



A short genealogy of income support payments

This FaCS Sheet provides a summary of the major changes to income support payments.

Origins : 1908 to 1964

The first Commonwealth civil pensions were old-age pensions, paid from 1 July 1909 under the *Invalid and Old-Age Pension Act 1908*. They were followed by payments of Invalid Pension from 15 December 1910. Both were administered by the Commissioner for Pensions within the Department of the Treasury.

- Maternity Allowance was introduced on 10 October 1912, abolished on 1 November 1978 and re-introduced on 1 February 1996, albeit in a different form.
- Service Pensions (as distinct from civil pensions), administered by the Repatriation Commission, were introduced for returned servicemen on 6 December 1935. Many were already eligible for War Pensions (introduced 21 December 1914).

The Department for Social Services was formed in April 1941 and assumed responsibility for civil pensions and Maternity Allowance from the Treasury.

- Shortly after, the Commonwealth commenced paying child endowment (from 29 July 1941 under the *Child Endowment Act 1941*), the precursor of the current family payments.
- Widows' Pensions were paid from 27 July 1942 (under the *Widows' Pensions Act 1942*). They comprised classes A (women with dependent children), B (widows 50 years of age or more without dependent children) and C (younger widows without dependent children, for a maximum of 26 weeks) and, from 8 July 1947 until 1 March 1961, class D (for women 50 or more years of age with dependent children where the husband was imprisoned).
- From 8 July 1943, an extra pension was payable to certain pensioners with a dependent spouse or child/children (the precursor of Wife Pension and Carer Payment and of additional Family Allowance respectively).
- From 1 July 1945, the Commonwealth paid Unemployment, Sickness and Special Benefits, (including additional amounts for a dependent spouse or children, the precursors of Partner Allowance and Parenting Payment (partnered), under the *Unemployment and Sickness Benefits Act 1944*.

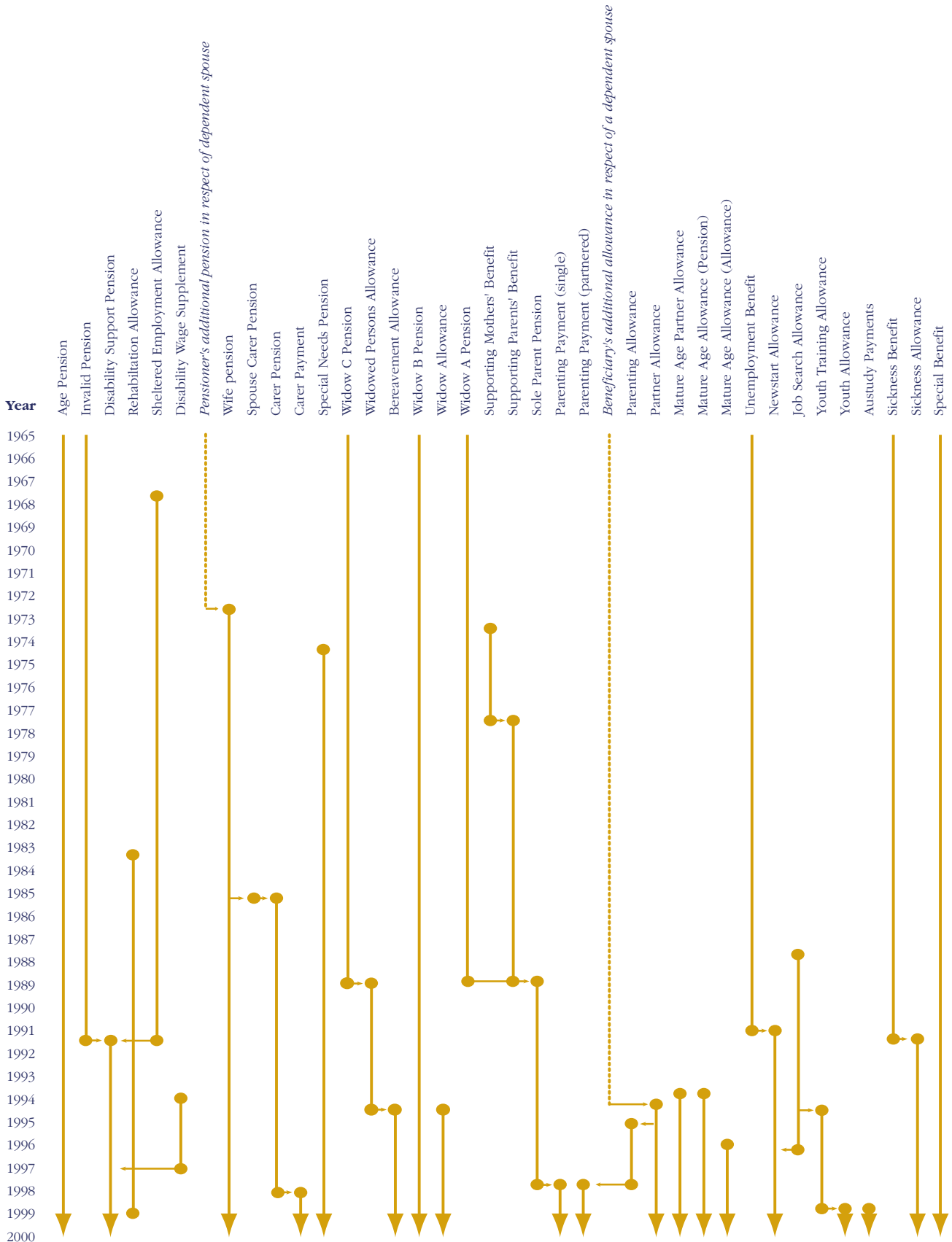
From this last date, the current structure of income support payments was largely in place. In 1947, all legislation for civil pensions, benefits and associated payments were consolidated into the *Social Services Act 1947*, at which time Old-Age Pension was renamed Age Pension.

- The final major addition to income support payments was the payment of Commonwealth Scholarships for tertiary education (from January 1951), which became the Tertiary Education Assistance Scheme in 1973 and AUSTUDY in 1986.

1965 to the present

This chart below shows the development of the various categories of payments now administered by the Department of Family and Community Services (FaCS). As can be seen at a glance, Age Pension and Special Benefit are the only payments that have been neither renamed nor abolished over the period. Also, eligibility for and the scope of payments has changed to a degree, mainly to increase coverage.

FaCS income support payments 1965 to 2000



Source: Constructed from FaCS Annual Reports and its predecessors.

Other major changes, classed according to the type of payment, are listed below.

Disability and sickness payments

- Sheltered Employment Allowance was introduced on 30 June 1967 and was subsequently subsumed (along with Invalid Pension) into Disability Support Pension from 12 November 1991. Also, Disability Wage Supplement was introduced on 1 July 1994 and subsumed into Disability Support Pension from 1 January 1998. Both assisted people with disabilities with special employment in what were known as sheltered workshops.
- Rehabilitation Allowance was introduced on 1 March 1983 and was closed to new grants from 12 November 1991. At 30 June 1999, there were no recipients.
- From 1 July 1991, Sickness Benefit became Sickness Allowance under more stringent eligibility criteria. From 20 March 1996, incapacitated recipients of unemployment payments were no longer transferred to Sickness Allowance and, consequently, numbers dropped considerably.

Payments to partners, parents and widows

- Wife Pension was introduced on 5 October 1972, replacing the pensioner's allowance for a dependent spouse. It was closed to new entrants from 1 July 1995.
- Spouse Carer Pension was introduced on 1 December 1983, payable to the husband of a severely handicapped Age or Invalid Pensioner. With broadened eligibility, it became Carer Pension from 1 November 1985 and then Carer Payment from 1 July 1997.
- From 1 January 1968, the Commonwealth (under the *States Grants (Deserted Wives) Act 1968*) agreed to share with States the cost of helping mothers of families without a breadwinner (such as deserted wives or the wives of prisoners) where they were ineligible for a Widow Pension. The Act was repealed from 30 June 1982, at which time the six-month qualifying period for Supporting Parents' Benefit (see below) was removed.
- Supporting Mother's Benefit was introduced on 3 July 1973, payable to unmarried mothers (unlike Widow Pension Class A). It was subsumed into Supporting Parents' Benefit (also payable to lone fathers) from 10 November 1977 which, along with Widow Pension Class A, was subsumed into Sole Parent Pension from 1 March 1989 and then Parenting Payment (single) from 20 March 1998.
- Widow Pension Class C became Widowed Person's Allowance from 1 March 1989 and was extended to men, though the duration of payment was reduced from 26 to 12 weeks. The payment was renamed Bereavement Allowance from 1 January 1995.
- Widow B Pension was effectively closed from 1 July 1987 and Widow Allowance introduced from 1 January 1995.
- Partner Allowance was introduced on 20 September 1994, replacing the additional benefit paid to allowees in respect of dependent spouses. From 1 July 1995, the payment was restricted to people born before 1 July 1955 without dependent children and with little recent labour force experience. Most partner allowees with dependent children qualified for Parenting Allowance (renamed Parenting Payment (partnered) from 20 March 1998) and the remainder were required to test their eligibility for other payments.

Payments to the unemployed and to students

- From 1 July 1976, provision was made to pay Aboriginal communities sums equivalent to their combined entitlement to income support (primarily unemployment payments) to be administered under the Community Development Employment Projects (CDEP) program.
- Job Search Allowance was introduced as a sub-category of Unemployment Benefit from 1 January 1988 for recipients under 21 years of age.
- From 1 July 1991, Unemployment Benefit was abolished. Instead, Job Search Allowance was paid for the first 12 months of receipt (and to all recipients under the age of 18, regardless of their length of receipt) and Newstart Allowance thereafter. Youth Training Allowance was introduced from 1 January 1995 for the unemployed under 18 years of age. Job Search Allowance was subsumed into Newstart Allowance from 20 September 1996.
- From 1 July 1998, Youth Allowance subsumed Youth Training Allowance along with most Newstart and Sickness Allowance recipients under 21 years of age and all AUSTUDY recipients under 25 years of age. Youth Allowance is paid under two sets of conditions: one for full-time students and the other to the remainder, most of whom are unemployed. Also at 1 July 1998, AUSTUDY was abolished and students 25 years of age or older received Austudy Payment under the *Social Security Act 1991*.

- Mature Age Allowance (payable to men over 60 years of age who were unemployed and had received income support for 12 months or more and were eligible for Newstart) was introduced on 20 March 1994, along with Mature Age Partner Allowance for their partners. Paid at the same rates and under the same income and assets tests as the Age Pension. Entrance to Mature Age Partner Allowance was closed from 30 June 1995 (when Wife Pension was closed) and to the pension version of Mature Age Allowance from 30 June 1996.
- From 1 July 1996, Mature Age Allowance was paid under the allowance income and assets tests to people who had been on Newstart for nine months or any other payment (except Special Benefit of Austudy Payment) for any period, providing they had no recent workforce experience. Recipients are exempt from the Newstart activity test.

This is an abridged summary. For fuller accounts, see:

Kewley, T. H., 1974, *Social Security in Australia 1900–72*, Sydney University Press, Sydney.

Kewley, T. H., 1980, *Australian Social Security Today: Major Developments from 1900 to 1978*, Sydney University Press, Sydney.

Bland, F. A., 1976, 'Unemployment Relief in Australia', in J. Roe (ed), *Social Policy in Australia: Some Perspectives, 1901-1975*, Cassell, Stanmore, NSW.

Department of Social Security 1983, *Developments in Social Security: A Compendium of Legislative Changes Since 1908*, Research Paper No.20, Department of Social Security, June.

Roberts, P. and Herscovitch, A., 1980, 'History of Australian Social Security', in *Social Security* December 1980, AGPS, Canberra.

Reports to Parliament under the *Invalid and Old-Age Pensions Act 1908* (from 1910 to 1941).

Annual Reports of the Departments of Social Services, Social Security and Family and Community Services, 1942 to 1999 and in particular the historical article in the 1990–91 Annual Report, pp.197–239.

Payments current as at 30 June 1999

The *Social Security Act 1999* identifies two main categories of income support payments current as at 30 June 1999:

1. Benefits (referred to as allowances):	2. Pensions:
ABSTUDY Austudy Payments CDEP Payments Mature Age Allowance (granted after 30 June 1996) Newstart Allowance Parenting Payment (partnered) – excludes those receiving solely the basic rate Partner Allowance Sickness Allowance Widow Allowance Youth Allowance Special Benefit	Age Pension Bereavement Allowance Carer Payment Disability Support Pension Mature Age Allowance (granted before 1 July 1996) Mature Age Partner Allowance Parenting Payment (single) Special Needs Pensions Wife Pension Widow B Pension Service Pensions paid under the <i>Veterans' Entitlements Act 1986</i> , comprising: <ul style="list-style-type: none"> - an age service pension - an invalidity service pension - a partner service pension - a carer service pension - an income support supplement paid to certain war widows.
A person can only receive one of these payments at a time and the maximum rate of payment is significantly higher than the rate of payment of supplementary assistance. Pensions are distinguished from allowances (benefits) by a higher maximum rate of payment and more generous means testing.	

This FaCS Sheet was prepared by Kim Bond, Susan Devereux and Jie Wang

Content inquiries should be directed to:

Ken Oliver by email at Ken.Oliver@facs.gov.au or by fax at (02) 6244 7020

Editorial inquiries should be directed to:

Senga Morgan by email at Research.Sheet@facs.gov.au or by fax at (02) 6244 7020

Research Strategies Section, Strategic Policy and Analysis Branch

Department of Family and Community Services

Box 7788

Canberra Mail Centre ACT 2610