SENATE STANDING COMMITTEE ON
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

QUESTIONS ON NOTICE
BUDGET ESTIMATES 2009-10

Outcome 4

DEEWR Question No. EW0361_10

Senator Nash asked on 4 June 2009, EEWR Hansard page 42.

Question

Taper rate for the parental income test

Senator Nash—Would you mind taking on notice for me those actual taper rates. I appreciate that you have assisted in trying to give the examples, but if we could have the detailed taper rates provided to the committee, that would be very useful.

Answer

The reforms to student income support introduce a family taper of 20 per cent for young people on Youth Allowance, using a similar methodology to that currently applying to Family Tax Benefit – Part A. This will replace the current 25 per cent per Youth Allowance (YA) child taper rate.

This means that for each additional dollar of income earned over the parental income test threshold, 20 cents is withdrawn from the combined value of the Youth Allowance payments made to all YA recipients in the family. Under the current system, for every dollar of income over the threshold, 25 cents is withdrawn from the Youth Allowance payments of each YA recipient in the family.