

1996

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

**SOCIAL SECURITY LEGISLATION AMENDMENT
(BUDGET AND OTHER MEASURES) BILL 1996**

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Requests to be moved on behalf of the Government

**(Circulated by the authority of the Minister for Social Security,
Senator the Hon Jocelyn Newman)**

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**SOCIAL SECURITY LEGISLATION AMENDMENT
(BUDGET AND OTHER MEASURES) BILL 1996**

OUTLINE AND FINANCIAL IMPACT STATEMENT

These requests affect the *Social Security Act 1991*.

The requests would defer the commencement date of Parts 3 and 4 of Schedule 5 of the Bill from 1 January 1997 to 20 March 1997.

Part 3 deals with changes to the non-payment period for activity test breaches for newstart allowance and youth training allowance and introduces a rate reduction period for administrative breaches.

Part 4 deals with a reclassification of certain breaches as activity test breaches.

The reason for the deferral of commencement of the Parts results from the unexpected delay in Parliament's consideration of the Bill and consequent inability of the Department of Social Security to finalise arrangements to implement the changes made by Parts 3 and 4 of Schedule 5, on 1 January 1997.

The financial impact of the requests is a reduction in savings as follows:

1996-97	\$8.592m (program outlays)
1997-98	nil
1998-99	nil

NOTES ON REQUESTS

Requests to defer the commencement date of Parts 3 and 4 of Schedule 5

Clause 2(2) as introduced in the Bill provides that the commencement date of a number of Schedules in the Bill, including Schedule 5, is to be 1 January 1997.

Request Number 1 amends clause 2(2) so that with respect to Schedule 5, only Parts 1, 2 and 5 will commence on 1 January 1997.

Request Number 2 amends clause 2(3) so that Parts 3 and 4 of Schedule 5 will commence on 20 March 1997.