



HIGH COURT OF AUSTRALIA

17 June 2026

CHAPLIN v SECRETARY, DEPARTMENT OF SOCIAL SERVICES & ANOR
[2026] HCA 22

Today, the High Court unanimously dismissed an appeal from a judgment of the Full Court of the Federal Court of Australia. The appeal concerned the application of the income test in Module H of the Youth Allowance Rate Calculator ("the Calculator") in s 1067G of the *Social Security Act 1991* (Cth) ("the Act").

Youth allowance is a social security benefit which is paid by instalments. Each instalment is calculated by reference to the applicable daily rate, which is calculated for each person individually. The rate of youth allowance is to be worked out in accordance with the Calculator in s 1067G of the Act. The application of the income test in Module H of the Calculator could result in a person being entitled to a lower rate of youth allowance if they earned, derived or received ordinary income, such as wages. Point 1067G-H1 of Module H considers the amount of the person's ordinary income on a fortnightly basis. At the relevant times, point 1067G-H23 of Module H relevantly provided that "ordinary income is to be taken into account in the fortnight in which it is first earned, derived or received".

Between 10 July 2014 and 24 June 2015, the appellant was paid instalments of youth allowance totalling \$2,804.02. Each 14-day instalment period began on a Thursday and ended on the second Wednesday that followed. At the relevant times, the appellant also worked as a casual employee at a grocery store without any fixed days or hours of work. He was paid weekly by his employer on a Thursday for the hours he had worked during the period of seven days beginning on the Monday and ending on the Sunday of the preceding week. His weekly payslips recorded his gross and net pay and the total number of hours worked during the preceding week, but did not record the days on which he had worked those hours.

The appellant was required to report the gross amount he had "earned for work done" during each of his instalment periods. What he reported instead was his net income. It came to the attention of the first respondent ("the Secretary") in April 2019 that the appellant's gross income during the relevant period had exceeded the amount he had reported. On 1 October 2019, the Secretary gave the appellant a notice in respect of a debt which the Secretary considered had arisen by operation of s 1223(1) of the Act in the amount of \$911.98.

The Secretary's decision was affirmed on internal review. On review, the Administrative Appeals Tribunal ("AAT") set aside the internal review decision. On a second AAT review instigated by the Secretary, the AAT set aside both the decision of the AAT on first review and the decision on internal review and substituted a decision to give the appellant a notice in respect of a debt of \$806.16. The Full Court dismissed an appeal from that decision. Before the High Court, the parties principally differed as to the meaning of "first earned, derived or received" in point 1067G-H23 of Module H, and what that required when the decision-maker was satisfied that the appellant had received ordinary income but could not be satisfied as to when that ordinary income had been earned. The appellant contended that such ordinary income was not able to be taken into account at all.

The High Court unanimously dismissed the appeal. Where a decision-maker applying the income test in Module H of the Calculator for an instalment period before 7 December 2020 was satisfied that a person had received ordinary income, but could not be satisfied as to when they had earned it, the decision-maker was required to take the ordinary income into account in the instalment period in which the decision-maker was satisfied that it was received.

This statement is not intended to be a substitute for the reasons of the High Court or to be used in any later consideration of the Court's reasons.