



Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Act 2020

No. 17, 2020

**An Act to amend the law relating to social security,
family assistance, student assistance and veterans'
entitlements, and for related purposes**

Note: An electronic version of this Act is available on the Federal Register of Legislation
(<https://www.legislation.gov.au/>)

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**An Act to amend the law relating to social security,
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[Assented to 6 March 2020]

The Parliament of Australia enacts:

*No. 17, 2020 Social Services and Other Legislation Amendment (Simplifying Income
Reporting and Other Measures) Act 2020 1*

1 Short title

This Act is the *Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Act 2020*.

2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this Act	As follows: (a) if this Act receives the Royal Assent before 15 May 2020—1 July 2020; (b) if this Act receives the Royal Assent on or after 15 May 2020—the first day of the first calendar month that occurs after the end of the period of 2 months beginning on the day this Act receives the Royal Assent.	1 July 2020 (paragraph (a) applies)

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

- (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedules

Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

4 Review of operation of amendments

- (1) The Minister must cause an independent review to be conducted of the operation of the amendments made by this Act.
- (2) The review must start as soon as practicable after the end of 12 months after this Act commences.
- (3) The persons who conduct the review must give the Minister a written report of the review within 6 months of the commencement of the review.
- (4) The persons who conduct the review must consult:
 - (a) income support recipients impacted by the amendments made by this Act; and
 - (b) persons who have expertise in social security law; and
 - (c) persons who have expertise in any other area of public policy considered relevant by the persons who conduct the review.
- (5) The review must provide for public submissions as part of the review.
- (6) The Minister must cause a copy of the report to be tabled in each House of the Parliament within 15 sitting days of that House after the report is given to the Minister.
- (7) In this section, **Minister** means the Minister administering the *Social Security Act 1991*.

Schedule 1—Amendments

Part 1—Simplifying income reporting

Social Security Act 1991

1 Paragraph 8(1A)(a)

Omit “earned, derived or received, or that is taken to have been earned, derived or received, by the person from remunerative work undertaken by”, substitute “for remunerative work of”.

2 Subparagraph 8(1A)(b)(i)

Omit “that are so earned, derived or received or taken to have been so earned, derived or received”.

3 Paragraph 8(1B)(a)

Repeal the paragraph, substitute:

- (a) a person is treated, for the purposes of working out the person’s ordinary income, as having ordinary income of the person’s partner; and

4 Paragraph 23(4A)(d)

Omit “earns, derives or receives, or is taken to earn, derive or receive, employment income”, substitute “has employment income”.

5 After subsection 93H(2)

Insert:

- (2A) The annual pension rate is to be worked out under subsection (2) by disregarding the amendments made by Part 1 of Schedule 1 to the *Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Act 2020*.

6 Paragraph 1061Q(3C)(b)

Omit “earns, derives or receives, or is taken to earn, derive or receive, employment income”, substitute “has employment income”.

7 Paragraph 1061Q(3F)(b)

Omit “earns, derives or receives, or is taken to earn, derive or receive, employment income”, substitute “has employment income”.

8 Paragraph 1061Q(3G)(b)

Omit “earns, derives or receives, or is taken to earn, derive or receive, employment income”, substitute “has employment income”.

9 Paragraph 1061ZEA(2)(e)

Omit “earns, derives or receives, or is taken to earn, derive or receive, employment income”, substitute “has employment income”.

10 Paragraph 1061ZMA(2)(e)

Omit “earns, derives or receives, or is taken to earn, derive or receive, employment income”, substitute “has employment income”.

11 Point 1067G-H23

After “ordinary income”, insert “(except employment income)”.

12 At the end of point 1067G-H23

Add:

Note: See Division 1AA of Part 3.10 for the treatment of employment income.

13 After paragraph 1067G-H23A(c)

Insert:

and (d) is not employment income;

14 After subparagraph 1067G-H23B(b)(iii)

Insert:

and (iv) is not employment income;

15 Paragraph 1067G-H24(a)

Omit “ordinary income payments”, substitute “payments of ordinary income (except employment income)”.

16 Point 1067L-D19

After “ordinary income”, insert “(except employment income)”.

17 At the end of point 1067L-D19

Add:

Note: See Division 1AA of Part 3.10 for the treatment of employment income.

18 After paragraph 1067L-D20(c)

Insert:

and (d) is not employment income;

19 After subparagraph 1067L-D21(b)(iii)

Insert:

and (iv) is not employment income;

20 Paragraph 1067L-D23(a)

Omit “ordinary income payments”, substitute “payments of ordinary income (except employment income)”.

21 Point 1068-G7A

After “ordinary income”, insert “(except employment income)”.

22 At the end of point 1068-G7A

Add:

Note: See Division 1AA of Part 3.10 for the treatment of employment income.

23 After paragraph 1068-G7B(c)

Insert:

and (d) is not employment income;

24 After subparagraph 1068-G7C(b)(iii)

Insert:

and (iv) is not employment income;

25 Paragraph 1068-G8(a)

Omit “ordinary income payments”, substitute “payments of ordinary income (except employment income)”.

26 Point 1068-G8 (example)

Repeal the example.

27 Point 1068B-D19

After “ordinary income”, insert “(except employment income)”.

28 Point 1068B-D19 (note)

Omit “Note”, substitute “Note 1”.

29 At the end of point 1068B-D19 (after the note)

Add:

Note 2: See Division 1AA of Part 3.10 for the treatment of employment income.

30 Point 1068B-D20

After “ordinary income”, insert “(except employment income)”.

31 Subsection 1073AA(2) (examples 1 and 2)

Omit “earns”, substitute “has”.

32 Subsection 1073AA(4) (example)

Omit “earns”, substitute “has”.

33 Subsection 1073AA(4A) (example)

Omit “earns”, substitute “has”.

34 Paragraph 1073AA(4BA)(a)

After “employment income”, insert “taken, in accordance with Division 1AA, to have been received”.

35 Subsection 1073AA(5)

Repeal the subsection (not including the heading).

36 Subsection 1073AB(2) (example)

Omit “earns”, substitute “has”.

37 Sections 1073A and 1073B

Repeal the sections, substitute:

1073A Attribution of employment income paid in respect of a particular period or periods

- (1) This section applies if:
- (a) a person is receiving a social security pension or a social security benefit; and
 - (b) the person’s rate of payment of the pension or benefit is worked out with regard to the income test module of a rate calculator in this Chapter; and
 - (c) one or more amounts of employment income, each of which is in respect of a particular period or periods (each period is an *employment period*), are paid in an instalment period of the person to or for the benefit of the person by the same employer.

Note 1: If the person has multiple employers, this section applies separately in relation to each employer.

Note 2: If a person is receiving a social security pension and is paid employment income monthly, section 1073B may apply to that income instead of this section.

Note 3: Section 1073BA deals with the payment of employment income that is not in respect of a particular period.

- (2) The person is taken to have received the employment income over a period (the *assessment period*) that consists of the number of days that is equal to the sum of the number of days in each employment period, where the assessment period begins on the first day of the instalment period in which the amounts of employment income are paid.

Example: On 3 June a person is paid \$756 employment income for work the person performed in the period beginning on 9 May and ending at the end of 29 May. The number of days in the employment period is 21.

Assume the instalment period begins on 1 June. The person is taken to have received the \$756 over the period beginning on 1 June and ending at the end of 21 June (a period of 21 days).

- (3) Subject to subsection (4), for each day in the assessment period, the person is taken to have received an amount of employment income worked out by dividing the total amount of the employment income covered by paragraph (1)(c) by the number of days in the assessment period.

Example: To continue the example in subsection (2), the person is taken to have received \$36 ($\$756/21$) on each of the days in the period beginning on 1 June and ending at the end of 21 June.

- (4) If the person is taken, under subsection (3), to have received employment income (the *attributed employment income*) during a part, but not the whole, of a particular instalment period, the person is taken to receive on each day in that instalment period an amount of employment income worked out by dividing the total amount of the attributed employment income by the number of days in the instalment period.

Example: To continue the example in subsection (2), for the instalment period beginning on 15 June and ending at the end of 28 June the person is taken, under subsection (3), to have received employment income during a part of that instalment period (15 June to 21 June). The person is taken to have received \$252 ($\36×7).

Under subsection (4), the person is taken to receive on each day in that instalment period an amount of employment income of \$18 ($\$252/14$).

Interpretation

- (5) This section applies in relation to an amount of employment income paid on a day in an instalment period, whether or not the amount is received on that day.
- (6) In applying subsection (2) in relation to one or more amounts of employment income paid by a particular employer in an instalment period, in working out the sum of the number of days in each employment period, if a day in an employment period overlaps with a day in another employment period, that day must only be counted once.

1073B Attribution of employment income paid monthly

- (1) This section applies if:
(a) a person is receiving a social security pension; and

- (b) the person's rate of payment of the pension is worked out with regard to the income test module of a rate calculator in this Chapter; and
- (c) an amount (the **initial amount**) of employment income, in respect of a period of 1 month, is paid on a day in a calendar month (the **initial calendar month**) to or for the benefit of the person by the person's employer; and
- (d) the Secretary is satisfied that, for the reasonably foreseeable future, an amount of employment income, in respect of a period of 1 month, equal to the initial amount will be paid to or for the benefit of the person by that employer on the following:
 - (i) the corresponding day in each calendar month (a **later calendar month**) after the initial calendar month;
 - (ii) if there is no such day in a later calendar month—the last day of the later calendar month.

Note: If the person has multiple employers, this section applies separately in relation to each employer.

- (2) Subject to this section, for the day on which the initial amount is paid and for each day after that day, the person is taken to have received an amount of employment income worked out as follows:

$$\frac{\text{Initial amount} \times 12}{364}$$

- (3) If, after the day on which the initial amount is paid, the Secretary ceases to be satisfied as mentioned in paragraph (1)(d) in relation to the person and the person's employer, then subsection (2) ceases to apply in relation to the person and the person's employer at the end of the period of 1 month beginning on the last payment day.
- (4) For the purposes of this section, a **payment day** is:
 - (a) the day in the calendar month on which the initial amount is paid by the person's employer; or
 - (b) the following on which an amount of employment income equal to the initial amount is paid to or for the benefit of the person by that employer:
 - (i) a corresponding day in a later calendar month;

- (ii) if there is no such day in a later calendar month—the last day of the later calendar month.
- (5) If the person is taken, under this section, to have received employment income (the *attributed employment income*) during a part, but not the whole, of a particular instalment period, the person is taken to receive on each day in that instalment period an amount of employment income worked out by dividing the total amount of the attributed employment income by the number of days in the instalment period.
- (6) Section 1073A does not apply to an amount of employment income covered by paragraph (4)(a) or (b).

Interpretation

- (7) This section applies in relation to an amount of employment income paid on a day in a calendar month, whether or not the amount is received on that day.
- (8) Subsection (3) does not prevent a later application of this section in relation to the person, whether in connection with the same employer or another employer.

1073BA Attribution of employment income paid not in respect of a particular period

- (1) This section applies if:
 - (a) a person is receiving a social security pension or a social security benefit; and
 - (b) the person's rate of payment of the pension or benefit is worked out with regard to the income test module of a rate calculator in this Chapter; and
 - (c) an amount of employment income is paid on a day to or for the benefit of the person; and
 - (d) the employment income is not in respect of a particular period.
- (2) The person is taken to have received that employment income over such period, not exceeding 52 weeks, as the Secretary determines.

Schedule 1 Amendments

Part 1 Simplifying income reporting

- Note 1: When determining the period, the Secretary may take into consideration the following:
- (a) the nature of the person's remunerative work;
 - (b) the nature of the person's employment income;
 - (c) the person's financial interests;
 - (d) any financial hardship which may be caused to the person;
 - (e) whether the employment income relates to remunerative work that was undertaken at a time when the person was not receiving a social security pension or a social security benefit.
- Note 2: The period determined by the Secretary should be fair and reasonably beneficial, taking into account the financial interests of the person receiving the social security pension or social security benefit.

- (3) The period determined by the Secretary must begin on the first day of the instalment period in which the amount of employment income is paid.
- (4) Subject to subsection (5), for each day in the period determined by the Secretary, the person is taken to have received an amount of employment income worked out by dividing the amount of employment income covered by paragraph (1)(c) by the number of days in that period.
- (5) If the person is taken, under subsection (4), to have received employment income (the *attributed employment income*) during a part, but not the whole, of a particular instalment period, the person is taken to receive on each day in that instalment period an amount of employment income worked out by dividing the total amount of the attributed employment income by the number of days in the instalment period.

Interpretation

- (6) This section applies in relation to an amount of employment income paid on a day, whether or not the amount is received on that day.

1073BB Anti-avoidance

- (1) This section applies if:
 - (a) a person (the *relevant person*) is receiving a social security pension or a social security benefit; and
-

- (b) the relevant person earns or derives employment income during the whole or a part of an instalment period of the person; and
 - (c) one or more entities (who may be, or may include, the relevant person) enter into, commence to carry out, or carry out, a scheme to defer the payment of that employment income; and
 - (d) it would be concluded that the entity, or any of the entities, who entered into, commenced to carry out, or carried out, the scheme did so for the sole or dominant purpose of obtaining a social security advantage for a person (who may be the relevant person or may be the entity or one of the entities).
- (2) The Secretary may determine that the relevant person is taken to have received an amount of employment income, equal to the amount of employment income referred to in paragraph (1)(b), over the period determined by the Secretary.
 - (3) The period determined by the Secretary must begin on the first day of the instalment period referred to in paragraph (1)(b).
 - (4) Subject to subsection (5), for each day in the period determined by the Secretary, the relevant person is taken to have received an amount of employment income worked out by dividing the total amount of the employment income referred to in paragraph (1)(b) by the number of days in that period.
 - (5) If the relevant person is taken, under subsection (4), to have received employment income (the *attributed employment income*) during a part, but not the whole, of a particular instalment period, the relevant person is taken to receive on each day in that instalment period an amount of employment income worked out by dividing the total amount of the attributed employment income by the number of days in the instalment period.
 - (6) Sections 1073A, 1073B and 1073BA do not apply in relation to the payment of the employment income referred to in paragraph (1)(b).
 - (7) A determination under subsection (2) has effect accordingly.

Obtaining a social security advantage

- (8) For the purposes of this section, an entity has a purpose of obtaining a social security advantage for a person (who may be the entity) if the entity has a purpose of:
- (a) enabling the person to obtain any of the following:
 - (i) a social security pension;
 - (ii) a social security benefit;
 - (iii) a service pension;
 - (iv) income support supplement;
 - (v) a veteran payment;
 - (vi) a payment under the ABSTUDY Scheme; or
 - (b) enabling the person to obtain any of the following at a higher rate than would otherwise have been payable:
 - (i) a social security pension;
 - (ii) a social security benefit;
 - (iii) a service pension;
 - (iv) income support supplement;
 - (v) a veteran payment;
 - (vi) a payment under the ABSTUDY Scheme.

Definitions

- (9) In this section:

entity means any of the following:

- (a) an individual;
- (b) a company within the meaning of the *Income Tax Assessment Act 1997*;
- (c) a trust;
- (d) a partnership within the meaning of the *Income Tax Assessment Act 1997*;
- (e) any other unincorporated association or body of persons;
- (f) a corporation sole;
- (g) a body politic.

scheme means:

- (a) any agreement, arrangement, understanding, promise or undertaking, whether express or implied and whether or not enforceable, or intended to be enforceable, by legal proceedings; or
- (b) any scheme, plan, proposal, action, course of action or course of conduct, whether there are 2 or more parties or only one party involved.

1073BC Exclusion of certain payments

Sections 1073A, 1073B, 1073BA and 1073BB do not apply in relation to the following:

- (a) a payment in respect of which a person is taken to have received ordinary income for a period under point 1064-F4, 1066A-G4, 1067G-H11, 1067L-D5, 1068-G7AG, 1068A-E3 or 1068B-D9;
- (b) a payment in respect of which a person is taken to receive an amount under point 1064-F10, 1066A-G10, 1067G-H15, 1067L-D11 or 1068-G7AL;
- (c) an amount that a person's ordinary income is taken to include under point 1067G-H5 or 1068-G7AA.

1073BD Daily attribution of employment income for amounts not elsewhere covered in this Division

If:

- (a) a person is receiving a social security pension or a social security benefit; and
- (b) the person's rate of payment of the pension or benefit is worked out with regard to the income test module of a rate calculator in this Chapter; and
- (c) the person is taken, under a provision of this Act (except section 1073A, 1073B, 1073BA or 1073BB), to receive employment income during the whole or a part of a particular instalment period of the person;

the person is taken to receive, on each day in that instalment period, an amount of employment income worked out by dividing the total amount of the employment income referred to in paragraph (c) by the number of days in the instalment period.

38 Section 1073C

Omit “section 1073B, a person is taken to earn, derive or receive”, substitute “section 1073A, 1073B, 1073BA, 1073BB or 1073BD, a person is taken to receive”.

39 Section 1073F (method statement, step 1)

Repeal the step, substitute:

Step 1. Work out the amount (including a nil amount) of the participant’s employment income taken, in accordance with Division 1AA, to have been received on that day.
--

40 Section 1073H (method statement, step 1)

Repeal the step, substitute:

Step 1. Work out the amount (including a nil amount) of the participant’s employment income taken, in accordance with Division 1AA, to have been received on that day.
--

41 Subparagraph 1073J(b)(i)

Omit “earn, derive or receive, or to be taken to earn, derive or receive”, substitute “be taken, under a provision of this Act, to receive”.

42 Subparagraph 1073J(b)(ii)

Omit “earned, derived or received, or taken to be earned, derived or received”, substitute “taken, under a provision of this Act, to be received”.

Social Security (Administration) Act 1999

43 Paragraph 96(3)(a)

Omit “the income, or increased income, earned by the person from his or her employment”, substitute “employment income of the person”.

44 Paragraph 96(3)(b)

Omit “income or increased income”, substitute “employment income”.

45 Paragraph 97(3)(a)

Omit “the income, or increased income, earned by the person from his or her employment”, substitute “employment income of the person”.

46 Paragraph 97(3)(b)

Omit “income earned by the person from his or her employment”, substitute “employment income of the person”.

47 Paragraph 97B(1)(a)

Omit “the income, or increased income, earned by the person from his or her employment”, substitute “employment income of the person”.

48 Paragraph 97B(1)(b)

Omit “income or increased income”, substitute “employment income”.

49 Paragraph 97B(1)(d)

Omit “income the person earned from his or her employment”, substitute “employment income of the person”.

50 Subparagraph 110(1A)(b)(i)

Omit “employment income that is earned, derived or received, or that is taken to have been earned, derived or received, by the person”, substitute “the person’s employment income taken, in accordance with Division 1AA of Part 3.10 of the 1991 Act, to have been received by the person”.

51 Subparagraph 110(1A)(b)(ii)

Omit “ceased to earn, derive or receive, or to be taken to earn, derive or receive, employment income”, substitute “ceased to be taken, in accordance with that Division, to have received employment income”.

52 Subparagraph 110(2A)(b)(i)

Omit “employment income that is earned, derived or received, or that is taken to have been earned, derived or received, by the person”, substitute “the person’s employment income taken, in accordance with Division 1AA of Part 3.10 of the 1991 Act, to have been received by the person”.

53 Subparagraph 110(2A)(b)(ii)

Omit “ceased to earn, derive or receive, or to be taken to earn, derive or receive, employment income”, substitute “ceased to be taken, in accordance with that Division, to have received employment income”.

54 Subparagraph 110(3A)(g)(i)

Omit “employment income that is earned, derived or received, or that is taken to have been earned, derived or received, by the partner”, substitute “the partner’s employment income taken, in accordance with Division 1AA of Part 3.10 of the 1991 Act, to have been received by the partner”.

55 Subparagraph 110(3A)(g)(ii)

Omit “ceased to earn, derive or receive, or to be taken to earn, derive or receive, employment income”, substitute “ceased to be taken, in accordance with that Division, to have received employment income”.

56 Paragraph 118(2A)(b)

Omit “earns, derives or receives, or is taken to earn, derive or receive,”, substitute “is taken, in accordance with Division 1AA of Part 3.10 of the 1991 Act, to have received”.

57 Subparagraph 118(2B)(b)(ii)

Omit “earns, derives or receives, or is taken to earn, derive or receive,”, substitute “is taken, in accordance with Division 1AA of Part 3.10 of the 1991 Act, to have received”.

58 Paragraph 118(5A)(b)

Omit “earns, derives or receives, or is taken to earn, derive or receive,”, substitute “is taken, in accordance with Division 1AA of Part 3.10 of the 1991 Act, to have received”.

59 Subparagraph 118(5B)(b)(ii)

Omit “earns, derives or receives, or is taken to earn, derive or receive,”, substitute “is taken, in accordance with Division 1AA of Part 3.10 of the 1991 Act, to have received”.

60 Paragraph 118(6A)(g)

Omit “earns, derives or receives, or is taken to earn, derive or receive,” substitute “is taken, in accordance with Division 1AA of Part 3.10 of the 1991 Act, to have received”.

61 Subparagraph 118(6B)(g)(ii)

Omit “earns, derives or receives, or is taken to earn, derive or receive,” substitute “is taken, in accordance with Division 1AA of Part 3.10 of the 1991 Act, to have received”.

Veterans’ Entitlements Act 1986

62 Section 45UF

Before “For the purposes of”, insert “(1)”.

63 At the end of section 45UF

Add:

- (2) The annual pension rate is to be worked out under subsection (1) by disregarding the amendments made by Part 1 of Schedule 1 to the *Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Act 2020*.

64 Subsection 46AA(2) (examples 1 and 2)

Omit “earns”, substitute “has”.

65 Subsection 46AA(4) (example)

Omit “earns”, substitute “has”.

66 Subsection 46AA(4A) (example)

Omit “earns”, substitute “has”.

67 Paragraph 46AA(4BA)(a)

Omit “for”, substitute “received in”.

68 Paragraph 46AB(1)(a)

Omit “earned, derived or received, or that is taken to have been earned, derived or received, by the person from remunerative work undertaken by”, substitute “for remunerative work of”.

69 Subparagraph 46AB(1)(b)(i)

Omit “that are so earned, derived or received or taken to have been so earned, derived or received”.

70 Subsection 46AC(2) (example)

Omit “earns”, substitute “has”.

71 Subsection 46AD(3) (example)

Omit “earns”, substitute “has”.

72 Application and saving provisions—social security legislation

- (1) The amendments made by items 4, 6 to 11, 15, 16, 20, 21, 25, 27, 30, 34, 35, 37 (to the extent that it substitutes sections 1073A, 1073B and 1073BA of the *Social Security Act 1991*) and 38 to 42 apply in relation to an amount of employment income paid to or for the benefit of a person:
 - (a) on or after the commencement of this item; and
 - (b) if the person has a transitional instalment period—after the beginning of that period and before this item commences.
- (2) Subitem (1) does not apply in relation to an amount of employment income to the extent that the amount:
 - (a) was earned or derived before the commencement of this item; and
 - (b) has been taken into account in working out the person’s rate of social security pension or social security benefit.
- (3) Subitem (1) does not apply in relation to a lump sum amount paid to a person, or a partner of a person, after the beginning of a transitional instalment period of the person and before this item commences, where the lump sum amount is covered by point 1067G-H23A, 1067G-H23B,

1067L-D20, 1067L-D21, 1068-G7B or 1068-G7C of the *Social Security Act 1991*.

- (4) Subitem (1) does not apply in relation to a lump sum amount of employment income in respect of which paragraphs 1073A(1)(a) and (b) of the *Social Security Act 1991* are satisfied before the commencement of this item. Section 1073A of that Act, as in force immediately before that commencement, continues to apply in relation to that amount on and after that commencement.
 - (5) The amendments made by items 13, 14, 18, 19, 23 and 24 apply in relation to a lump sum amount that is paid on or after the commencement of this item.
 - (6) Section 1073BB of the *Social Security Act 1991*, as substituted by this Part, applies in relation to an amount of employment income referred to in paragraph 1073BB(1)(b) of that Act that is earned or derived on or after the commencement of this item, whether:
 - (a) the instalment period referred to in that paragraph begins before, on or after that commencement; or
 - (b) the scheme was entered into, or commenced to be carried out, before, on or after that commencement.
 - (7) Paragraph 1073BD(c) of the *Social Security Act 1991*, as substituted by this Part, applies in relation to an amount of employment income that, on or after the commencement of this item, a person is taken to receive, whether the instalment period referred to in that paragraph begins before, on or after that commencement.
 - (8) The amendments of sections 96, 97 and 97B of the *Social Security (Administration) Act 1999* made by this Part apply in relation to an amount of employment income paid on or after the commencement of this item.
 - (9) Sections 96, 97 and 97B of the *Social Security (Administration) Act 1999*, as in force immediately before the commencement of this item, continue to apply on and after that commencement in relation to income, or increased income, earned by a person before that commencement from the person's employment.
 - (10) The amendments of sections 110 and 118 of the *Social Security (Administration) Act 1999* made by this Part apply in relation to:
-

Schedule 1 Amendments

Part 1 Simplifying income reporting

- (a) an instalment period of a person that begins on or after the commencement of this item; and
- (b) a transitional instalment period of a person.

(11) In this item:

transitional instalment period, of a person, means an instalment period that begins before the day on which this item commences and includes that day.

73 Application provision—veterans’ entitlements legislation

The amendment made by item 67 applies in respect of a pension period that includes the day on which this item commences and later pension periods.

Part 2—Exchange of information relating to taxation information

A New Tax System (Family Assistance) (Administration) Act 1999

74 After section 161

Insert:

161A Definitions

In this Division:

taxation information means information (including protected information within the meaning of subsection 355-30(1) in Schedule 1 to the *Taxation Administration Act 1953* but not including a tax file number) that is held by a taxation officer.

taxation officer means the following:

- (a) a person who is a taxation officer within the meaning of subsection 355-30(2) in Schedule 1 to the *Taxation Administration Act 1953*;
- (b) an entity covered by section 355-15 in that Schedule.

75 Section 162 (heading)

Repeal the heading, substitute:

162 Permitted obtaining of, making a record of, disclosure of or use of protected information

76 At the end of subsection 162(1)

Add:

Note: For an example of obtaining protected information for the purposes of the family assistance law, see section 162A.

77 At the end of subsection 162(2)

Add:

Note: For an example of a disclosure of, making a record of or the use of protected information for the purposes of the family assistance law, see section 162A.

78 After section 162

Insert:

162A Obtaining of, making a record of, disclosure of or use of protected information relating to taxation information

Disclosure to taxation officers for matching against taxation information

- (1) A disclosure of protected information by an officer is made for the purposes of the family assistance law if:
 - (a) the disclosure is to a taxation officer; and
 - (b) the disclosure is for the purposes of a taxation officer matching that information against taxation information to facilitate the performance of functions, or the exercise of powers, under the family assistance law.
- (2) The obtaining of, making of a record of or the use of protected information by an officer is for the purposes of the family assistance law if the obtaining of, making of the record of or the use of the protected information is in connection with a disclosure referred to in subsection (1).

Authorised collection of personal information that is taxation information

- (3) The collection of personal information about a person is authorised by this Act for the purposes of the *Privacy Act 1988* if:
 - (a) the personal information is taxation information; and
 - (b) the collection is from a taxation officer; and
 - (c) the collection is for the purposes of the family assistance law.

Obtaining of taxation information

- (4) If an officer obtains personal information about a person in the circumstances referred to in subsection (3), then the officer has obtained the information under the family assistance law.

Interpretation

(5) This section does not limit section 162.

79 Section 163 (heading)

Repeal the heading, substitute:

163 Offence—unauthorised obtaining of protected information

80 Section 164 (heading)

Repeal the heading, substitute:

164 Offence—unauthorised making a record of, disclosure of or use of protected information

81 Subsection 223(1)

After “for which the Secretary”, insert “or any other officer”.

82 At the end of subsection 223(1)

Add:

Note: The definition of *decision* in subsection 3(1) covers the doing of any act or thing. This means, for example, that the doing of things under subsection 162(1) or (2) are decisions for the purposes of this section.

Social Security (Administration) Act 1999

83 Subsection 6A(1)

After “for which the Secretary”, insert “or any other officer”.

84 At the end of subsection 6A(1)

Add:

Note: The definition of *decision* in the 1991 Act applies for the purposes of this section: see subsection 3(2) of this Act. That definition covers the doing of any act or thing. This means, for example, that the doing of things under subsection 202(1) or (2) of this Act are decisions for the purposes of this section.

85 Section 201A (heading)

Repeal the heading, substitute:

201A Definitions

86 Section 201A

Insert:

taxation information means information (including protected information within the meaning of subsection 355-30(1) in Schedule 1 to the *Taxation Administration Act 1953* but not including a tax file number) that is held by a taxation officer.

taxation officer means the following:

- (a) a person who is a taxation officer within the meaning of subsection 355-30(2) in Schedule 1 to the *Taxation Administration Act 1953*;
- (b) an entity covered by section 355-15 in that Schedule.

87 Section 202 (heading)

Repeal the heading, substitute:

202 Permitted obtaining of, making a record of, disclosure of or use of protected information

88 At the end of subsection 202(1)

Add:

Note: For an example of obtaining protected information for the purposes of the social security law, see section 202A.

89 At the end of subsection 202(2)

Add:

Note: For an example of a disclosure of, making a record of or the use of protected information for the purposes of the social security law, see section 202A.

90 After section 202

Insert:

202A Obtaining of, making a record of, disclosure of or use of protected information relating to taxation information

Disclosure to taxation officers for matching against taxation information

- (1) A disclosure of protected information by an officer is made for the purposes of the social security law if:
 - (a) the disclosure is to a taxation officer; and
 - (b) the disclosure is for the purposes of a taxation officer matching that information against taxation information to facilitate the performance of functions, or the exercise of powers, under the social security law.
- (2) The obtaining of, making of a record of or the use of protected information by an officer is for the purposes of the social security law if the obtaining of, making of the record of or the use of the protected information is in connection with a disclosure referred to in subsection (1).

Authorised collection of personal information that is taxation information

- (3) The collection of personal information about a person is authorised by this Act for the purposes of the *Privacy Act 1988* if:
 - (a) the personal information is taxation information; and
 - (b) the collection is from a taxation officer; and
 - (c) the collection is for the purposes of the social security law.

Obtaining of taxation information

- (4) If an officer obtains personal information about a person in the circumstances referred to in subsection (3), then the officer has obtained the information under the social security law.

Interpretation

- (5) This section does not limit section 202.

91 Section 203 (heading)

Repeal the heading, substitute:

203 Offence—unauthorised obtaining of protected information

92 Section 204 (heading)

Repeal the heading, substitute:

204 Offence—unauthorised making a record of, disclosure of or use of protected information

Student Assistance Act 1973

93 After section 350

Insert:

350A Definitions

In this Division:

taxation information means information (including protected information within the meaning of subsection 355-30(1) in Schedule 1 to the *Taxation Administration Act 1953* but not including a tax file number) that is held by a taxation officer.

taxation officer means the following:

- (a) a person who is a taxation officer within the meaning of subsection 355-30(2) in Schedule 1 to the *Taxation Administration Act 1953*;
- (b) an entity covered by section 355-15 in that Schedule.

94 Section 351 (heading)

Repeal the heading, substitute:

351 Permitted obtaining of, making a record of, disclosure of or use of protected information

95 At the end of subsection 351(1) (before the note)

Add:

Note 1: For an example of obtaining protected information for the purposes of this Act (including the purposes of the administration of the ABSTUDY scheme), see section 351A.

96 Subsection 351(1) (note)

Omit “Note”, substitute “Note 2”.

97 Subsection 351(2) (heading)

Repeal the heading, substitute:

Making a record of, disclosure of or use of protected information

98 At the end of subsection 351(2) (before the note)

Add:

Note 1: For an example of a disclosure of, making a record of or the use of protected information for the purposes of this Act (including the purposes of the administration of the ABSTUDY scheme), see section 351A.

99 Subsection 351(2) (note)

Omit “Note”, substitute “Note 2”.

100 After section 351

Insert:

351A Obtaining of, making a record of, disclosure of or use of protected information relating to taxation information

Disclosure to taxation officers for matching against taxation information

- (1) A disclosure of protected information by an officer is made for the purposes of this Act (including the purposes of the administration of the ABSTUDY scheme) if:
 - (a) the disclosure is to a taxation officer; and
 - (b) the disclosure is for the purposes of a taxation officer matching that information against taxation information to facilitate the performance of functions, or the exercise of powers, under this Act or the ABSTUDY scheme.
- (2) The obtaining of, making of a record of or the use of protected information by an officer is for the purposes of this Act (including the purposes of the administration of the ABSTUDY scheme) if the

obtaining of, making of the record of or the use of the protected information is in connection with a disclosure referred to in subsection (1).

Authorised collection of personal information that is taxation information

- (3) The collection of personal information about a person is authorised by this Act for the purposes of the *Privacy Act 1988* if:
- (a) the personal information is taxation information; and
 - (b) the collection is from a taxation officer; and
 - (c) the collection is for the purposes of this Act (including the purposes of the administration of the ABSTUDY scheme).

Interpretation

- (4) This section does not limit section 351.

351B Secretary may arrange for use of computer programs to make decisions

- (1) The Secretary may arrange for the use, under the Secretary's control, of computer programs for any purposes for which an officer may make a decision that is the doing of a thing under subsection 351(1) or (2).
- (2) A decision made by the operation of a computer program under an arrangement made under subsection (1) is taken to be a decision made by the Secretary.

101 Section 352 (heading)

Repeal the heading, substitute:

352 Offence—unauthorised obtaining of protected information

102 Section 353 (heading)

Repeal the heading, substitute:

353 Offence—unauthorised making a record of, disclosure of or use of protected information

Part 3—Other amendments

Social Security Act 1991

103 Subsection 8(1) (note 3 to the definition of *ordinary income*)

Omit “sections 1072 and 1073 (ordinary income concept)”, substitute “Division 1 of Part 3.10 (ordinary income concept and treatment of certain income amounts)”.

104 Point 1064-E1 (note 2)

Omit “(sections 1072 and 1073)”, substitute “and the treatment of certain income amounts (Division 1 of Part 3.10)”.

105 Point 1066-E1 (note 2)

Omit “(sections 1072 and 1073)”, substitute “and the treatment of certain income amounts (Division 1 of Part 3.10)”.

106 Point 1066A-F1 (note 2)

Omit “(sections 1072 and 1073)”, substitute “and the treatment of certain income amounts (Division 1 of Part 3.10)”.

107 Point 1067G-H1 (note 2)

Omit “(sections 1072 and 1073)”, substitute “and the treatment of certain income amounts (Division 1 of Part 3.10)”.

108 Point 1067G-H23

Omit “section 1073”, substitute “sections 1072A and 1073”.

109 Point 1067L-D1 (note 2)

Omit “(sections 1072 and 1073)”, substitute “and the treatment of certain income amounts (Division 1 of Part 3.10)”.

110 Point 1067L-D19

Omit “section 1073”, substitute “sections 1072A and 1073”.

111 Point 1068-G1 (note 3)

Omit “(sections 1072 and 1073)”, substitute “and the treatment of certain income amounts (Division 1 of Part 3.10)”.

112 Point 1068-G7A

Omit “section 1073”, substitute “sections 1072A and 1073”.

113 Point 1068A-E1 (note 2)

Omit “(sections 1072 and 1073)”, substitute “and the treatment of certain income amounts (Division 1 of Part 3.10)”.

114 Point 1068B-D1 (note 3)

Omit “(sections 1072 and 1073)”, substitute “and the treatment of certain income amounts (Division 1 of Part 3.10)”.

115 Division 1 of Part 3.10 of Chapter 3 (heading)

Repeal the heading, substitute:

Division 1—Ordinary income concept and treatment of certain income amounts

116 After section 1072

Insert:

1072A Treatment of certain lump sum payments

- (1) This section applies if:
- (a) a person has claimed a social security pension or a social security benefit; and
 - (b) on or after the first day of the period of 12 months ending at the end of the day the person made the claim, the person receives an amount of income in the form of a lump sum payment of arrears of periodic payments; and
 - (c) the lump sum payment is not income within the meaning of Division 1B or 1C of this Part; and
 - (d) the lump sum payment is not in relation to remunerative work undertaken by the person; and
 - (e) the lump sum payment is not an exempt lump sum; and
-

- (f) the lump sum payment is not a payment of compensation.
- (2) The Secretary may determine that the person is taken to have received the lump sum payment over such period, not exceeding 52 weeks, as the Secretary determines.
- (3) The period determined by the Secretary must begin on the day on which the person received the lump sum payment.
- (4) For each day in the period determined by the Secretary, the person is taken to have received an amount of ordinary income worked out by dividing the amount of the lump sum payment by the number of days in that period.

117 Subsection 1228A(3)

Omit “Section 1073 does”, substitute “Sections 1072A and 1073 do”.

118 Application provision

Section 1072A of the *Social Security Act 1991*, as inserted by this Part, applies in relation to a lump sum payment received on or after the commencement of this item.

[*Minister’s second reading speech made in—
House of Representatives on 6 February 2020
Senate on 12 February 2020*]

(4/20)
