

**Submission by the
Department of Education, Employment and Workplace Relations
to the
Senate Education, Employment and Workplace Relations Legislation Committee Inquiry
into the
Social Security Legislation Amendment (Fair Incentives to Work) Bill 2012**

Introduction

The Department of Education, Employment and Workplace Relations (DEEWR) administers income support payments for Australian job seekers and parents of working age.

As part of the 2012-13 Budget, the Australian Government announced changes to Parenting Payment that addresses inequities in the social security system and completes the process of aligning income support payments and participation requirements for parents irrespective of when they first claimed payment.

The changes in this Bill will remove the transitional provisions available to grandfathered PP recipients completely from 1 January 2013 and align the participation requirements for all PP recipients:

- From 1 January 2013, eligibility for Parenting Payment (PP) for grandfathered parents will cease when their youngest child turns six for partnered recipients, or turns eight for single recipients.
- From 1 January 2013, grandfathered recipients will have participation requirements from when their youngest child turns six, instead of the previous seven.

Over two thirds of parents receiving Parenting Payment (PP) cease to qualify for that payment when their youngest child turns six for partnered parents and eight for single parents. The other one third of PP recipients – those that first claimed payment before 1 July 2006 – have remained eligible until their youngest child turned 16 under transitional provisions brought in by the Welfare to Work reforms in 1996.

The Building Australia's Future Workforce (BAFW) package announced in the 2011-12 Budget took two steps towards aligning the PP provisions; firstly, closing the transitional provisions to new children from 1 July 2011; and secondly, from 1 January 2013, reducing the age of eligibility of the youngest child of parents covered by the Welfare to Work transitional provisions from 16 years to 12 years (or 13 years in 2013).

The Social Security Legislation Amendment (Fair Incentives to Work) Bill 2012 (the Bill) will amend the *Social Security Act 1991* further in order to give effect to the income support changes affecting parents announced in the 2012-13 Budget.

The Bill will remove the distinction between the two groups of PP recipients, restoring equity for parents claiming income support without regard to the date they sought support, and provide unemployed parents with incentives and support to take advantage of the opportunities that Australia's current labour market situation provide.

Context

Australia's social security system is a complex framework of income support and other assistance which aims to provide a strong safety net for people who require financial assistance.

Relatively high participation and low unemployment provide the opportunity to address long term welfare dependency and overcome persistent cycles of joblessness and social exclusion. All Australians deserve to be economically and socially included in the community. The Government intends that everyone who can work should have the opportunity to do so and those who are unable to work should be adequately supported.

Background

Welfare to Work was introduced in July 2006. Its objectives were to increase workforce participation and reduce welfare dependence among working age income support recipients including principal carer parents. The Welfare to Work package comprised a range of measures and initiatives including changing the eligibility criteria for entry to some income support payments and the introduction of part-time participation requirements and incentives to find work. As part of the changes, new principal carer parents with school-age children had to meet eligibility requirements for another income support payment, typically Newstart Allowance (NSA). Also, new principal carer parents with a youngest child aged 6 to 15 years, whether on PP or NSA, had part-time participation requirements.

The eligibility rules for PP introduced as part of these 2006 Welfare to Work reforms provide that:

- new claimants may be eligible for PP when their youngest qualifying child is aged:
 - under six years, for partnered parents;
 - under eight years, for single parents; and
- existing recipients of PP who were granted payment before 1 July 2006 are “grandfathered” under a transitional arrangement and retain eligibility for payment until their youngest qualifying child is aged 16 years; that is, up to 10 years longer than those granted payment after 1 July 2006.

More recently the broader BAFW package of measures rewards work and provides new opportunities to get people into employment through training, education, and improved childcare and employment services. The package also introduces new requirements for the very-long term unemployed, mature age workers, Disability Support Pensioners, teenage parents, jobless families and young people and is taking new approaches to address entrenched disadvantage in targeted locations.

As part of this package, the *Social Security Amendment (Parenting Payment Transitional Arrangement) Act 2011* which commenced on 1 July 2011 limited the application of the transitional arrangement to children that were in the care of a grandfathered recipient immediately prior to 1 July 2011. Children who come into the care of a grandfathered parent after this date are regarded the same as children of new claimants for the purposes of PP.

In May 2012 the Parliament passed the *Social Security and Other Legislation Amendment (Income Support and Other Measures) Act 2012* which built on the 2011 change to further limit the application of the transitional arrangement for grandfathered PP recipients from 1 January 2013. This change recognises the greater ability of parents to work as their children get older.

Under this provision, the parent's grandfathered status for children in their care prior to 1 July 2011 will cease once the child turns:

- 16 years – if the child was born before 1 January 2000 (in effect the parents of these children continue to be assessed under the current transitional arrangement);
- 13 years – if the child was born between 1 January 2000 and 31 December 2000; or
- 12 years – if the child was born on or after 1 January 2001.

Similar to the introduction of the 2006 reforms, recipients whose qualifying children have reached the relevant age limit will no longer be eligible for PP and will need to test their eligibility for another suitable payment, such as NSA, or move into employment.

Newstart Allowance is specifically designed to provide a balance between financial support and incentives to find and maintain employment. By transitioning parents onto Newstart Allowance earlier, the changes to Parenting Payment will remove disincentives for parents, including single parents, to return to the workforce.

The evidence

Joblessness among families is a significant social and economic problem facing this country. Australia has one of the highest proportions of children living in jobless families in the OECD, and Australia has one of the lowest employment rates for single parents in the OECD.

This holds significant implications for the welfare of single parents and their families as parental joblessness has a very high correlation with higher rates of poverty, poorer health status and lower education attainment for both parents and children¹. Children who grow up in jobless families are far more likely to be out of work as adults compared to those who had a working parent². It is therefore vital that the income support system seeks to incentivise work in order to break the dependency cycle. The system must provide the right balance of support and incentives to work to ensure that parents are in a position to benefit from the opportunities the economy has to offer, particularly as their children get older and the parent's capacity for work increases, and provide their families with positive role models and greater financial security.

Across the OECD more than 60 per cent of single parents are in work but in Australia it is closer to 50 per cent. In January 2012, there were more than 630 000 Australian families with dependent children on income support. Some 41 per cent (258 000) of these were jobless families with no reported incomes in the last 12 months. Around 85 per cent (218 000) of the jobless families were single parent families. This represents almost one in three single parent families who face social and economic disadvantage, and whose children have a heightened risk of intergenerational welfare dependency than their peers from working families.

In Australia only 50 per cent of single parents are in work, well below the OECD average of 60 per cent. Single parents make up around 70 per cent of jobless families.

Joblessness has far reaching consequences for parents and children and is associated with higher rates of poverty, poorer health status and lower educational attainment for parents and their children. In its 2011 report *Doing Better for Families*, the OECD noted that 'non-employment is the single biggest risk factor for poverty'.

¹ OECD (2010), *OECD Economic Surveys: Australia 2010*, OECD Publishing; OECD (2011), *Doing Better for Families*, OECD Publishing

² D'Addio, A. C. (2007), "Intergenerational Transmission of Disadvantage: Mobility or Immobility Across Generations?", *OECD Social, Employment and Migration Working Papers*, No. 52, OECD Publishing.

OECD findings show that the poverty risk for jobless single parents are significantly higher than for single parents who are working. Children living in families with both parents out of work are more likely to be out of work as adults compared to those who had a working parent.

OECD evidence shows that having a working parent as a role model is an important factor in the development of children and fostering positive attitudes and behaviours (see OECD report *The 2007 Intergenerational Transmission of Disadvantage: Mobility or Immobility across Generations? A Review of the Evidence for OECD Countries*).

Findings by the OECD and in other literature show that long periods in receipt of income support are associated with high levels of social and economic disadvantage, often extending to children in these families and future generations. There is also evidence that helping parents find work can be more effective than providing cash payments.

The longer an individual is out of work, the more difficult it is to gain a foothold in the labour market. Recipients currently spend on average between five and seven years in receipt of PP. This equates to large numbers of working age Australians spending a significant amount of time out of the workforce.

The Welfare to Work Evaluation Report released on 10 March 2010 show that the changes to PP, including the introduction of participation requirements for parents with school aged children, increased workforce participation and reduced income support reliance for some parents during 2006-07.

In particular, the Welfare to Work Evaluation report shows that:

- Recipients left income support faster, primarily for jobs. During 2006–07, 38 per cent of single principal carer parents with a youngest child aged eight to 15 years on NSA had left income support after six months compared to only 15 per cent in the years immediately;
- The proportion of those parents with children aged six to 15 who were in paid employment after six months increased to 29 percent from 20 per cent;
- Over 70 per cent of principal carer parents left income support for employment; and
- 70 per cent of principal carer parents directly affected by Welfare to Work participated in employment services throughout the year.

Recent data from the Job Services Australia program indicates that while grandfathered PP recipients have had a higher placement rate than other job seekers (57 per cent compared with 55 per cent), single principal carers on Newstart Allowance are higher still at 65 per cent. This indicates that this cohort is more likely to find employment and have strong job retention rates.

An increased demand for Jobs, Education and Training Child Care Fee Assistance (JETCCFA) indicates that more parents on income support want to undertake training, studying and working activities. In 2006-07 around 18,000 parents were assisted by JETCCFA. In 2010-11, this had increased to over 31,000 parents.

The change to Parenting Payment

Since 1 July 2006 there have been two groups of PP recipients – those that could remain on payment until their youngest child turned 16 – ‘grandfathered’ parents – including any children that came into their care, and those that ceased to be eligible for PP when their youngest child turned six (for partnered parents) and eight (for single parents). At this point those parents that were eligible transferred to NSA, the income support payment considered most appropriate for job seekers.

Currently around two thirds of all PP recipients have claimed income support after 1 July 2006 and there are around 48 000 principal carer parents on NSA. The changes passed in July 2011 and May 2012 have the effect of transitioning parents onto NSA at an earlier date that would have been the case under the original transitional provisions and aligning the requirements for all recipients.

The changes in this Bill will remove the transitional provisions available to grandfathered PP recipients completely from 1 January 2013 and align the participation requirements for all PP recipients, as well as for parents newly claiming NSA:

- From 1 January 2013, eligibility for PP for grandfathered parents will cease when their youngest child turns six for partnered recipients, or turns eight for single recipients; and
- From 1 January 2013, grandfathered recipients will have participation requirements from when their youngest child turns six, instead of the previous seven.

This proposal will eventually affect all 147 000 grandfathered PP recipients (this March 2012 figure includes those who will already be affected on 1 January 2013 by the BAFW changes) as follows:

- Grandfathered Parenting Payment Single (PPS) and Parenting Payment Partnered (PPP) recipients with a youngest child already aged six or over (for partnered recipients) or eight and over (for single recipients) will no longer be eligible for PP – approximately 60 300 PPS and 12 600 PPP recipients on 1 January 2013;
- The participation requirements for parents will be aligned at 30 hours per fortnight of part-time work, study or training, or a combination of these, and will start when their youngest child turns six (compared to the current seven for grandfathered recipients); and
- Recipients with a youngest child aged less than six (for PPP and, in respect of participation, PPS recipients) or eight (for PPS recipients in respect of payment eligibility) will not be affected until their child reaches the relevant age.

Partnered recipients are expected to transfer from PPP to NSA and have no change in their rate of payment as the rates and conditions for PPP and NSA (partnered) are the same. Some single parents on PPS who already participate and earn more than \$36 000 per annum, the approximate income cut out point to receive NSA, will not transfer to that payment.

The amendments in the Bill recognise that NSA is the most appropriate payment for unemployed people who have a greater capacity to participate in the workforce as their children grow older.

Additional support for parents affected by the change to Parenting Payment

Parents may have spent considerable time outside the workforce and they will have access to a range of additional assistance to ensure that they have the support they need to build their skills, re-engage in the workforce and provide their families with greater financial security and a positive future. These initiatives build on existing services and are designed to develop an educated and skilled workforce, and to enhance social inclusion through greater participation.

All single principal carers on NSA, including those that transfer as a result of the PP changes, will benefit from a more generous income test to commence on 1 January 2013, as announced in the BAFW package. The income test taper rate will be reduced to 40 cents in the dollar for all income earned over \$62 per fortnight. These recipients will be able to earn around \$400

more per fortnight before losing eligibility for payment (up to \$1386.50 per fortnight or \$36 000 per annum from 1 January 2013 based on March 2012 rates).

Income testing arrangements are designed to provide incentives for recipients to undertake paid work where they are able by ensuring that recipients who undertake any level of work are always better off than those who rely solely on income support.

Eligible parents will also be able to register for the Career Advice for Parents service through their Job Services Australia provider. This is a free service delivered over the telephone and via e-mail. It provides eligible parents with one-on-one career advice and résumé appraisal services delivered by qualified Career Advisers. Career Advisers will work with parents to explore employment opportunities, identify transferable skills and review job applications and résumés in order to see them compete effectively in the labour market and to help them achieve their employment goals.

Introduced with funding of nearly \$4 million for parents affected by the BAFW changes, the service is being expanded with additional funding of over \$3 million for grandfathered parents affected from 1 January 2013 by the PP changes in the Bill.

Announced in the BAFW package, the Government has provided \$80 million for the National Partnership on Training Places for Single and Teenage Parents to provide flexible and appropriate vocationally oriented training for single and teenage parents.

The National Agreement on Skills Reform and the revised National Agreement for Skills and Workforce Development were agreed at the Council of Australian Governments meeting in April 2012. As a result the Government will provide almost \$9 billion of funding to the states and territories for vocational education and training over the next five years. Parents affected by the PP changes will be among those to benefit from the key elements of the Skills Reform package including the creation of a National Training Entitlement, giving eligible Australians, including parents, guaranteed access to a government subsidised training place up to their first Certificate III.

JETCCFA supports the Australian Government's workforce participation and productivity agenda by assisting parents on eligible income support payments, predominantly sole parents, to enhance their skills by undertaking work, study or job search activities to enable them to enter or re-enter the workforce, without the cost of child care being a barrier.

Additional funding of \$225 million has been provided in the 2012-13 Budget which will enable more than 130 000 parents to access JETCCFA (over four years). The number of people accessing JETCCFA has continued to increase as more parents on income support are accessing child care earlier and choosing to enter training, study or paid employment when their children are younger.

The changes made recently to the rules for eligible courses are designed to ensure that JETCCFA better supports training and study that will most improve parents' job prospects.

- JETCCFA will now be available for study at the accredited Certificate II or higher level (not above Graduate Diploma level), but not for repeat studies at the same qualification level except where further study addresses an identified skills shortage occupation on the Skills Shortage List — Australia, Masters or Doctoral degrees;
- Access to up to 50 hours per week of child care will be permitted where a parent undertakes at least 15 hours of work, study or training, or a maximum of 24 hours of child care for activities involving less than 15 hours per week; and
- The parental co-contribution to child care costs will be increased to \$1.00 per hour per child, 50 per cent of which can be recovered through the Child Care Rebate.

The level and duration of support

The level of social security welfare support is a matter for Government however, the Government has been clear that it considers the breadth of financial assistance with employment and other service provides adequate support for recipients while also providing appropriate incentives to work. The Department notes that a separate inquiry is being conducted by the Senate Education, Employment and Workplace Relations References Committee into the adequacy of the allowance payment system for job seekers and others, the appropriateness of the allowance payment system as a support into work and the impact of the changing nature of the labour market.

The primary income support payment is only one part of the suite of Government assistance provided to people on low incomes.

Financial Assistance and Concessions

In addition to the basic payments available to recipients of income support, a range of other Government financial assistance and concessions are available including:

- *Family Tax Benefit:* This payment is based on a family's individual circumstances and may include Part A of up to \$220 per fortnight paid if there is a dependent child or student aged up to 22 years, and Part B of up to \$100 per fortnight providing extra help to single parents and families with one main income if there is a dependent child or student aged up to 18 years. Under changes announced in the 2012-13 Budget to provide additional support with the costs of raising children, FTB Part A rates will increase by up to \$600 annually in July 2013 depending on family income and the age and number of children;
- *Assistance for the cost of child care:* Child Care Benefit of between \$90 and \$195 per fortnight helps cover the cost of child care, including long day care, family day care, occasional day care, outside school hours care, vacation care, pre-school, and kindergarten. The Child Care Rebate is paid in addition to Child Care Benefit and covers 50 per cent of out-of-pocket child-care expenses, up to a maximum amount per child per year.
- *Schoolkids Bonus:* The new Schoolkids Bonus, replacing the Education Tax Refund from 1 January 2013, provides families with \$410 per annum for primary school children and \$820 per annum for high school children to pay for expenses such as uniforms, books, school excursions, stationery and other costs like music lessons and sports registration fees;
- *Rent Assistance:* Rent Assistance of up to \$159.46 per fortnight provides extra financial help to people who pay rent for their accommodation and depends on the type of accommodation, the amount of rent, the number of children and an individual's living arrangements;
- *Pensioner Education Supplement:* PPS recipients transferring to NSA because their youngest child is eight will remain eligible for Pensioner Education Supplement of up to \$62.40 per fortnight while they are completing their current course. Assistance is provided over a defined period to help recipients to gain an initial qualification, up to a postgraduate level, that would make them competitive in the labour market.
- *Education Entry Payment, the Approved Program of Work Supplement and other allowances and supplements:* Supplements such as the \$208 Education Entry Payment and the \$20.80 per fortnight Approved Program of Work Supplement are available to people receiving specific income-support payments, to help with the cost of study and participation;

- *Supplementary allowance (subject to passage of legislation):* This income support bonus to commence 20 March 2013 will be paid twice-yearly to recipients of NSA, Parenting Payment and other eligible allowances at the rate of \$210 for single people (two instalments of \$105) and \$175 for a person who is a member of a couple (two instalments of \$87.50 for each eligible person);
- *Clean Energy Household Assistance Package payments:* The Household Assistance Package includes the Clean Energy Supplement, Essential Medical Equipment Payment, Low Income Supplement and Single Income Families Supplement. The Clean Energy Advance was paid before the carbon price was introduced from 1 July 2012 as a lump sum to income support recipients, families receiving Family Tax Benefit payments and Seniors Supplement recipients, based on their circumstances. The Clean Energy Supplement subsequently provides regular assistance for low and middle income households to meet the impacts of carbon pricing on living expenses;
- *Various concession cards:* PPS recipients, single principal carer parents on NSA and some other NSA recipients are entitled to the Pensioner Concession Card which provides access to Australian Government health concessions as well as concessions for various state and territory government services depending on location, such as reduced costs for property and water rates, energy and telephone bills, public transport fares, and vehicle registration. PPS recipients and NSA single principal carer parents retain their PCC for 12 weeks after losing entitlement to income support due to employment income. Recipients of PPP and NSA without a PCC have access to the Health Care Card.

The higher rate of NSA (equivalent to PPS) will also continue for single principal carers who are foster carers, as well as parents with large families and those providing homeschooling or distance education for their children. Parents who move to NSA and are caring for a child with disability will continue to have access to a range of additional support, including Carer Allowance.

The attached matrix provides a summary of the supplementary payments and services available to single parents affected by changes to grandfathered status.

As part of the implementation of the BAFW package in 2012, ‘early claim’ provisions have been extended to claimants of NSA. The early claim provisions are designed to ensure that claimants are able to receive payment from the first day that they are entitled and to avoid claimants experiencing financial hardship, or if they are in rural and remote areas and may have difficulty contacting the Department of Human Services (DHS) on the exact day on which they become eligible for NSA. The provisions facilitate transfers between payments and particularly benefit those recipients transitioning from PP to NSA because their youngest child has reached the relevant age limit.

Employment Services and Participation

The Government is committed to encouraging all people of working age, including parents, to participate in the paid labour market according to their capacity and to an overarching mutual obligation framework for the participation support system.

These participation requirements aim to ensure that parents, who do have the capacity to look for and participate in work when their children go to school, do so. The broad objective of these arrangements is that people should look for, and undertake, paid work in line with their work capacity, with the aim of increasing workforce participation for parents who should be able to take advantage of the opportunities presented by Australia’s economic conditions and reduce their welfare dependency.

Parents on PP and NSA with children aged six years and older (and, currently, grandfathered PP recipients whose youngest qualifying child is seven) can satisfy their participation requirement through 30 hours per fortnight of part-time work, study or training, or a combination of these.

Parents with participation requirements also have access to tailored assistance through Job Services Australia (JSA) and Disability Employment Services (DES) to help them find and retain employment. The level of assistance provided to sole parents is expected to continue and if they do not yet have participation requirements, parents on income support can volunteer for employment services.

Employment services providers also work with local employers, community and health organisations, registered training organisations and other services to give job seekers the right mix of training and skills development.

In addition, JSA providers have access to the Employment Pathway Fund (EPF) which is a flexible pool of funds which can be used to purchase a broad range of assistance to help job seekers address their skill and non-vocational barriers to employment. Assistance may include training courses, work related clothing and safety equipment, wage subsidies, short term travel costs, and relocation costs to commence in employment.

For job seekers with disability, DES provides specialist support and assistance to help these job seekers find and maintain meaningful employment. DES providers have a specialist role in assisting people with disability, injury or a health condition to secure and maintain sustainable employment and have the flexibility to ensure services are tailored to the individual needs of job seekers.

In addition the Employment Assistance Fund (EAF) helps job seekers with disability, employees and employers by providing financial assistance to purchase a range of work related equipment, modifications and services for people who are about to start a job or who are currently working. Work-related services and modifications available through the EAF include, but are not limited to, assistive technology, electronic and communication equipment, specialist support for employees with learning disability or mental health condition, Auslan interpreting services, deaf awareness training and other disability awareness training.

The Bill does not affect the existing provisions described below relating to exemptions from participation requirements, the circumstances in which employment may be refused or the ways in which a parent may satisfy their participation requirements.

More Flexible Participation Requirements for Parents were introduced on 1 July 2010 so that parents have access to more responsive exemptions from participation for circumstances such as family violence and a child with disability, as well as breaks from requirements over the long school holidays, in addition to the range of exemptions generally available for reasons including ill health, a major personal crisis or bereavement, or for families who are registered as homeschooling their children.

Further, parents who are required to look for part time work do not have to accept a job or remain in a job if it involves working outside school hours or during the school holidays and they cannot find suitable child care. Where formal child care is not available, informal arrangements such as care by family or friends or allowing an older child to be unsupervised for a time may be considered. However, if the parent decides that this is not appropriate, then they do not have to take or remain in the job.

In addition, parents are not required to accept a job or continue in a job which fails to make them financially better off compared to not working. In making a determination on the financial suitability of a job, DHS assesses a number of costs, including the cost of travel to

and from work and any out-of-pocket child care costs incurred in order to undertake the work.

Duration of income support

The longer an individual is out of work, the more difficult it is to gain a foothold in the labour market. Recipients currently spend on average between five and seven years in receipt of PP. This means that large numbers of working age Australians spending a significant amount of time out of the workforce.

When recipients of PP transfer to NSA they will bring with them their continuous duration on income support and this will be reflected in the NSA average duration (currently 180 weeks) increasing.

Other Amendments

The Bill also amends the Liquid Assets Waiting Period (LAWP) thresholds to allow newly unemployed Australians and new students to retain more of their savings when they commence looking for work or studying. Under the current social security law, people claiming NSA, Youth Allowance, Sickness Allowance and Austudy payment who have liquid assets above a maximum reserve amount (\$2500 if single without dependants or \$5000 otherwise) must generally serve a waiting period, called the LAWP, before being able to access income support.

The Bill will amend the *Social Security Act 1991* to double the maximum reserve threshold for liquid assets to \$5000 for singles without dependants or \$10 000 for others. This change will provide unemployed workers with modest savings access to income support up to five weeks earlier than under the current arrangements. Claimants with liquid assets above the threshold will still be required to serve a LAWP for up to 13 weeks before they start receiving income support payments.

The Bill also introduces a technical amendment to the definition of termination payment for the purposes of the Income Maintenance Period (IMP). The IMP is the period of time in a person claiming income support and who has received redundancy or leave payments have these amounts treated as ordinary income. This income is then assessed under the relevant income test to determine the person's rate of payment.

Under the new definition "termination payments" would include payments that are redundancy payments, leave payments relating to the person's termination of employment and any other payments that are connected with the termination of a person's employment. This will clarify the longstanding policy that any payments made to an employee in respect of the termination of their employment are included in determining the Income Maintenance Period.

Conclusion

The changes in this Bill form an important part of the income support reforms announced in the 2011-12 and 2012-13 Budgets. The amendments to Parenting Payment will ensure that all parents in similar circumstance will receive the same entitlement, making the social security system simpler and fairer.

The reforms will support more Australians and encourage parents with school aged children to re-engage with the workforce and provide strong working role models for their children.

Table 1: SUPPLEMENTARY PAYMENTS AND SERVICES AVAILABLE TO SINGLE PARENTS AFFECTED BY CHANGES TO GRANDFATHERED STATUS

<i>Payment or supplementary benefit (see glossary for description)</i>	<i>Rate of payment (as at 20 March 2012 unless otherwise stated)</i>	<i>Current single parent on Parenting Payment Single (PPS)</i>	<i>Grandfathered single parent transferred to Newstart Allowance (NSA) as a single principal carer</i>
Primary Income Support		up to \$648.50 per fortnight	up to \$529.80 per fortnight (up to \$648.50 if granted exemption for foster caring/home schooling/distance education/large family)
Rent Assistance	Up to \$140.98 per fortnight for a family with one or two children	Yes – eligible	Yes – eligible
Family Tax Benefit Part A (Rates as at 1 July 2012)	Up to \$169.68 per fortnight (for a child < 13 years) Up to \$220.64 per fortnight (for a child 13-15 years)	Yes – eligible	Yes – eligible
Family Tax Benefit Part B (Rates as at 1 July 2012)	Up to \$144.34 per fortnight (for a child < 5 years) Up to \$100.66 per fortnight (for a child 5-18 years)	Yes – eligible	Yes – eligible
Child Care Benefit (Rates as at 1 July 2012)	Up to \$93.60 per week for 24 hours of child care Up to \$195 per week for 50 hours of child care	Yes – eligible	Yes – eligible
Child Care Rebate	50 per cent of remaining out-of-pocket expenses after CCB and JETCCFA are paid – rate will vary depending on child care fees	Yes – eligible	Yes – eligible
JET Child Care Fee Assistance	Covers most of the 'gap' between the total child care fee and the amount covered by CCB – rate will vary depending on child care fees	Yes – eligible	Yes – eligible
Education Tax Rebate / Schoolkids Bonus	\$410 for primary school students \$820 for secondary school students	Yes – eligible	Yes – eligible
Pharmaceutical Allowance	\$6.20 per fortnight	Yes – eligible	Yes – eligible
Telephone Allowance	\$100.80 per year (or \$25.20 per quarter)	Yes – eligible	Yes – eligible
Supplementary Allowance (subject to passage of legislation)	\$210 for single people (2 instalments of \$105)	Yes – eligible	Yes – eligible
Pensioner Concession Card	N/A	Yes – eligible	Yes – eligible
Pensioner Education Supplement	\$62.40 per fortnight (full rate) \$31.20 per fortnight (part-rate for eligible part-time students)	Yes – eligible	Those on PES when transferring to NSA may retain PES to end of their course
Education Entry Payment	\$208 lump sum per year	Yes – eligible	Yes – eligible
Approved Program of Work Supplement	\$20.80 per fortnight	Yes – eligible	Yes – eligible
Language, Literacy and Numeracy Supplement	\$20.80 per fortnight	Yes – eligible	Yes – eligible

<i>Payment or supplementary benefit (see glossary for description)</i>	<i>Rate of payment (as at 20 March 2012 unless otherwise stated)</i>	<i>Current single parent on Parenting Payment Single (PPS)</i>	<i>Grandfathered single parent transferred to Newstart Allowance (NSA) as a single principal carer</i>
Training Supplement	\$41.60 per fortnight	Yes – eligible	Yes – eligible
Carer Allowance	\$114.00 per fortnight (plus \$1000 pa Child Disability Assistance payment if receiving Carer Allowance for a child under 16)	Yes – eligible	Yes – eligible
Job Services Australia	Rate not applicable. Job Services Australia provides opportunities for training, skills development, work experience and tailored assistance with increased flexibility and access to support and services that are relevant to a job seekers' individual circumstances; and a free service for employers to help them find staff to meet their business needs. Providers may access the Employment Pathway Fund to help their eligible job seekers address their vocational and non-vocational barriers to employment. Support may include tools, training courses, work experience, transport costs as well as assisting them to overcome any personal difficulties that may be hindering their ability to find and keep a job. May volunteer for assistance prior to commencement of compulsory participation requirements.	Yes – eligible	Yes – eligible
Career Advice for Parent	Service for grandfathered Parenting Payment recipients moving affected by changes to eligibility; Rate not applicable. Access to professional career advice through their Job Services Australia provider for affected parents – measure announced in 2011-12 Budget and extended in the 2012-13 Budget	Yes – eligible	Yes – eligible
Disability Employment Services	Rate not applicable. Disability Employment Services help individuals with injury, disability or a health condition to secure and maintain sustainable employment. May volunteer for assistance prior to commencement of compulsory participation requirements.	Yes – eligible	Yes – eligible
Access to Training Places for Single Parents	The 2011-12 Budget included Government funding of an \$80 million contribution to the States and Territories to provide flexible and appropriate vocationally oriented training for single and teenage parents. In addition, a \$1.75 billion National Partnership Agreement with the States and Territories has been agreed to introduce an entitlement for working age Australians to access a government-subsidised training place to obtain a qualification up to their first Certificate III, including foundation skills or lower qualifications within the Certificate III.	Dependent on individual circumstances	Yes – eligible

Note: This is a general guide only. Eligibility for certain payments may vary depending on individual circumstances. Parents who want further information on their individual entitlements should contact Centrelink at www.humanservices.gov.au, or on 13 24 68.

Glossary

Rent Assistance

Rent Assistance is a supplementary payment added on to the pension, allowance or benefit of income support recipients and low-income families in the private rental market, in recognition of the housing costs they face. For most families, Rent Assistance is paid through FTB Part A.

Family Tax Benefit Part A (FTB Part A)

FTB Part A is the primary payment designed to help with the cost of raising children. As part of the 2012-13 Budget, from 1 July 2013, FTB Part A will increase for all eligible families. For those on the maximum rate, the increase will be \$300 per year for families with one child and an increase of \$600 for families with two or more children. For families receiving the base rate, the increase will be \$100 for families with one child and \$200 for families with two or more children.

Family Tax Benefit Part B (FTB Part B)

FTB Part B provides extra help to families with one main income earner, including sole parent families, with a dependent full time student up to the age of 18 years.

Child Care Benefit (CCB)

CCB is a means tested payment from the Australian Government that helps lower income families with the cost of child care. CCB is available to eligible families using either approved child care services or registered care. Most families using approved child care receive this subsidy as a fee reduction when they pay their fees.

Child Care Rebate (CCR)

CCR is an additional payment available to all working families to help with the cost of child care. CCR provides up to 50 per cent of families out-of-pocket child care costs, up to the annual cap of \$7,500 per child per year.

Jobs, Education and Training Child Care Fee Assistance (JETCCFA)

JETCCFA is a payment which helps eligible parents on income support with the cost of approved child care while they undertake work, study or training activities. As part of the 2012 Budget, a further \$225.1 million will be invested in JETCCFA over four years. This will enable more than 130,000 parents to access the program to help these parents enhance their skills or re-enter the workforce, without the cost of child care as a barrier.

Education Tax Rebate (ETR) / Schoolkids Bonus

The ETR helps eligible families and independent students with the cost of primary and secondary education. As part of the 2012-13 Budget, a new Schoolkids Bonus will replace the ETR and will be paid directly to all eligible recipients, helping more families with more generous, timely and flexible support. From 2013, eligible families will automatically receive the Bonus, paid in two equal instalments, in January and July each year. As a transitional arrangement, families will receive the full 2011-12 ETR entitlement in a single payment in June 2012.

Pharmaceutical Allowance

Pharmaceutical Allowance is paid automatically to eligible income support recipients, including Parenting Payment Single recipients and single principal carers on Newstart Allowance.

Telephone Allowance

Telephone Allowance is a quarterly payment to assist with the costs of maintaining a telephone service. It is paid to eligible income support recipients who are telephone subscribers.

Supplementary Allowance

As part of the 2012-13 Budget, a new, non means-tested, tax-free lump sum Supplementary Allowance will be payable to recipients of eligible payments (including Parenting Payment and Newstart Allowance) from March 2013 to help families manage unanticipated financial pressures and rising costs (subject to the passage of legislation).

Pensioner Concession Card (PCC)

The PCC is issued automatically to recipients of eligible income support payments. The PCC provides concessions on discounted PBS prescription items as well as valuable core concessions, including include reductions on fares on public transport, council and municipal rates including water and sewerage, electricity bills, and motor vehicle registration charges. State, Territory and Local Governments, and some private providers may also offer additional health, household, transport, education and recreation concessions to PCC holders.

Generally people must be receiving a qualifying payment to have a PCC; however, recipients of PPS and NSA who lose entitlement to payment solely due to employment income will retain the PCC for 12 weeks after going off payment. PPS recipients who lose entitlement to PPS due to the age of their youngest child but are not eligible to move to NSA will not retain their PCC for 12 weeks.

Health Care Card (HCC)

The HCC is issued automatically to recipients of eligible allowance payments. The HCC provides concessions for PBS prescription items and certain medical services, as well as reductions on fares on public transport. Additional concessions may be available and may vary from State to State. People who are not eligible for income support may qualify for a Low-Income HCC if their income is below the relevant threshold.

Pensioner Education Supplement (PES)

PES assists certain pensioner groups with the costs of study to enable them to gain a qualification that will improve their employment prospects. Recipients must be receiving an eligible income support payment, such as Parenting Payment Single or Disability Support Pension, and be undertaking an approved course. Parenting Payment Single recipients who are receiving PES when they transfer to Newstart Allowance because their youngest child is aged 8 or older, can continue receiving PES while on Newstart Allowance until the end of their course.

Education Entry Payment

The Education Entry Payment is a lump-sum payment of \$208 payable once every 12 months or once each calendar year to recipients of PES and long-term allowance recipients who are undertaking approved study.

Approved Program of Work Supplement

Fortnightly supplement paid to recipients of eligible income support payments who are undertaking approved work experience activities, such as Work for the Dole, Green Corps and CDEP.

Language, Literacy and Numeracy Supplement

Fortnightly supplement paid to recipients of eligible income support payments who are participating in the Language, Literacy and Numeracy Program to help with the costs of attending their activity.

Training Supplement

Closed payment – A time-limited fortnightly supplement payment to assist low-skilled job seekers who fully meet their activity test or participation requirements through approved study or training. The Training Supplement ceased to be available for new claimants commencing an approved course on or after 1 July 2011, but continues until the end of their course for recipients who commenced payment prior to 1 July 2011.

Carer Allowance

Fortnightly supplement paid to someone who provides daily care and attention at home to a person or dependent child with disability or medical condition.