

## **APPENDIX B.15**

### **SOCIAL SERVICES**

#### **Summary**

Social Services reported 29 measures<sup>1</sup> during the year, with a total net regulatory saving of \$78.8 million per year.

Measures that contributed to the department's success include improving access for National Disability Insurance Scheme (NDIS) participants and providers through funding for a new Information and Communications Technology system to support services for over 460,000 participants and service providers; and simplifying the complex parental means tests for Youth Allowance and ABSTUDY recipients so they align more closely with the Family Tax Benefit Part A means test. The department also reported several regulatory changes that involve minor regulatory savings and provide other benefits for the community such as the facilitation of easier public access to aggregate data. The department continues to seek meaningful and substantial ways to reduce regulatory burden on individuals, families, community organisations and businesses.

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<sup>1</sup> Measures counted here only include decisions with a regulatory impact. Measures with a zero regulatory impact have been excluded.

## Regulatory measures reported since the 2015 Spring Repeal Day<sup>2</sup>

### With an impact of greater than \$2 million

Social Services

#### Improving fairness and equity of the family payments system

- On 15 December 2015, changes to the income testing arrangements for family and student payments for income support payment recipients were announced as part of the Mid-Year Economic and Fiscal Outlook.
- Ordinarily, families with income high enough to prevent them from receiving an income support payment would be cancelled from the social security system. An exemption from cancellation exists for some families whose income support pension or benefit is not payable for a fortnightly payment period because of income made up entirely or partly of employment income. They are also exempt from income tests for family and student payments in the same way as if they were actually receiving income support payments.
- The measure removes from the family payments system the inequity where a family on an 'employment nil rate period' could receive greater assistance from family and youth payments than a family not on income support, even though they have the same income. From 1 July 2018, people on 'employment nil rate periods' will no longer be exempt from income testing arrangements and their actual income will be taken into account for the purpose of calculating family and student payments.
- The OBPR has agreed that this will lead to an annual increase of \$3.5 million in compliance costs.

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<sup>2</sup> These measure descriptions relate to new decisions taken and reported between the Spring 2015 Repeal Day and 31 December 2015. Descriptions of regulatory increases or regulatory decreases generally capture those measures with a regulatory change in excess of \$2 million per annum.

## 2015 regulatory measures, previously reported in conjunction with the Autumn and Spring Repeal Days

These measures below are reproductions of the 2015 Autumn and Spring Repeal Day overview descriptions and have not been amended.<sup>3</sup> Where necessary, supplementary information is shown in blue text.

Social Services	Facilitating easier public access to aggregate data (Autumn)
	<ul style="list-style-type: none"> <li>As part of the 2015 Autumn Repeal Day, the ‘protected information’ provisions under the <i>Social Security Act 1999</i>, the <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>, the <i>Student Assistance Act 1973</i>, and the <i>Paid Parental Leave Act 2010</i> will be amended to allow members of the public to access aggregate data that does not disclose information about a particular person.</li> <li>Among other benefits, the change will allow the Department to build more self-service type facilities for the public to access more timely aggregated and de-identified data to meet their information needs.</li> <li>The Department of Social Services has estimated this will lead to an annual saving of around \$3,000 in compliance costs.</li> <li><b>NB: This measure was part of the Omnibus Repeal Day (Autumn 2015) Bill.</b></li> </ul>
Social Services	Repealing Part 3.14A of the <i>Social Security Act 1991</i> (Retirement assistance for farmers) (Autumn)
	<ul style="list-style-type: none"> <li>As part of the 2015 Autumn Repeal Day, redundant provisions relating to Part 3.14A – Retirement Assistance for Farmers, will be repealed from the <i>Social Security Act 1991</i>.</li> <li>The scheme operated for a period from 1997 to 2001. During this time qualified farmers (and their partners) were able to transfer their farm assets, up to a maximum of \$500,000, to family members who had been actively involved in the farm without the transfer being taken into account for access to social security payments. An equivalent scheme for the service pension and income support supplement operated under the <i>Veterans' Entitlements Act 1986</i>. As transfers under the scheme no longer have any effect for means testing purposes, the measure is spent and can be removed. Removal of these provisions will simplify administration.</li> <li>This is complemented by the Defence measure which repeals the equivalent spent provisions under the <i>Veterans' Entitlements Act 1986</i>.</li> <li><b>NB: This measure was part of the Omnibus Repeal Day (Autumn 2015) Bill. There are no regulatory savings or burden associated with this proposal.</b></li> </ul>

<sup>3</sup> To align this table with the 2015 calendar year, any measures accounted for in the previous annual report have been excluded.

Social Services	Repealing Part 3.14B of the <i>Social Security Act 1991</i> (Retirement assistance for sugarcane farmers) (Autumn)
	<ul style="list-style-type: none"> <li>• As part of the 2015 Autumn Repeal Day, redundant provisions relating to Part 3.14B – Retirement Assistance for Sugarcane Farmers, will be repealed from the <i>Social Security Act 1991</i>.</li> <li>• The scheme operated from 2004 to 2007. During this time qualified sugarcane farmers (and their partners) were able to transfer their sugarcane farm assets to eligible family members who had been actively involved in the sugarcane farm without the transfer being taken into account for access to social security payments. An equivalent scheme for the service pension and income support supplement operated under the <i>Veterans' Entitlements Act 1986</i>. As transfers under the scheme no longer have any effect for means testing purposes, the measure is spent and can be removed. Removal of these provisions will simplify administration.</li> <li>• This is complemented by the Defence measure which repeals the equivalent spent provisions under the <i>Veterans' Entitlements Act 1986</i>.</li> <li>• <b>NB: This measure was part of the Omnibus Repeal Day (Autumn 2015) Bill. There are no regulatory savings or burden associated with this proposal.</b></li> </ul>
Social Services	Repealing spent indexation provisions in the <i>Social Security Act 1991</i> and the <i>A New Tax System (Family Assistance) Act 1999</i> (Autumn)
	<ul style="list-style-type: none"> <li>• As part of the 2015 Autumn Repeal Day, spent indexation provisions will be repealed from the <i>Social Security Act 1991</i> and <i>A New Tax System (Family Assistance) Act 1999</i>.</li> <li>• These Acts contain provisions outlining how and when certain payments should or should not be indexed. The provisions identified have passed their date of effect and are regarded as spent. They are therefore no longer required in either of the Acts.</li> <li>• <b>NB: This measure was part of the Omnibus Repeal Day (Autumn 2015) Bill. There are no regulatory savings or burden associated with this proposal.</b></li> </ul>

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Social Services	Repealing spent savings, application and transitional provisions in Schedule 1A of the <i>Social Security Act 1991</i> (Autumn)
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- As part of the 2015 Autumn Repeal Day, various savings, applications and transitional provisions will be repealed from the *Social Security Act 1991*.
- The spent savings, application and transitional provisions relate to rules that were required to deal with former legislative amendments dealing with persons transitioning from one set of arrangements to another.
- A number of savings and transitional provisions in Schedule 1A no longer have any effect as they deal with circumstances that can longer no occur. Removing these redundant provisions will simplify the social security legislation and make it more accessible.
- **NB: This measure was part of the Omnibus Repeal Day (Autumn 2015) Bill. There are no regulatory savings or burden associated with this proposal.**

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Social Services	Reducing Employment Pathway Plan update requirements (Autumn)
<ul style="list-style-type: none"> <li>• As part of the 2015 Autumn Repeal Day, the Minister for Social Services will announce changes to the Disability Employment Services Employment Pathway Plan.</li> <li>• As part of the proposed changes, update requirements will be reduced (from the current minimum quarterly update) to at least once every six months, and or when a change in circumstance occurs whichever is sooner, for participants in the Ongoing Support phase of assistance. The Government will trial new arrangements from 1 April 2015.</li> <li>• The Department of Social Services has estimated that this will lead to an annual saving of \$1.3 million in compliance costs.</li> </ul>	
Social Services	Improving access for NDIS participants and providers (Spring)
<ul style="list-style-type: none"> <li>• On 12 May 2015 the Minister for Social Services announced funding for a new Information and Communications Technology (ICT) system to support full delivery of the National Disability Insurance Scheme.</li> <li>• The new ICT system will streamline access to support services for over 460,000 participants and service providers, and deliver enhanced data to federal, state and territory governments. New online self-service capabilities will improve customer service and make it easier for disability service providers to provide individualised, flexible and responsive service arrangements for participants, as well as facilitating quicker and easier payment to service providers.</li> <li>• The Department of Social Services has estimated that this will lead to an annual saving of \$31.4 million in compliance costs.</li> </ul>	
Social Services	A fairer pension system (Spring)
<ul style="list-style-type: none"> <li>• As part of the 2015-16 Budget, the Government announced amendments to pension asset test parameters to improve the fairness and affordability of the pension system.</li> <li>• From 1 January 2017 the asset free area for pensioners will increase, allowing around 170,000 pensioners with moderate assets to receive a full or increased pension. At the same time, the asset test taper rate will increase from \$1.50 to \$3. As a result of these changes a number of individuals with significant asset holdings will no longer qualify for a Government pension and will not have to report their personal and financial circumstances to the Department of Human Services.</li> <li>• The Department of Social Services has estimated that this will lead to an annual saving of \$7.3 million in compliance costs.</li> </ul>	

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Social Services

Simplifying asset tests for Youth Allowance and ABSTUDY recipients  
(Spring)

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- As part of the 2015-16 Budget, the Government announced a simpler means test for Youth Allowance and ABSTUDY Living Allowance, that aligns more closely with the Family Tax Benefit Part A (FTB Part A) family income test.
  - From 1 January 2016, around 200,000 families who are subject to the Family Assets Test and around 30,000 families who are subject to the Family Actual Means Test will benefit when the two tests are removed. Young people moving from FTB Part A to an individual income support payment will no longer receive inconsistent levels of support. In addition, simpler requirements mean that families will no longer need to seek financial advice to complete the required paperwork.
  - The Department of Social Services has estimated that this will lead to an annual saving of \$26.6 million in compliance costs.
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### Further information

If you would like further information about the information provided here, please email Ailsa Borwick, Branch Manager Project, Risk and Deregulation from the Department of Social Services at [regulatoryreform@dss.gov.au](mailto:regulatoryreform@dss.gov.au).