



2014 Budget

Families

The Australian Government supports Australian families and individuals to help them participate economically and socially and to manage life transitions. The family payments system needs to be flexible, targeted and sustainable, and family-focused policies are designed to encourage workforce participation wherever possible.

What was announced in the 2014 Budget?

The Budget is part of the Australian Government's Economic Action Strategy to build a strong, prosperous economy and a safe, secure Australia.

Family Tax Benefit Part A

From 1 July 2014, the rates of Family Tax Benefit Part A will be maintained at their current levels for two years, and the lower income-free area and the maintenance income-free area thresholds will be maintained at their current levels for three years.

From 1 July 2015:

- single parents who receive the maximum rate of FTB Part A and do not receive FTB Part B will be able to access a new \$750 supplement every year for each child aged six to 12 years

- the end-of-year supplement will return to \$600 and stay the same every year
- there will no longer be a per-child add-on amount used to calculate a family's higher income-free area
- families with four or more children will continue to be eligible for the Large Family Supplement, but not for the third child. Families with three children will no longer be eligible.

Family Tax Benefit Part B

From 1 July 2014, the rate of Family Tax Benefit Part B will be maintained at the current level for two years and the secondary earner income-free area will be maintained at the current levels for three years.

From 1 July 2015, families whose youngest child is aged six or over will no longer be entitled to FTB Part B. However, existing arrangements will continue until 30 June 2017 for families with a youngest child aged six years and over and already receiving FTB Part B.

Other changes from 1 July 2015 include:

- single parents who receive the maximum rate of FTB Part A and do not receive FTB Part B

will be able to access a new \$750 supplement every year for each child aged six to 12 years

- families with primary earner income of more than \$100,000 will no longer be eligible to receive FTB Part B
- the end-of-year supplement will return to \$300 and stay the same every year.

Helping parents balance work and family commitments

A more comprehensive Paid Parental Leave scheme will start from 1 July 2015, subject to the passage of legislation. The new scheme will provide working parents with greater choice to take time out of the workforce to establish their family and give their child the best start in life, while reducing the financial pressures that come with having children.

Supporting vulnerable families

Income management will be continued in existing sites and expanded to the Ceduna region in 2014–15 to provide support for vulnerable people and families in disadvantaged regions. The programme helps ensure payments are spent in the best interests of children and families, on life's essentials such as food and clothing.

As part of the Prime Minister's Drought Assistance Package, enhanced social and community support services will be extended to particularly focus on farmers, farm families and rural communities in identified drought-affected areas of Queensland and New South Wales. This includes support for families dealing with mental illness and family relationship issues, referrals for people needing services and building community resilience. Services will also enhance community understanding of mental health issues, assist with finding help and reduce the stigma associated with mental health issues.

Key facts

- Changes to family payments will save the Budget around \$8.3 billion over five years.
- From 1 July 2014, the rates of FTB Part A and FTB Part B will be maintained at their current levels for two years.
- From 1 July 2014, the lower income-free area and the maintenance income-free area thresholds for FTB Part A, and the secondary earner income free area for FTB Part B, will be maintained at their current levels for three years.
- From 1 July 2015, the FTB Part A and FTB Part B end-of-year supplements will be returned to \$600 and \$300, and remain at that level.
- From 1 July 2015, families whose youngest child is aged six or over will no longer be entitled to FTB Part B. However, existing arrangements will continue until 30 June 2017 for families with a youngest child aged six years and over and already receiving FTB Part B.
- From 1 July 2015, single parents who receive the maximum rate of FTB Part A but do not receive FTB Part B will have access to a new \$750 supplement for each child aged six to 12 years.
- From 1 July 2015, a per-child add-on amount will no longer be used to calculate a family's higher income-free area for FTB Part A. The higher income-free area of \$94,316 will remain, without the add-on amount of \$3,796 for the second FTB child and subsequent FTB children.
- From 1 July 2015, the primary earner income limit will be \$100,000 for FTB Part B instead of \$150,000.

- From 1 July 2015, the Large Family Supplement will be limited to families with four or more children.
- Income management will be continued in existing sites and expanded to the Ceduna region.
- The Drought Assistance Package will boost social and community support services for drought affected communities in identified drought-affected areas of Queensland and New South Wales.
- The new Paid Parental Leave scheme will give eligible working parents of children born or adopted on or after 1 July 2015 access to 26 weeks of Parental Leave Pay at a rate based on their wage (capped at \$100,000 per annum) or the national minimum wage, whichever is greater. It will also provide superannuation contributions so parents can continue to build their savings for retirement.
- While there will no longer be carbon pricing, the Energy Supplement will continue to be paid to pensioners, income support recipients, family assistance recipients and veterans.

More information

For more information about this measure and other Department of Social Services' Budget measures, go to www.dss.gov.au

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