

SOCIAL SERVICES LEGISLATION AMENDMENT (OMNIBUS SAVINGS AND CHILD CARE REFORM) BILL 2017

Summary of Measures

Payment rates

Family Tax Benefit Part A maximum fortnightly rates will be increased by \$20.02 for each Family Tax Benefit child up to 19. An equivalent rate increase, of around \$19.37 per fortnight, will apply to Youth Allowance and disability support pension recipients aged under 18 and living at home. These increases will apply from 1 July 2018.

Family Tax Benefits Part B rate

From 1 July 2017, the Bill will introduce a reform to Family Tax Benefit Part B that removes entitlement to FTB Part B for single parent families who are not single parents aged 60 or more or grandparents or great-grandparents, from 1 January of the calendar year their youngest child turns 17.

Family Tax Benefit supplements

The Bill introduces a measure to phase out the Family Tax Benefit Part A supplement by reducing it to \$602.25 a year from 1 July 2016, and to \$302.95 a year from 1 July 2017. It will then be withdrawn from 1 July 2018.

The Family Tax Benefit Part B supplement will also be phased out. It will be reduced to \$302.95 a year from 1 July 2016, and to \$153.30 a year from 1 July 2017. It will then be withdrawn from 1 July 2018.

Jobs for Families Child Care Package

This measure introduces key aspects of the Jobs for Families Child Care Package, as announced in the 2015-16, and 2016-17 Budget. The measure will, through the introduction of a new Child Care Subsidy (CCS) and other enhancements, deliver a simpler, more affordable, more flexible and more accessible child care system for families. This measure takes effect from 2 July 2018.

Proportional payments of pensions outside Australia

From the first 1 January, 1 April, 1 July or 1 October after this Bill receives Royal Assent, pensioners who have spent less than 35 years of their working life in Australia will have their pension reduced at six weeks overseas, rather than the current 26 weeks, based on their period of Australian Working Life Residence.

Pensioner Education Supplement

This measure ceases pensioner education supplement from the next 1 January or 1 July after the day the Act receives Royal Assent.

Education Entry Payment

This measure ceases the Education Entry Payment from the next 1 January or 1 July after the Act receives Royal Assent.

Indexation

This measure implements the following changes to Australian Government payments:

- maintain at level for three years from 1 July of the first financial year beginning on or after the day this Act receives Royal Assent the income free areas for all working age allowances (other than student payments) and for parenting payment single; and
- maintain at level for three years from 1 January of the first calendar year beginning on or after the day this Act receives Royal Assent the income free areas and other means test thresholds for student payments, including the student income bank limits.

Close the Energy Supplement to new welfare recipients

From 20 September 2017, payment of the Energy Supplement ceases to recipients who were not receiving a welfare payment on 19 September 2016. From the 20 September 2017, the Energy Supplement is closed to new welfare recipients.

Stopping the payment of Pension Supplement after six weeks overseas

This measure will stop the payment of pension supplement after six weeks temporary absence overseas and immediately for permanent departures. This measure will take effect from 1 July 2017.

Automation of income stream review processes

This measure will allow for the automation of the regular income stream review process by enabling the Secretary to require income stream providers to transfer a dataset to the Department of Human Services (DHS) on a regular basis. This measure will take effect from 1 January 2018.

Seasonal horticultural work income exemption

This measure provides a social security income test incentive aimed at increasing the number of job seekers who undertake specified seasonal horticultural work, such as fruit picking. This will be a two year trial that will commence from 1 July 2017.

Ordinary waiting periods

This measure makes amendments to extend and simplify the ordinary waiting period for working age payments. This measure takes effect from the next 1 January or 1 July after the day the Act receives Royal Assent.

Age requirements for various Commonwealth payments

This measure provides that young unemployed people aged 22 to 24 would no longer be eligible for Newstart allowance or sickness allowance until they turn 25 years of age and would, instead, be able to claim and qualify for Youth Allowance. To enable this, Youth Allowance for all types of people who can satisfy the activity test, will be available to people who have not yet reached 25. This measure will take effect from the next 1 January or 1 July after the day the Act receives Royal Assent.

Income support waiting periods

This measure introduces a four-week waiting period, for job ready young people who are looking for work, to receive income support payments. During this four-week period, job seekers under 25 years of age who have been classified as job ready (Stream A) by the Job Seeker Classification Instrument will also be required to complete assigned activities, through a new program, RapidConnect Plus, that will help them prepare for and find work. This measure takes effect from the next 1 January or 1 July after the day the Act receives Royal Assent

Other waiting period amendments (Rapid Activation of young job seekers)

This measure implements the Rapid Activation of young job seekers 2015 Budget measure. This measure takes effect from the next 1 January or 1 July after the day the Act receives Royal Assent.

Adjustments for Primary Carer Pay

This and the following measure introduce the revised arrangements for the Paid Parental Leave scheme announced in the 2015-16 Mid-Year Economic and Fiscal Outlook and previously introduced in the Fairer Paid Parental Leave Bill 2016, which will now be withdrawn. The measure is changed in that the maximum Paid Parental Leave period for which a person may be paid parental leave pay is increased from the current 18 weeks to 20 weeks. The measure will commence on the first 1 January, 1 April, 1 July or 1 October that is 9 months after the date the Act receives Royal Assent, with an earliest commencement date of 1 January 2018.

Employer Opt-In (PPL)

This measure removes the employer paymaster role in administering the Paid Parental Leave scheme. This earliest start date for this measure is 1 January 2018.

Ends///