also satisfy paragraphs 94(2)(a) and (b).

A person who does have a severe impairment will not have to satisfy the Secretary that they have actively participated in a program of support but will have to satisfy the Secretary that they have a continuing inability to work as provided by paragraphs 94(2)(a) and (b).

The note provides that a new heading to subsection 94(2), '*Continuing inability to work*', will be inserted.

**Items 4 and 5** insert the words 'in all cases' before the words 'the impairment' in paragraph 94(2)(a) and before the word 'either' in paragraph 94(2)(b). The phrase 'in all cases' has been inserted in subsection 94(2) to clarify that paragraphs 94(2)(a) and (b) apply to a person who has a 'severe impairment' and to a person who is to have actively participated in a program of support.

**Item 6** inserts new subsections 94(3A), (3B), (3C), (3D) and (3E).

New subsection 94(3A) provides that, if a person is receiving disability support pension, and the Secretary gives the person a notice under subsection 63(2) or (4) of the Social Security Administration Act in relation to assessing the person's qualification, then the requirement inserted by **item 3** will not apply in relation to that assessment. That is, if a person is receiving disability support pension, and the Secretary decides to review that person's qualification, then the person will not need to satisfy the Secretary that they have actively participated in a program of support.

New subsection 94(3B) inserts a definition of ***severe impairment***. Severe impairment is a new criterion being introduced into the qualification criteria for disability support pension.

A person has a severe impairment if the person has an impairment which has been assessed under the Impairment Tables and been assigned an impairment rating of 20 points or more, of which 20 points or more have been assigned under one Impairment Table. That is, 20 points on a single Impairment Table is the minimum requirement in order to have a severe impairment for the purposes of new subsection 94(3B). A person may be assigned 20 points or more under more than one Impairment Table, but for the purpose of determining whether the person's impairment is a severe impairment, at least 20 of the impairment points assigned must have been assigned under one Impairment Table alone.

A person with a severe impairment will not have to satisfy the Secretary that the person has actively participated in a program of support. Even though the person has a severe impairment, the person is still required to satisfy the Secretary that the person satisfies paragraphs 94(2)(a) and (b).

Examples 1 and 2, which follow new subsection 94(3B), have been included to illustrate situations in which a person will have a severe impairment for the purposes of new subsection 94(3B). Example 3 illustrates where a person will not have a severe impairment.

New subsection 94(3C) provides the Minister with a power to make a legislative instrument setting out the requirements that a person must satisfy in order to have actively participated in a program of support.

New subsections 94(3D) and 94(3E) provide that the Minister may make guidelines with respect to matters about which the Secretary is to be satisfied in determining whether a person, who does not have a severe impairment, has actively participated in a program of support (as provided for in new paragraph 94(2)(aa) in **item 3**). The Secretary must comply with any guidelines in force under subsection 94(3E). These guidelines will be a legislative instrument.

**Items 7 and 9** effectively remove the definition of a 'program of support' from the definition of doing work 'independently of a program of support'.

**Item 7** repeals paragraph 94(4)(a) and substitutes new paragraph 94(4)(a). New paragraph 94(4)(a) removes the definition of a 'program of support' from the definition of doing work 'independently of a program of support'. The definition of *program of support* is inserted into subsection 94(5) by **item 9**.

Despite the separation of the definition of program of support from paragraph 94(4)(a) and minor rewording to effect the separation, the intent of both the definition of a program of support and of doing work independently of a program of support remains the same.

A program of support is a program that is designed to assist persons to prepare for, find or maintain work and is either funded wholly or partly by the Commonwealth or is of a type that the Secretary considers is similar to a program that is designed to assist persons to prepare for, find or maintain work and that is funded (wholly or partly) by the Commonwealth.

The note to **item 7** provides that a new heading to subsection 94(4), '*Doing work independently of a program of support*', will be inserted.

The note to **item 9** provides that a new heading to subsection 94(5), '*Other definitions*', will be inserted.

**Item 8** omits the word 'such' from paragraphs 94(4)(b) and (c).

**Item 11** omits the reference to section 94A from paragraph 729(2A)(a) of the Social Security Act.

**Item 12** contains the application and saving provisions.

**Subitem 12(1)** provides that the amendments made by **items 1 to 9** apply to a person who makes a claim, or who is taken to have made a claim for disability support pension on or after 3 September 2011.

The note to **subitem 12(1)** informs the reader that sections 12, 13 and 15 and clause 4 of Schedule 2 to the Social Security Administration Act deal with claims for disability support pension that are taken to have been made.

**Subitem 12(2)** provides that, despite the repeal of section 94A of the Social Security Act by **item 10**, if:

- a) a person made a claim for disability support pension under section 94A before the commencement of **item 10** and, immediately before that commencement, the claim had not been finally determined; or
- b) a person was receiving disability support pension under that section immediately before the commencement of **item 10**;

section 94A, as in force immediately before that commencement, continues to apply on or after that commencement for the purposes of working out the person's qualification for disability support pension under that section.



## **Schedule 4 – Extending Cape York welfare reform trial**

### **Summary**

This Schedule amends section 123UF of the Social Security Administration Act to enable a proposed 12-month extension of the welfare reform trial in the Cape York area.

### **Background**

The Cape York welfare reform trial (the Trial) is a partnership between the communities of Aurukun, Coen, Hope Vale and Mossman Gorge, the Australian Government, the Queensland Government and the Cape York Institute for Policy and Leadership. It aims to restore positive social norms, re-establish local Indigenous authority and support community and individual engagement in the real economy.

To date, the Trial has made a real difference in the lives of Indigenous people in the Cape. Since it began in July 2008, the Cape York Welfare Reform communities have seen improved school attendance, care and protection of children and community safety.

A key plank of the Trial is the Family Responsibilities Commission, established under Queensland Government legislation. Local Family Responsibility Commissioners hold conferences with community members, refer people to support services and, when necessary, arrange income management.

Currently, a person can only be subject to income management under the Trial after a decision by the Family Responsibilities Commission, made before 1 January 2012.

This Schedule amends the Social Security Administration Act to extend this date to 1 January 2013 to enable income management to continue in Cape York for a further 12 months.

The Queensland Government is currently leading a process of consultation with Cape York communities about extension of the Trial. Queensland Government legislation also needs to be changed in order for the Trial to be extended.

### **Explanation of the changes**

**Item 1** omits the references to 1 January 2012 in paragraph 123UF(1)(g) and paragraph 123UF(2)(h) and inserts references to 1 January 2013.

## Schedule 5 – Aboriginal Land Trusts

### Summary

This Schedule amends the *Aboriginal Land Rights (Northern Territory) Act 1976* (the Land Rights Act) to clarify that the *Public Works Committee Act 1969* (the PWC Act) does not apply to Aboriginal Land Trusts.

### Background

The Land Rights Act provides for the establishment of Aboriginal Land Trusts to hold title to land in the Northern Territory for the benefit of Aboriginal people entitled by Aboriginal tradition to the use or occupation of the land concerned. Land vested in an Aboriginal Land Trust under the Land Rights Act is held as an estate in fee simple.

Since the concept of authorities of the Commonwealth was first introduced into the PWC Act by way of amendment in 1981, Aboriginal Land Trusts have not in practice been considered to be Commonwealth authorities to which the PWC Act applies. The amendment made by this Schedule clarifies that Aboriginal Land Trusts are not authorities of the Commonwealth for the purposes of the PWC Act.

The amendment made by this Schedule commences on Royal Assent.

### Explanation of the changes

**Item 1** inserts new section 5A into the Land Rights Act. Section 5A provides that the PWC Act does not apply to a Land Rights Act Aboriginal Land Trust.

This will not affect the application of the PWC Act to any proposed arrangement that involves the carrying out of a work by or for the Commonwealth, or by or for an authority of the Commonwealth to which the PWC Act applies. Where the Parliamentary appropriation requirements of section 5AA of the PWC Act are otherwise satisfied, the work will be a 'public work' for the purposes of that Act, even if the work is proposed to be carried out on land owned by a Land Rights Act Aboriginal Land Trust.