

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
FAMILIES, HOUSING, COMMUNITY SERVICES AND
INDIGENOUS AFFAIRS PORTFOLIO
2013-14 Budget Estimates Hearings

Outcome Number: 1

Question No: 202

Topic: Family and Children

Hansard Page: Written

Senator Cash asked:

With regard to the realignment of time period for income reconciliation for Family Tax Benefit announced in the 2013-14 Budget:

- a. What assumptions were made by the Department when modelling this change? How has the figure of \$562.0 over the forward estimates been arrived at as a saving?
- b. How many families does the Department expect to continue to take more than twelve months to satisfy these requirements and thus forgo the FTB Supplement?

Answer:

a. The Department incorporated a range of assumptions in the costing model used for the measure, *Family Tax Benefit and Child Care Assistance – realignment of time period for income reconciliation*. These assumptions were:

- growth in overall Family Tax Benefit payment rates in line with forecast changes to the Consumer Price Index;
- forecast changes to Family Tax Benefit population numbers;
- average rates paid to the affected population; and
- behavioural changes over time in the Family Tax Benefit claim and income tax return lodgement patterns of the affected population as some families move to lodge claims and reconcile their incomes in the first year after the entitlement year instead of the second year after the entitlement year.

b. Around 43,500 families are not expected to satisfy these requirements and forgo payment of the Family Tax Benefit Supplement. This is expected to reduce to 29,800 families in 2016-17, as more families change their behaviour.