

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

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2011-2012**

Outcome 4 - Employment

DEEWR Question No. EW0704_12

Senator Siewert provided in writing.

Question

Parenting Payment reforms – average reduction income support payments

The average weekly and annual reduction in income support payments incurred by grandfathered parents affected by the Parenting Payment reforms, and the average reduction incurred over the forward estimates period.

Answer

The *Incentives for Single Parents and Parenting Payment Reforms* measure was announced by the Government in May 2011 as part of the Building Australia's Future Workforce package. This participation package matches greater responsibilities with more responsive assistance to ensure that more Australians have the opportunity to build their skills, engage in the workforce and share in the economic and social benefits that work brings to individuals and families.

The changes to Parenting Payment are complemented by targeted support to help parents to re-engage in work and other activities. This includes additional training places and community based support for single parents as well as access to professional career counselling through Job Services Australia providers.

Grandfathered Parenting Payment Single recipients affected by the Parenting Payment reforms will have an estimated average reduction in income support of approximately \$50 per week or \$2600 per year.

As an additional incentive to undertake work, the associated changes to the Newstart Allowance income test, based on payment rates as at 20 September 2011, mean that single principal carer parents will be able to earn up to \$1378 per fortnight, or over \$400 more per fortnight than the current \$971 per fortnight, before they lose eligibility for payment.

Grandfathered Parenting Payment Partnered recipients will have no reduction in payments as a result of the Parenting Payment reforms. This is because the rate of Newstart Allowance for partnered recipients is the same as the rate of Parenting Payment Partnered.