

2001/2002 budget changes at a glance

In the 2001-2002 Budget the Federal Government announced a series of changes to Social Security legislation and administrative procedures. The following list details the major changes and when the Government proposes that they be introduced.

mutual obligation

“Mutual obligation” requirements for Newstart Allowees up to the age of 49 to be standardised (see article, page 10).

Proposed date of commencement: July 2002

mature age initiatives

Mature Age, Widow and partner Allowance recipients of workforce age to be offered assistance in planning workforce re-entry by Centrelink officers called Personal Advisers. Newly funded training and education programme places to be made available in literacy and numeracy, as well as in rehabilitation and disability service programmes.

Proposed date of commencement: September 2002

New **Widow Allowees** to attend compulsory interviews, after twelve months receipt of payment, for discussion of suitable voluntary activities and referrals to education, training and rehabilitation programmes and/or counselling.

Proposed date of commencement: July 2003

Mature Age Allowance and Partner Allowance to be abolished, with no new claims accepted from 1 July 2003. People already on Mature Age Allowance and Partner Allowance will not be affected.

Proposed date of commencement: July 2003

New range of requirements for **Newstart Allowance** recipients aged 50 and over, including the development of an activity plan under which activities such as training, job search, caring and voluntary work may be approved (see article, page 10).

Proposed date of commencement: July 2003

Additional places in **disability employment services**, career counselling, literacy and numeracy training and vocational and education training, to be provided for mature age people of working age.

Proposed date of commencement: September 2002

people with disabilities

Treating doctors and Centrelink staff to be trained in assessing capacity to work on the part of Disability Support Pension claimants, and newly designed treating doctor reports and medical certificates to be introduced. Treating doctors will no longer be required to

comment on their patient's capacity for work. Centrelink will use external experts to assess claimant's capacity for work.

Proposed date of commencement: September 2002

personal support programme

Personal Support Programme to be introduced, replacing and expanding on the Community Support Programme. The Programme will assist people with severe employment barriers such as homelessness, substance abuse problems, domestic violence or mental illness.

Proposed date of commencement: July 2002

working credit

A new "Working Credit" system to be introduced for workforce age people on both pension and allowances. Credits to accrue at \$48 per fortnight (like the former "earnings credit system"), to a maximum of \$1,000. Employment income will then only affect a person's Social Security entitlement once their income exceeds their income free area, and their working credit balance is nil.

Proposed date of commencement: 20 September 2002

literacy and numeracy

A Literacy and Numeracy Training Supplement of \$20.40 pf to be paid to people in receipt of Newstart Allowance, Youth Allowance, Parenting Payment, Mature Age Allowance, Widow Allowance, Partner Allowance or Disability Support Pension who undertake an approved literacy or numeracy course.

Proposed date of commencement: 20 September 2002

parenting payment

Parenting Payment recipients whose youngest child is at least six are to be required to attend annual interviews with a Centrelink Personal Adviser. Recipients whose youngest child is between 13 and 15 years to be activity tested (see article, page 11).

Proposed date of commencement: July 2003

initiatives for retired people

\$300 lump sum to be paid to people on Social Security income support payments who are over Age Pension age, and to people over Age Pension age who do not receive a Social Security income support payment but whose taxable income for 2001/2002 is less than \$20,000 (single) or \$32,612 (couple, combined).

Proposed dates of commencement: by 30 June 2001 (income support recipients); and 1 July 2001 (other claimants)

Superannuation assets are no longer to be assessed under the Social Security income and assets tests for people between 55 and Age Pension age.

Proposed date of commencement: 1 July 2001

Commonwealth **Seniors Health Card holders** to be eligible for Telephone Allowance of \$17.20 per quarter.

Proposed date of commencement: September 2001

Annual income thresholds for Commonwealth Seniors Health Care Card eligibility to be increased to \$50,000 (from \$41,000) for single people and for certain separated couples, and to \$80,000 (from \$68,676) for couples.

Proposed date of commencement: September 2001

young people

A new “Transition to Independent Living Allowance” of \$1,000 to be introduced for young people who leave state care.

Proposed date of commencement: 1 March 2003

international and overseas payments changes

Agreements with Austria, Canada and the Netherlands to be revised.

Proposed date of effect: 1 January 2002

Agreement to be signed with the USA.

Proposed date of effect: 1 July 2002

Required period of “**Australian working life residence**” for full Australian pension to be payable to pensioners in receipt of a Australian portable pension overseas, to be extended from 25 to 30 years. For people deferring Age Pension claims under the Pension Bonus Scheme, the “Australian working life residence period” will accumulate up until the date Age Pension commences.

Lump sum payments from countries with which Australia does not have a Social Security Agreement to affect the person’s Australian Social Security payment retrospectively, with an “overpayment” for the past period to be recovered.

Proposed date of effect: 1 April 2002

New International Agreement with New Zealand to commence, to cover Age Pension, Disability Support Pension and Carer Payment.

Date of effect: 1 July 2002

foster children

The 1998/1999 Budget temporary measure of providing for Health Care Cards to foster parents in receipt of Family Tax Benefit in respect of a child whose original family was eligible for the Card, is to be extended indefinitely.

Proposed date of effect: 1 July 2001 and ongoing s