A New Tax System (Compensation Measures Legislation Amendment) Act 1999

No. 68, 1999

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An Act to provide for compensation measures related to the implementation of A New Tax System, and for related purposes

Contents

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[*Assented to 8 July 1999*]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *A New Tax System (Compensation Measures Legislation Amendment) Act 1999*.

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2 Commencement

(1) Subject to subsections (2) and (4), this Act commences on the day on which it receives the Royal Assent.

(2) Schedules 1, 2 and 3 commence, or are taken to have commenced:

    (a) after all the provisions listed in subsection (3) have commenced; and

    (b) on the last day on which any of those provisions commenced.

(3) These are the provisions:

    (a) section 1-2 of the *A New Tax System (Goods and Services Tax) Act 1999*;

    (b) section 2 of the *A New Tax System (Goods and Services Tax Imposition—Excise) Act 1999*;

    (c) section 2 of the *A New Tax System (Goods and Services Tax Imposition—Customs) Act 1999*;

    (d) section 2 of the *A New Tax System (Goods and Services Tax Imposition—General) Act 1999*;

    (e) section 2 of the *A New Tax System (Goods and Services Tax Administration) Act 1999*.

(4) Schedule 4 commences, or is taken to have commenced, immediately after the commencement of Schedule 4 to the *A New Tax System (Family Assistance) Act 1999*.

3 Schedule(s)

Subject to section 2, each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.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—Social Security Act 1991

Part 1—Increases to rates and free areas

1 Section 556A

Omit "$20.00", substitute "$20.80".

2 Section 644AAA

Omit "$20.00", substitute "$20.80".

3 Section 662

Omit "$100", substitute "$104".

4 Section 664AAB

Omit "$100.00", substitute "$104".

5 Section 664AB

Omit "$100.00", substitute "$104".

6 Section 664B

Omit "$100.00", substitute "$104".

7 Section 664D

Omit "$300", substitute "$312".

8 Section 664F

Omit "$100", substitute "$104".

9 Section 664FB

Omit "$300", substitute "$312".

10 Section 664H

Omit "$100", substitute "$104".

11 Section 664HB

Omit "$100.00", substitute "$104".

12 Section 664J

Omit "$100", substitute "$104".

13 Section 665B

Omit "$200", substitute "$208".

14 Section 665F

Omit "$200", substitute "$208".

15 Section 665J

Omit "$200", substitute "$208".

16 Section 665N

Omit "$200", substitute "$208".

17 Section 665V

Omit "$200", substitute "$208".

18 Section 665Z

Omit "$200.00", substitute "$208".

19 Section 665ZD

Omit "$200.00", substitute "$208".

20 Section 665ZFB

Omit "$200", substitute "$208".

21 Section 665ZH

Omit "$200", substitute "$208".

22 Section 665ZM

Omit "$200", substitute "$208".

23 Section 665ZR

Omit "$200.00", substitute "$208".

24 Section 665ZV

Omit "$200.00", substitute "$208".

25 Paragraph 900F(2)(a)

Omit "$750", substitute "$780".

26 At the end of paragraph 900F(2)(b)

Add "exceeds $780—2.4 times the amount so stated".

27 Paragraph 900GA(1)(a)

Omit "$200", substitute "$208".

28 At the end of paragraph 900GA(1)(b)

Add "exceeds $208—0.6 times the amount so stated".

29 Paragraph 1061F(1)(b)

Omit "$20.00", substitute "$20.50".

30 Section 1061PZG

Omit "$60.00", substitute "$62.40".

31 Subparagraph 1064(5)(c)(ii)

Omit "$3,122.60", substitute "$3,247.40".

32 Paragraph 1064(5)(d)

Omit "$3,122.60", substitute "$3,247.40".

33 Subsection 1064(6)

Omit "$3,122.60", substitute "$3,247.40".

34 Point 1064-A1 (method statement, after step 1)

Insert:

> *Step 1A.* Work out the amount of pension supplement using Module BA below.

35 Point 1064-A1 (method statement, step 4)

After "1,", insert "1A,".

36 Section 1064 (after Module B)

Insert:

Module BA—Pension supplement

Pension supplement

1064-BA1 The amount of a person's pension supplement depends on the person's maximum basic rate. There is a pension supplement amount for each maximum basic rate listed in the table in point 1064-B1.

Amount of pension supplement

1064-BA2 The amount of a person's pension supplement is worked out by:

(a) calculating the amount (the ***provisional supplement amount***) that is 4% of the person's 1 July 2000 maximum basic rate; and

(b) rounding off the provisional supplement amount in accordance with points 1064-BA4 to 1064-BA6.

Note: The pension supplement amounts are indexed 6 monthly in line with CPI increases (see sections 1191 to 1194).

1064-BA3 A person's ***1 July 2000 maximum basic rate*** is the maximum basic rate that would have been the person's maximum basic rate if the rate had not changed since 1 July 2000.

Rounding off of provisional supplement amount

1064-BA4 If a provisional supplement amount is a multiple of $2.60, the amount of the pension supplement is the provisional supplement amount.

1064-BA5 If a provisional supplement amount is not a multiple of $2.60, the amount of the pension supplement is the provisional supplement amount rounded up or down to the nearest multiple of $2.60.

1064-BA6 If a provisional supplement amount is not a multiple of $2.60, but is a multiple of $1.30, the amount of the pension supplement is the provisional supplement amount rounded up to the nearest multiple of $2.60.

37 Point 1064-E4 (table)

Omit "$624" (wherever occurring), substitute "$639.60".

38 Point 1064-E4 (table)

Omit "$312", substitute "$319.80".

39 Point 1064-E4 (table)

Omit "$24" (wherever occurring), substitute "$24.60".

40 Point 1064-E4 (table)

Omit "$12", substitute "$12.30".

41 Point 1064-H2 (table)

Omit "$455.00" (wherever occurring), substitute "$473.20".

42 Point 1064-H2 (table)

Omit "$390.00", substitute "$405.60".

43 Point 1064-H2 (table)

Omit "$17.50" (wherever occurring), substitute "$18.20".

44 Point 1064-H2 (table)

Omit "$15.00", substitute "$15.60".

45 Point 1064-H2 (table)

Omit "$182.00" (wherever occurring), substitute "$189.80".

46 Point 1064-H2 (table)

Omit "$7.00" (wherever occurring), substitute "$7.30".

47 Subparagraph 1065(4)(c)(ii)

Omit "$3,122.60", substitute "$3,247.40".

48 Paragraph 1065(4)(d)

Omit "$3,122.60", substitute "$3,247.40".

49 Subsection 1065(5)

Omit "$3,122.60", substitute "$3,247.40".

50 Point 1065-A1 (method statement, after step 2)

Insert:

> *Step 2A.* Work out the amount of pension supplement using
> Module BA below.

51 Point 1065-A1 (method statement, step 4)

After "2", insert ", 2A".

52 Section 1065 (after Module B)

Insert:

Module BA—Pension supplement

Pension supplement

1065-BA1 The amount of a person's pension supplement depends on the person's maximum basic rate. There is a pension supplement amount for each maximum basic rate listed in the table in point 1065-B1.

Amount of pension supplement

1065-BA2 The amount of a person's pension supplement is worked out by:

(a) calculating the amount (the ***provisional supplement amount***) that is 4% of the person's 1 July 2000 maximum basic rate; and

(b) rounding off the provisional supplement amount in accordance with points 1065-BA4 to 1065-BA6.

Note: The pension supplement amounts are indexed 6 monthly in line with CPI increases (see sections 1191 to 1194).

1065-BA3 A person's ***1 July 2000 maximum basic rate*** is the maximum basic rate that would have been the person's maximum basic rate if the rate had not changed since 1 July 2000.

Rounding off of provisional supplement amount

1065-BA4 If a provisional supplement amount is a multiple of $2.60, the amount of the pension supplement is the provisional supplement amount.

1065-BA5 If a provisional supplement amount is not a multiple of $2.60, the amount of the pension supplement is the provisional supplement amount rounded up or down to the nearest multiple of $2.60.

1065-BA6 If a provisional supplement amount is not a multiple of $2.60, but is a multiple of $1.30, the amount of the pension supplement is the provisional supplement amount rounded up to the nearest multiple of $2.60.

53 Point 1065-E2 (table)

Omit "$455.00" (wherever occurring), substitute "$473.20".

54 Point 1065-E2 (table)

Omit "$390.00", substitute "$405.60".

55 Point 1065-E2 (table)

Omit "$17.50" (wherever occurring), substitute "$18.20".

56 Point 1065-E2 (table)

Omit "$15.00", substitute "$15.60".

57 Point 1065-E2 (table)

Omit "$182.00" (wherever occurring), substitute "$189.80".

58 Point 1065-E2 (table)

Omit "$7.00" (wherever occurring), substitute "$7.30".

59 Point 1066-A1 (method statement, after step 1)

Insert:

> *Step 1A.* Work out the amount of pension supplement using Module BA below.

60 Point 1066-A1 (method statement, step 4)

After "1,", insert "1A,".

61 Section 1066 (after Module B)

Insert:

Module BA—Pension supplement

Pension supplement

1066-BA1 The amount of a person's pension supplement depends on the person's maximum basic rate.

Amount of pension supplement

1066-BA2 The amount of a person's pension supplement is worked out by:
  (a) calculating the amount (the ***provisional supplement amount***) that is 4% of the person's 1 July 2000 maximum basic rate; and
  (b) rounding off the provisional supplement amount in accordance with points 1066-BA4 to 1066-BA6.

  Note: The pension supplement amount is indexed 6 monthly in line with CPI increases (see sections 1191 to 1194).

1066-BA3 A person's *1 July 2000 maximum basic rate* is the maximum basic
rate that would have been the person's maximum basic rate if the
rate had not changed since 1 July 2000.

Rounding off of provisional supplement amount

1066-BA4 If a provisional supplement amount is a multiple of $2.60, the
amount of the pension supplement is the provisional supplement
amount.

1066-BA5 If a provisional supplement amount is not a multiple of $2.60, the
amount of the pension supplement is the provisional supplement
amount rounded up or down to the nearest multiple of $2.60.

1066-BA6 If a provisional supplement amount is not a multiple of $2.60, but
is a multiple of $1.30, the amount of the pension supplement is the
provisional supplement amount rounded up to the nearest multiple
of $2.60.

62 Point 1066-E4 (table)

Omit "$624", substitute "$639.60".

63 Point 1066-E4 (table)

Omit "$24", substitute "$24.60".

64 Point 1066-H2 (table)

Omit "$455.00" (wherever occurring), substitute "$473.20".

65 Point 1066-H2 (table)

Omit "$390.00", substitute "$405.60".

66 Point 1066-H2 (table)

Omit "$17.50" (wherever occurring), substitute "$18.20".

67 Point 1066-H2 (table)

Omit "$15.00", substitute "$15.60".

68 Point 1066-H2 (table)

Omit "$182.00" (wherever occurring), substitute "$189.80".

69 Point 1066-H2 (table)

Omit "$7.00" (wherever occurring), substitute "$7.30".

70 Point 1066A-F3 (table)

Omit "$624" (wherever occurring), substitute "$639.60".

71 Point 1066A-F3 (table)

Omit "$312", substitute "$319.80".

72 Point 1066A-F3 (table)

Omit "$24" (wherever occurring), substitute "$24.60".

73 Point 1066A-F3 (table)

Omit "$12", substitute "$12.30".

74 Point 1066A-I2 (table)

Omit "$455.00" (wherever occurring), substitute "$473.20".

75 Point 1066A-I2 (table)

Omit "$390.00", substitute "$405.60".

76 Point 1066A-I2 (table)

Omit "$17.50" (wherever occurring), substitute "$18.20".

77 Point 1066A-I2 (table)

Omit "$15.00", substitute "$15.60".

78 Point 1066A-I2 (table)

Omit "$182.00" (wherever occurring), substitute "$189.80".

79 Point 1066A-I2 (table)

Omit "$7.00" (wherever occurring), substitute "$7.30".

80 Point 1066B-F2 (table)

Omit "$455.00" (wherever occurring), substitute "$473.20".

81 Point 1066B-F2 (table)

Omit "$390.00", substitute "$405.60".

82 Point 1066B-F2 (table)

Omit "$17.50" (wherever occurring), substitute "$18.20".

83 Point 1066B-F2 (table)

Omit "$15.00", substitute "$15.60".

84 Point 1066B-F2 (table)

Omit "$182.00" (wherever occurring), substitute "$189.80".

85 Point 1066B-F2 (table)

Omit "$7.00" (wherever occurring), substitute "$7.30".

86 Paragraphs 1067G-F23(a) and (b)

Omit "$3,700", substitute "$3,792".

87 Paragraph 1067G-F23(c)

Omit "$1,200", substitute "$1,230".

88 Paragraph 1067G-F23(d)

Omit "$2,500", substitute "$2,562".

89 Point 1067G-F24

Omit "$7,400", substitute "$7,585".

90 Paragraph 1067G-H29(a)

Omit "$230", substitute "$236".

91 Paragraph 1067G-H29(b)

Omit "$60", substitute "$62".

92 Point 1067G-H33 (example)

Repeal the example.

93 Point 1067G-J4

Omit "$230" (wherever occurring), substitute "$236".

94 Point 1067G-J5

Omit "$230" (wherever occurring), substitute "$236".

95 Point 1067G-K2 (table)

Omit "$17.50" (wherever occurring), substitute "$18.20".

96 Point 1067G-K2 (table)

Omit "$15.00", substitute "$15.60".

97 Point 1067G-K2 (table)

Omit "$7.00" (wherever occurring), substitute "$7.30".

98 Point 1067L-D28

Omit "$230", substitute "$236".

99 Point 1067L-D32 (example)

Repeal the example.

100 Point 1067L-E3

Omit "$230" (wherever occurring), substitute "$236".

101 Point 1067L-E4

Omit "$230" (wherever occurring), substitute "$236".

102 Point 1067L-F2 (table)

Omit "$17.50" (wherever occurring), substitute "$18.20".

103 Point 1067L-F2 (table)

Omit "$15.00", substitute "$15.60".

104 Point 1067L-F2 (table)

Omit "$7.00" (wherever occurring), substitute "$7.30".

105 Paragraph 1068(3)(d)

Omit "$120.10" (wherever occurring), substitute "$124.90".

106 Paragraph 1068(3)(e)

Omit "$120.10", substitute "$124.90".

107 Point 1068-G12

Omit "$60", substitute "$62".

108 Point 1068-G16 (example)

Repeal the example.

109 Point 1068-J3 (table)

Omit "$17.50" (wherever occurring), substitute "$18.20".

110 Point 1068-J3 (table)

Omit "$15.00", substitute "$15.60".

111 Point 1068-J3 (table)

Omit "$7.00" (wherever occurring), substitute "$7.30".

112 Point 1068A-A1 (method statement, after step 1)

Insert:

> *Step 1A.* Work out the amount of pension supplement using
> Module BA below.

113 Point 1068A-A1 (method statement, step 4)

After "1,", insert "1A,".

114 Section 1068A (after Module B)

Insert:

Module BA—Pension supplement

Pension supplement

1068A-BA1 The amount of a person's pension supplement depends on the person's maximum basic rate.

Amount of pension supplement

1068A-BA2 The amount of a person's pension supplement is worked out by:

    (a) calculating the amount (the ***provisional supplement amount***) that is 4% of the person's 1 July 2000 maximum basic rate; and

    (b) rounding off the provisional supplement amount in accordance with points 1068A-BA4 to 1068A-BA6.

    Note: The pension supplement amount is indexed 6 monthly in line with CPI increases (see sections 1191 to 1194).

1068A-BA3 A person's ***1 July 2000 maximum basic rate*** is the maximum basic rate that would have been the person's maximum basic rate if the rate had not changed since 1 July 2000.

Rounding off of provisional supplement amount

1068A-BA4 If a provisional supplement amount is a multiple of $2.60, the amount of the pension supplement is the provisional supplement amount.

1068A-BA5 If a provisional supplement amount is not a multiple of $2.60, the amount of the pension supplement is the provisional supplement amount rounded up or down to the nearest multiple of $2.60.

1068A-BA6 If a provisional supplement amount is not a multiple of $2.60, but is a multiple of $1.30, the amount of the pension supplement is the provisional supplement amount rounded up to the nearest multiple of $2.60.

115 Point 1068A-E14 (table)

Omit "$624", substitute "$639.60".

116 Point 1068A-E14 (table)

Omit "$24", substitute "$24.60".

117 Point 1068A-E18 (example)

Repeal the example.

118 Point 1068A-F2 (table)

Omit "$455.00", substitute "$473.20".

119 Point 1068A-F2 (table)

Omit "$17.50", substitute "$18.20".

120 Point 1068A-F2 (table)

Omit "$182.00", substitute "$189.80".

121 Point 1068A-F2 (table)

Omit "$7.00", substitute "$7.30".

122 Point 1068B-D27

Omit "$60", substitute "$62".

123 Point 1068B-D31 (example)

Repeal the example.

124 Point 1068B-D32 (example)

Repeal the example.

125 Point 1068B-G2 (table)

Omit "$15.00", substitute "$15.60".

126 Point 1068B-G2 (table)

Omit "$17.50" (wherever occurring), substitute "$18.20".

127 Point 1068B-G2 (table)

Omit "$7.00" (wherever occurring), substitute "$7.30".

128 Point 1071-12 (table)

Omit "$40,000" (wherever occurring), substitute "$41,000".

129 Point 1071-12 (table)

Omit "$33,500", substitute "$34,338".

130 Point 1071-12 (table)

Omit "$36,698", substitute "$37,615".

131 Point 1071-12 (table)

Omit "$624" (wherever occurring), substitute "$639.60".

132 Section 1190 (after table item 1)

Insert:

1AA.	Pension supplement	pension supplement	[Pension Rate Calculator A—point 1064-BA2—all amounts]
			[Pension Rate Calculator B—point 1065-BA2—all amounts]
			[Pension Rate Calculator C—point 1066-BA2]
			[Parenting Payment Rate Calculator—point 1068A-BA2]

133 Subsection 1191(1) (after table item 1)

Insert:

1A.	pension supplement	(a) 20 March (b) 20 September	(a) 20 December (b) 20 June	highest June or December quarter before reference quarter (but not earlier than June quarter 1979)	$2.60

134 Subsection 1192(2) (note)

Omit "Note", substitute "Note 1".

135 At the end of subsection 1192(2)

Add:

Note 2:   On the indexation days following 19 March 2001, the indexation of amounts that were increased by 4% or 7% on 1 July 2000 may be affected by section 1206GB.

136 At the end of Part 3.16

Add:

Division 6—One-off adjustments on 1 July 2000 relating to the introduction of the goods and services tax

1206GA 1 July 2000 increase in certain indexed and adjusted amounts

(1) This section applies to an amount (the ***base amount***) that is provided for in a provision listed in column 2 of Table A.

Note: Amounts provided for in provisions listed in Table A are amounts as altered from time to time under Divisions 2 and 4 of this Part (CPI indexation and other adjustments).

(2) This Act has effect as if, on 1 July 2000, the base amount were replaced by an amount (the ***replacement amount***) worked out by:

   (a) calculating the amount (the ***provisional replacement amount***) that is 4% greater than the base amount; and

(b) rounding off the provisional replacement amount in accordance with section 1206GD, using the rounding base for the base amount (see column 4 of Table A).

Table A: Rates

Column 1 Item	Column 2 Provision providing for base amount	Column 3 Description of amount	Column 4 Rounding base for base amount
1	subsection 967(1)	child disability allowance	0.10
2	section 1010	double orphan pension	0.10
3	subsection 1044(1)	mobility allowance	0.10
4	subsection 1061S—table—column 3—all amounts except item 2	telephone allowance	0.80
5	point 1064-C8—table—column 3—all amounts	pharmaceutical allowance	2.60
6	point 1065-C8—table—column 3—all amounts	pharmaceutical allowance	2.60
7	point 1066-C7—annual amount	pharmaceutical allowance	2.60
8	point 1066A-B1—table—column 3—all amounts	pension maximum basic rates	2.60
9	point 1066A-C1—annual amount	youth disability supplement	2.60
10	point 1066A-D8—table—column 3—all amounts	pharmaceutical allowance	2.60
11	point 1066B-B1—table—column 3—all amounts	pension maximum basic rates	2.60
12	point 1066B-C1—annual amount	youth disability supplement	2.60
13	point 1066B-D8—table—column 3—all amounts	pharmaceutical allowance	2.60

Table A: Rates

Column 1 Item	Column 2 Provision providing for base amount	Column 3 Description of amount	Column 4 Rounding base for base amount
14	point 1067G-B2—table—column 3—all amounts	youth allowance maximum basic rates (people who are not independent)	0.10
15	point 1067G-B3—table—column 3—all amounts	youth allowance maximum basic rates (people who are independent)	0.10
16	point 1067G-B4—table—column 3—all amounts	youth allowance maximum basic rates (long term income support students)	0.10
17	point 1067G-C3—table—column 3—all amounts	pharmaceutical allowance	0.10
18	point 1067L-B2—table—column 3—all amounts	austudy payment maximum basic rate (person not long term income support student)	0.10
19	point 1067L-B3	austudy payment maximum basic rate (long term income support student)	0.10
20	point 1067L-C3—table—column 3—all amounts	pharmaceutical allowance	0.10
21	point 1068-B1—table—column 3—all amounts	benefit maximum basic rates	0.10
22	point 1068-D10—table—column 3—all amounts	pharmaceutical allowance	0.10

Table A: Rates			
Column 1	**Column 2**	**Column 3**	**Column 4**
Item	**Provision providing for base amount**	**Description of amount**	**Rounding base for base amount**
23	point 1068A-C7—annual amount	pharmaceutical allowance	2.60
24	point 1068B-B6	parenting payment maximum basic component	0.10
25	point 1068B-C2—table—column 3—all amounts	parenting payment maximum basic rate	0.10
26	point 1068B-E8—table—column 3—all amounts	pharmaceutical allowance	0.10

1206GAA 1 July 2000 increase in rent assistance amounts

(1) This section applies to an amount (the ***base amount***) of rent assistance that is provided for in a provision listed in column 2 of Table A.

> Note: Amounts provided for in provisions listed in Table A are amounts as altered from time to time under Division 2 of this Part (CPI indexation).

(2) This Act has effect as if, on 1 July 2000, the base amount were replaced by an amount (the ***replacement amount***) worked out by:

    (a) calculating the amount (the ***provisional replacement amount***) that is 7% greater than the base amount; and

    (b) rounding off the provisional replacement amount in accordance with section 1206GD, using the rounding base for the base amount (see column 3 of Table A).

Table A: Rates

Column 1 Item	Column 2 Provision providing for base amount	Column 3 Rounding base for base amount
1	point 1064-D5—table—column 4—all amounts	5.20
2	point 1066-D4—table—column 2	5.20
3	point 1066A-EA12—table—column 4—all amounts	5.20
4	point 1066A-EB13—table—column 4—all amounts	5.20
5	point 1067G-D6—table—column 4—all amounts	0.20
6	point 1068-F15—table—column 4—all amounts	0.20
7	point 1068A-D3—table—column 3	5.20
8	point 1068B-F6—table—column 4—all amounts	0.20
9	point 1069-E4—table—column 4—all amounts	0.20

1206GB Adjustment of amounts following 1 July 2000 increase

(1) If an amount (the *affected amount*) is:

   (a) an amount described in the table in section 1206GA or in the table in section 1206GAA that is indexed under Division 2 of this Part; or

   (b) a maximum basic rate provided for in point 1064-B1, 1065-B1, 1066-B1 or 1068A-B1; or

   (c) a pension supplement provided for in point 1064-BA2, 1065-BA2, 1066-BA2 or 1068A-BA2;

this section applies to modify the way the amount is indexed under Division 2 of this Part for a limited period after 19 March 2001.

Method statement

Step 1. Work out the current figure for the affected amount on 19 March 2001.

Step 2. Multiply the current figure by 0.02. The result is the ***provisional overall adjustment amount***.

Step 3. Round off the provisional overall adjustment amount in accordance with subsections (3) to (5), using:

> (a) for an affected amount described in the table in section 1206GA or in the table in section 1206GAA—the rounding base set out in that table for that amount; and

> (b) for a maximum basic rate provided for in point 1064-B1, 1065-B1, 1066-B1 or 1068A-B1—the rounding base of $2.60; and

> (c) for a pension supplement provided for in point 1064-BA2, 1065-BA2, 1066-BA2 or 1068A-BA2—the rounding base of $0.10.

> The result is the ***overall adjustment amount***.

Step 4. For the first indexation day for an affected amount that occurs after 19 March 2001, subtract the current figure from the indexed amount (arrived at using the method statement in subsection 1192(2)). The result (which could be zero) is the ***first indexation increase amount***.

Step 5. Compare the overall adjustment amount with the first indexation increase amount. If the overall adjustment amount is equal to or less than the first indexation increase amount, go to step 6. If the overall adjustment

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amount is greater than the first indexation increase amount, go to step 9.

Step 6.   Subtract the overall adjustment amount from the indexed amount referred to in step 4.

Step 7.   If the indexed amount is a pension supplement, round off the result in accordance with subsections (3) to (5) (as if the amount were a provisional overall adjustment amount), using the rounding base of $2.60.

Step 8.   The result obtained under step 6 or step 7 (as the case requires) is taken to be the indexed amount for the purposes of step 4 of the method statement in subsection 1192(2) and this section has no further application in relation to the affected amount.

> Note: The indexed amount for the purposes of step 4 of the method statement in subsection 1192(2) may be increased under section 1195 in certain cases.

Step 9.   The indexed amount for the purposes of step 4 of the method statement in subsection 1192(2) is taken to be equal to the current figure worked out under step 2 of the method statement in subsection 1192(2). Go to step 10.

> Note: The indexed amount for the purposes of step 4 of the method statement in subsection 1192(2) may be increased under section 1195 in certain cases.

Step 10. For the second indexation day for the affected amount that occurs after 19 March 2001, subtract the first indexation increase amount from the overall adjustment amount. The result is the ***remaining adjustment amount***.

Step 11. Subtract the current figure from the indexed amount (arrived at using the method statement in subsection 1192(2)). The result (which could be zero) is the ***second indexation increase amount***.

Step 12. Compare the remaining adjustment amount with the second indexation increase amount. If the remaining

adjustment amount is equal to or less than the second indexation increase amount, go to step 13. If the remaining adjustment amount is greater than the second indexation increase amount, go to step 16.

Step 13. Subtract the remaining adjustment amount from the indexed amount.

Step 14. If the indexed amount is a pension supplement, round off the result in accordance with subsections (3) to (5) (as if the amount were a provisional overall adjustment amount), using the rounding base of $2.60.

Step 15. The result obtained under step 13 or step 14 (as the case requires) is taken to be the indexed amount for the purposes of step 4 of the method statement in subsection 1192(2) and this section has no further application in relation to the affected amount.

Note: The indexed amount for the purposes of step 4 of the method statement in subsection 1192(2) may be increased under section 1195 in certain cases.

Step 16. The indexed amount for the purposes of step 4 of the method statement in subsection 1192(2) is taken to be equal to the current figure worked out under step 2 of the method statement in subsection 1192(2). Go to step 17.

Note: The indexed amount for the purposes of step 4 of the method statement in subsection 1192(2) may be increased under section 1195 in certain cases.

Step 17. Repeat the method set out in steps 10 to 16 in relation to the third indexation day and to subsequent indexation days until the remaining adjustment amount is zero.

Application of section 1195 to affected amounts

(2) Section 1195 does not apply at Step 4 or Step 11 of the Method statement in this section.

Rounding of provisional overall adjustment amounts

(3) If a provisional overall adjustment amount is a multiple of the rounding base, the provisional overall adjustment amount is the overall adjustment amount.

(4) If a provisional overall adjustment amount is not a multiple of the rounding base, the overall adjustment amount is the provisional overall adjustment amount rounded up or down to the nearest multiple of the rounding base.

(5) If a provisional overall adjustment amount is not a multiple of the rounding base, but is a multiple of half the rounding base, the overall adjustment amount is the provisional overall adjustment amount rounded up to the nearest multiple of the rounding base.

1206GC 1 July 2000 increase in income and assets test free areas

(1) This section applies to an amount (the ***base amount***) that is provided for in:

   (a) a provision listed in column 2 of Table A (see subsection (4)); or

   (b) a provision listed in column 2 of Table B (see subsection (5)).

   Note: Amounts provided for in provisions listed in Tables A and B are amounts as altered from time to time under Division 2 of this Part (CPI indexation).

(2) This Act has effect as if, on 1 July 2000, the base amount were replaced by an amount (the ***replacement amount***) worked out by:

   (a) calculating the amount (the ***provisional replacement amount***) that is 2.5% greater than the base amount; and

   (b) rounding off the provisional replacement amount in accordance with section 1206GD, using the rounding base for the base amount (see column 4 of the relevant table).

(3) For the purposes of subsection (1), the base amount is to include any indexation that occurs on 1 July 2000 under Division 2 of this Part.

(4) The income test free area table is:

Table A: Income test free areas

Column 1 Item	Column 2 Provision providing for base amount	Column 3 Description of amount	Column 4 Rounding base for base amount
1	subsection 198A(1)	income ceiling for care receiver	not applicable— see subsection 1206GD(4)
2	point 1064-E4—table— column 3—all amounts	basic free area for pension	$52.00
3	point 1066-E4—table— column 1	basic free area for pension	$52.00
4	point 1066A-F3—table— column 3—all amounts	basic free area for pension	$52.00
5	paragraph 1067G-F22(a)	parental income free area	$52.00
6	point 1068A-E14—table — column 2	basic free area for parenting payment	$52.00
7	subpoint 1069-J8(1)—table —column 3—items 1 and 3	basic free area for maintenance income test	$7.80
8	subpoint 1069-J8(1)—table —column 3—item 2	basic free area for maintenance income test	$15.60
9	subpoint 1069-J8(1)—table —column 5—all amounts	additional free area for maintenance income test	$2.60

(5) The assets test free area table is:

Table B: Assets test free areas

Column 1 Item	Column 2 Provision providing for base amount	Column 3 Description of amount	Column 4 Rounding base for base amount
1	subsections 198D(1) and (1A)	assets value limit for care receiver	$250.00
2	subsections 198N(2) and(3)	assets value limit for care receiver	$250.00
3	paragraph 198N(4)(a)	assets value limit for care receiver	$250.00
4	subsection 408CE(2)—table—column 3—item 1	asset value limit for widow allowance	$250.00
5	subsection 500Q(2)—table—column 3—item 1	assets value limit for parenting payment	$250.00
6	paragraphs 547C(1)(a) and (b)	assets value limit for youth allowance	$250.00
7	paragraph 573B(1)(a)	assets value limit for austudy payment	$250.00
8	subsection 611(2)—table—column 3A—items 1 and 3	assets value limit for newstart allowance	$250.00
9	subsection 611(2)—table—column 3B—item 3	assets value limit for newstart allowance	$250.00
10	subsection 660YCJ(2)—table—column 3A—items 1 and 3	assets value limit for mature age allowance post-30/6/96	$250.00
11	subsection 660YCJ(2)—table—column 3B—item 3	assets value limit for mature age allowance post-30/6/96	$250.00

Table B: Assets test free areas

Column 1 Item	Column 2 Provision providing for base amount	Column 3 Description of amount	Column 4 Rounding base for base amount
12	subsection 680(3)—table—column 3A—items 1 and 3	assets value limit for sickness allowance	$250.00
13	subsection 680(3)—table—column 3B—item 3	assets value limit for sickness allowance	$250.00
14	subsection 733(3)—table—column 3A—items 1 and 3	assets value limit for special benefit	$250.00
15	subsection 733(3)—table—column 3B—item 3	assets value limit for special benefit	$250.00
16	subsection 771HF(2) table—column 3—all amounts	assets value limit for partner allowance	$250.00
17	point 1064-G3—table—column 3—all amounts (other than column 3B—item 1)	assets value limit—pensions	$250.00
18	point 1066-G3—table—column 3—all amounts (other than column 3B—item 1)	assets value limit—pensions	$250.00
19	point 1066A-H3—table—column 3—all amounts (other than column 3B—item 1)	assets value limit—pensions	$250.00
20	point 1068B-B3—table—column 3A—item 2	assets value limit for parenting payment	$250.00
21	point 1068B-B3—table—column 3B—item 2	assets value limit for parenting payment	$250.00

Note: If an amount is provided for in a subsection or point mentioned in
          Table B, but the provision providing for the amount is not listed in
          Table B, the 2.5% increase in the amount will occur on 1 July 2000
          because of automatic adjustments under Division 4 of this Part.

1206GD Rounding off provisional replacement amounts

(1) If a provisional replacement amount is a multiple of the rounding
     base, the provisional replacement amount is the replacement
     amount.

(2) If a provisional replacement amount is not a multiple of the
     rounding base, the replacement amount is the provisional
     replacement amount rounded up or down to the nearest multiple of
     the rounding base.

(3) If a provisional replacement amount is not a multiple of the
     rounding base, but is a multiple of half the rounding base, the
     replacement amount is the provisional replacement amount
     rounded up to the nearest multiple of the rounding base.

(4) If a provisional replacement amount for a base amount provided
     for in subsection 198A(1) is not a multiple of $1.00, the
     replacement amount is the provisional replacement amount
     rounded up to the nearest multiple of $1.00.

Part 2—Family assistance

137 Point 1069-H28

Repeal the point, substitute:

Income free area

1069-H28 A person's income free area is $28,200.

138 Point 1069-H29

Repeal the point.

139 Point 1069-H30

Repeal the point.

140 Point 1069-H32 (formula)

Repeal the formula, substitute:

$$\text{Fortnightly income excess} \times 0.3$$

141 Point 1070-B1 (step 1 of the method statement)

Omit "$1,000", substitute "$2,000".

142 Point 1070-B2 (step 1 of the method statement)

Omit "$2,500", substitute "$5,000".

Part 3—Taper rates

143 Point 1064-E10

Repeal the point, substitute:

Pension reduction for ordinary income in excess of ordinary income free area

1064-E10 A person's reduction for ordinary income is:

Ordinary income excess $\times$ 0.4

144 Point 1066-E8 (formula)

Repeal the formula, substitute:

Ordinary income excess $\times$ 0.4

145 Point 1066A-F9 (cells at table items 1, 2 and 3, column 3)

Repeal the cells, substitute:

Ordinary income excess $\times$ 0.4

146 Point 1068A-E20 (formula)

Repeal the formula, substitute:

Ordinary income excess $\times$ 0.4

Schedule 2—Veterans' Entitlements Act 1986

Part 1—Increases to rates and free areas

1 Paragraph 30(1)(b)

Repeal the paragraph, substitute:

> (b) $25 per fortnight; and
> (c) the supplement amount per fortnight provided for in subsection (1A).

2 After subsection 30(1)

Insert:

> (1A) A person's supplement amount is the amount of pension supplement that would be payable to the person under point SCH6-BA2 if the person were receiving a pension at the rate listed in column 3 of item 1 of the table in point SCH6-B1, divided by 26.

3 Section 59A (after table item 1)

Insert:

2.	Pension supplement	pension supplement	*Rate Calculator—point SCH6-BA2—all amounts

4 Subsection 59B(1) (after table item 1)

Insert:

1A.	pension supplement	(a) 20 March (b) 20 September	(a) December (b) June	highest June or December quarter before reference quarter (but not earlier than June quarter 1979)	$2.60

5 Subsection 59C(2) (note)

Omit "Note", substitute "Note 1".

6 At the end of subsection 59C(2)

Add:

Note 2:   On the indexation days following 19 March 2001, the indexation of
            amounts that were increased by 4% or 7% on 1 July 2000 may be
            affected by section 198H.

7 At the end of section 59L

Add:

(3) This Act has effect as if, on 1 July 2000, the amount worked out in
     accordance with the following formula were substituted for the PA
     (service pension) rate:

$$\text{Benefit PA ''partnered'' (item 2) rate} \ \times \ 26$$

where:

benefit PA "partnered" (item 2) rate is the current figure for the
benefit "partnered" (item 2) rate within the meaning of the Social
Security Act.

(4) This Act has effect as if, on 1 July 2000, the amount worked out in
     accordance with the following formula were substituted for the PA
     (Part VIIA) rate:

$$\text{Benefit PA ''partnered'' (item 2) rate} \ \times \ 2$$

where:

benefit PA "partnered" (item 2) rate is the current figure for the
benefit "partnered" (item 2) rate within the meaning of the Social
Security Act.

8 Subsection 59Q(8)

Before the example, insert:

Note: The following example is based on amounts and rates as at 1 January
          1998.

9 Subsection 98B(2)

Omit "$550", substitute "$572".

10 Paragraph 99(4)(a)

Omit "$550", substitute "$572".

11 Subsection 100(2)

Omit "$550", substitute "$572".

12 Subsection 102(4)

Omit "$2", substitute "$2.10".

13 Subsection 103(4)

Omit "$2,700", substitute "$2,808".

14 Subsection 118AAC(2)

Omit "$200", substitute "$208".

15 Point 118ZAA-11 (table)

Omit "$40,000" (wherever occurring), substitute "$41,000".

16 Point 118ZAA-11 (table)

Omit "$33,500", substitute "$34,338".

17 Point 118ZAA-11 (table)

Omit "$36,698", substitute "$37,615".

18 Point 118ZAA-11 (table)

Omit "$624" (wherever occurring), substitute "$639.60".

19 Subpoint SCH6-A1(2) (method statement, after step 1)

Insert:

> *Step 1A.* Work out the amount of pension supplement using
> Module BA below.

20 Subpoint SCH6-A1(2) (method statement, step 4)

After "1,", insert "1A,".

21 Subpoint SCH6-A1(3) (method statement, after step 2)

Insert:

> *Step 2A.* Work out the amount of pension supplement using Module BA below.

22 Subpoint SCH6-A1(3) (method statement, step 4)

After "2,", insert "2A,".

23 Subpoint SCH6-A1(6) (method statement, after step 1)

Insert:

> *Step 1A.* Work out the amount of pension supplement using Module BA below.

24 Subpoint SCH6-A1(6) (method statement, step 4)

After "1,", insert "1A,".

25 Point SCH6-A4

Omit "$3,122.60", substitute "$3,247.40".

26 Point SCH6-A5

After "his or her ceiling rate is", insert ", subject to point SCH6-A5A,".

27 After point SCH6-A5

Insert:

SCH6-A5A On and after 1 July 2000, the ceiling rate referred to in point SCH6-A5 is taken to be equal to the pre-November 1986 rate increased by 4%.

28 Part 2 of Schedule 6 (after Module B)

Insert:

Module BA—Pension supplement

Pension supplement

SCH6-BA1 The amount of a person's pension supplement depends on the person's maximum basic rate. There is a pension supplement amount for each maximum basic rate listed in the table in point SCH6-B1.

Amount of pension supplement

SCH6-BA2 The amount of a person's pension supplement is worked out by:

(a) calculating the amount (the ***provisional supplement amount***) that is 4% of the person's 1 July 2000 maximum basic rate; and

(b) rounding off the provisional supplement amount in accordance with points SCH6-BA4 to SCH6-BA6.

Note: The pension supplement amounts are indexed 6 monthly in line with CPI increases (see sections 59B to 59E).

SCH6-BA3 A person's ***1 July 2000 maximum basic rate*** is the maximum basic rate that would have been the person's maximum basic rate if the rate had not changed since 1 July 2000.

Rounding off of provisional supplement amount

SCH6-BA4 If a provisional supplement amount is a multiple of $2.60, the amount of the pension supplement is the provisional supplement amount.

SCH6-BA5 If a provisional supplement amount is not a multiple of $2.60, the amount of the pension supplement is the provisional supplement amount rounded up or down to the nearest multiple of $2.60.

SCH6-BA6 If a provisional supplement amount is not a multiple of $2.60, but is a multiple of $1.30, the amount of the pension supplement is the provisional supplement amount rounded up to the nearest multiple of $2.60.

29 Point SCH6-E6 (table)

Omit "624"(wherever occurring), substitute "639.60".

30 Point SCH6-E6 (table)

Omit "312", substitute "319.80".

31 Point SCH6-E6 (table)

Omit "24" (wherever occurring), substitute "24.60".

32 Point SCH6-E6 (table)

Omit "12", substitute "12.30".

33 Point SCH6-E10 (examples)

After "Ordinary/adjusted income free area examples", insert:

> Note: The following examples are based on the amounts and rates set out in
> this Module at the commencement of this Schedule (see clause 5 of
> Part 1 of this Schedule).

34 Point SCH6-G2 (table item 1, column 3)

Omit "455.00", substitute "473.20".

35 Point SCH6-G2 (table item 1, column 4)

Omit "17.50", substitute "18.20".

36 Point SCH6-G2 (table item 1, column 5)

Omit "182.00", substitute "189.80".

37 Point SCH6-G2 (table item 1, column 6)

Omit "7.00", substitute "7.30".

38 Point SCH6-G2 (table item 2, column 3)

Omit "390.00", substitute "405.60".

39 Point SCH6-G2 (table item 2, column 4)

Omit "15.00", substitute "15.60".

40 Point SCH6-G2 (table item 2, column 5)

Omit "182.00", substitute "189.80".

41 Point SCH6-G2 (table item 2, column 6)

Omit "7.00", substitute "7.30".

42 After section 198F

Insert:

198G 1 July 2000 increase in certain amounts

(1) This section applies to an amount (the *base amount*) that is provided for in a provision listed in column 2 of Table A.

> Note: Amounts provided for in provisions listed in Table A are amounts as altered from time to time under Division 18 of Part IIIB and sections 198, 198A, 198D and 198F (CPI indexation).

(2) This Act has effect as if, on 1 July 2000, the base amount were replaced by an amount (the *replacement amount*) worked out by:

   (a) calculating the amount (the *provisional replacement amount*) that is 4% greater than the base amount; and

   (b) rounding off the provisional replacement amount in accordance with section 198M, using the rounding base for the base amount (see column 4 of Table A).

(3) For the purposes of subsection (1), the base amount is to include any indexation that occurs on 1 July 2000 under Division 18 of Part IIIB or section 198, 198A, 198D or 198F.

Table A: Rates			
Column 1 **Item**	**Column 2** **Provision providing for base amount**	**Column 3** **Description of amount**	**Column 4** **Rounding base for base amount**
1	subsection 22(3)	disability pension (general)	0.10
2	subsection 23(4)	disability pension (intermediate)	0.10

Table A: Rates

Column 1 Item	Column 2 Provision providing for base amount	Column 3 Description of amount	Column 4 Rounding base for base amount
3	subsection 24(4)	disability pension (special)	0.10
4	subsection 27(1)—table— items 1 to 6	disability pension (war-caused injury or disease)	0.10
5	subsection 27(1)—table— items 7 to 15	disability pension (war-caused injury or disease)	0.10
6	subsection 30(2)—all amounts	orphan pension	0.10
7	subsection 97(1)—table— column 2—all amounts	clothing allowance	0.10
8	subsection 98(1)—table— column 2—all amounts	attendant allowance	0.10
9	subsection 104(1)—table— column 2—all amounts	recreation transport allowance	0.10
10	subsection 118S(1)	telephone allowance	0.80

198GA 1 July 2000 increase in rent assistance amounts

(1) This section applies to an amount (the ***base amount***) of rent assistance that is provided for in column 4 of the table in subpoint SCH6-C8(1).

Note: Amounts provided for in column 4 of the table in subpoint SCH6-C8 are amounts as altered from time to time under Division 18 of Part IIIB (CPI indexation).

(2) This Act has effect as if, on 1 July 2000, the base amount were replaced by an amount (the ***replacement amount***) worked out by:

(a) calculating the amount (the ***provisional replacement amount***) that is 7% greater than the base amount; and

    (b) rounding off the provisional replacement amount in accordance with section 198M, using the rounding base of $5.20.

198H Adjustment of amounts following 1 July 2000 increase

(1) If an amount (the *affected amount*) is:

    (a) an amount described in the table in section 198G that is indexed under Division 18 of Part IIIB or under section 198, 198A, 198D or 198F; or

    (b) the amount described in section 198GA; or

    (c) a maximum basic rate provided for in point SCH6-B1; or

    (d) a pension supplement provided for in point SCH6-BA2; or

    (e) an amount provided for in paragraph 30(1)(a); or

    (f) a pension supplement provided for in subsection 30(1A);

this section applies to modify the way the amount is indexed under that Division or section (as the case may be) for a limited period after 19 March 2001.

Method statement

Step 1. Work out the current figure for the affected amount on 19 March 2001.

Step 2. Multiply the current figure by 0.02. The result is the *provisional overall adjustment amount*.

Step 3. Round off the provisional overall adjustment amount in accordance with subsections (6) to (8), using:

    (a) for an affected amount described in the table in section 198G—the rounding base set out in that table for that amount; and

    (b) for the amount described in section 198GA—the rounding base of $5.20; and

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(c)   for a maximum basic rate provided for in point SCH6-B1—the rounding base of $2.60; and

(d)   for a pension supplement provided for in point SCH6-BA2—the rounding base of $0.10; and

(e)   for an amount provided for in paragraph 30(1)(a)—the rounding base of $0.10; and

(f)   for a pension supplement provided for in subsection 30(1A)—the rounding base of $0.10.

The result is the *overall adjustment amount*.

Step 4.   For the first indexation day for an affected amount that occurs after 19 March 2001, subtract the current figure from the indexed amount (arrived at using the method statement in subsection 59C(2)). The result (which could be zero) is the *first indexation increase amount*.

Step 5.   Compare the overall adjustment amount with the first indexation increase amount. If the overall adjustment amount is equal to or less than the first indexation increase amount, go to step 6. If the overall adjustment amount is greater than the first indexation increase amount, go to step 9.

Step 6.   Subtract the overall adjustment amount from the indexed amount referred to in step 4.

Step 7.   If the indexed amount is a pension supplement, round off the result in accordance with subsections (6) to (8) (as if the amount were a provisional overall adjustment amount), using the rounding base of $2.60.

Step 8.   The result obtained under step 6 or step 7 (as the case requires) is taken to be the indexed amount for the purposes of step 5 of the method statement in subsection

59C(2) and this section has no further application in relation to the affected amount.

> Note: The indexed amount for the purposes of step 5 of the method statement in subsection 59C(2) may be increased under section 59EA in certain cases. Similarly, if the indexed amount is a rate worked out under section 198, that amount may be increased under subsection 198(6) or (7) in certain cases.

Step 9. The indexed amount for the purposes of step 5 of the method statement in subsection 59C(2) is taken to be equal to the current figure worked out under step 2 of the method statement in subsection 59C(2). Go to step 10.

> Note: The indexed amount for the purposes of step 5 of the method statement in subsection 59C(2) may be increased under section 59EA in certain cases. Similarly, if the indexed amount is a rate worked out under section 198, that amount may be increased under subsection 198(6) or (7) in certain cases.

Step 10. For the second indexation day for the affected amount that occurs after 19 March 2001, subtract the first indexation increase amount from the overall adjustment amount. The result is the ***remaining adjustment amount***.

Step 11. Subtract the current figure from the indexed amount (arrived at using the method statement in subsection 59C(2)). The result (which could be zero) is the ***second indexation increase amount***.

Step 12. Compare the remaining adjustment amount with the second indexation increase amount. If the remaining adjustment amount is equal to or less than the second indexation increase amount, go to step 13. If the remaining adjustment amount is greater than the second indexation increase amount, go to step 16.

Step 13. Subtract the remaining adjustment amount from the indexed amount.

Step 14. If the indexed amount is a pension supplement, round off the result in accordance with subsections (6) to (8) (as if the amount were a provisional overall adjustment amount), using the rounding base of $2.60.

Step 15. The result obtained under step 13 or step 14 (as the case requires) is taken to be the indexed amount for the purposes of step 5 of the method statement in subsection 59C(2) and this section has no further application in relation to the affected amount.

> Note: The indexed amount for the purposes of step 5 of the method statement in subsection 59C(2) may be increased under section 59EA in certain cases. Similarly, if the indexed amount is a rate worked out under section 198, that amount may be increased under subsection 198(6) or (7) in certain cases.

Step 16. The indexed amount for the purposes of step 5 of the method statement in subsection 59C(2) is taken to be equal to the current figure worked out under step 2 of the method statement in subsection 59C(2). Go to step 17.

> Note: The indexed amount for the purposes of step 5 of the method statement in subsection 59C(2) may be increased under section 59EA in certain cases. Similarly, if the indexed amount is a rate worked out under section 198, that amount may be increased under subsection 198(6) or (7) in certain cases.

Step 17. Repeat the method set out in steps 10 to 16 in relation to the third indexation day and to subsequent indexation days until the remaining adjustment amount is zero.

Meaning of terms in method statement if amount is indexed under section 198, 198A, 198D or 198F

(2) For the purposes of applying the Method statement in this section to an affected amount indexed under section 198, 198A, 198D or 198F, the following expressions used in the Method statement have the meanings set out below:

current figure, as at a particular time, means the rate most recently substituted for a relevant rate under section 198, 198A, 198D or 198F (as the case may be) before that time.

indexed amount means the rate worked out under subsection (4) of section 198, 198A, 198D or 198F (as the case may be).

Modifications to method statement if amount is indexed under section 198, 198A, 198D or 198F

(3) If the affected amount is indexed under section 198, 198A, 198D or 198F, the following Steps in the Method statement in this section are to be read with the following modifications:

   (a) Step 4—as if the words "(arrived at using the Method statement in subsection 59C(2))" were omitted;

   (b) Step 8—as if the words "Step 5 of the Method statement in subsection 59C(2)" were omitted and the words "section 198, 198A, 198D or 198F (as the case may be)" were substituted;

   (c) Step 9—as if the words "Step 5 of the Method statement in subsection 59C(2) is taken to be equal to the current figure worked out under Step 2 of the Method statement in subsection 59C(2)" were omitted and the words "section 198, 198A, 198D or 198F (as the case may be) is taken to be equal to the current figure" were substituted;

   (d) Step 11—as if the words "arrived at using the Method statement in subsection 59C(2))" were omitted;

   (e) Step 15—as if the words "Step 5 of the Method statement in subsection 59C(2)" were omitted and the words "section 198, 198A, 198D or 198F (as the case may be)" were substituted;

   (f) Step 16—as if the words "Step 5 of the Method statement in subsection 59C(2) is taken to be equal to the current figure worked out under Step 2 of the Method statement in subsection 59C(2)" were omitted and the words "section 198, 198A, 198D or 198F (as the case may be) is taken to be equal to the current figure" were substituted.

Application of section 59EA

(4) Section 59EA does not apply at Step 4 or Step 11 of the Method statement in this section.

Application of subsections 198(6) and (7)

(5) Subsections 198(6) and (7) do not apply at Step 4 or Step 11 of the Method statement in this section.

Rounding of provisional overall adjustment amounts

(6) If a provisional overall adjustment amount is a multiple of the rounding base, the provisional overall adjustment amount is the overall adjustment amount.

(7) If a provisional overall adjustment amount is not a multiple of the rounding base, the overall adjustment amount is the provisional overall adjustment amount rounded up or down to the nearest multiple of the rounding base.

(8) If a provisional overall adjustment amount is not a multiple of the rounding base, but is a multiple of half the rounding base, the overall adjustment amount is the provisional overall adjustment amount rounded up to the nearest multiple of the rounding base.

198J 1 July 2000 increase in income test free area

(1) This section applies to an amount (the **base amount**) that is provided for in item 1, 2 or 3 of column 3 of the table in point SCH6-E6.

(2) This Act has effect as if, on 1 July 2000, the base amount were replaced by an amount (the **replacement amount**) worked out by:
   (a) calculating the amount (the **provisional replacement amount**) that is 2.5% greater than the base amount; and
   (b) rounding off the provisional replacement amount in accordance with section 198M using a rounding base of $52.00.

(3) For the purposes of subsection (1), the base amount is to include any indexation that occurs on 1 July 2000 under Division 18 of Part IIIB.

198K 1 July 2000 increase in assets test free area

(1) This section applies to an amount (the *base amount*) that is provided for in:

    (a) item 1 or 2 of column 3A of the table in point SCH6-F3; or

    (b) item 2 of column 3B of the table in point SCH6-F3.

(2) This Act has effect as if, on 1 July 2000, the base amount were replaced by an amount (the *replacement amount*) worked out by:

    (a) calculating the amount (the *provisional replacement amount*) that is 2.5% greater than the base amount; and

    (b) rounding off the provisional replacement amount in accordance with section 198M, using a rounding base of $250.00.

(3) For the purposes of subsection (1), the base amount is to include any indexation that occurs on 1 July 2000 under Division 18 of Part IIIB.

198L 1 July 2000 increase in income/assets reduction limit

(1) This section applies to an amount (the *base amount*) that is provided for in column 3 or 5 of the table in subsection 53E(2).

(2) This Act has effect as if, on 1 July 2000, the base amount were replaced by an amount (the *replacement amount*) worked out by:

    (a) calculating the amount (the *provisional replacement amount*) that is 2.5% greater than the base amount; and

    (b) rounding off the provisional replacement amount in accordance with section 198M, using a rounding base of $2.60.

198M Rounding off provisional replacement amounts

(1) If a provisional replacement amount is a multiple of the rounding base, the provisional replacement amount is the replacement amount.

(2) If a provisional replacement amount is not a multiple of the rounding base, the replacement amount is the provisional replacement amount rounded up or down to the nearest multiple of the rounding base.

(3) If a provisional replacement amount is not a multiple of the rounding base, but is a multiple of half the rounding base, the replacement amount is the provisional replacement amount rounded up to the nearest multiple of the rounding base.

Part 2—Taper rates

43 Point SCH6-C13 (step 6 of the method statement)

Omit "Halve the person's disability pension income excess", substitute "Multiply the person's disability pension income excess by 0.4".

44 Subpoint SCH6-E11(1)

Repeal the subpoint, substitute:

(1) A person's reduction for ordinary/adjusted income is:

Ordinary / adjusted income excess $\times$ 0.4

Part 3—Increase in certain pensions

45 1 July 2000 increase in rate of certain pensions

(1)   If, on or after 1 July 2000, a pension is payable to a person because of the operation of subsection 4(6) or 10(1) of the *Veterans' Entitlements (Transitional Provisions and Consequential Amendments) Act 1986*, the rate at which the pension is payable is the amount that is 4% greater than the rate at which the pension was payable to the person immediately before 1 July 2000.

(2)   The amount is to be rounded as follows:

(a) if the pension is payable because of subsection 4(6) of the *Veterans' Entitlements (Transitional Provisions and Consequential Amendments) Act 1986*—to the nearest cent (rounding 0.5 cents upwards);

(b) otherwise—to the nearest ten cents (rounding 5 cents upwards).

Schedule 3—National Health Act 1953

1 Subsection 58G(2)

Repeal the subsection, substitute:

(2) Benefit is payable:

(a) at the same fortnightly rate as the rate of child disability allowance under subsection 967(1) of the *Social Security Act 1991*; or

(b) if the Minister has determined, in writing, a higher rate per fortnight—at that higher fortnightly rate.

Schedule 4—A New Tax System (Family Assistance) Act 1999

1 At the end of Schedule 4

Add:

9 Adjustment of amounts following 7% increase to maximum rent assistance amounts

(1) This clause applies to modify the way an amount specified in column 3 of the table in clause 14 of Schedule 1 (the ***maximum rent assistance amount***) is indexed under Part 2 of this Schedule for a limited period after 19 March 2001.

Method statement

Step 1.   Work out the current figure for the maximum rent assistance amount on 19 March 2001.

Step 2.   Multiply the current figure by 0.02. The result is the ***provisional overall adjustment amount***.

Step 3.   Round off the provisional overall adjustment amount in accordance with subclauses (2) to (4). The result is the ***overall adjustment amount***.

Step 4.   For the first indexation day for the maximum rent assistance amount that occurs after 19 March 2001, subtract the current figure for the amount from the indexed amount (arrived at using the method statement in subclause 4(2)). The result (which could be zero) is the ***first indexation increase amount***.

Step 5.   Compare the overall adjustment amount with the first indexation increase amount. If the overall adjustment amount is equal to or less than the first indexation increase amount, go to step 6. If the overall adjustment

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amount is greater than the first indexation increase amount, go to step 7.

Step 6. Subtract the overall adjustment amount from the indexed amount referred to in step 4. The result is taken to be the indexed amount for the purposes of step 4 of the method statement in subclause 4(2) and this clause has no further application in relation to the maximum rent assistance amount.

Step 7. The indexed amount for the purposes of step 4 of the method statement in subclause 4(2) is taken to be equal to the current figure worked out under step 2 of that method statement. Go to step 8.

Step 8. For the second indexation day for the maximum rent assistance amount that occurs after 19 March 2001, subtract the first indexation increase amount from the overall adjustment amount. The result is the ***remaining adjustment amount***.

Step 9. Subtract the current figure for the maximum rent assistance amount from the indexed amount (arrived at using the method statement in subclause 4(2)). The result (which could be zero) is the ***second indexation increase amount***.

Step 10. Compare the remaining adjustment amount with the second indexation increase amount. If the remaining adjustment amount is equal to or less than the second indexation increase amount, go to step 11. If the remaining adjustment amount is greater than the second indexation increase amount, go to step 12.

Step 11. Subtract the remaining adjustment amount from the indexed amount. The result is taken to be the indexed amount for the purposes of step 4 of the method statement in subclause 4(2) and this clause has no further

application in relation to the maximum rent assistance amount.

Step 12. The indexed amount for the purposes of step 4 of the method statement in subclause 4(2) is taken to be equal to the current figure worked out under step 2 of that method statement. Go to step 13.

Step 13. Repeat the method set out in steps 8 to 12 in relation to the third indexation day and to subsequent indexation days until the remaining adjustment amount is zero.

Rounding of provisional overall adjustment amounts

(2) If a provisional overall adjustment amount is a multiple of the rounding base for the maximum rent assistance amount (see column 5 of item 4 of the CPI Indexation Table in subclause 3(1)), the provisional overall adjustment amount is the overall adjustment amount.

(3) If a provisional overall adjustment amount is not a multiple of the rounding base, the overall adjustment amount is the provisional overall adjustment amount rounded up or down to the nearest multiple of the rounding base.

(4) If a provisional overall adjustment amount is not a multiple of the rounding base, but is a multiple of half the rounding base, the overall adjustment amount is the provisional overall adjustment amount rounded up to the nearest multiple of the rounding base.

[*Minister's second reading speech made in—
House of Representatives on 2 December 1998
Senate on 10 December 1998*]

(211/98)