

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

**QUESTIONS ON NOTICE
Budget Estimates 2013-2014**

Outcome 3 - Employment

DEEWR Question No. EW0146_14

Senator Cash asked on 4 June 2013, Hansard page 55

Question

Increase in the income free area

Senator CASH: What was the reason for the increase in the income-free area commencing on 20 March 2014 as opposed to 1 July 2013? Mr Emerson: That aligns with indexation points for payments. So that is a fairly important time for people in receipt of payments. Also— Senator CASH: March 2014? Mr Emerson: Correct. And also in the design and the build of the architecture for DHS's perspective. Senator CASH: What is the reason for the indexation of the income-free area commencing on 1 July 2015 instead of September 2013? Ms Taylor: I will take that on notice.

Answer

The implementation dates for the increase and annual indexation of the income-free area for recipients of Newstart Allowance, Widow Allowance, Partner Allowance, Parenting Payment Partnered and Sickness Allowance, were decisions of the Australian Government.

The 20 March 2014 date aligns with the indexation cycle for the base rate of the affected payments while 1 July 2015 date aligns the income-free area indexation for pensions.