

SENATE COMMUNITY AFFAIRS LEGISLATION COMMITTEE

INQUIRY INTO

EMPLOYMENT AND WORKPLACE RELATIONS AMENDMENT
(WELFARE TO WORK AND OTHER MEASURES) BILL 2005

AND

FAMILY AND COMMUNITY SERVICES LEGISLATION AMENDMENT
(WELFARE TO WORK) BILL 2005

21 NOVEMBER 2005

QUESTIONS ON NOTICE

Question:

What topics/issues will be covered in the Guide to Social Security Law?

Answer:

Guide revision to support Welfare to Work

While amendments to legislation will provide a broad framework for the Welfare to Work measures, the Guide to Social Security Law (the Guide) will provide the detail of the micro policy decisions underpinning each measure, particularly those involving new areas of discretion which the Secretary may exercise.

Work on the revision of the Guide to support “Welfare to Work” changes has commenced. It is a complex task that will take several months to finalise. There are ten parts to the Guide and over 2000 subsections (or topics), many with links to subsections in other parts. The revision task will involve checking individual subsections for potential “Welfare to Work” impacts and liaising with the Departments of Family and Community Services (FaCS) and Education, Science and Training (DEST), as they have policy responsibility for some of the payments and arrangements affected by the changes.

Lists of key topics/issues

Attachment A lists Parts and Chapters in the current Guide. While the more significant and greater degree of change will be to Parts 1 and 3, considerable work will be involved in identifying and making consequential amendments to the electronically linked topics throughout the Guide.

Attachment B identifies key topics by type of claimant affected by the Welfare to Work measures which will require the development of appropriate policy guidelines in the Guide.

Background

The Guide to Social Security Law (the Guide) provides detailed operational policy direction on social security legislation (the *Social Security Act 1991*, and the *Social Security (Administration) Act 1999*). It covers areas of policy responsibility shared by the three departments with responsibility for social security legislation: the Department of Employment and Workplace Relations (DEWR), FaCS and DEST.

While primarily a tool to assist decision-makers in Centrelink, the Guide also is used by the Social Security Appeals Tribunal, community organisations and the general public. It is a publicly available electronic document, updated through regular monthly releases. The Guide explains in simple, practical terms, the meaning of social security legislation and aims to assist staff in applying the legislation by providing:

- detailed explanations of the policy intent of the different sections of the legislation, and
- examples of common scenarios and how the legislation should be interpreted in each case.

Guide to Social Security Law - Contents

1. Background

This attachment lists the existing parts and chapters in the current Guide to Social Security Law (the Guide). The proposed Welfare to Work changes to social security legislation will require significant changes to the content of parts 1 and 3 of the Guide. In addition, there will be a range of minor and consequential amendments to other parts of the Guide, for example changes to part 4 to reflect the new income test taper rates for allowances.

2. Contents

Part	Chapter	Title
1		<i>Key Terms and Principles</i> - Terms used in the administration of payments/benefits, and descriptions of benefits and principles surrounding the Act
	1.1	Key Terms
	1.2	Descriptions of Payments, Benefits
	1.3	Administrative Principles
2		<i>Claim Verification</i> - Policies regarding verification of claim information
	2.1	<i>Deleted</i>
	2.2	Verification
	2.3	<i>Deleted</i>
3		<i>Qualification and Payability</i> - Characteristics that qualify a customer, along with other information regarding the assessment, for example commencement dates, notifiable events and payability issues
	3.1	General Provisions
	3.2	Newstart and Youth Allowance
	3.3	Other Labour Market and Older Students
	3.4	Age Pension
	3.5	Parenting Payment
	3.6	Disability Support Pension
	3.7	Special Payments
	3.8	Supplementary Benefits
	3.9	Concession Cards
	3.10	Payment Cycles

	3.11	Debts under the <i>Social Security Act</i> before 01/07/2001
	3.12	Pension GST Supplement
4		<i>Income and Assets</i> - The payments/benefits that have income/assets testing, the limits for them, and what constitutes income and assets
	4.1	Deprivation of Income and Assets
	4.2	Means Test and Limits
	4.3	Ordinary Income
	4.4	Deeming Provisions
	4.5	<i>Deleted</i>
	4.6	Assets
	4.7	Business Structures, Primary Production and pre 01/01/2002 Assessment of Trusts and Private Companies
	4.8	Superannuation Funds
	4.9	Income Streams
	4.10	Historical Income and Assets Limits and Information
	4.11	Taxable Income
	4.12	Means Test Treatment of Private Trusts and Private Companies from 01/01/2002
	4.13	Compensation
5		<i>Rates and Payment Methods</i> - Current and some historic rates for all payments, along with information about how payments are made, for example, advances, direct credits and periodicity
	5.1	Current Rates
	5.2	Historical Rates
	5.3	Payment Methods and Taxation
	5.4	Advance Payments
	5.5	Samples of Rate Calculations
6		<i>Reviews, Debts and Payment Recovery</i> - Various review mechanisms, all about overpayments, and what happens when a claimant receives compensation
	6.1	Changes in Incomes and Assets – Reviews
	6.2	Payment-specific Reviews
	6.3	Assessing Overpayments
	6.4	Compensation Recovery

	6.5	<i>Deleted</i>
	6.6	Member of a Couple Reviews
	6.7	Debt Provisions Under the <i>Social Security Act</i> from 1/7/2001
	6.8	Profiling – Reviews
7		<i>Portability and Conditions for Payment</i> - Conditions for payment outside Australia, and a brief explanation of comparable foreign payment provisions. Links to the Overseas Assessments Manual for comprehensive explanations
	7.1	Conditions for Payment Outside Australia
	7.2	Arrangements for Payment Outside Australia
	7.3	Claiming Conditions for Payment
8		<i>Administration Act Provisions</i> - Provides guidance on the structure and content of the <i>Social Security Administration Act 1999</i> ; discretionary decision-making under the <i>Social Security Administration Act 1999</i> ; and certain procedural requirements for the implementation of the <i>Social Security Administration Act 1999</i>
	8.1	Claim Lodgement Provisions
	8.2	Reclaims and Transfers
	8.3	Start Days
	8.4	Payment Methods
	8.5	Nominees
	8.6	Date of Effect of Determinations
9		<i>Visas, Entitlements and Assurances of Support</i> - Information about visas issued by the Australian Government Department of Immigration and Multicultural and Indigenous Affairs, entitlement to social security payments and the Assurance of Support scheme
	9.1	What is a Visa?
	9.2	Visa Subclasses and Payment Eligibility for Visas Issued After 1/9/94
	9.3	Visa Conditions
	9.4	Assurance of Support Scheme
10		<i>Australian Social Security Agreements</i> - Information about Australia's social security agreements with other countries
	10.1	General Principles of Agreements
	10.2	Agreement with New Zealand 2002
	10.3	Agreement with the United Kingdom
	10.4	Agreement with Italy

	10.5	Agreement with Canada
	10.6	Agreement with Spain
	10.7	Agreement with Malta
	10.8	Agreement with the Netherlands
	10.9	Agreement with Ireland
	10.10	Agreement with Portugal
	10.11	Agreement with Austria
	10.12	Agreement with Cyprus
	10.13	Agreement with Denmark
	10.14	Agreement with Germany
	10.15	Agreement with United States of America
	10.16	Agreement with Chile
	10.17	Agreement with Croatia
	10.18	Agreement with Slovenia
	10.19	Agreement with Belgium
	10.100	Glossary for Australian Agreements

Key Policy to be covered in Guidelines

Implementation of the Welfare to Work initiative will be supported through legislative amendments, included in the *Employment and Workplace Relations Amendment (Welfare to Work and Other Measures) Bill 2005*, and through consequential updates to the *Guide to Social Security Law*. The Department of Employment and Workplace Relations (DEWR) is currently drafting guidelines on the following topics for inclusion in the *Guide to Social Security Law*.

Parents

- Parenting Payment - 'Grandfathering' Arrangements
- Principal Carers - Participation Requirements
- Suitable Work for Principal Carers
- Exemptions for Principal Carers with Special Family Circumstances
- Principal Carer Parents - Reasonable Excuse for Non-compliance with Participation Requirements
- Extension of Advance Payments to Parenting Payment (Partnered) Recipients

People with a Disability

- Assessment of Work Capacity for Disability Support Pension, Newstart Allowance and Youth Allowance
- Changes to Disability Support Pension - Background
- Extended Return to Disability Support Pension Provision for workers from 1 July 2006
- Disability Support Pension Recipients aged 55 and over
- General Qualification for Disability Support Pension from 1 July 2006
- Qualification for Disability Support Pension during Employment from 1 July 2006
- Qualification for Disability Support Pension during Self Employment from 1 July 2006
- Qualification for Disability Support Pension during Study or Training Activity from 1 July 2006
- Supplementary Benefits & Employment Assistance for Disability Support Pension Recipients from 1 July 2006
- Qualification for the Higher Rate of Mobility Allowance
- Participation requirements for people with a partial capacity to work on Newstart and Youth Allowance
- Meaning of 15 hours per week in assessing eligibility for Disability Support Pension from 1 July 2006

Compliance

- Welfare to Work Compliance Framework
- 10% Debt Recovery Fee

Mature Age

- Increased Participation Requirements for New Start Allowance Recipients aged 50 and over – Background
- Participation Requirements for Newstart Allowance Recipients aged 50 and over
- Work for the Dole for Newstart Allowance Recipients aged 40 and over

Very Long Term Unemployed

- Full-time Work for the Dole for Very Long Term Unemployed Jobseekers

General

- Allowance Income Test Changes
- Employment Entry Payment
- Extension of the Income Maintenance Period
- Extension of the Seasonal Work Preclusion Period
- Pensioner Education Supplement
- Qualification for Pensioner Concession and Health Care Cards, Telephone Allowance and Pharmaceutical Allowance
- Qualification for Newstart Allowance
- RapidConnect – Impact on Newstart Allowance and Youth Allowance
- Youth Allowance Parental Means Test Exemption
- Youth Disability Supplement