

### INCOME SUPPORT PAYMENTS

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A overview of Income Support Payments follows.

**Disability Support Pension** - To be eligible for Disability Support Pension, a person must have a permanent physical, intellectual or psychiatric impairment of at least 20 points under the impairment tables. An impairment is defined as permanent if it is fully diagnosed, treated and stabilised and likely to last for at least two years without significant functional improvement. The person must also be unable to do any work for at least 30 hours a week at award wages, or be reskilled for any work, for at least the next two years because of that impairment; or be permanently blind.

Disability Support Pension customers also receive the Pensioner Concession Card (PCC) which entitles them to concessions on prescription drugs through the Pharmaceutical Benefits Scheme. People who move into work and lose entitlement to DSP can keep the PCC for 12 months.

Changes to Disability Support Pension announced in the 2005-06 Budget Welfare to Work package, to take effect from 1 July 2006, mean that people claiming DSP will not be eligible for the payment if they can work 15 hours or more a week at award wages without ongoing support. These people will be assessed for Newstart or Youth Allowance instead.

**Sickness Allowance** - Sickness Allowance is available to people who are temporarily unable to undertake their usual work or study due to illness or injury, and have a job or study to return to when they are fit.

**Newstart Allowance** - Newstart Allowance provides income support to unemployed people between the ages of 21 and the pension age who are seeking paid work or undertaking other activities to improve their employment prospects. Newstart Allowance is income and asset tested.

From 1 July 2006, Newstart will be payable to people with disabilities assessed as able to work 15 hours or more per week at award wages without ongoing support. Newstart recipients with disabilities able to work 15-29 hours will receive the PCC, with access to pharmaceutical and other concessions available to card holders. People who move into work will be able to keep the PCC for 12 months if they lose entitlement to Newstart because of their employment.

**Youth Allowance** - Youth Allowance provides income support for eligible people in the 16-24 age bracket. Included are full-time students up to and including the age of 24 years and other young people up to the age of 21 years. Clients are required to engage in one or a combination of activities, namely education, training, job search or other activities that will enhance their capacity for economic self reliance.

The changes outlined above for Newstart Allowance from 1 July 2006 will also apply to Youth Allowance. In addition Youth Allowance claimants with disabilities able to work 15-29 hours per week at award wages will not be subject to the parental means test that

applies for other Youth Allowance claimants. They will also be eligible for the Youth Disability Supplement (currently \$92.40 per fortnight), with the condition that combined income from Youth Allowance and Youth Disability Supplement cannot exceed the Newstart Allowance rate.

**Mobility Allowance** - People with disabilities are also assisted through the Mobility Allowance program. The program provides help with transport costs for people with disabilities who are undertaking an approved activity such as paid or voluntary work, vocational training or are looking for work and are unable to use public transport without substantial assistance.

From 1 July 2006, there will be a new, higher rate of Mobility Allowance (\$100 per fortnight) for Newstart and Youth Allowance recipients who are participating or required to participate for 15-29 hours in the open labour market. The higher rate will also be available to DSP recipients who are working 15 hours or more in the open labour market or looking for such work with assistance from an employment services provider.

People working fewer hours and/or doing voluntary work or training for 32 hours over a four week period will still be eligible for the current rate of Mobility Allowance (currently \$69.70 a fortnight), if they are unable to use public transport without assistance.

Mobility Allowance will remain free of income and assets tests.

**Parenting Payment** - There are two categories of Parenting Payment:

- Parenting Payment (Single) or PPS is for single parents and is paid under pension rates and conditions; and
- Parenting Payment (Partnered) or PPP is for partnered parents and is paid under allowance rates and conditions.

Under the Welfare to Work changes, new claimant parents from 1 July 2006, with youngest child under 6 years, will continue to be eligible for Parenting Payment under existing criteria until their youngest child turns 6. Those with a youngest child aged 6 to 15 will be eligible for Newstart Allowance. Activity requirements for Newstart Allowance will be flexible to accommodate parenting responsibilities.