

**Senate Standing Committee on Education Employment and Workplace  
Relations**

**QUESTIONS ON NOTICE  
Budget Estimates 2012-2013**

**Outcome 3 – Employment**

**DEEWR Question No.** EW0266\_13

**Senator Bernardi asked on 29 May 2012 , Hansard page 59**

**Question**

**Income Support Payments**

Senator BERNARDI: How much, on average, will a single parent with two children over the age of eight and who is working part-time and earning \$15,000 per year—there are more conditions yet—lose as a result of these changes?

Ms Taylor: There is a whole raft of other things that are attached to that and other allowances as well. We can take that on notice and I will see if we—

Ms Paul: We will have to paint a scenario because, as you can imagine, they will be getting family tax benefit and they might be getting some of the allowances like rent assistance et cetera.

Senator BERNARDI: There is a whole range of scenarios according to ages of the children so if I could give you two scenarios and if you could provide that information for me. The first one is as I described: a single parent with two children over the age of eight working part time earning \$15,000 per year. How much are they likely to be affected by this in a quantum? Second, a similar scenario but this time a couple with two children over the age of six; one parent working part time, earning \$30,000 per annum. What would the impact be on them in that scenario?

Ms Paul: We will take that on notice.

**Answer**

From 1 January 2013, under the measure announced in the 2012-13 Budget, eligibility for Parenting Payment (PP) for grandfathered parents will cease when their youngest child turns 6 for partnered recipients, or turns 8 for single recipients.

Under these changes, partnered parents who transfer from PP Partnered (PPP) to Newstart Allowance (NSA) will see their Income Support (IS) payment unchanged as the payment rate and income test for PPP is the same as that for NSA.

PPS recipients transferring to NSA as a single principal carer will benefit from a more generous income test, access to professional career advice through their Job Services Australia provider and continue to be eligible for supplementary benefits, including Rent Assistance, Child Care assistance and the Pensioner Concession Card as long as they remain a single principal carer.

The table below presents the income and its components before and after the changes to PP for the two families as specified in Senator Bernardi's question. The figures are current as at 1 July 2012 except that the new taper rate has been applied to the Single Parent on NSA example.

	<b>Single parent earning \$15,000 per year</b>		<b>Couple parents earning \$30,000 per year</b>	
	Before changes (\$ per fortnight)	After changes (\$ per fortnight)	Before changes (\$ per fortnight)	After changes (\$ per fortnight)
Private earnings	577.00	577.00	1,154.00	1,154.00
Income support payments (including Pharmaceutical Allowance, Clean Energy payments, and Schoolkids Bonus)	555.80	379.42	295.52	295.52
Family Tax Benefits (Part A, Part B and Rent Assistance)	650.30	650.30	639.56	639.56
Tax/Medicare levy	0	7.08	69.14	69.14
Disposable income	1,783.10	1,599.64	2,019.93	2,019.93
Change in disposable income	-183.46		0	