

FINANCE BILL (NO. 4)

EXPLANATORY NOTE

THIS Bill implements certain provisions in the Financial Statement of 21 March 1989 in relation to income tax (Part II), goods and services tax (Part III), excise duty (Part IV), and social welfare (Part V). It also contains transitional financial provisions in relation to the change in the closing date for the 1989 financial year (Part I).

Clause 1 relates to the Short Title.

PART I

TRANSITIONAL QUARTER

Part I contains transitional financial provisions that apply in respect of the transitional quarter, which commences on 1 April 1989 and ends with 30 June 1989. These provisions are necessary because of the change in the closing date of the financial year from 31 March to 30 June.

Clause 2 provides that this Part of the Bill relates to the transitional quarter.

Clause 3, which is based on section 55 of the Public Finance Act 1977, makes provision for unauthorised expenditure in the transitional quarter.

The total of all sums issued and applied under the clause in the transitional quarter is not to exceed a sum equal to 2½ percent of all sums issued and applied under section 2 of the Imprest Supply Act (No. 3) 1989.

Clause 4, which is based on section 65 of the Public Finance Act 1977, provides for a statement of public accounts for the transitional quarter.

Clause 5, which is based on section 66 of the Public Finance Act 1977, requires the Audit Office to report on the statement of the public accounts for the transitional quarter.

Clause 6 provides for the making of departmental reports for the transitional quarter.

PART II

INCOME TAX

Clauses 8 and 9 increase the export-market development and tourist promotion tax credit and the export-market development activities incentive for self-

employed taxpayers for the 1989-1990 income year from 35 percent to 40 percent.

Clause 10 provides that item "b" of the formula which relates to personal taxpayers in section 394ZE (3)(b) of the Income Tax Act 1976 for converting excess imputation credits to a loss carry-forward is to be amended to refer to the rate of tax deduction on payment of an extra emolument instead of to the rate of company tax.

Clause 11: Subclause (1) provides that the rate of tax for certain taxpayers is to be increased for the 1989-90 income year and subsequent years as follows:

- (a) Certain insurers liable for tax under section 209 of the Income Tax Act 1976, from 33 percent to 38 percent:
- (b) Maori authorities in respect of undistributed income, from 12.5 percent to 17.5 percent:
- (c) Non-resident mining operations, from 33 percent to 38 percent:
- (d) Insurance underwriters, from 33 percent to 38 percent:
- (e) Maori Trustee in respect of undistributed rents, royalties, and interest, from 20 percent to 25 percent:
- (f) Companies resident in New Zealand, from 28 percent to 33 percent:
- (g) Companies not resident in New Zealand, from 33 percent to 38 percent:
- (h) Trustees of group investment funds in respect of category A income, from 28 percent to 33 percent.

Subclause (2) provides that the trustee rate of tax is to be 33 percent for the 1989-90 income year and subsequent years, and not the greater of 35 percent or the effective percentage if tax were calculated on the personal tax scale.

Clause 12 provides for transitional provisions in relation to provisional tax payable by taxpayers affected by *clause 11 (1)* to take account of the increase in the rate of income tax payable. It concerns provisional tax payable for the 1989-90 and the 1990-91 income years.

PART III

GOODS AND SERVICES TAX

This Part increases the rate of goods and services tax from 10 percent to 12.5 percent as from 1 July 1989, and makes certain associated amendments to the Goods and Services Tax Act 1985.

Clause 13 provides that this Part of the Bill is to be read together with and deemed part of the Goods and Services Tax Act 1985, and except where otherwise provided will come into force on the date of the Royal assent.

Clause 14 amends the definition of "input tax" in section 2 of the principal Act to ensure that the tax fraction referred to in that definition will be the tax fraction that is applicable at the time of the relevant supply, rather than that applicable at the time a supply is accounted for.

Clause 15 amends section 8 of the Act to effect an increase in the rate of goods and services tax from 10 percent to 12.5 percent.

The new rate comes into force on 1 July 1989.

Clause 16 alters from 6 percent to 7.5 percent the rate of tax referred to in section 10 (6) of the Act, which relates to the supply of domestic goods and services in a commercial dwelling to the extent that the supply is for a period in excess of 4 weeks or the supply occurs in a residential establishment.

The new rate comes into force on 1 July 1989.

Clauses 17 and 18 increase from 10 percent to 12.5 percent the rate of goods and services tax in relation to the importation of goods and to goods liable to excise duty and supplied at "in bond" prices.

The new rates come into force on 1 July 1989.

Clause 19 inserts a new *subsection (3B)* into section 20 of the Act. The new subsection is in effect an anti-avoidance provision in relation to dealings in secondhand goods. It prevents any benefit being obtained by, for example, a trader in secondhand goods who during the period 21 March 1989 to 1 July 1989 sells off all secondhand goods in stock at the tax rate of 10 percent, and then repurchases them after that date, with the aim of obtaining the increased deduction for input tax that will apply under the new 12.5 percent rate.

Clause 20 replaces the existing proviso to section 78 (2), which relates to agreements and contracts made within 3 months after the original introduction of the goods and services tax, with a similar proviso relating to any alteration in the law that imposes or increases or decreases the rate of goods and services tax.

The clause also adds a new proviso to the effect that any such alteration in the law will not operate to require a public authority to alter any amount agreed to be paid by the authority in respect of any supply of goods and services where the consideration for that supply is in the nature of a grant or subsidy.

Clause 21 amends section 78A of the Act, which provides for returns to be furnished in 2 parts for any taxable period during which a change in the rate of tax occurs.

Under the amendment, a registered person with a taxable period that, pursuant to a determination of the Commissioner under section 15 (7), ends within 7 days before or after the day preceding the date on which a new rate of tax comes into force, may avoid the need to provide a return in 2 parts by electing to provide a return as if that taxable period ended on the day preceding that date, and a return for the next taxable period as if it commenced on that date.

Clause 22 amends section 78B of the principal Act, which relates to adjustments to be made following a change in the rate of tax by persons furnishing returns on a payments basis. The effect of the amendments is as follows:

- (a) Persons furnishing returns on an invoice basis are now brought within the section in respect of secondhand goods that they have not paid for as at the date on which a new tax rate comes into force. (This is necessary because the amount of imputed input tax on such goods is effectively determined on a payments basis.)
- (b) The beginning part of the section is rewritten to make it clear that input and output tax on payments made after the new rate of tax comes into force will initially be calculated on the basis of the new rate of tax, even though the supply may have occurred under the old rate. The adjustment will then apply to ensure that a registered person will be neither advantaged nor disadvantaged by having to account for input and output tax at the new rate in respect of supplies made at the old rate.
- (c) A supply made to a registered person will only be a qualifying supply under the section where an appropriate tax invoice or other record is provided or available.
- (d) The prescribed form in which the adjustment is calculated is required to be furnished along with the registered person's return (or Part I return) for the period ending with the day immediately preceding the date on which the new tax rate comes into force.

Clause 23 inserts new sections 78c and 78d into the principal Act.

New section 78c caters for the situation where a registered person changes accounting methods from the invoice basis to the payments basis, or vice versa, at or after the time at which a change in the rate of goods and services tax comes into force.

Where the person is required to furnish a return in 2 parts for a taxable period that straddles the date of the rate change, and the Commissioner has directed a change in accounting basis before that date, the section 19 adjustment will be required to be made on the day immediately preceding that of the rate change as if the "Part I return period" were a separate taxable period.

Where the Commissioner directs a change in accounting basis at any time on or after the date of the rate change, all amounts of input and output tax to be calculated under section 19 (7) and (8) will be calculated on the basis of the tax fraction applicable under the new rate of tax, and no account is to be taken of the amount of any adjustment under section 78B in making that calculation. That adjustment will operate independently of the section 19 calculation.

New section 78d is a savings provision to ensure that the repeal or amendment of any provision of the principal Act will not affect any accrued right or liability to tax, or any related rights, liabilities, or powers.

PART IV EXCISE DUTY

Clause 25 reduces the rate of excise duty on motorcars and other motor vehicles from 15 percent to 7.5 percent on and after 22 March 1989. It also makes corresponding adjustments to items in the New Zealand Tariff equivalent to the excise items subject to duty under the Tariff in the First Schedule to the Tariff Act 1988.

Clause 26 reduces the rates of excise duty on petroleum fuels on and after 1 July 1989 as follows:

Description	Current Rate cents/litre	Proposed Rate cents/litre
Petrol (regular)	36.2	32.2
Petrol (premium)	36.7	32.7
Methanol	36.7	32.7
Automotive diesel	23.2	16.2
Aviation spirit	11.2	Free
Jet fuel	7.2	Free
Kerosene	8.0	Free
Marine diesel	5.8	Free
Other petroleum oils	5.0	Free

It also makes corresponding adjustments to items in the New Zealand Tariff equivalent to the excise items subject to duty under the Tariff in the First Schedule to the Tariff Act 1988.

- It also adjusts provisions in Part VIII of the Transport Act 1962 to allow for—
- (a) The change in the allocation of the excise duty on petroleum fuels to reduce the amount payable to the Consolidated Account by the amount of the reduction in excise duty:
 - (b) The change in the amount of the refunds of excise duty and goods and services tax on petroleum fuels used in certain licensed and exempted vehicles or for commercial purposes other than fuels in any motor

vehicle, vessel, or aircraft to allow for the increase in goods and services tax.

PART V

AMENDMENTS TO SOCIAL SECURITY ACT 1964, ETC.

Clause 28 inserts a new section 120A into the Social Security Act 1964.

The new section provides that where an appeal to the Social Security Appeal Authority is allowed in whole or in part the Authority, if it considers it appropriate, may require the Department of Social Welfare to pay a sum fixed by the Authority to cover all or part of the costs incurred by the Authority in hearing and determining the appeal.

Clause 29, which comes into force on 1 April 1989, repeals sections 15 and 16 of the Social Security Act 1964, relating to the rates of national superannuation, and substitutes a new section 15.

The new section omits the present provision under which the married couple rate of national superannuation is based on the net average ordinary time weekly wage.

The rates of national superannuation will now be specified in a new Twenty-fourth Schedule to the Social Security Act 1964. Increases will be made by Order in Council in the same way as increases of other social security benefits.

Clause 30, which comes into force on 1 April 1989, amends section 61H of the Social Security Act 1964 under which benefits, etc., may be increased by Order in Council.

The amendment provides that the rates of national superannuation set out in the new Twenty-fourth Schedule (added by *clause 29 (2)*) and the rate of the telephone-service-rental allowance set out in the new Twenty-fifth Schedule (added by *clause 34 (2)*) may be increased by Order in Council. As with other increases under section 61H such increases in national superannuation and the telephone-service-rental allowance will require validation and confirmation by an Act of Parliament.

Clause 31, which comes into force on 1 October 1989, amends section 58 of the Social Security Act 1964, relating to entitlement to unemployment benefits.

The amendment removes the entitlement to unemployment benefits of persons engaged in approved employment-related training programmes.

Such persons will be entitled to the new training benefit provided for by *clause 33* of this Bill.

Clause 32 amends section 59 of the Social Security Act 1964, relating to the rates of unemployment benefits.

The amendment provides that an unmarried unemployment beneficiary of or over the age of 16 years and under the age of 18 years, without dependent children, is to be regarded as having attained the age of 18 years if the Director-General of Social Welfare is satisfied that—

- (a) The beneficiary is not living with his or her parents and is not being financially supported by his or her parents or any other person; and
- (b) The beneficiary cannot reasonably be expected to be financially dependent on his or her parents or any other person—
 - (i) Because there has been a breakdown in the beneficiary's relationship with his or her parents; or
 - (ii) Because the beneficiary's parents are absent or are unable to financially support the beneficiary; or

(iii) Because the beneficiary has moved from his or her parents' home to another area where there are better prospects of employment or training; or

(iv) Because the beneficiary has not lived with or been financially supported by his or her parents during the 6 months immediately before becoming entitled to unemployment benefit and has been in employment during all of that period; or

(v) For any other good and sufficient reason.

Clause 33, which comes into force on 1 October 1989, inserts new sections 60A to 60C into the Social Security Act 1964 to provide for a new category of benefit, to be called a training benefit, for persons engaged in employment-related training programmes.

The new section 60A provides that every person who is of or over the age of 16 years and who is not a full-time student is entitled to a training benefit if the person—

(a) Has resided continuously in New Zealand for not less than 12 months at any time; and

(b) Is engaged full time in an employment-related training programme approved by the Director-General of Social Welfare.

The new section 60B provides for rates of training benefits to be the same as the rates of unemployment benefits. However, subsection (2) of the new section provides for a special rate of benefit for married training beneficiaries. A married beneficiary whose benefit would normally abate to less than \$44.84 because of the combined income of the beneficiary and his or her spouse will be entitled to receive a special rate of up to \$44.84 income-tested on the beneficiary's income alone.

In addition the new section sets out the circumstances in which a 16 year old or 17 year old unmarried beneficiary, without dependent children, is to be regarded as being 18 years old for the purpose of determining the rate of training benefit payable. This provision is the same as the provision set out in *clause 32* of this Bill.

The new section 60C specifies the period for which a training benefit is to be payable, and provides for the renewal of the benefit.

Clause 34, which comes into force on 1 July 1989, repeals section 69A of the Social Security Act 1964, and substitutes a new section.

Under the repealed section 69A certain categories of beneficiaries are entitled to a telephone rental concession equal to one-half of the amount of telephone rental payable.

The beneficiary is charged half the rental by Telecom and the Department of Social Welfare pays the other half directly to Telecom.

Under the new section 69A, the concession is replaced by a telephone-service-rental allowance which will be paid to the beneficiary and Telecom will charge the beneficiary for the full rental.

The rate of the allowance is set out in a new Twenty-fifth Schedule to the Social Security Act 1964, namely \$3.52 a week.

Clause 35 inserts references to training benefits in sections 61E, 69C, 69D, and 77 of the Social Security Act 1964.

Those sections relate to accommodation benefits, disability allowances, transition to work allowances, and the effect on benefits of absence from New Zealand.

Clause 36 repeals the Third, Sixth, Eighth, Ninth, Sixteenth, and Seventeenth Schedules to the Social Security Act 1964, and substitutes new Schedules.

Those Schedules set out the rates of widows' benefits, invalids' benefits, sickness benefits, unemployment benefits, and domestic purposes benefits.

The new Schedules—

- (a) Provide for the increased rates of benefits payable on and after 1 April 1989:
- (b) Provide for solo parents with 1 dependent child to receive a different rate of benefit from solo parents with 2 or more dependent children:
- (c) Provide (in the new Ninth Schedule) for the rates of the new training benefit.

Clause 37 makes a consequential amendment to a cross-reference in the Twentieth Schedule to the Social Security Act 1964.

Clause 38, subclause (1) amends the definition of income-tested benefit in section 2 of the Income Tax Act 1976.

The amendment includes in the definition the new training benefit and excludes the telephone-rental allowance.

Subclause (2) amends the definition of the term "national superannuitant" in section 336A of the Income Tax Act 1976 to take account of the fact that the provisions of section 16 of the Social Security Act 1964 are now set out in clause 2 of the new Twenty-fourth Schedule to that Act (see *clause 29* of the Bill).

Clause 39 validates and confirms the Social Security (Rates of Benefits) Order (No. 2) 1988.

Hon. David Caygill

FINANCE (NO. 4)

ANALYSIS

Title	
1. Short Title	
PART I	
TRANSITIONAL QUARTER	
2. Application	
3. Unauthorised expenditure	
4. Statement of public accounts	
5. Audit Office report on public accounts	
6. Departmental reports for transitional quarter	
PART II	
INCOME TAX	
7. This Part to be read with Income Tax Act 1976	
8. Export-market development and tourist promotion incentive	
9. Export-market development activities incentive for self-employed taxpayers	
10. Credit of tax for imputation credit	
11. Basic rates of tax	
12. Transitional provisions in relation to provisional tax	
PART III	
GOODS AND SERVICES TAX	
13. This Part to be read with Goods and Services Tax Act 1985	
14. Interpretation	
15. Imposition of goods and services tax on supply	
16. Value of supply of goods and services	
17. Imposition of goods and services tax on imports	
18. Imposition of goods and services tax on goods liable to excise duty and supplied at "in bond" prices	
19. Calculation of tax payable	
20. Effects of imposition or alteration of tax	
21. Returns to be furnished in 2 parts for taxable period in which change in rate of tax occurs	
22. Adjustments to tax payable following change in rate of tax for persons	
	furnishing returns on payments basis, or receiving payments for secondhand goods
23. New sections inserted in principal Act	
78c. Change in accounting basis coinciding with or occurring after change in rate of tax	
78d. Liability to pay past tax, etc., not affected by alteration in the law	
PART IV	
EXCISE DUTY	
24. This Part to be read with Customs Act 1966	
25. Excise duty on motor vehicles	
26. Excise duty on petroleum products	
PART V	
AMENDMENTS TO SOCIAL SECURITY ACT 1964, ETC.	
27. Sections and Schedules to be read with Social Security Act 1964	
28. Costs incurred by Authority	
29. Rates of national superannuation	
30. Rates of benefits, etc., may be increased by Order in Council	
31. Unemployment benefits	
32. Rates of unemployment benefits	
33. New sections inserted	
<i>Training Benefits</i>	
60A. Training benefits	
60B. Rates of training benefits	
60c. Period for which training benefit payable	
34. Telephone-service-rental allowance	
35. Inserting references to training benefit	
36. New Schedules substituted	
37. Amending Twentieth Schedule	
38. Amending Income Tax Act 1976	
39. Order validated and confirmed Schedules	

A BILL INTITULED

An Act to make provision with respect to public finance and other matters

BE IT ENACTED by the Parliament of New Zealand as follows:

1. Short Title—This Act may be cited as the Finance Act 5 (No. 4) 1989.

PART I

TRANSITIONAL QUARTER

2. Application—This Part of this Act relates to the period commencing on the 1st day of April 1989 and ending with the 30th day of June 1989 (hereinafter referred to in this Part of this Act as the transitional quarter). 10

3. Unauthorised expenditure—(1) Where, during the transitional quarter, it is desirable that public money should be expended in excess of or without the appropriation of Parliament, the Minister of Finance may approve the expenditure out of the Public Account, or any account outside the Public Account, of such sum or sums as the Minister of Finance considers necessary. 15

(2) The Treasury shall advise the Audit Office of all expenditure approved under this section, whereupon, notwithstanding section 53 (1) of the Public Finance Act 1977, the money may be issued and applied accordingly. 20

(3) Notwithstanding **subsection (1)** or **subsection (2)** of this section, the total of all sums issued and applied under this section in the transitional quarter shall not exceed a sum equal to 2½ percent of all sums issued and applied under **section 2** of the Imprest Supply Act (No. 3) 1989. 25

(4) All sums issued and applied under this section shall be charged as unauthorised expenditure to such accounts or funds as the Minister of Finance directs. 30

(5) Without affecting the validity of any expenditure lawfully made under the foregoing provisions of this section, a statement of any expenditure under this section shall be included in— 35

- (a) The public accounts for the transitional quarter; and
- (b) An Appropriation Bill for both the transitional quarter and the financial year beginning on the 1st day of July 1989 for sanction by Parliament.

4. Statement of public accounts—(1) The Treasury shall, as soon as practicable after the end of the transitional quarter but not later than the 31st day of August 1989, prepare and forward to the Audit Office a statement of the public accounts
5 for the transitional quarter.

(2) The statement of the public accounts for the transitional quarter shall contain—

(a) A statement of the receipts and payments of the accounts and funds comprising the Public Account for the
10 transitional quarter; and

(b) A statement showing the expenditure relating to each vote as set out in the estimates of expenditure for the transitional quarter, and the amount (if any) under-
15 expended or over-expended in each case; and

(c) A statement showing the amounts outstanding (including accretions from investments by way of bonus shares or capitalised interest) of any money paid out of the Public Account by way of advances or loans to, or for the purchase of shares or the provision of fixed
20 capital in, any company or Government agency; and

(d) A statement of the public debt, together with a statement of all guarantees, indemnities, and securities given by the Minister of Finance on behalf of the Crown that remain contingent liabilities at the end of the
25 transitional quarter; and

(e) Such other information and statements as would be required, by sections 46, 56, and 86 and any other provision of the Public Finance Act 1977 or any other provision of any other Act, to be included in the
30 statement of the public accounts for the transitional quarter if that statement were a statement of the public accounts for a financial year.

(3) The statement specified in **subsection (2) (a)** of this section shall include all payments made, and money received, by
35 imprestees that can be incorporated in the books of the Treasury for the transitional quarter. Imprests that are unaccounted for at the end of the transitional quarter shall be shown as imprests outstanding.

(4) The payments referred to in **subsection (2) (a)** of this section
40 shall not include the investment of any money under section 41 (3) or section 50 of the Public Finance Act 1977. The total of such investments outstanding at the end of the transitional quarter shall be shown in the public accounts for the transitional quarter in such manner as the Minister of Finance
45 directs.

(5) Nothing in section 65 of the Public Finance Act 1977 shall apply in respect of the statement of the public accounts for the transitional quarter.

5. Audit Office report on public accounts—(1) The Audit Office shall, not later than the 30th day of September 1989,— 5

(a) Enface on the statement forwarded to it pursuant to section 4 (1) of this Act a report stating whether or not, in its opinion, the statement properly reflects the financial transactions for the transitional quarter, and any other remarks that it thinks fit to make; and 10

(b) Return the statement to the Treasury.

(2) The Minister of Finance shall lay the statement of the public accounts for the transitional quarter before the House of Representatives not later than the 6th sitting day of the House of Representatives after the day on which the statement is 15 returned by the Audit Office to the Treasury.

(3) Nothing in section 66 of the Public Finance Act 1977 applies in respect of the public accounts for the transitional quarter.

6. Departmental reports for transitional quarter— 20

(1) Where any Act requires the preparation of an annual report on the operations of a Government department (within the meaning of the Public Finance Act 1977), the person who is responsible under that Act for the preparation of that report shall, as soon as practicable after the end of the transitional 25 quarter, give to the Minister in charge of that Government department a report on the operations of that Government department for the transitional quarter.

(2) The Minister in charge of the Government department shall lay a copy of the report before the House of 30 Representatives as soon as practicable after its receipt by the Minister.

PART II

INCOME TAX

7. This Part to be read with Income Tax Act 1976—This 35 Part of this Act shall be read together with and deemed part of the Income Tax Act 1976* (in this Part referred to as the principal Act).

*R.S. Vol. 12, p. 1

Amendments: 1983, No. 4; 1983, No. 10; 1983, No. 139; 1984, No. 10; 1985, No. 1; 1985, No. 59; 1985, No. 125; 1986, No. 3; 1986, No. 7; 1986, No. 41; 1986, No. 117; 1987, No. 66; 1987, No. 104; 1987, No. 190; 1988, No. 6; 1988, No. 14; 1988, No. 123; 1988, No. 133; 1988, No. 225; 1989, No. 7

8. Export-market development and tourist promotion incentive—(1) Section 156F(2c) of the principal Act (as inserted by section 21 (2) of the Income Tax Amendment Act 1986 and amended by section 13 (b) of the Income Tax
5 Amendment Act (No. 2) 1988) is hereby amended by omitting the expression “35 percent”, and substituting the expression “40 percent”.

(2) The Income Tax Amendment Act (No. 2) 1988 is hereby consequentially amended by repealing section 13 (b).

10 **9. Export-market development activities incentive for self-employed taxpayers**—(1) Section 156G(2c) of the principal Act (as inserted by section 22 (3) of the Income Tax Amendment Act 1986 and amended by section 14 (b) of the
15 Income Tax Amendment Act (No. 2) 1988) is hereby amended by omitting the expression “35 percent”, and substituting the expression “40 percent”.

(2) The Income Tax Amendment Act (No. 2) 1988 is hereby consequentially amended by repealing section 14 (b).

10. Credit of tax for imputation credit—(1) Section 394ZE
20 (3) (b) of the principal Act (as inserted by section 55 of the Income Tax Amendment Act (No. 5) 1988) is hereby amended by omitting item b of the formula, and substituting the following item:

25 “b is the rate of tax deduction on payment of extra emoluments, expressed as a percentage, stated in clause 9 of the Second Schedule to this Act and applying for the income year.”

(2) This section shall apply to the tax on income derived in
30 the income year commencing on the 1st day of April 1989 and in every subsequent year.

11. Basic rates of tax—(1) Part A of the First Schedule to the principal Act (as amended by section 22 (1) of the Income Tax Amendment Act (No. 2) 1988) is hereby amended—

35 (a) By omitting from clause 2 the expression “33c”, and substituting the expression “38c”:

(b) By omitting from clause 3 (b) the expression “12.5c”, and substituting the expression “17.5c”:

(c) By omitting from clause 4 the expression “33c”, and substituting the expression “38c”:

40 (d) By omitting from clause 5 the expression “33c”, and substituting the expression “38c”:

- (e) By omitting from clause 6 the expression “20c”, and substituting the expression “25c”;
- (f) By omitting from clause 7 the expression “28c”, and substituting the expression “33c”;
- (g) By omitting from clause 8 the expression “33c”, and substituting the expression “38c”;
- (h) By omitting from clause 9c the expression “28c”, and substituting the expression “33c”.
- (2) Clause 9 of Part A of the First Schedule to the principal Act is hereby amended by omitting paragraphs (a) and (b) and the words “whichever is the greater”, and substituting the expression “33c”.
- (3) The Income Tax Amendment Act (No. 2) 1988 is hereby consequentially amended by repealing section 22 (1).
- (4) This section shall apply to the tax on income derived in the income year commencing on the 1st day of April 1989 and in every subsequent year.

12. Transitional provisions in relation to provisional tax—(1) Notwithstanding section 377 (1) of the principal Act but subject to sections 377 (2) and 377 (3) of the principal Act, the amount of provisional tax payable by a person who derives income subject to the provisions of any of clauses 2, 4, 5, 6, 7, 8, and 9c of Part A of the First Schedule to the principal Act in respect of the income derived in the income year ending with the 31st day of March 1990 shall be an amount equal to the residual income tax payable by that person in respect of the income derived in the income year ending with the 31st day of March 1989 multiplied by the following factor:

$$\frac{110}{100} \times \frac{a}{b}$$

where—

- a is the basic rate of tax for every \$1 of income derived by that person during the income year ending with the 31st day of March 1990; and
- b is the basic rate of tax for every \$1 of income derived by that person during the income year ending with the 31st day of March 1989.
- (2) Notwithstanding anything in the principal Act, in respect of the income derived by a person whose income is subject to the provisions of any of clauses 2, 4, 5, 6, 7, 8, and 9c of Part A of the First Schedule to the principal Act in the income year ending with the 31st day of March 1989, and in respect of any instalment of provisional tax to which section 381 of the

principal Act applies, section 381 (as so substituted) shall apply as if the expression “the amount equal to 120 percent of the residual income tax which the taxpayer was liable to pay in respect of the income derived in the year immediately preceding the preceding income year” in both places where it occurs in the said section 381 were the expression “the amount equal to 120 percent of the residual income tax that the taxpayer was liable to pay in respect of the income derived in the income year immediately preceding the preceding income year multiplied by the following fraction:

$$\frac{a}{b}$$

where—

- a is the basic rate of tax for every \$1 of income derived by that person during the income year ending with the 31st day of March 1989; and
- b is the basic rate of tax for every \$1 of income derived by that person during the income year ending with the 31st day of March 1987.”

(3) Notwithstanding anything in the principal Act, in respect of the income derived by a person whose income is subject to the provisions of any of clauses 2, 4, 5, 6, 7, 8, and 9c of Part A of the First Schedule to the principal Act in the income year ending with the 31st day of March 1990, and in respect of any instalment of provisional tax to which section 381 of the principal Act applies, section 381 (as so substituted) shall apply as if the expression “the amount equal to 120 percent of the residual income tax which the taxpayer was liable to pay in respect of the income derived in the year immediately preceding the preceding income year” in both places where it occurs in the said section 381 were the expression “the amount equal to 120 percent of the residual income tax that the taxpayer was liable to pay in respect of the income derived in the income year immediately preceding the preceding income year multiplied by the following fraction:

$$\frac{a}{b}$$

where—

- a is the basic rate of tax for every \$1 of income derived by that person during the income year ending with the 31st day of March 1990; and
- b is the basic rate of tax for every \$1 of income derived by that person during the income year ending with the 31st day of March 1988.”

(4) Notwithstanding anything in the principal Act, in respect of the income derived by a person whose income is subject to the provisions of any of clauses 2, 4, 5, 6, 7, 8, and 9c of Part A of the First Schedule to the principal Act in the income year ending with the 31st day of March 1991, and in respect of any instalment of provisional tax to which section 381 of the principal Act applies, section 381 (as so substituted) shall apply as if the expression “the amount equal to 120 percent of the residual income tax which the taxpayer was liable to pay in respect of the income derived in the year immediately preceding the preceding income year” in both places where it occurs in the said section 381 were the expression “the amount equal to 120 percent of the residual income tax that the taxpayer was liable to pay in respect of the income derived in the income year immediately preceding the preceding income year multiplied by the following fraction:

$$\frac{a}{b}$$

where—

- a is the basic rate of tax for every \$1 of income derived by that person during the income year ending with the 31st day of March 1991; and
- b is the basic rate of tax for every \$1 of income derived by that person during the income year ending with the 31st day of March 1989.”

(5) Sections 75 (4) and 75 (6) of the Income Tax Amendment Act (No. 5) 1988 are hereby amended by inserting, after the words “natural person” in each case, the words “, other than a natural person who derives income subject to the provisions of any of clauses 2, 4, 5, 6, and 9c of Part A of the First Schedule to the principal Act,”.

(6) Notwithstanding section 377 (1) of the principal Act, but subject to sections 377 (2) and 377 (3) of the principal Act, the amount of provisional tax payable by any Maori authority on any income subject to clause 3 (b) of Part A of the First Schedule to the principal Act in respect of the income derived in the income year commencing on the 1st day of April 1989 shall be the amount as determined under Part XII of the principal Act, increased by 40 percent of that amount.

(7) Section 75 (5) of the Income Tax Amendment Act (No. 5) 1988 is hereby repealed.

(8) This section shall come into force on the 7th day of July 1989 and shall apply to all provisional tax due and payable on or after that date.

PART III

GOODS AND SERVICES TAX

13. This Part to be read with Goods and Services Tax Act 1985—(1) This Part of this Act shall be read together with
5 and deemed part of the Goods and Services Tax Act 1985* (in this Part referred to as the principal Act).

(2) Except where this Part of this Act otherwise provides, this Part of this Act shall come into force on the date on which this Act receives the Royal assent.

*R.S. Vol. 19, p. 369

Amendments: 1987, No. 103; 1987, No. 191; 1988, No. 7; 1988, No. 15; 1988, No. 125; 1989, No. 8

10 **14. Interpretation**—Section 2 (1) of the principal Act is hereby amended by inserting in paragraph (c) of the definition of the term “input tax”, after the words “tax fraction”, the words “(being the tax fraction applicable at the time of supply within the meaning of section 9 or any other provision of this
15 Act”.

15. Imposition of goods and services tax on supply—

(1) Section 8 (1) of the principal Act is hereby amended by omitting the expression “10 percent”, and substituting the expression “12.5 percent”.

20 (2) This section shall come into force on the 1st day of July 1989 and shall apply to supplies made on and after that date.

16. Value of supply of goods and services—(1) Section 10 (6) of the principal Act (as inserted by section 8 (6) of the Goods and Services Tax Amendment Act 1986) is hereby
25 amended by omitting the expression “6 percent” in both places where it occurs, and substituting in each case the expression “7.5 percent”.

(2) This section shall come into force on the 1st day of July 1989 and shall apply to supplies made on and after that date.

30 **17. Imposition of goods and services tax on imports**—(1) Section 12 (1) of the principal Act is hereby amended by omitting the expression “10 percent”, and substituting the expression “12.5 percent”.

35 (2) This section shall come into force on the 1st day of July 1989, and shall apply to the importation of goods on and after that date.

18. Imposition of goods and services tax on goods liable to excise duty and supplied at “in bond” prices—

(1) Section 13 (1) of the principal Act is hereby amended by omitting the expression "10 percent", and substituting the expression "12.5 percent".

(2) This section shall come into force on the 1st day of July 1989 and shall apply to supplies made on and after that date. 5

19. Calculation of tax payable—Section 20 of the principal Act is hereby amended by inserting, after subsection (3A), the following subsection:

"(3B) Notwithstanding anything in subsection (3) of this section, in calculating the amount of tax payable by a 10 registered person in respect of any taxable period, no amount of input tax attributable to the taxable period in respect of the supply of any secondhand goods to that registered person on or after the 1st day of July 1989 and before the 1st day of April 1990 shall be deducted from the amount of output tax of a 15 registered person where those goods were supplied by that registered person on or after the 21st day of March 1989 and before the 1st day of July 1989, unless the registered person satisfies the Commissioner—

"(a) That each supply referred to in this subsection has been 20 made to and by the registered person in the normal course of the taxable activity carried on by that registered person; and

"(b) That each such supply has been made to and by that registered person otherwise than for the purpose of 25 enabling that registered person to claim a deduction of input tax at the higher of the rates of tax applicable at the time of any of those supplies."

20. Effects of imposition or alteration of tax—Section 78 (2) of the principal Act is hereby amended by omitting the 30 proviso (as added by section 34 (2) of the Goods and Services Tax Amendment Act 1986), and substituting the following provisos:

"Provided that this subsection shall not apply where that contract or agreement is entered into after the expiry of the 35 period of 3 months that commences with the coming into force of the alteration in the law:

"Provided further that this subsection shall not apply to require a public authority to alter any amount agreed to be paid by the authority in respect of any supply of goods and 40 services where the consideration for that supply is in the nature of a grant or subsidy."

21. Returns to be furnished in 2 parts for taxable period in which change in rate of tax occurs—

(1) Section 78A (1) of the principal Act (as inserted by section 4 (1) of the Goods and Services Tax Amendment Act (No. 3) 1988) is hereby amended by inserting, after the words “date on which the new rate comes into force” where they first occur, the words “(other than a person with a taxable period commencing within 7 days before or after the day immediately preceding that date who furnishes returns in accordance with subsection (5) of this section)”.

(2) Section 78A of the principal Act (as so inserted) is hereby amended by adding the following subsection:

“(5) Any registered person who, pursuant to a determination of the Commissioner under section 15 (7) of this Act, has a taxable period that ends within 7 days before or after the day immediately preceding the date on which a new rate of tax comes into force may, upon written notification to the Commissioner, disregard that determination in relation to the 2 taxable periods that, but for that determination, would have—

“(a) Ended with the day immediately preceding the date on which the new rate comes into force; or

“(b) Commenced with the day on which the new tax rate comes into force;—

and where a person so notifies the Commissioner, that person shall accordingly furnish returns in respect of those 2 taxable periods as if—

“(c) The earlier of those periods ended with the day immediately preceding the date on which the new rate of tax comes into force; and

“(d) The later of those periods commenced on the day on which the new rate of tax comes into force.”

22. Adjustments to tax payable following change in rate of tax for persons furnishing returns on payments basis, or receiving payments for secondhand goods—

(1) Section 78B of the principal Act (as inserted by section 4 (1) of the Goods and Services Tax Amendment Act (No. 3) 1988) is hereby amended by repealing subsections (1) and (2), and substituting the following subsections:

“(1) Where there is a change in the rate of tax imposed by section 8 of this Act,—

“(a) Any payments that are made or received by a registered person on or after the date on which the new rate comes into force, to the extent that—

“(i) Any such payment is made or received in respect of any qualifying supply referred to in subsection (2A) (a) of this section by a registered person who, as at that date, is required to account for tax payable on a payments basis; or 5

“(ii) Any such payment is made in respect of any qualifying supply of secondhand goods referred to in subsection (2A) (b) of this section by a registered person who, as at that date, is required to account for tax payable on an invoice basis,— 10

shall be deemed, notwithstanding any other provision of this Act, to be consideration for a supply made or received by that registered person on or after the date on which the new rate of tax comes into force, and the amount of any input tax or output tax in respect of any such supply shall accordingly be determined on the basis of the new rate of tax; but 15

“(b) The amount of tax payable under section 20 of this Act by any registered person referred to in paragraph (a) of this subsection who makes or receives a qualifying supply shall be adjusted by an amount calculated in accordance with this section. 20

“(2) Where subsection (1) (b) of this section requires an adjustment to be made of the amount of tax payable by a registered person,— 25

“(a) The calculation of the adjustment shall be recorded in a form prescribed by the Commissioner; and

“(b) The registered person shall furnish that prescribed form to the Commissioner together with— 30

“(i) That person’s Part I return furnished under section 78A of this Act; or

“(ii) If the person is not required to furnish a Part I return, the return for the taxable period ending with the day preceding the date on which the new rate of tax comes into force. 35

“(2A) For the purposes of this section, the term ‘qualifying supply’ means—

“(a) In relation to a person who, as at the date on which the new rate of tax comes into force, is required to account for tax payable on a payments basis,— 40

“(i) Any taxable supply made by the registered person; or

“(ii) Any taxable supply made to the registered person; or 45

“(iii) Any supply made to the registered person that is a supply of secondhand goods to which paragraph (c) of the definition of the term ‘input tax’ in section 2 (1) of this Act applies; or

5 “(iv) Any supply made by the registered person that is a specified supply within the meaning of section 86 of this Act; and

“(b) In relation to a person who, as at the date on which the new rate of tax comes into force, is required to account for tax payable on an invoice basis, any supply made to the registered person that is a supply of secondhand goods to which paragraph (c) of the definition of the term ‘input tax’ in section 2 (1) of this Act applies,—

15 to the extent that—

“(c) As at the commencement of the day on which the new rate of tax comes into force, the consideration for the supply—

20 “(i) Remains unpaid; and

“(ii) Has not been written off by the registered person as a bad debt; and

“(d) The supply is not required to be taken into account (otherwise than pursuant to this section) in calculating the tax payable by the registered person in respect of—

25 “(i) That part of the taxable period in which the new rate of tax comes into force that is required by section 78A of this Act to be covered by a Part I return; or

30 “(ii) Any other taxable period ending before the new rate of tax comes into force; and

“(e) The supply is not charged with tax at the rate of zero percent; and

35 “(f) The supply, in the case of a supply made to the registered person, is a supply in respect of which—

“(i) A tax invoice or debit note or credit note has been provided in accordance with sections 24 and 25 of this Act and is held by that registered person at the time the prescribed form is furnished in accordance with **subsection (2)** of this section; or

40 “(ii) A tax invoice is not required to be issued pursuant to section 24 (5) or section 24 (6) of this Act, or a debit note or credit note is not required to be issued pursuant to section 25 of this Act; or

“(iii) Sufficient records are maintained as required pursuant to section 24 (7) of this Act, where the supply is a supply of secondhand goods to which that section relates.”

(2) Section 78B (4) of the principal Act is hereby amended by 5
omitting the expression “subsection (1) (c)”, and substituting
the expression “**subsection (2) (b)**”.

23. New sections inserted in principal Act—The principal Act is hereby amended by inserting, after section 78B, 10
the following sections:

“78C. Change in accounting basis coinciding with or occurring after change in rate of tax—(1) Where—

“(a) There is a change in the rate of tax imposed by section 8 of this Act; and

“(b) A registered person is required pursuant to section 78A 15
of this Act to furnish both a Part I return and a Part II return for any taxable period during which the new rate of tax comes into force; and

“(c) The Commissioner has during that taxable period, at any 20
time before the date on which the new rate of tax comes into force, directed the person to change from an invoice basis to a payments basis, or from a payments basis to an invoice basis, pursuant to section 19 of this Act,—

the provisions of section 19 of this Act (except subsection (5) of 25
that section) shall have effect in respect of that registered person as if each of the periods for which a Part I return or a Part II return is required to be made were a separate taxable period, and the Commissioner’s direction shall have effect from the commencement of the period for which a Part II return is 30
required to be furnished.

“(2) Where the Commissioner directs a change in accounting basis for any registered person pursuant to section 19 of this Act at any time after a new rate of tax comes into force,—

“(a) For the purpose of determining under subsections (7) and 35
(8) of section 19 of this Act the amount of any input tax deducted and output tax accounted for, and any input tax that would have been deducted and output tax that would have been accounted for if the person had been accounting for tax payable on a 40
different basis,—

“(i) The amount of any such input tax in respect of any taxable supply, or any supply of secondhand

5 goods to which paragraph (c) of the definition of 'input tax' in section 2 (1) of this Act, shall be deemed to be an amount equal to the new tax fraction (being the tax fraction as calculated in accordance with section 2 of this Act immediately after the coming into force of the new rate of tax) of the consideration in money for the supply or for the secondhand goods; and

10 "(ii) The amount of any such output tax in respect of any taxable supply shall be deemed to be an amount equal to that new tax fraction of the consideration in money for the supply,— notwithstanding that the supply may have occurred during any taxable period or part of a taxable period occurring before the date on which the new rate came into force; and

15 "(b) For the purpose of determining the amount of any such input or output tax deducted or accounted for, or that would have been deducted or accounted for, no account shall be taken of the amount of any adjustment under section 78B of this Act.

20 "**78D. Liability to pay past tax, etc., not affected by alteration in the law**—Except as otherwise expressly provided in any enactment, the repeal or amendment of any provision of this Act shall not affect any liability or right of any person or of the Crown that existed under that provision immediately before its repeal or amendment, and in particular,—

30 "(a) Any liability to tax, or to any fine or penalty, of any person pursuant to the repealed or amended provision, and the right of the Crown to any revenue, tax, fee, fine, or penalty pursuant to the repealed or amended provision, shall not be affected by the repeal or amendment; and

35 "(b) All acts and proceedings for the assessment or recovery of any revenue, tax, fine, or penalty assessed or assessable or paid or payable pursuant to the repealed or amended provision, and all proceedings in respect of offences committed or alleged to be committed in respect of the repealed or amended provision, may be instituted or continued as if the provision had not been repealed or amended."

40

PART IV
EXCISE DUTY

24. This Part to be read with Customs Act 1966—This Part of this Act and the **First and Third Schedules** to this Act shall be read together with and deemed part of the Customs Act 1966* 5 (in this Part referred to as the principal Act).

*R.S. Vol. 2, p. 57

Amendments: 1979, No. 7; 1979, No. 137, Part I; 1980, No. 5, Part I; 1980, No. 33, Part I; 1981, No. 2, Part I; 1981, No. 5, Part I; 1982, No. 9, Part I; 1982, No. 112, Part I; 1983, No. 5; Part I; 1983, No. 41, Part I; 1984, No. 6, Part I; 1985, No. 131; 1985, No. 145, Part I; 1986, No. 44; 1987, No. 63; 1987, No. 75; 1987, No. 89; 1987, No. 128; 1988, No. 17; 1988, No. 127; 1988, No. 182

25. Excise duty on motor vehicles—(1) The Third Schedule to the principal Act (as substituted by clause 5 of the Customs Tariff (Harmonised System) Amendment Order 1987 and amended by section 4 of the Customs Amendment Act 1988 and clause 5 of the Customs Tariff (Miscellaneous) Order 1988) is hereby amended by omitting so much as relates to excise item 99.80.00j, and substituting the item, description, and rate of duty specified in the **First Schedule** to this Act. 10

(2) The **First Schedule** to the Tariff Act 1988 is hereby 15 consequentially amended—

(a) By repealing the rates of duty in respect of Tariff items 8703.21.19, 8703.22.09, 8703.23.09, 8703.24.09, 8703.31.09, 8703.32.09, 8703.33.09, 8703.90.09, 8704.21.11, 8704.31.11, and 8704.90.11, and 20 substituting the rates of duty set out opposite those items in the **Second Schedule** to this Act:

(b) By omitting from footnote 1 to Chapter 87 the expression “15 percent”, and substituting the expression “7.5 percent”. 25

26. Excise duty on petroleum products—(1) The Third Schedule to the principal Act (as so substituted and amended) is hereby further amended by omitting so much as relates to excise items 99.75.15c, 99.75.20k, 99.75.35h, 99.75.50a, 99.75.60j, and 99.75.65k, and substituting the item, description, 30 and rates of duty specified in the **Third Schedule** to this Act.

(2) The **Third Schedule** to the principal Act (as so substituted and amended) is hereby further amended by repealing so much as relates to excise items 99.75.10b, 99.75.25l, 99.75.30g, 99.75.40d, and 99.75.45e. 35

(3) The **First Schedule** to the Tariff Act 1988 is hereby consequentially amended—

(a) By repealing the rates of duty in respect of each Tariff item set out in the **Fourth Schedule** to this Act, and

substituting the rates of duty set out opposite each item:

- (b) By repealing footnote 2 relating to Tariff item 2207.20.21 of Chapter 22:
- 5 (c) By omitting from footnote 3 to Chapter 22 the expression “36.7c”, and substituting the expression “32.7c”:
- (d) By repealing footnote 1 relating to Tariff item 2710.00.09 of Chapter 27:
- (e) By repealing footnotes 4, 5, 7, and 8 to Chapter 27:
- 10 (f) By omitting from footnote 2 to Chapter 27 the expression “36.2 cents”, and substituting the expression “32.2 cents”:
- (g) By omitting from footnote 3 to Chapter 27 the expression “36.7 cents”, and substituting the expression “32.7 cents”:
- 15 (h) By omitting from footnote 6 to Chapter 27 the expression “23.2 cents”, and substituting the expression “16.2 cents”:
- (i) By omitting from footnote 3 to Chapter 29 the expression “36.7 cents”, and substituting the expression “32.7 cents”:
- 20 (j) By omitting from footnote 3 to Chapter 36 the expression “36.7 cents”, and substituting the expression “32.7 cents”:
- (k) By repealing footnote 1 to Chapter 38:
- 25 (l) By omitting from footnote 3 to Chapter 38 the expression “36.7 cents”, and substituting the expression “32.7 cents”.
- (4) The Transport Act 1962 is hereby consequentially
30 amended—
- (a) By omitting from section 188 (2) (d) (as substituted by section 2 of the Transport Amendment Act 1986 and amended by the Transport (Apportionment of Excise Duty) Order 1986) the expression “25.3 cents”, and substituting the expression “21.3 cents”:
- 35 (b) By omitting from section 188 (2) (c) (as so substituted and amended) the expression “25.8 cents”, and substituting the expression “21.8 cents”:
- (c) By repealing the Third Schedule (as substituted by section
40 5 (1) of the Customs Amendment Act 1987), and substituting the new Third Schedule set out in the Fifth Schedule to this Act.
- (5) The Customs Amendment Act 1987 is hereby
45 consequentially amended by repealing section 5 and the Third Schedule.

(6) The Transport (Apportionment of Excise Duty) Order 1986 is hereby revoked.

(7) This section shall come into force on the 1st day of July 1989.

PART V

5

AMENDMENTS TO SOCIAL SECURITY ACT 1964, ETC.

27. Sections and Schedules to be read with Social Security Act 1964—This section, sections 28 to 37 of this Act, and the Sixth to Eighth Schedules to this Act shall be read together with and deemed part of the Social Security Act 1964* (in those sections and Schedules referred to as the principal Act). 10

*R.S. Vol. 13, p. 403

Amendments: 1983, No. 138; 1984, No. 8; 1984, No. 19; 1985, No. 111; 1985, No. 159; 1986, No. 39; 1987, No. 106; 1988, No. 138; 1988, No. 147

28. Costs incurred by Authority—The principal Act is hereby amended by inserting, after section 120, the following section:

“120A. Where an appeal is allowed in whole or in part the Authority, if it considers it appropriate, may require the Department to pay a sum fixed by the Authority to cover all or part of the costs incurred by the Authority in hearing and determining the appeal.” 15

29. Rates of national superannuation—(1) The principal Act is hereby amended by repealing sections 15 and 16, and substituting the following section: 20

“15. (1) The rate of national superannuation payable to any person shall be the appropriate rate specified in the Twenty-fourth Schedule to this Act. 25

“(2) A married person whose spouse is not entitled to receive national superannuation may elect to receive the appropriate rate specified in either clause 1 or clause 2 of the Twenty-fourth Schedule to this Act.

“(3) A person who has made an election under subsection (2) of this section may at any time change that election; and any such change shall take effect on the first pay day after the date on which the Department is notified of the change.” 30

(2) The principal Act is hereby amended by adding the Twenty-fourth Schedule set out in the Sixth Schedule to this Act. 35

(3) The following enactments are hereby consequentially repealed:

(a) Section 4 of the Social Security Amendment Act 1986:

(b) The Social Security Amendment Act 1988.

(4) The Social Security (National Superannuation) Order (No. 2) 1988 (S.R. 1988/285) is hereby revoked.

(5) This section and the **Sixth** Schedule to this Act shall come into force on the 1st day of April 1989.

5 **30. Rates of benefits, etc., may be increased by Order in Council**—(1) Section 61H(1)(b) of the principal Act (as substituted by section 18(1) of the Social Security Amendment Act (No. 2) 1988) is hereby amended by omitting the words “and Twenty-third”, and substituting the words “Twenty-third,
10 **Twenty-fourth, and Twenty-fifth**”.

(2) This section shall come into force on the 1st day of April 1989.

15 **31. Unemployment benefits**—(1) Section 58(1) of the principal Act is hereby amended by repealing paragraph (b), and substituting the following paragraph:

“**(b)** Is capable of undertaking and is willing to undertake suitable work; and”.

(2) Section 4 of the Social Security Amendment Act 1981 is hereby consequentially repealed.

20 (3) This section shall come into force on the 1st day of October 1989.

25 **32. Rates of unemployment benefits**—Section 59 of the principal Act is hereby amended by adding the following subsections:

“**(4)** For the purposes of this section and of the Ninth Schedule to this Act, an unmarried beneficiary of or over the age of 16 years and under the age of 18 years, without dependent children, shall be regarded as having attained the age of 18 years if the Director-General is satisfied that—

30 “**(a)** The beneficiary is not living with his or her parents and is not being financially supported by his or her parents or any other person; and

“**(b)** The beneficiary cannot reasonably be expected to be financially dependent on his or her parents or any
35 other person—

“**(i)** Because there has been a breakdown in the beneficiary’s relationship with his or her parents; or

“**(ii)** Because the beneficiary’s parents are absent or are unable to financially support the beneficiary;

40 or

“(iii) Because the beneficiary has moved from his or her parents’ home to another area where there are better prospects of employment or training; or

“(iv) Because the beneficiary has not lived with or been financially supported by his or her parents during the 6 months immediately before becoming entitled to unemployment benefit and has been in employment during all of that period; or

“(v) For any other good and sufficient reason.

“(5) For the purposes of subsection (4) of this section, ‘parents’ means the parents or guardian or other person who had the care of the beneficiary most recently before the beneficiary attained the age of 16 years; but does not include the Director-General acting in his or her official capacity.”

33. New sections inserted—(1) The principal Act is hereby amended by inserting, after section 60, the following heading and sections:

“Training Benefits

“60A. Training benefits—Every person who is of or over the age of 16 years and who is not a full-time student shall be entitled to a training benefit under this Part of this Act if the person—

“(a) Has resided continuously in New Zealand for not less than 12 months at any time; and

“(b) Is engaged full time in an employment-related training programme approved by the Director-General for the purposes of this section.

“60B. Rates of training benefits—(1) The rate of training benefit payable to any beneficiary shall be the appropriate rate specified in the Ninth Schedule to this Act.

“(2) A married person whose income, when combined with the income of his or her spouse, would cause the weekly amount of benefit payable to that person calculated under clause 1 of the Ninth Schedule to this Act to abate to less than the amount specified in clause 3 of that Schedule shall be paid the special rate of benefit specified in the said clause 3.

“(3) For the purposes of this section and of the Ninth Schedule to this Act, an unmarried beneficiary of or over the age of 16 years and under the age of 18 years, without dependent children, shall be regarded as having attained the age of 18 years if the Director-General is satisfied that—

“(a) The beneficiary is not living with his or her parents and is not being financially supported by his or her parents or any other person; and

5 “(b) The beneficiary cannot reasonably be expected to be financially dependent on his or her parents or any other person—

“(i) Because there has been a breakdown in the beneficiary’s relationship with his or her parents; or

10 “(ii) Because the beneficiary’s parents are absent or are unable to financially support the beneficiary; or

“(iii) Because the beneficiary has moved from his or her parents’ home to another area where there are better prospects of employment or training; or

15 “(iv) Because the beneficiary has not lived with or been financially supported by his or her parents during the 6 months immediately before becoming entitled to a training benefit and has been in employment during all of that period; or

20 “(v) For any other good and sufficient reason.

“(4) For the purposes of subsection (3) of this section, ‘parents’ means the parents or guardian or other person who had the care of the beneficiary most recently before the beneficiary attained the age of 16 years; but does not include the Director-
25 General acting in his or her official capacity.

“60c. **Period for which training benefit payable—**

(1) Unless the beneficiary becomes entitled to receive some other benefit and so long as the beneficiary satisfies the conditions prescribed in section 60A of this Act, a training
30 benefit—

“(a) Shall continue to be payable for such period not exceeding 26 weeks as the Director-General determines; and

35 “(b) May from time to time be renewed for such further period not exceeding 26 weeks as the Director-General determines.

“(2) If any person, while in receipt of a training benefit, becomes temporarily incapacitated for training through sickness, he or she may be granted a sickness benefit instead of
40 the training benefit; and in any such case the sickness benefit shall be computed as if the training benefit previously payable were earnings of the beneficiary.”

(2) This section shall come into force on the 1st day of October 1989.

34. Telephone-service-rental allowance—(1) The principal Act is hereby amended by repealing section 69A, and substituting the following section:

“69A. (1) Subject to the provisions of this section, a person shall be entitled to receive from the Director-General a telephone-service-rental allowance if the person is for the time being the lessee of a telephone service in respect of the person’s principal place of residence and is in receipt of—

“(a) An invalid’s, widow’s, or related emergency benefit payable under section 61 of this Act; or 10

“(b) A miner’s benefit or a miner’s widow’s benefit, if the income of the beneficiary or the income of the spouse of the beneficiary is such that it would not prevent the payment of an invalid’s benefit under this Part of this Act; or 15

“(c) A domestic purposes benefit, sickness benefit, or emergency benefit payable under section 61 of this Act (other than any emergency benefit referred to in paragraph (a) or paragraph (d) of this subsection), if the benefit is, in the opinion of the Director-General, likely to continue for a period of more than 26 weeks; or 20

“(d) An emergency benefit payable under section 61 of this Act, if the person is over the age of 60 years but is not entitled to receive national superannuation, and the benefit is, in the opinion of the Director-General, likely to continue for a period of more than 26 weeks; or 25

“(e) A war veteran’s allowance, war service pension, economic pension, or wife’s pension granted under the War Pensions Act 1954; or 30

“(f) A war veteran’s allowance gratuity granted under the War Pensions Act 1954, or a war service pension continued by instalments under section 66j or section 66k of that Act. 35

“(2) The rate of the allowance payable under this section shall be the rate specified in the Twenty-fifth Schedule to this Act.

“(3) An allowance shall not be payable to any person under this section in respect of more than one lease of a telephone service. 40

“(4) If 2 or more persons are entitled to an allowance under this section by virtue of being joint lessees of a telephone service, the Director-General shall decide which one of those

persons is to receive the allowance and may at any time review that decision.

“(5) A telephone-service-rental allowance shall first become payable from—

5 “(a) The date on which the applicant becomes entitled to receive the allowance; or

“(b) The date on which an application for the allowance is received by the Director-General—

whichever is later.”

10 (2) The principal Act is hereby amended by adding the **Twenty-fifth** Schedule set out in the **Seventh Schedule** to this Act.

(3) The following enactments are hereby consequentially repealed:

(a) Section 11 of the Social Security Amendment Act 1973:

15 (b) Section 17 of the Social Security Amendment Act 1976:

(c) Section 19 of the Social Security Amendment Act 1978.

(4) This section and the **Seventh** Schedule to this Act shall come into force on the 1st day of July 1989.

20 (5) Every person who, on the 30th day of June 1989, was properly receiving a telephone-rental concession under section 69A of the principal Act (as it then existed) shall be entitled, from that date, to receive a telephone-service-rental allowance under section 69A of the principal Act (as substituted by **subsection (1)** of this section) while the person continues to be
25 entitled to receive the allowance under the said section 69A (as so substituted).

35. Inserting references to training benefit—(1) Section 61E (1) of the principal Act (as substituted by section 24 (1) of the Social Security Amendment Act 1987) is hereby amended
30 by inserting in paragraph (a) of the definition of the term “beneficiary”, after the word “sickness,”, the word “training,”.

(2) Section 69c (1) (a) of the principal Act (as substituted by section 15 (1) of the Social Security Amendment Act (No. 2) 1985) is hereby amended by inserting, after the words
35 “domestic purposes,”, the word “training,”.

(3) Section 69D (1) of the principal Act (as inserted by section 15 of the Social Security Amendment Act 1986) is hereby amended by inserting, after paragraph (d), the following paragraph:

40 “(da) A training benefit.”

(4) Section 77 of the principal Act (as substituted by section 2 (1) of the Social Security Amendment Act 1985) is hereby amended—

- (a) By inserting in subsection (3), after the word “sickness,” the word “training,”:
- (b) By inserting in subsection (5), after the word “sickness,” the word “training,”.

36. New Schedules substituted—(1) The principal Act is hereby amended by repealing the Third, Sixth, Eighth, Ninth, Sixteenth, and Seventeenth Schedules (as substituted by section 18 (1) of the Social Security Amendment Act 1986), and substituting the Third, Sixth, Eighth, Ninth, Sixteenth, and Seventeenth Schedules set out in the Eighth Schedule to this Act.

(2) The following enactments are hereby consequentially repealed:

- (a) Section 18 of, and the First Schedule to, the Social Security Amendment Act 1986:
- (b) Section 12 (3) of the Social Security Amendment Act 1987:
- (c) Section 24 of the Social Security Amendment Act (No. 2) 1988.

(3) The Social Security (Rates of Benefits) Order 1988 (S.R. 1988/159) is hereby amended by revoking so much of the Schedule as relates to the Third, Sixth, Eighth, Ninth, Sixteenth, and Seventeenth Schedules to the principal Act.

(4) This section and the Eighth Schedule to this Act shall come into force on the 1st day of April 1989.

37. Amending Twentieth Schedule—(1) Clause 1 of the Twentieth Schedule to the principal Act (as substituted by section 29 (1) of the Social Security Amendment Act 1987) is hereby amended by omitting from paragraph (b) of the definition of the term “exempt income” the expression “clause 1 (g)”, and substituting the expression “clause 1 (h)”.

(2) This section shall come into force on the 1st day of April 1989.

38. Amending Income Tax Act 1976—(1) Section 2 of the Income Tax Act 1976 is hereby amended by inserting in the definition of the term “income-tested benefit” (as inserted by section 2 (2) of the Income Tax Amendment Act (No. 2) 1986)—

- (a) After the words “sickness benefit,” the words “training benefit,”:
- (b) After the expression “61G,” the expression “69A,”.

(2) Section 336A of the Income Tax Act 1976 (as inserted by section 17 (1) of the Income Tax Amendment Act 1984) is

hereby amended by omitting from the definition of the term “national superannuitant” the words “in accordance with section 16 of”, and substituting the words “at a rate specified in clause 2 of the **Twenty-fourth** Schedule to”.

5 (3) This section shall come into force on the 1st day of April 1989.

39. Order validated and confirmed—(1) As required by section 61H of the Social Security Act 1964, the Social Security (Rates of Benefits) Order (No. 2) 1988 (S.R. 1988/284) is hereby
10 validated and confirmed.

(2) Section 4 of the Finance Act (No. 2) 1988 is hereby repealed.

SCHEDULES

**FIRST SCHEDULE
EXCISE DUTIES**

Section 25 (1)

Excise item Number	Goods	Unit	Rates of Duty
99.80.00j	Motorcars and other motor vehicles, assembled, principally designed for the transport of persons (other than public-transport type passenger motor vehicles of Tariff heading 87.02), including station wagons and racing cars, and motor vehicles for the transport of goods, having a gross vehicle weight not exceeding 3,500 kg, irrespective of engine capacity or motive power which, if imported, would be classified within Tariff item 8703.21.19, 8703.22.09, 8703.23.09, 8703.24.09, 8703.31.09, 8703.32.09, 8703.33.09, 8703.90.09, 8704.21.11, 8704.31.11 or 8704.90.11		7.5

Section 25 (2)

SECOND SCHEDULE
AMENDMENTS TO FIRST SCHEDULE OF TARIFF ACT 1988

Rates of Duty	
Normal Tariff	Preferential Tariff
52.5 ¹	AU 17.5 ¹
7/89 47.5 ¹	7/89 12.5 ¹
1/90 42.5 ¹	1/90 7.5 ¹
	CA 30.83 ¹
	7/89 25.83 ¹
	1/90 20.83 ¹
	GB 27.5 ¹
	LLDC 17.5 ¹
	7/89 12.5 ¹
	1/90 7.5 ¹
	Pac 17.5 ¹
	7/89 12.5 ¹
	1/90 7.5 ¹

THIRD SCHEDULE
EXCISE DUTIES

Section 26 (1)

Excise item Number	Goods	Unit	Rates of Duty
99.75	Fuels:		
99.75.15c	- Motor spirit with a Research Octane No. (RON) less than 92 (regular grade) which, if imported, would be classified within Tariff item 2710.00.11, 2710.00.25 or 2710.00.29	per ℓ	32.2¢
99.75.20k	- Motor spirit derived from ethanol, petroleum or methanol which, if imported, would be classified within Tariff item 2207.20.29, 2710.00.19, 2710.00.31, 2710.00.39, 3606.10.11, 3606.10.19 or 3823.90.29	per ℓ	32.7¢
99.75.35H	- Automotive diesel which, if imported, would be classified within Tariff item 2710.00.63	per ℓ	16.2¢
99.75.50A	- Natural gas which, if imported, would be classified within Tariff item 2711.21.00, when compressed by a natural gas fuelling facility for use as a motor vehicle fuel	per gigajoule	\$3.17
99.75.60j	- Liquefied petroleum gas which, if imported, would be classified within Tariff item 2711.12.00, 2711.13.00 or 2711.14.01	per ℓ	8.40¢
99.75.65k	- Methanol when declared for use solely as racing fuel and which, if imported, would be classified within Tariff item 2905.11.09	per ℓ	32.7¢

Section 26 (3) (a)

FOURTH SCHEDULE

AMENDMENTS TO FIRST SCHEDULE OF TARIFF ACT 1988

Number	Rates of Duty	
	Normal Tariff	Preferential Tariff
2207.20.21	Free	Free
2710.00.09	Free	Free
2710.00.11	32.2 ²	32.2 ²
2710.00.19	32.7 ³	32.7 ³
2710.00.25	<i>per l</i> 25 <i>plus</i> 29.37¢ ² or ◆	AU 32.2¢ ² CA 20 <i>plus</i> 29.37¢ ² or ◆ LLDC 32.2¢ ² Pac 32.2¢ ²
2710.00.29	32.67¢ ²	CA 32.01¢ ²
2710.00.31	<i>per l</i> 25 <i>plus</i> 29.87¢ ³ or ◆	AU 32.7¢ ³ CA 20 <i>plus</i> 29.87¢ ³ or ◆ LLDC 32.7¢ ³ Pac 32.7¢ ³
2710.00.39	<i>per l</i> 33.17¢ ³	CA 32.51¢ ³
2710.00.45	Free	Free
2710.00.47	Free	Free
2710.00.53	<i>per l</i> 25.5	AU Free CA 20 LDC 20 LLDC Free PAC Free
2710.00.55	<i>per l</i> 25.5	AU Free CA 20 LDC 20 LLDC Free PAC Free
2710.00.63	<i>per l</i> 16.2	..
2710.00.65	Free	..
2710.00.69	Free	..
2710.00.73	Free	..
2710.00.99	Free	Free
2905.11.09	<i>per l</i> 32.7 ³	..

FOURTH SCHEDULE—*continued*AMENDMENTS TO FIRST SCHEDULE OF TARIFF ACT 1988—*continued*

Number		Rates of Duty	
		Normal Tariff	Preferential Tariff
3606.10.11	<i>per ℓ</i>	25 <i>plus</i> 29.87¢ ³ or ♦	AU 32.7¢ ³ CA 20 <i>plus</i> 29.87¢ ³ or ♦ LDC 20 <i>plus</i> 29.87¢ ³ or ♦ LLDC 32.7¢ ³ Pac 32.7¢ ³
3606.10.19	<i>per ℓ</i>	33.17¢ ³	32.51¢ ³
3823.90.21		Free	Free
3823.90.29	<i>per ℓ</i>	32.7¢ ³	..

Section 26 (4) (c)

FIFTH SCHEDULE

NEW THIRD SCHEDULE TO TRANSPORT ACT 1962

"THIRD SCHEDULE Section 189 (7), (8), (9)

PART I

REFUNDS OF EXCISE DUTY AND GOODS AND SERVICES TAX

Column 1	Column 2
Use of Motor Spirits Entitling Refund of Excise Duty and Goods and Services Tax	Amount of Refund per Litre of Motor Spirits Payable from National Roads Fund
	c
1. As fuel in an exempted vehicle ..	11.14
2. As fuel in a licensed vehicle ..	11.14
3. As fuel in a commercial vessel ..	11.14
4. For commercial purposes otherwise than as fuel in any motor vehicle, vessel, or aircraft	11.14

"PART II

"REFUNDS OF EXCISE DUTY AND GOODS AND SERVICES TAX ON COMPRESSED NATURAL GAS

Column 1	Column 2
Use of Compressed Natural Gas Entitling Refund of Excise Duty and Goods and Services Tax	Amount of Refund per Gigajoule of Compressed Natural Gas
	c
1. As fuel in an exempted vehicle ..	3.24
2. As fuel in a licensed vehicle ..	3.24
3. For commercial purposes otherwise than as fuel in any vehicle	3.24

"PART III

"REFUNDS OF EXCISE DUTY AND GOODS AND SERVICES TAX ON LIQUEFIED PETROLEUM GAS

Column 1	Column 2
Use of Liquefied Petroleum Gas Entitling Refund of Excise Duty and Goods and Services Tax	Amount of Refund
	c
1. As fuel in an exempted vehicle ..	8.58 cents per litre.
2. As fuel in a licensed vehicle ..	8.58 cents per litre.
3. For commercial purposes otherwise than as fuel in any vehicle	8.58 cents per litre."

Section 29 (2)

SIXTH SCHEDULE

NEW TWENTY-FOURTH SCHEDULE TO PRINCIPAL ACT

(Effective on and after 1 April 1989)

Section 15

"TWENTY-FOURTH SCHEDULE

RATES OF NATIONAL SUPERANNUATION

(The following rates are before deduction of tax)

1. (a) To an unmarried person \$10,095.28 a year (\$194.14 a week).
 - (b) To a married person \$8,337.16 a year (\$160.33 a week).
 - (c) To a married person who was entitled to receive national superannuation on the 10th day of October 1988 and whose spouse, on that date, was not and still is not either entitled to receive national superannuation or receiving, in his or her own right, a benefit under Part I of this Act or an economic pension, war veteran's allowance, or war service pension under the War Pensions Act 1954 \$9,562.28 a year (\$183.89 a week) or the rate for the time being specified in paragraph (b) of this clause, whichever is greater.
 2. Alternative rate for a married person whose spouse is not entitled to receive national superannuation—
 - (a) To a married person with 1 or more dependent children \$16,674.32 a year (\$320.66 a week) diminished by 30¢ for every complete \$1 of the total annual income of that person and his or her spouse in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.
 - (b) To a married person without dependent children \$16,674.32 a year (\$320.66 a week) diminished by 30¢ for every complete \$1 of the total annual income of that person and his or her spouse in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year."
-

SEVENTH SCHEDULE

Section 34 (2)

NEW TWENTY-FIFTH SCHEDULE TO PRINCIPAL ACT

(Effective on and after 1 July 1989)

“TWENTY-FIFTH SCHEDULE

Section 69A

RATE OF TELEPHONE-SERVICE-RENTAL ALLOWANCE

Telephone-service-rental allowance \$3.52 a week.”

EIGHTH SCHEDULE

Section 36 (1)

NEW THIRD, SIXTH, EIGHTH, NINTH, SIXTEENTH, AND SEVENTEENTH SCHEDULES TO PRINCIPAL ACT

(Effective on and after 1 April 1989)

Sections 21, 24

“THIRD SCHEDULE

RATES OF WIDOWS’ BENEFITS

1. (a) To a beneficiary with 1 dependent child \$10,973.56 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.
- (b) To a beneficiary with 2 or more dependent children \$11,376.56 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year:

Provided that in computing for the purposes of this clause the income of a widow, the Director-General may, in his or her discretion, disregard as income some or all of that part of the widow’s personal earnings (not exceeding \$20 a week) used to meet the cost of placing a dependent child or children of the beneficiary in a day care centre registered under the Child Care Centre Regulations 1985 or in any other day care facility approved by the Director-General for the purpose.

EIGHTH SCHEDULE—*continued*NEW THIRD, SIXTH, EIGHTH, NINTH, SIXTEENTH, AND SEVENTEENTH
SCHEDULES TO PRINCIPAL ACT—*continued*“THIRD SCHEDULE—*continued*”RATES OF WIDOWS' BENEFITS—*continued*

2. To a beneficiary without dependent children \$8,065.72 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.

Sections 42, 43

“SIXTH SCHEDULE

RATES OF INVALIDS' BENEFITS

1. (a) To an unmarried beneficiary under the age of 18 years without dependent children \$6,526.52 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.
- (b) To any other unmarried beneficiary without dependent children \$8,065.72 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.
- (c) To an unmarried beneficiary with 1 dependent child \$10,973.56 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.

EIGHTH SCHEDULE—*continued*NEW THIRD, SIXTH, EIGHTH, NINTH, SIXTEENTH, AND SEVENTEENTH
SCHEDULES TO PRINCIPAL ACT—*continued*"SIXTH SCHEDULE—*continued*RATES OF INVALIDS' BENEFITS—*continued*

- (d) To an unmarried beneficiary with 2 or more dependent children \$11,376.56 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.
- (e) To a married beneficiary with 1 or more dependent children whose spouse is granted, in his or her own right, a benefit (other than national superannuation) under Part I of this Act, or an economic pension, war veteran's allowance, or war service pension under the War Pensions Act 1954 \$6,339.84 a year, diminished by 15¢ for every complete \$1 of the total annual income of the beneficiary and his or her spouse in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 35¢ for every complete \$1 of such income in excess of \$4,160 a year.
- (f) To a married beneficiary without dependent children whose spouse is granted, in his or her own right, a benefit (other than national superannuation) under Part I of this Act, or an economic pension, war veteran's allowance, or war service pension under the War Pensions Act 1954 \$6,721.52 a year, diminished by 15¢ for every complete \$1 of the total annual income of the beneficiary and his or her spouse in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 35¢ for every complete \$1 of such income in excess of \$4,160 a year.
- (g) To a married beneficiary with 1 or more dependent children whose spouse is not granted, in his or her own right, a benefit under Part I of this Act, or an economic pension, war veteran's allowance, or war service pension under the War Pensions Act 1954 \$6,339.84 a year, increased by \$6,339.84 a year in respect of his or her spouse, the total rate to be diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary and his or her spouse in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.

EIGHTH SCHEDULE—*continued*NEW THIRD, SIXTH, EIGHTH, NINTH, SIXTEENTH, AND SEVENTEENTH
SCHEDULES TO PRINCIPAL ACT—*continued*“SIXTH SCHEDULE—*continued*”RATES OF INVALIDS' BENEFITS—*continued*

(h) To a married beneficiary without dependent children whose spouse is not granted, in his or her own right, a benefit under Part I of this Act, or an economic pension, war veteran's allowance, or war service pension under the War Pensions Act 1954 \$6,721.52 a year, increased by \$6,721.52 a year in respect of his or her spouse, the total rate to be diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary and his or her spouse in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.

(i) To a married beneficiary with 1 or more dependent children whose spouse is granted, in his or her own right, national superannuation under Part I of this Act \$6,339.84 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary and his or her spouse in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.

(j) To a married beneficiary without dependent children whose spouse is granted, in his or her own right, national superannuation under Part I of this Act \$6,721.52 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary and his or her spouse in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year:

Provided that, in computing the income of any beneficiary for the purpose of this Schedule, the Director-General shall—

- (a) Disregard that part of the beneficiary's income (not exceeding \$20 a week) earned by the beneficiary's own efforts; and
- (b) Disregard all of the income of a totally blind beneficiary earned by the beneficiary's own efforts:

Provided also that the rates shall be reduced by the amount of any family benefit payable under Part I of this Act in respect of the beneficiary.

2. Maximum amount from all sources where subsidy paid on earnings of blind invalid, in every case \$9,633.52 a year, increased by \$1,344.20 a year if the beneficiary is an unmarried person.

EIGHTH SCHEDULE—*continued*NEW THIRD, SIXTH, EIGHTH, NINTH, SIXTEENTH, AND SEVENTEENTH
SCHEDULES TO PRINCIPAL ACT—*continued*

Section 55

"EIGHTH SCHEDULE

RATES OF SICKNESS BENEFITS

1. (a) To an unmarried beneficiary under the age of 18 years without dependent children \$125.51 a week, diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary in excess of \$50 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week.
- (b) To any other unmarried beneficiary without dependent children \$155.11 a week, diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary in excess of \$50 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week.
- (c) To an unmarried beneficiary with 1 dependent child \$211.03 a week, diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary in excess of \$60 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week.
- (d) To an unmarried beneficiary with 2 or more dependent children \$218.78 a week, diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary in excess of \$60 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week.
- (e) To a married beneficiary with 1 or more dependent children whose spouse is granted, in his or her own right, a benefit (other than national superannuation) under Part I of this Act, or an economic pension, war veteran's allowance, or war service pension under the War Pensions Act 1954 \$121.92 a week, diminished by 15¢ for every complete \$1 of the total weekly income of the beneficiary and his or her spouse in excess of \$60 a week but not in excess of \$80 a week, and by 35¢ for every complete \$1 of such income in excess of \$80 a week.

EIGHTH SCHEDULE—*continued*NEW THIRD, SIXTH, EIGHTH, NINTH, SIXTEENTH, AND SEVENTEENTH
SCHEDULES TO PRINCIPAL ACT—*continued*“EIGHTH SCHEDULE—*continued*”RATES OF SICKNESS BENEFITS—*continued*

- (f) To a married beneficiary without dependent children whose spouse is granted, in his or her own right, a benefit (other than national superannuation) under Part I of this Act, or an economic pension, war veteran's allowance, or war service pension under the War Pensions Act 1954 \$129.26 a week, diminished by 15¢ for every complete \$1 of the total weekly income of the beneficiary and his or her spouse in excess of \$50 a week but not in excess of \$80 a week, and by 35¢ for every complete \$1 of such income in excess of \$80 a week.
- (g) To a married beneficiary with 1 or more dependent children whose spouse is not granted, in his or her own right, a benefit under Part I of this Act, or an economic pension, war veteran's allowance, or war service pension under the War Pensions Act 1954 \$121.92 a week, increased by \$121.92 a week in respect of his or her spouse, the total rate to be diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary and his or her spouse in excess of \$60 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week.
- (h) To a married beneficiary without dependent children whose spouse is not granted, in his or her own right, a benefit under Part I of this Act, or an economic pension, war veteran's allowance, or war service pension under the War Pensions Act 1954 \$129.26 a week, increased by \$129.26 a week in respect of his or her spouse, the total rate to be diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary and his or her spouse in excess of \$50 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week.
- (i) To a married beneficiary with 1 or more dependent children whose spouse is granted, in his or her own right, national superannuation under Part I of this Act \$121.92 a week, diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary and his or her spouse in excess of \$60 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week.

EIGHTH SCHEDULE—*continued*NEW THIRD, SIXTH, EIGHTH, NINTH, SIXTEENTH, AND SEVENTEENTH
SCHEDULES TO PRINCIPAL ACT—*continued*“EIGHTH SCHEDULE—*continued*”RATES OF SICKNESS BENEFITS—*continued*

(j) To a married beneficiary without dependent children whose spouse is granted, in his or her own right, national superannuation under Part I of this Act \$129.26 a week, diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary and his or her spouse in excess of \$50 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week:

Provided that the rates shall be reduced by the amount of any family benefit payable under Part I of this Act in respect of the beneficiary.

2. Maximum increase in respect of a housekeeper \$103.41 a week.

“NINTH SCHEDULE

Sections 59, 60a

MAXIMUM RATES OF UNEMPLOYMENT BENEFITS AND RATES OF TRAINING
BENEFITS

1. (a) (i) To an unmarried beneficiary under the age of 18 years without dependent children who—
 - (A) On the 31st day of December 1988 was entitled to receive an unemployment, invalid's, sickness, or domestic purposes benefit, or was entitled to receive a training allowance by virtue of enrolment in an access training scheme recognised by the Director-General for the purposes of this paragraph; and
 - (B) Has not since that date ceased being entitled to receive such a benefit or allowance, otherwise than as a result of the temporary suspension of an unemployment benefit
 \$108.63 a week, diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary in excess of \$50 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week.

EIGHTH SCHEDULE—*continued*NEW THIRD, SIXTH, EIGHTH, NINTH, SIXTEENTH, AND SEVENTEENTH
SCHEDULES TO PRINCIPAL ACT—*continued*"NINTH SCHEDULE—*continued*MAXIMUM RATES OF UNEMPLOYMENT BENEFITS AND RATES OF TRAINING
BENEFITS—*continued*

- | | |
|--|---|
| (ii) To any other unmarried beneficiary under the age of 18 years without dependent children | \$82.34 a week, diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary in excess of \$50 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week. |
| (iii) To any other unmarried beneficiary of or over the age of 18 years and under the age of 20 years without dependent children | \$109.79 a week, diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary in excess of \$50 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week. |
| (b) To any other unmarried beneficiary without dependent children | \$137.24 a week, diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary in excess of \$50 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week. |
| (c) To an unmarried beneficiary with 1 dependent child | \$211.03 a week, diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary in excess of \$60 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week. |
| (d) To an unmarried beneficiary with 2 or more dependent children | \$218.78 a week, diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary in excess of \$60 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week. |

EIGHTH SCHEDULE—*continued*NEW THIRD, SIXTH, EIGHTH, NINTH, SIXTEENTH, AND SEVENTEENTH
SCHEDULES TO PRINCIPAL ACT—*continued*“NINTH SCHEDULE—*continued*”MAXIMUM RATES OF UNEMPLOYMENT BENEFITS AND RATES OF TRAINING
BENEFITS—*continued*

- (e) To a married beneficiary with 1 or more dependent children whose spouse is granted, in his or her own right, a benefit (other than national superannuation) under Part I of this Act, or an economic pension, war veteran's allowance, or war service pension under the War Pensions Act 1954 \$121.92 a week, diminished by 15¢ for every complete \$1 of the total weekly income of the beneficiary and his or her spouse in excess of \$60 a week but not in excess of \$80 a week, and by 35¢ for every complete \$1 of such income in excess of \$80 a week.
- (f) To a married beneficiary without dependent children whose spouse is granted, in his or her own right, a benefit (other than national superannuation) under Part I of this Act, or an economic pension, war veteran's allowance, or war service pension under the War Pensions Act 1954 \$105.65 a week, diminished by 15¢ for every complete \$1 of the total weekly income of the beneficiary and his or her spouse in excess of \$50 a week but not in excess of \$80 a week, and by 35¢ for every complete \$1 of such income in excess of \$80 a week.
- (g) To a married beneficiary with 1 or more dependent children whose spouse is not granted, in his or her own right, a benefit under Part I of this Act, or an economic pension, war veteran's allowance, or war service pension under the War Pensions Act 1954 \$121.92 a week, increased by \$121.92 a week in respect of his or her spouse, the total rate to be diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary and his or her spouse in excess of \$60 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week.
- (h) To a married beneficiary without dependent children whose spouse is not granted, in his or her own right, a benefit under Part I of this Act, or an economic pension, war veteran's allowance, or war service pension under the War Pensions Act 1954 \$105.65 a week, increased by \$105.65 a week in respect of his or her spouse, the total rate to be diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary and his or her spouse in excess of \$50 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week.

EIGHTH SCHEDULE—*continued*NEW THIRD, SIXTH, EIGHTH, NINTH, SIXTEENTH, AND SEVENTEENTH
SCHEDULES TO PRINCIPAL ACT—*continued*“NINTH SCHEDULE—*continued*”MAXIMUM RATES OF UNEMPLOYMENT BENEFITS AND RATES OF TRAINING
BENEFITS—*continued*

(i) To a married beneficiary with 1 or more dependent children whose spouse is granted, in his or her own right, national superannuation under Part I of this Act \$121.92 a week, diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary and his or her spouse in excess of \$60 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week.

(j) To a married beneficiary without dependent children whose spouse is granted, in his or her own right, national superannuation under Part I of this Act \$105.65 a week, diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary and his or her spouse in excess of \$50 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week:

Provided that the rates shall be reduced by the amount of any family benefit payable under Part I of this Act in respect of the beneficiary.

2. Maximum increase in respect of a housekeeper \$103.41 a week.
3. Special rate of training benefit for a married beneficiary whose benefit calculated under clause 1 would abate to less than \$44.84 because of the combined income of the beneficiary and his or her spouse \$44.84 a week, diminished by 30¢ for every complete \$1 of the total weekly income of the beneficiary in excess of \$50 a week but not in excess of \$80 a week, and by 70¢ for every complete \$1 of such income in excess of \$80 a week.

EIGHTH SCHEDULE—*continued*NEW THIRD, SIXTH, EIGHTH, NINTH, SIXTEENTH, AND SEVENTEENTH
SCHEDULES TO PRINCIPAL ACT—*continued*

"SIXTEENTH SCHEDULE Sections 27B, 27C, 27H

RATES OF DOMESTIC PURPOSES BENEFITS

1. (a) To a beneficiary with 1 dependent child \$10,973.56 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.
- (b) To a beneficiary with 2 or more dependent children \$11,376.56 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year:

Provided that in computing for the purposes of this clause the income of a solo parent the Director-General may, in his or her discretion, disregard as income some or all of that part of the solo parent's personal earnings (not exceeding \$20 a week) used to meet the cost of placing a dependent child or children of the beneficiary in a day care centre registered under the Child Care Centre Regulations 1985 or in any other day care facility approved by the Director-General for the purpose.
2. To a beneficiary without any dependent children \$8,065.72 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.

EIGHTH SCHEDULE—*continued*NEW THIRD, SIXTH, EIGHTH, NINTH, SIXTEENTH, AND SEVENTEENTH
SCHEDULES TO PRINCIPAL ACT—*continued*“SIXTEENTH SCHEDULE—*continued*”RATES OF DOMESTIC PURPOSES BENEFITS—*continued*

3. Amount by which benefit is to be reduced under section 27H (1A) In respect of each child whose other parent has not been identified in law, the maximum annual amount of family support for the time being payable in respect of each child after the first under the Income Tax Act 1976.
-

EIGHTH SCHEDULE—*continued*NEW THIRD, SIXTH, EIGHTH, NINTH, SIXTEENTH, AND SEVENTEENTH
SCHEDULES TO PRINCIPAL ACT—*continued*

Sections 27G, 27H

“SEVENTEENTH SCHEDULE

RATES OF DOMESTIC PURPOSES BENEFITS

1. To an unmarried beneficiary under the age of 18 years without dependent children \$6,526.52 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.
2. To any other unmarried beneficiary without dependent children \$8,065.72 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.
3. To an unmarried beneficiary with 1 dependent child \$10,973.56 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.
4. To an unmarried beneficiary with 2 or more dependent children \$11,376.56 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.

EIGHTH SCHEDULE—*continued*NEW THIRD, SIXTH, EIGHTH, NINTH, SIXTEENTH, AND SEVENTEENTH
SCHEDULES TO PRINCIPAL ACT—*continued*“SEVENTEENTH SCHEDULE—*continued*”RATES OF DOMESTIC PURPOSES BENEFITS—*continued*

5. To a married beneficiary with 1 or more dependent children whose spouse is granted, in his or her own right, a benefit (other than national superannuation) under Part I of this Act, or an economic pension, war veteran's allowance, or war service pension under the War Pensions Act 1954 \$6,339.84 a year, diminished by 15¢ for every complete \$1 of the total annual income of the beneficiary and his or her spouse in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 35¢ for every complete \$1 of such income in excess of \$4,160 a year.
6. To a married beneficiary without dependent children whose spouse is granted, in his or her own right, a benefit (other than national superannuation) under Part I of this Act, or an economic pension, war veteran's allowance, or war service pension under the War Pensions Act 1954 \$6,721.52 a year, diminished by 15¢ for every complete \$1 of the total annual income of the beneficiary and his or her spouse in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 35¢ for every complete \$1 of such income in excess of \$4,160 a year.
7. To a married beneficiary with 1 or more dependent children whose spouse is not granted, in his or her own right, a benefit under Part I of this Act, or an economic pension, war veteran's allowance, or war service pension under the War Pensions Act 1954 \$6,339.84 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary and his or her spouse in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.
8. To a married beneficiary without dependent children whose spouse is not granted, in his or her own right, a benefit under Part I of this Act, or an economic pension, war veteran's allowance, or war service pension under the War Pensions Act 1954 \$6,721.52 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary and his or her spouse in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.

EIGHTH SCHEDULE—*continued*NEW THIRD, SIXTH, EIGHTH, NINTH, SIXTEENTH, AND SEVENTEENTH
SCHEDULES TO PRINCIPAL ACT—*continued*“SEVENTEENTH SCHEDULE—*continued*”RATES OF DOMESTIC PURPOSES BENEFITS—*continued*

9. To a married beneficiary with 1 or more dependent children whose spouse is granted, in his or her own right, national superannuation under Part I of this Act \$6,339.84 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary and his or her spouse in excess of \$3,120 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.
10. To a married beneficiary without dependent children whose spouse is granted, in his or her own right, national superannuation under Part I of this Act \$6,721.52 a year, diminished by 30¢ for every complete \$1 of the total annual income of the beneficiary and his or her spouse in excess of \$2,600 a year but not in excess of \$4,160 a year, and by 70¢ for every complete \$1 of such income in excess of \$4,160 a year.
11. Notwithstanding anything in clauses 7 to 10 of this Schedule, the rate of the domestic purposes benefit paid to a beneficiary under any provision of those clauses shall not be less than the aggregate of the rates of domestic purposes benefits that would be payable if the beneficiary and the spouse of the beneficiary were both entitled to receive a domestic purposes benefit; but the rate of benefit payable by virtue of this clause shall not exceed \$6,721.52 a year in respect of a benefit paid under clause 8 or clause 10 of this Schedule, and \$6,339.84 a year in respect of a benefit paid under clause 7 or clause 9 of this Schedule.”